



**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE GRADUATE STUDIES
PROGRAM
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

**AN ASSESSEMENT STUDY ON SUCESSION PLANNING PRACTICES AND
CHALLENGES ON THE CASE OF BANK OF ABYSSINIA**

Prepared By- Endashaw Tesfaye

**A Thesis submitted to Addis Ababa University, School of Graduate Studies In Partial Fulfilment
of the Requirement For the Degree of Master of Human Resource Manegement**

Advisor- Zegeye Muluye (Ph.D.)

**JUNE, 2022
ADDIS ABABA: ETHIOPIA**

Declaration

I, Endashaw Tesfaye Gadena, hereby declare that this thesis has been conducted by way of me below the Supervision of Zegeye Muluye (Ph.D.). This thesis has never in its present form, or in some other shape, been provided to some other inspecting frame for the award of any diploma. Wherein the perspectives and thoughts of others have been used, they were duly stated. I therefore take obligation for any inaccuracies and shortcomings, which can be detected in this thesis.

Endashaw Tesfaye Gadena
(GSE/7585/10)

Signature: _____ Date: _____

This research project is submitted with my approval as university supervisor.

Zegeye Muluye (Ph.D.)
Advisor

Signature: _____ Date: _____

Certification

I hereby certify that everyone the correction and recommendation suggested with the aid of the committee of examiners are integrated into the final essay entitled “an assessment study on succession making plans practices and demanding situations at bank of Abyssinia”.

Department Head

signature

date

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE GRADUATE PROGRAM

**AN ASSESSEMENT STUDY ON SUCESSION PLANNING PRACTICES AND
CHALLENGES AT BANK OF ABYSSINIA**

By: - Endashaw Tesfaye

Approved by:-

_____	_____	_____
Advisor	Signature	Date
_____	_____	_____ June 2022

_____	_____	_____
Examiner	Signature	Date
_____	_____	_____ June 2022

_____	_____	_____
Examiner	Signature	Date
_____	_____	_____ June 2022

ACKNOWLEDGMENT

First and for most all reward be to “Almighty God” the maximum gracious and the maximum merciful lord, and St. Tsion Marry for helping me in all aspects of my existence.

This research paper could not have feasible without the guidance and the help of numerous individuals who in a single manner or another contributed and prolonged their treasured assistance within the guidance and final touch of this look at. Initially, I would really like to express my honest gratitude to my consultant Zegeye Muluye (Ph.D) .for the non-stop support of my studies, for his persistence, motivation, enthusiasm, and colossal information. His steering helped me in all the time of writing of this research paper.

on the closing, however no longer at the least I indebted to all respondent who participated within the look at and all Human useful resource management branch Staffs of BOA for his or her treasured contribution in imparting me vital statistics and inspired.

Thanks!

ABSTRACT

This research is tried to investigate and present the succession planning challenges on the Bank of Abyssinia, through the method of different data analysis, mainly by the questioning of the customer and the staff of this bank. Besides, as a main objectives, the research observed, investigated and examined the main problem of succession planning practice inside the case of Abyssinia bank. Afterwards the reaserch tried to indicate some sort of professional solutions and recommendation. Succession-making plans is a key in the current state of affairs of tight expertise markets and competitive instances. Strengthening talent has a right-away effect on bottom-line results and contributes to organizational boom. Subsequently, development at the talent level is ought to for basic organizational improvement. Succession planning is a topic that is not extensively mentioned in lots of agencies due to its sensitivity.

The methodology used by the researcher to collect the data are, primary and secondary information statistic survey. Since I verify, the general overall performance of the bank by the use of descriptive research design. The statistics were interpreted via the use of quantitative and qualitative techniques. That is due to the fact I interpret the locating in a mathematical and descriptive manner so that's why I choose to use both methods. The look at is totally based on number one facts amassed, as remarks on parameters associated with succession planning practices in the Abyssinia bank organizational studying and improvement activities is basically assumed to have an influence on the succession planning pastime of the bank. Whereas the competency stage of the financial institution has the least effect on such interest.

Better banking performance and better human resource management are inseparable. But having such a kind performance require, well succession planning. Finally, I recommended the bank to integrate succession planning system for human resource management and it should have the top priority among the tasks bank management has. Since, the bank needs to identify competency gaps, courses the education or skills control programs, and so on. After all, from taproot of the research, I concluded that, human resource management system, serves as a central repository of full employee data which includes information on education, experience, professional training, and other skills where the bank access such data in planning training, and facilitating succession planning.

Key words: (HRM) human resource management, (SP) succession plans (BoA), bank of Abyssinia. (BBM) Branch Business Manager, (BOM) Branch operation manager, (ERB) Executive Resource Board (HRD) Human Resource Department

LIST OF ACRONYMS

BBM:	Branch Business Manager
BOA:	Bank of Abyssinia
BM:	Business Manager
BOM:	Branch operation manager
CEO:	Chief Executive Officer
DM:	District Manager
ERB:	Executive Resource Board
HR:	Human Resource
HRD:	Human Resource Department
HRM:	Human Resource Management
SD:	Standard Deviation
SEMs:	Small and Medium-sized Enterprises.
SP:	Succession Planning
SPP:	Succession Planning Practice

TABELE OF CONTENT

ACKNOWLEDGMENT.....	IV
ABSTRACT.....	V
LIST OF ACRONYMS	VI
List of figures.....	X
CHAPTER ONE:	1
INTRODUCTION	1
1.1 Historical Background	1
1.2 Statement of the Problem.....	3
1.3 Reasearch Question.....	5
1.4 Objectives of the Study	5
1.4.1 General Objectives	5
1.4.2 Specific Objectives	5
1.5 Significance of the Study	5
1.6 Scope of the Study	6
1.7 Limitation of the study	6
1.8 Organization of the study.....	6
CHAPTER TWO	8
LITREATURE REVIEW	8
2.1 Theoretical Foundation of Succession Planning	8
2.1.1. Human Resource Management	8
2.2 Theoretical Foundation of Succession Planning	9
2.2.1 Challenges to Succession Planning	11
2.3. Objectives of Succession Planning	11
2.3.1. Types of Succession Planning	12
2.3.2. Elements of Succession Planning.....	12
2.3.3. Benefits of Succession Planning.....	14
2.3.4. Succession Planning Process.....	17
2.4 Key Concepts for Succession Planning.....	21
2.4.1. Succession Planning and Replacement Planning.....	21
2.4.2. Succession Planning and Succession Management.....	22
2.4.3. Succession Planning and Talent Management	22
2.4.4. Succession Planning and Performance.....	22
2.4.5. Succession Planning and Recruitment.....	23
2.5. Models in practice to study succession planning and management.....	23
2.5.3. Replacement Planning	25
2.6 Implementation Strategies	26

2.6.1. Background work and preparation	26
2.6.2 The identification of key areas and positions is the focus of succession planning efforts.....	27
2.6.3. Identify interested employees and assess them against knowledge, skills and abilities requirements	27
2.6.4. Develop and implement succession and knowledge transfer plans	27
2.6.5 Use the succession planning as part of an integrated human resources plan	27
2.7. Evaluate effectiveness	28
2.8 Empirical Review	28
2.9 Theoretical Framework.....	30
CHAPTER THREE	33
RESEARCH DESIGN AND METHODOLOGY	33
3.1 Description of the Study Area /organizational profile	33
3.2 Research design and Approaches	34
3.3 Data Types and Source	34
3.4 Population, Sample and sampling Techniques	35
3.4.1 Study Population.....	35
3.4.2 Sampling Techniques	35
3.5 Data Collection Method	35
3.6 Methods of Data Analysis	36
3.7 Ethical Consideration	36
CHAPTER FOUR.....	37
RESULTS AND DISCUSSIONS	37
4.1 Demographic Characteristics of Respondents	37
4.2 Results and Discussion	39
4.2.1 Practices of Succession Planning	39
4.2.2 Summary of Findings on the Challenges Succession Planning	40
4.1.1 Challenges of Succession planning	41
4.1.1 Positive Factors of succession planning.....	42
4.1.1 Strategies of Succession Planning.....	43
CHAPTER FIVE	44
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	44
5.1 Introduction	44
5.2 Research Findings	44
5.3 Conclusions	44
5.4 Recommendations	45
5.5. Areas for further study	46

REFERENCES	47
Appendix: Questionnaire	I

LISTS OF TABLES

Table 1. Demographic Characteristics of Respondents	39
Table 2. Practices of Succession Planning	40
Table 3. Challenges of Succession planning.....	41
Table 4. Positive Factors for succession planning	42
Table 5. Strategies of Succession Planning	43

List of figures

Fig 2.1. Succession planning process-----21

CHAPTER ONE

INTRODUCTION

1.1 Historical Background

Human resource management ‘A strategic and coherent approach to the management of an organization’s most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives.’ (Armstrong, 2006)

Human resource is a crucial asset for organizational success in these volatile commercial enterprise surroundings. but, the survival of an corporation have a tendency to be in question if the continuity of leaders succession interrupted because of planned or unplanned lack of knowledge that is crucial to the fulfillment of the enterprise.

Human resource making plans aims to make sure that a business enterprise has the quantity of human beings with the right talents needed to meet the preferred necessities. Numerous activities involve HR making plans and that they encompass scenario planning call for and forecast making plans in addition to action making plans. Motion planning involves preparation of plans to deal with forecast deficits through inner advertising, training and external recruitment as well as growing retention and versatility techniques (Armstrong, 2009).

As a part of HR movement planning, Rothwell (2005) contends that succession making plans and worker retention is involved with staffing and each factor has an instantaneous effect on lowering body of workers turnover. The essential aim of succession making plans in step with Armstrong (2003) is to make sure that appropriate managers are available to fill vacancies created through promoting, retirement, loss of life and leaving and it ensures that a cadre of managers is to be had to fill the new appointments that can be hooked up inside the future.

John (2007) asserts it frequently takes years of grooming to develop effective senior managers indicating that a succession plan exists mainly for the motive of assured continuity in leadership. Additionally, succession making plans allows groups to devise for any disasters brought about with the aid of abrupt losses of employees in particular due to demise and early retirements. Charan et.al (2001), proclaim that succession planning increases the supply of skilled and successful employees that are organized to expect these roles as they come to be to be had. More in particular, Succession planning is the continuing system of figuring out successors to the crucial roles of an organization and developing them, so they're equipped to

move into the ones leadership roles. It manner having the right humans inside the proper place at the right time.

Inside the other facet, agencies didn't officially accommodate Succession making plans in management for various barriers. Obstacles inclusive of bureaucratic hiring procedures, lack of sources for skills management, outside regulation and improved opposition of skills, and negative organizational lifestyle can be mentioned on this regard (Mateso, 2010).

The first bank in the Ethiopian history is traced back in the year 1906 when the Bank of Abyssinia was inaugurated by Emperor Menilik II and it was a private bank. In the year 1931, Emperor Haile Selassie introduced a reform into the banking industry and the bank became fully owned by the government and the name was also changed. On February 1996, The Present day Bank of Abyssinia was established (90 years to the day after the first but defunct private bank was established in 1906(during Emperor Menelik 2nd)in accordance with 1960 Ethiopian Commercial code and the licensing & Supervision of Banking Business Proclamation no. 84/1994. BOA started its operation with an authorized and paid up capital of birr 50 million, and birr 17.8 million respectively, and with only 131 shareholders and 32 staff.

The Bank is organized under the board of Directors who is the supreme power responsible to manage its overall activities. Under the board the Chief Executive Officer and its Seven Chief Operational and three Vice-President run the day to day activities of the bank all responsible for different Departments.

Bank of Abyssinia (BOA) has been in business for the last 25 years. The last many years have demonstrated its sustainable growth in terms of all aspects including its human resource. The total number of staff as of June 2021 has reached to 8146. The growth in its human resource is not only in number, but also the quality and diversity has also been growing and reaches to a position where by the bank is becoming the number one bank in attracting the best talent from the industry as well as the overall market.

The Bank pays due attention to one of its major assets, human capital, as being an important determinant in organization effectiveness. As laid out in its mission statement, the bank recognizes that deploying competent and motivated human capital is key to deliver on its aspiration of “maximizing value to all stakeholders”. In this connection BOA has implemented a coherent HR strategy that would enable the bank to attract talent, develop and retain employees for an enhanced productivity and overall business efficiency. This is particularly important where the banking industry expects new entrants to join the market in large numbers who would compete for the limited talent available in key positions. The bank’s implementation of integrated human resource programs is playing a pivotal role in this regard,

in areas of performance management system, talent management, talent development, succession planning and career management.

Bank of Abyssinia initiated succession planning practices since 2019 basing on the 8 below-mentioned SPM frameworks for its succession planning and management.

The first step is to identify strategic Linkages Consider internal (i.e. Projected growth, support of BSC, turnover, retirement eligibility) and external forces & alignment with organizational strategy. SPM Framework: The second step is to design program and components in order to identify target groups, roles and responsibilities; develop policies and procedure, determining recordkeeping and communication. Then the third step is to conduct position needs assessment in order to identify leadership competencies skills and abilities, conduct/review gap analysis, and create leadership profiles. The fourth step of SPM framework is to determine the talent pool and development. Needs Assess and organize employees using performance, 360 feedback, and talent assessments. SPM Framework: Step 5 Utilize a tool to determine how quickly positions will be vacant and soon participants will be ready to fill vacancies. SPM Framework: Step 6 Identify and create Talent Development Goals. Goal is to enhance knowledge, skills, attitude and abilities. Include job rotations, stretch assignments, coaching, mentoring and classes. Example Individualized Development Plan: Job Assignment (70%) Bosses, Coaches, Mentors (20%) Courses (10) SPM Framework: Step 7 Execute SPM Framework: Step 8 Monitor and Adjust Conduct a formal program evaluation annually to ensure components meet organizational needs.

In addition to the above Succession Planning framework BOA will uses the following steps for its successor identification, selection and development. Step 1 Identify crucial Succession roles. The bank identify the following roles as critical succession roles CEO; Chief; Vice-President; Director; District Manager, Branch Manager; Team Leader; Expert, Step 2 Select Phase 1 Succession role Vice President, Step 3 Develop Succession Pool eligibility Criteria, Step 4 Screen Talent Pool, Step 5 Select Potential Succession Candidates, Step 6 Conduct 360 Degree leadership Assessment and provide feedback, Step 7 Develop & Discuss Personal Development plan, Step 8 implementing the plan.

1.2 Statement of the Problem

Different Organizations are faced with challenges of employing good employees in order to gain a competitive edge over their competitors in the same industry. It should be noted that the worst of any organization is to put wrong people in the right positions at the right time (Rothwell, 1995). An important issue for the corporation, its shareholders and employees is the

question of succession - who will successfully takeover the operational activity of the company in the future. Although the notion of succession planning is well established in human resource management it does not seem to be established as a key human resource activity (Rothwell, 1995).

Obviously, succession planning is essential to the future survival of organizations. In addition, numerous surveys have highlighted the importance of succession planning and management. In most cases organizations continue to select the leaders through crisis management. While several studies have attempted to reveal the value of succession planning and management using various sources of data little research has been devoted to studying the nature and implementation strategies of succession planning. For example, (Friedman, 1984) investigated succession planning in relation to its financial performance. Zajac(1990) studied the effects of succession planning on a firm's financial performance while (Huang, 2001) analyzed the effect of succession planning on human resource outcomes.

Bank of Abyssinia is one of the leading private Banks operating in Ethiopia. The bank provides various types of technical and development training for all pools based on their gap assessment. Even though various trainings are provided for the staff, many staffs don't believe that it is enough to ensure the practice of succession planning in the organization. Hence, there is an indication that the succession planning practice at BOA has not been successfully implemented with various potential challenges and gaps in the process.

Therefore, the study aims to fill the above-mentioned gap by investigating the effectiveness of succession planning practices and its challenge in BOA in order to identify and recommend a more appropriate and effective way of implementing the plan. In order to assess the succession Planning practices and its challenges in BOA and the following areas are assessed: the extent of succession planning strategy in terms of: focus on the employee, like knowledge on the concept of succession planning and how it works in their organization, practice succession planning in the bank, importance of the Succession planning in their working environment and strategies used by the bank in carrying out human resources succession planning, Challenges facing in the implementation of Succession planning, The main finding of the study is that the succession planning practice of the bank is not centred on the employees of the bank. But the bank of Abyssinia, as a bank, needs its own succession planning practice in a participatory and transformative manner, Positive factors influencing Succession planning and Strategies for enhancing the application Succession Management.

1.3 Reasearch Question

- ✓ What are the existing succession planning practices adopted by Bank of Abyssinia?
- ✓ What are the existing succession planning practices adopted by bank of Abyssinia?
- ✓ What are the challenges that the human resources in the BOA facing in the succession planning?
- ✓ What are the factors influencing human resources succession planning in Bank of Abyssinia

1.4 Objectives of the Study

1.4.1 General Objectives

The primary aim of this study is to assess the succession planning practices of BOA and investigate the challenges it is facing in the process.

1.4.2 Specific Objectives

- To evaluate the inner barriers which have an effect on the implementation of succession planning exercise in BOA.
- To assess the extent to which human resources succession planning activities are carried out as per the principles indicated in relevant theories.
- To find out how well the existing succession planning practices are communicating to employees.
- To determine the challenges facing human resources succession planning in Bank of Abyssinia.

1.5 Significance of the Study

The study is expected to make contributions to the expanding literature on issues related to the succession planning in Bank of Abyssinia. Effects from the look at can have importance to academia, extension of expertise frontier in addition to coverage makers on a larger scope. Moreover, the examine will satisfy the researcher's educational want of obtaining Masters of Human useful resource management. It's going to additionally be used as a reference for other academicians who use the research document for further reference. Furthermore, the observe is anticipated to provide knowledge on the demanding situations facing human aid succession making plans in bank of Abyssinia. The research findings enhance some human aid succession plan pitfalls which ought to be addressed through bank of Abyssinia.

Public and personal monetary institutions especially personal business banks would gain from this look at as they can get with facts on how to correctly manage succession making plans to be able to enhance effective succession control.

1.6 Scope of the Study

The study is conducted by taking Bank of Abyssinia as a representative bank. Especially it centered on assessing the contemporary succession planning exercise of the financial institution and identifies its fundamental challenges in enforcing it. Furthermore it is confined by focusing in its head quarter, Districts and selected Addis Ababa vicinity branches. in this examine all BOA staffs are not be included but the researcher attempted to cope with the hereafter cited personnel who're believed which will display the modern state of affairs of succession planning in the bank and its challenges. These are: HRD director, Career and successions manager, HR specialists, corporate branch managers, grade three branch managers, grade two branch managers and grade one branch managers. Therefore, it leaves out districts and branches outside of Addis Ababa.

1.7 Limitation of the study

The study is limited to exploring the factors that affect succession planning practice and challenges within the context of Bank of Abyssinia.

This study has a number of limitations:

- ✓ All findings are based on the information provided by the respondents, and are subject to the potential bias and prejudice of the people involved.
- ✓ The scope of the study is restricted to the study of employees in Bank of Abyssinia, and places particular focus on its head quarter, districts and selected workers within Addis Ababa area.

Moreover, obtaining previous studies focusing on Succession planning practice of organizations in Ethiopian context was also a challenge for this study since most of the studies on succession planning are researches in developed countries.

1.8 Organization of the study

The rest part of this reaserch is constructed as follows:- **Chapter Two:** covers **Litrature Review** This Part presents the theoretical background of succession planning, objectives of succession planning, types of succession planning, its benefits, best practices, challenges, models, strategies and empirical studies of succession planning **Chapter Three:** will discuss

about **Research Methodology**. This chapter describes the techniques used in conducting the present study; it also address the research approach, strategy, sampling method, target population, and various data collection methods inclusive of primary and secondary data collection, Ethical issues are discussed in this chapter. **Chapter Four** try to show **Qualitative and Quantities Results and Discussion** this chapter presents the overall results along with a discussion of the qualitative data gathered during this study. It includes the results from the focus group discussions and structured interviews. And the findings from the analysis of the quantitative data collected using the study instrumentation. It includes a summary of the descriptive statistics and correlations between the variables. In addition, this it investigates the results of the study's findings and confirms them with reference to previous scientific research in the literature, to clarify the significance of the findings. **Chapter five: state the Conclusion and Recommendations** of teh thesis. This chapter discuss the overall findings of the study, including the implications for the target groups and directions for further research. It offers recommendations arising from the findings, reports on the limitations of the study, indicates areas for future research and offers the final conclusion

CHAPTER TWO

LITREATURE REVIEW

2.1 Theoretical Foundation of Succession Planning

2.1.1. Human Resource Management

Human resource management bears special meaning for unique students. This is as it touches every issue of a business enterprise. As Beer, et al (1984), human resource control includes all control choices and moves that affect the character of the connection between the business enterprise and the employees- its human resource. while Stoney (1995) defines it as an extraordinary method to employment control which seeks to reap competitive benefit via the strategic deployment of a highly dedicated and capable body of workers, the usage of an incorporated array of cultural, structural and personal strategies. Moreover, Armstrong (2010), states that, the intention of human aid control is to growth organizational effectiveness and potential of the enterprise to achieve its desires with the aid of making the pleasant use of sources to be had to it.

Therefore, the human useful resource is the crucial asset in corporations which simply adds price to different organizational sources, with a view to gain the corporate desires of the organization. Groups with the able, capable, adaptable, and committed and believe really worth employees efficaciously and efficaciously cope with organizational dreams and objectives.

The control of human useful resource has been advanced from a totally traditional clerical task to a complex systematic and incorporated exercise. Strategically human resource control aligns the organizational dreams with personnel' goals; it integrates numerous features together, and appears ahead in meeting the aspiring cause of the unpredictable and unsure destiny. Strategic human aid management can be seemed as a well-known method to the strategic management of human sources in accordance with the purpose of the enterprise in the destiny directions it wants to take. it's miles concerned with long run humans issues and macro concerns about structure, pleasant, subculture, values, dedication and matching destiny need, (Singda Malhinta Amty college, SHRM, module two). To achieve those strategic dimensions, human aid control operates with exclusive capabilities; human aid planning, overall performance management, employee retention, praise and compensation, expertise management and so forth. These one of a kind capabilities play distinctive however intertwined roles in dealing with the human resource.

2.2 Theoretical Foundation of Succession Planning

The modern-day view of succession planning got here in to an schedule within the late 1960's and early 1970's (Kim, 2006). at this time it's miles assumed as substitute making plans and the complete challenge is to update the employees precisely before they were to leave the corporation. The selection typically becomes made via the chief executives. in the 1980s, many studies targeted on CEO succession practices. Inside the Nineties, succession making plans expanded its cognizance from CEOs on my own to include executives and other key positions (Kim, 2006).

In today's dynamic world, having the human aid isn't always sufficient however growing the skills of key employees including managers is vital to bring about success of the organization (Mehrabani, & Mohamad, 2011). In recent years, succession making plans has been practiced greater automatically and systematically in many of large businesses and at degrees a long way beneath senior management.

The concept of Succession making plans has proven many progresses from an occasion interest in to a technique and end up strategic tasks to deal with each the interest of the company and the person worker. It's far principally approximately knowing the desires of the enterprise and its employees and developing the ability to deal with emerging problems which could or will have an effect on business continuity (Newfoundland and Labrador, 2008).

Rothwell (2010) have defined the key items of succession planning and management system such as ten factors: organizational commitment with articulation of expectations, manner transparency, assessment of organizational wishes, identification of key positions, establishment of information, ability, and capacity, evaluation of skills, development of man or woman growth plans, person comments, responsibility, process assessment, and integrity of process all through the agency.

Companies are differing primarily based on whether or not they put into effect formal succession making plans or no longer. The ones corporations which do now not have formal succession planning probably to inspire cloning and feature an informal gadget wherein contemporary leaders groom personnel reflecting similar values, look, and history for pinnacle positions (Ley, 2002). a formal succession plan can discourage discrimination and decorate paintings variety (Rothwell, 2001).

Succession management is normally the duty of the Human sources branch but virtually needs input and cooperation from the relaxation of the enterprise. The objectives of Succession making plans may also encompass the senior managers and the important thing. An effective

succession making plans and control attempt requires important backups and character improvement in any job class (Avanesh, 2011).

Researches within the area of SP indicated that the blessings of SP closely lie on two essential factors, particularly; commercial enterprise continuity and sustaining competitive advantage (Winn, 2006). The blessings of Succession planning can be explained in phrases of its impact on agency and people.

Most groups which implement SP program comply with comparable methods as the idea for their succession planning sports. those are: (1) identification of essential positions; management position and roles that are essential for the achievement of the business enterprise, (2) determination of abilities; expertise, talents and mindset required to carry out every position, (three) identity of excessive potential employee; that is to prevail the identified key positions that requires excessive technical proficiency, (four) getting to know and improvement plans; training, counseling, process rotation, education, activity enrichment, mentoring, activity shadowing and so on. , (5) implementation and evaluation; these are systematic strategies that have a look at the layout, implementation, improvement or outcomes of a software (Rothwell, 2010).

According to Bersin & Associates (2009), there are five levels of maturity or succession continuum. Level 0, no real succession management process and characterized by lack of managerial and leadership skills; level 1, replacement planning which mainly focus on senior level; level 2, traditional Succession Planning in which talent reviews and development plans are put in place; level 3, integrated Succession Management in which succession is tightly aligned with the business strategy and focus on all critical positions at all levels; level 4, transparent talent mobility in which companies completely understand the capabilities and potential of their workforces.

Traditionally, Succession Planning involves the decision of senior managers. But for its effectiveness, organizations should involve all actors in an organization. According to GNB Succession Planning Guide(2010) senior management need to provide overall direction and oversight of the succession planning process; managers at all levels are expected to ensure Succession Planning objectives are reflected in branch/region work plans as well as individual learning and development plans; employees need to participate in competency/position profiling sessions and discuss career interests with managers, and office of human resources are responsible for setting the direction for corporate succession planning efforts and chairing the Succession Planning project team.

To put Succession Planning into action an effective succession planning process can be time consuming and challenging to manage. Hence, companies looking for technologies that facilitate Succession Planning program especially in areas of compensation, goal alignment, performance management, training and development.

2.2.1 Challenges to Succession Planning

Besides its benefits, organizations failed to formally accommodate Succession Planning in management for various obstacles. Barriers such as bureaucratic hiring processes, lack of resources for talent management, external regulation and increased competition of talent, and unfavorable organizational culture can be mentioned in this regard (Mateso, 2010).

HR professionals may face numerous obstacles. Some of these include cost or lack of resources, too many demands on their time with operational HR issues overcoming resistance or politics and the lack of an effective performance management system (Berke, 2005).

Line managers losing sight of the big picture and seeing it as an administrative exercise, gaining buy in for the succession management process across the business and biases/subjectivity were also found to hinder the effectiveness of implementation (PageUp People, 2008).

Regarding the challenges in succession planning Aberdeen (2006) found out, only 35% of the Best in Class identified the inability to locate or create a pool of active and passive candidates as a challenge, compared to 48% of laggard companies. Similarly, only 23% of Best in Class cited a lack of assessment tools compared to 38% of Laggard companies.

Many more obstacles summarized include lack of clear organizational vision, lack of support from senior or top executives, unsupportive organizational culture, ignorance about the importance of succession planning, lack of knowledge, skills, and personnel and fear about the succession planning implications, such as adverse effects in finances, interpersonal frictions among workers, or loss of identity, employee motivation or attitude such as uncontrolled employee mobility; lack of interest in the leadership positions due to high workloads, inadequate rewards, lack of confidence, competences and talents, and lack of work morale or motivation, and cloning and so on (WGEA, 2002).

2.3. Objectives of Succession Planning

Recently, not simply enterprise organizations, but all sorts of corporations, inclusive of academic institutions and government workplaces, realized the need of succession planning and implementation of powerful succession planning that fit their own businesses. Kim, (2006) identifies various targets of succession planning such as: assembly the destiny needs, pleasing

wishes of organization within the future, strengthening inner management bench, constructing leadership bench power by means of dealing with and developing applicants who can be sell to key positions, filling the location, filling key open role(s) and minimizing the ability poor impact motive through it, improving diversity, enhancing variety in enterprise and to boost up improvement.

2.3.1. Types of Succession Planning

Succession making plans may be labeled into distinct agencies basing at the motive in the back of its implementation in an agency. Surdej and Wach, (2010) identify different kinds of succession in own family owned corporations. First kind is referred to as a shielding succession, in which circle of relatives attempts to preserve the manage over organization at all costs. 2nd kind might be called a transformatory succession, wherein the company is transformed with a view to maximize the wealth of family even on the fee of reducing the family manages.

It appears that evidently the first type of the succession dominates amongst SMEs (Micro-, Small and Medium-Sized firms) as they operate undiversified enterprise and the firm's success relies upon very lots on the usage of idiosyncratic knowledge – tacit and informal information which has been acquired over long term and their use is of constrained software elsewhere. This might give an explanation for why small companies try to discover the successor among family contributors, household or near friends.

2.3.2.Elements of Succession Planning

Based totally on an evaluation of the prevailing literature and the factors of a success succession plan as diagnosed via (Sharon Ley, 2002) the subsequent categories:

- Top management guide,
- Needs-driven evaluation,
- Provision of formal expert improvement possibilities,
- Attention on person interest and
- Extension to all degrees of company.

I. Top Management Participation and Support

Earlier than succession planning can be carried out in any organization, it should achieve the entire support of the employer's executive and management team of workers. "A dedication by using the city or county supervisor and alignment with organizational approach" is a necessary element to any succession plan (Ibarra, 2005). Without this support, even if a succession plan is diagnosed, the plan will in no way take flight inside the subculture of the organization.

As (Ley, 2006) found in her study, “a lack of senior management support... hindered open access to the organization’s leaders,” and thus limited interest in succession planning at the agency in her study. Executives and “managers are uniquely positioned to assess how their business will be carried out and to identify the human capital capabilities needed to do so effectively” (Emmerichs, 2003).

Management is responsible for determining the criteria of an organization’s succession plan. “A good succession planning program allows existing senior executives to observe people over time and train them to be of use to the company, its needs, and its culture” (Diamond, 2006).

II. Needs-Driven Assessment

One manner to decide which positions are a key or critical is to perform an assessment of the competency levels of contemporary personnel. This will assist in figuring out “the wide variety of those to be had and able to satisfying destiny useful requirements,” in addition to “what recruitment, education, and different strategies want to be deployed to address team of workers gaps and surpluses.” A powerful manner to conduct this evaluation is through a tick list which includes ratings of competency tiers “inclusive of: superior, intermediate, beginning or none.”

III. Mentoring Programs

Beyond identifying what skill sets and knowledge bases are required for key positions, it is crucial that a succession plan provide a method or plan for providing employees the opportunity for professional development, as it has been determined that a background characteristic of top managers which has attracted attention in the strategic leadership literature is functional track experience” (Datta, 1994).

In other words, since experience and job knowledge are highly valued for succession, it is necessary that organizations provide employees with the opportunity to develop and advance these skills. These opportunities “can be accomplished through job assignments, training, or job rotation, and it is one of the best ways for employees to gain additional knowledge and skills.” According to (Kowalewski et al, 2011) mentoring enhances sense of self-esteem; leads to fulfillment of development needs-satisfaction in leaving part of themselves to the next generation; improves professional, leadership and collaborative skills makes mentors better listeners; helps reaffirm own successes, and the mere fact of being asked to be a mentor is a powerful compliment”

IV. Focus on Individual Attention

In a “performance based selection system individual” employees “can be put in a leadership track by being given a special assignment that allows him or her opportunity to grow” (Larson 2005, 16). Often, leadership tracks are guided by career paths, which provide employees with a road map or stepping stones allowing them to move from their current position to their desired promotion. In providing employees with career paths and listening to their career goals and desires, an agency places a personal responsibility on the employee to ensure that their career goals are achieved (Diamond 2006, 38). Ultimately, “individuals are responsible for their career and accountable for meeting developmental objectives and gaining and demonstrating new capabilities;” therefore, employees should be enabled to choose training that suits their career goals (Australian Public Service Commission, 2003).

In the performance evaluation, employees can be credited for their individual competencies, which are those competencies “that each employee brings to his or her function” (Washington State Department performance, potential and development and contribute constructively to the implementation of development plans” (Australian Public Service Commission, 2003).

V. Extension to all Levels of the Organization

Succession planning has been used to describe a huge sort of activities that contain planning for key transitions in leadership inside organizations (Garman and Glawe, 2004). The term succession making plans has historically referred to making plans for management continuity on the CEO degree, however nowadays succession making plans provides for leadership continuity in any respect stages (Cooke, 1995). As with any program, a succession plan need to have a venture planner assigned to supervise it and make sure that the plan remains current and covers all levels in a company. Without full insurance to all tiers it's far probably that this system will no longer be sustainable. for you to have a hit succession planning for any employer the focus must be on preparing team of workers for assuming a better management level” or profession path, in place of on preparing team of workers for a specific function.

2.3.3. Benefits of Succession Planning

The implementation of a formalized succession planning process may have several benefits for the organization:

✓ Reduced amount of time and expenses to fill vacancies

A planned strategy to deal with vacancies means that potential candidates have already been identified internally or externally. The company can proceed with filling the position faster and does not have to resort to expensive staffing tools such as expensive advertising in publications or resorting to staffing agencies or executive search firms.

✓ **Readiness to deal with sudden loss of key players**

Sudden illness and employee departures from the company for another frequently occur. An organization that has already identified temporary or long-term permanent replacements for key positions will mitigate the risk associated with sudden employee departures and minimize business disruptions.

✓ **Aligned staffing processes with the long term goals of the organization**

Organizations have business strategies to ensure long term growth and profitability through the implementation of marketing & sales strategies, technological improvements and innovation. Organizations with successful succession planning strategies also align their staffing processes to ensure that the critical positions identified as well as the potential candidates can meet those business strategies. Staffing processes are designed to quickly and successfully identify candidates that will help the business grow and remain competitive on the global market.

✓ **Reduced staff turnover**

Communicating to high potential employees that the organization is considering them as part of its long term plans is essential in retaining them. High potential employees will feel valued, and more attention will be given to the development and career plans. An employee who feels part of a long term organizational plan will be more loyal to the organization and feel a sense of ownership over the organization's development, growth and success.

✓ **Barriers and challenges of succession planning**

The following is a list of common pitfalls, barriers and challenges to avoid when implementing or running a succession planning strategy:

➤ **Not integrating succession planning with other processes**

Succession planning should be aligned first and foremost with the strategic business plan of the organization. Furthermore, for it to be effective, it should also direct development and career planning, hiring and staffing. Succession plans should also be informed by performance appraisals, formal and informal performance feedback, employee interests, existing skills, abilities and knowledge.

➤ **Lack of support from top management**

Succession planning must be aligned with the overall business strategy of the organization. As such, support from the CEO and from other top leaders of the organization is essential. Aligning succession planning with the business strategy means that not only will it be rolled out

throughout the organization but that the positions and potential candidates identified in the plan will take into account the trends in the labour market, the competitive market, the strategic direction of the organization and drive the organization's development and growth.

➤ **Not communicating the succession plan to high potential candidates**

High potential employees want to know that they are considered key to the future of the business. They are more likely to leave if they are not aware that they are considered an integral part of the organization's business plans.

➤ **Underestimating the potential of existing employees**

Many organizations rely on external hires to fill the knowledge gaps or talent gap they have identified rather than look to high potential internal talent. Companies incur needless expenses and waste time consuming efforts to recruit externally when they could develop their internal resources.

➤ **Not offering training or development opportunities**

Employees should not be left to identify their own training programs or create their own opportunities. Companies should proactively engage employees in training or development programs and identify opportunities (courses, mentorship, job shadowing, lateral moves, etc.)

➤ **Size of the Organization and Lack of Financial Resources**

Size of the organization can be a hindrance in succession planning especially in small firms since they have few positions and may lack the ability to offer advancement opportunities. These employees that have potential lack the opportunity for career growth with the same companies and at times forced to move to larger organizations. The talent pool from the organization to fill these positions may be too limited also to have a successful succession plan. Employees especially those with high potential tend to leave for better paying organizations due to lack of enough financial resources in their current employment (Axelrod, 2010).

➤ **Lack of Adequate Mentoring and Training**

Lack of adequate training and development leads to having an employee that is unprepared for a promotion and this reveals succession planning gaps (Howe, 2004). In an organization where promotions are not done in a timely and orderly manner leaves employees in distraught with no understanding of what succession planning is about (Robinson, 2004).

Lack of continuously developing talent in the organization inhibits a company from growing future leaders. This brings about a gap in succession planning due to lack of required skills to

tackle the more senior positions. It is advised that companies need to identify high potential candidates and groom them for continuity of the business and easy succession. Most family businesses neglect provision of proper education and formal training to the possible successors identified within the family. Incompetent successors are as a result of their ignorance to the skill of training successors from an early stage whilst providing the relevant training required (Zwick, 1999).

➤ **Hesitance on grooming successors**

Ankita (2012) states that emotional involvement from members of the family make it difficult for succession planning in family businesses. They never want to discuss succession planning even though they know that owner of the business will one day die. Thus, the issue of succession planning is often avoided. Most family businesses have a very unprofessional way of handling succession planning (Luhn, 1996). Most family firms end up not doing succession planning or whenever done, it is done in confidentiality and most times leads to wrong decisions (Ankita, 2012).

➤ **Biased selection**

Familiarity makes people comfortable and managers are no exception to this. It is very easy for males to have a bias for males and the reverse is true. In a group where all managers are male, they will tend to have a bias in selection of a male making it difficult for a woman to get selected. This is not a bias out of intentional discrimination but because of the comfort of familiarity (Glen, 2017). When selecting people required for different levels in an organization, the person specifications of the positions should be very clear and an objective comparison done against individuals to ensure a best fit (Stinchcomb, 2010). Stinchcomb further says that trying to fit an individual to a stereotype can affect the process and it is no longer a skill based process hence the importance of identifying required successor characteristics that will best suit the job.

➤ **Consider only upward succession**

While identifying candidates for leadership positions is important, though should be given to include lateral succession plans to fill key positions.

2.3.4. Succession Planning Process

There is consensus in the literature that succession planning is not a once off hobby but an extended-time period proactive method, which ensures continuity in key positions within a company (Rothwell & Poduch 2004:405; Boateng & Ganu 2012:70). Pennell 12 (2010:282)

states that succession planning range from other plans because it ensures that positions are associated with the strategic plan and now not truly the replacement of the departing man or woman. moreover, there is no person way of assignment the technique of succession planning; every organization have to find a becoming layout to healthy its culture, history, politics, union issues, sources, finances and network issues. But, choice and schooling of personnel together with evaluation of the program can't be omitted (Jarrell & Pewitt 2007:298).

Assessment of future organizational needs/organizational analysis

Before embarking on succession planning, human aid (HR) professionals should conduct an organizational analysis, which involves evaluation of the contemporary and destiny organizational facts and desires (Freyens 2010:267). It gives the indication of what the company has, and what is wanted for the destiny (Hewitt 2009:182). It consists of an estimate of the demanding situations, needs, and techniques that might impact operations in 3 to 5 years' time (Hills 2009:4).

Oimstead (2012:682) states that businesses ought to be very honest in organizing the strengths and weaknesses of the organization, in addition to the focus regions. for the duration of this analysis, competencies had to attain organizational dreams are recognized (Seymour 2008:five). Sharma and Bhatnagar (2009:one hundred twenty) posit that this activity not only pick out gear necessary to achieve organizational desires, but additionally serve as a backyard keep on with mapping out globally and environmentally required expectations of employees from the company.

➤ Identification of high potential employees

If corporations fail to establish high potential successors early of their careers, they may go through an unrecoverable state of affairs of immature leaders (Coretchi & Grosu 2011:10). Consequently, this level includes a radical competency-primarily based assessment of a worker to find out in all likelihood successors and destiny leaders (Stadler 2011:266). In addition, Sharma et al. (2003:3) country that the succession system entails the detection of a pool of viable successors, assigning and alerting them and different stakeholders about the decision. To get the first-rate applicants, firms must examine them against truly distinctive leadership roles (Katz 2012:34).

Its miles the obligation of top management and HR departments to identify destiny vital ability candidates for key positions (Farashah, Nesehifar & Karahrudi 2011:3606). This hobby can be completed by means of the use of tools consisting of psychometric exams, which pick out the

abilities and abilities that and worker possesses (Seymour 2008: five). any other manner of identifying leaders is thru informational interviews and focus businesses made of management and overall performance management sporting events spearheaded by using HR experts (McEntire & Greene-Shortridge 2011:273). Activity rotation can result in the spotting of talented personnel whose overall performance is excellent (Hor, Huang, Shih, Lee & Lee 2010:530).

➤ **Identification of critical positions**

This is a step whereby all management levels should be involved and more emphasis is put on those positions that are essential for the long-term success of the organisation (Barnett & Davis 2008:728). The identification of crucial positions encompasses the classification of positions within the organisation in terms of those positions that the organisation cannot operate without, those that are critical only now, and those that the organisation can function efficiently without (Sharma & Bhatnagar 2009:121).

➤ **Identification of competencies key to critical positions**

Pennell (2010:282) refers to competencies as individual capabilities that can be linked to enhancement of performance. There is an old proverb, which states, “if you do not know what you are looking for, you will never know when you find it”, hence it is essential to assess the skills required to perform in a leadership position (Coretchi & Grosu 2011:4). This entails defining the significant leadership skills at all management levels (Dai, Tang & DeMeuse 2011:366). When spotting key competencies the meaning of success on a management level should be clearly outlined (Fink 2011:675). This stage involves defining the competency framework relevant for the organisational growth (Sharma & Bhatnagar 2009:120).

➤ **Assessing candidate’s competencies/ conducting a gap analysis**

Gap analysis is the matching of the deliver estimates with the call for projections; consequently, in this situation the employee’s abilities and experience could be evaluated in opposition to the abilities and enjoy required to execute the responsibilities of a key position (Freyens 2010:267). The intention of this evaluation is to identify the prevailing gaps among the current state of affairs and the desired position (Bunce 2013:89).

In succession planning, features of capacity successors are explored (Chima 2013:273). This evaluation in SP is carried out with a purpose to compare the employees’ strengths, abilities

hole and developmental needs with the organizational desires, values and strategies (Jarrell & Pewitt 2007:300).

➤ **Selecting the training and development activities**

In view that succession objectives human beings early of their careers, SP needs to decide and indicate which type of schooling and experience each succession candidate want to be a successful leader (Hor et al. 2010:528). Education once in a while is referred to as unique activity sports (Fink 2011:675). in the end, education supplied can be a proper education program or an unstructured on-the-process schooling, which may be carried out via internal strategies such as mentoring (Handler 1994:148). Training and improvement strategies vital for succession planning, among others encompass mentoring, cross-education, process sharing, process rotation and expert development (Goodman et al. 2013:4). The aforementioned program, among others improves the candidates' supervisory skills, which allow them to execute new hard roles (McCallin & Frankson 2009:42).

Seymour (2008:3) reinforces that process rotation in succession making plans can monitor hidden capabilities, skills and skills from employees, as they display their various capabilities and skills in special roles in which they're rotating. studies also indicates that apart from providing employees with various talents, activity rotation can facilitate the transfer of organizational culture and broaden candidates' organizational expertise (Whelan & Carcary 2011:680; Swailes 2013:34).

Mentoring plays a crucial component within the profession improvement of an employee (Handler 1994:148). It is one of the management development techniques utilized by organizations to obtain their desires (Reid 2005:37). It includes discussion approximately profession planning, assessment of middle strengths and areas of improvement and development of management capabilities (Groves 2007:244).

➤ **Monitoring and evaluation of the process**

The last step in the succession process is monitoring and evaluation. In order to effectively monitor and evaluate the succession process, annual goals should be established (Stadler 2011:266). It is at this stage where succession charts are used to monitor and evaluate individual candidates' performance against set standards and the charts contain the leadership position and names of possible successors (Bunce 2013:89).

Evaluation is important in succession planning as it determines the effectiveness of the practice and its outcomes (Ali & Babu 2013:12). Evaluation entails the organisation examining what is

working and what is not and making necessary adjustments (Jacobson 2010:370). To establish the success of succession plans promoters should frequently seek feedback from all those involved (Jarrell & Pewitt 2007:301).

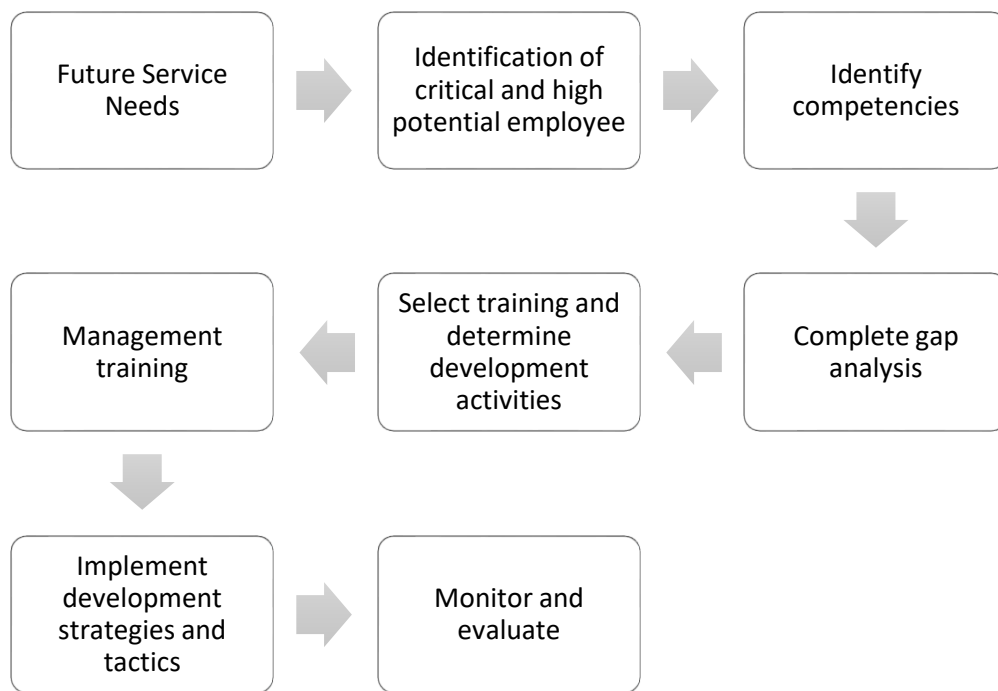


Fig.2.1. Succession planning process

2.4 Key Concepts for Succession Planning

The following constructs associated with succession planning are discussed in the next sections: replacement planning, succession management, performance and recruitment.

2.4.1. Succession Planning and Replacement Planning

According to Kesler (2002:3), most organisations still regard SP as similar to replacement planning. Consequently, replacement planning is the process of identifying internal short-term and long-term emergency backups to fill critical positions (Rothwell 2011:88; Ali & Babu 2013:2). Executive replacement means planning for senior level backups while SP is proactive and attempts to ensure the continuity of leadership by cultivating talent from within the organization through planned developmental activities (Rothwell & Poduch 2004:413). Succession planning is usually confused with replacement planning because they are compatible and often overlap (Rothwell 2011:89).

2.4.2. Succession Planning and Succession Management

Succession management is the extension of SP, which originated from replacement planning to include a broader spectrum (Rothwell 2011:89). It is described as a formal, holistic, strategic, consistent and reliable process, which aims to build and supply talent throughout an organisation (Gothard & Austin 2013:276). It is more encompassing than SP and involves the ongoing developmental flow of a group of well-prepared, contextually-sensitive, dedicated leaders who are available for promotion whenever needed (Fink 2011:673).

Succession planning entails matching the organization's long-term leadership requirements with highly suitable and qualified individuals, whilst succession management is an organized method of managing and continually developing the identified talented individuals in the organization to ensure continuity of leadership (Reid 2005:36; Detuncq & Schmidt 2013:32). Succession management includes revision of recruitment policies, management of employees, on-going training and development of employees, retention strategies, compensation packages and performance management (Fredericksen 2010:53).

2.4.3. Succession Planning and Talent Management

Information is the most vital asset of every corporation because of its intangible nature and personal attachment. However, organizations have various views on how to preserve it and the intentions attached to such recuperation (Whelan & Carcary 2011:675). Expertise control (TM) is described as a manner of attracting, growing and preserving the high-quality humans (Leisy & Dina 2009:58; McDonnell, Lamare, Gunnigle & Lavelle 2010:152; Rothwell 2011:90; Garavan et al. 2012:5). It includes all of the referred to organizational activities for making sure that the exceptional employees occupy organizational strategic positions (Vaiman, Scullion & Collings 2012:926).

skills control, which every so often is referred to as human capital control, involves the inclusion and verbal exchange with all managers in any respect stages (Koketso & Rust 2012:222). in keeping with Standler (2011:264), talent is a complete of various constructs including an character's talents, abilities, know-how, reviews, intelligence, judgment, attitudes, man or woman, drive, capability to research and grow and he perspectives succession planning as one of the expertise dealing with techniques inside businesses.

2.4.4. Succession Planning and Performance

Succession planning is a tool used for performance continuity in organisations (Hytti *et al.* 2011:562), Kesner and Sebora (1994:357) indicate that SP impact on performance is determined by the measuring instrument used to measure performance. The effects of SP on performance also are influenced by how it (performance) is defined (Lambertides 2009:649). Jarrell & Pewitt (2007:299) posit that SP does not only improve performance but also promotes accountability in the workplace.

2.4.5. Succession Planning and Recruitment

Succession planning starts off evolved right away after imparting an man or woman a role (Kesner and Sebora 1994:360). Succession begins whilst recruiting employees into the organization. therefore, it is essential for businesses to discover and scrutinize the abilities, skills and know-how required for a particular role when recruiting in order that suitable and suitable applicants are employed (Wright 2012:21).

Succession making plans additionally results in the enchantment of noticeably capable employees as personnel prefer to paintings for an corporation this is committed to imparting opportunities for boom (Pennell 2010:283). Recruitment may be used as a approach to beautify SP where there may be no enough team of workers to be advanced internally (Whelan & Carcary 2011:677).

2.5. Models in practice to study succession planning and management

There are two commonly used models in practice to study succession planning and management. These are The Seven-Pointed Star Model (Rothwell2001, 2005) and Acceleration Pools Model (Byhamet al. 2002)

2.5.1. The Seven Point Star Model

Rothwell2001, (2005) defined that corporations go through a life cycle of improvement in their succession planning and control packages. At every era, businesses benefit sophistication about what to do and the way to do it.

The version has awesome seven steps: in first step, the corporation's choice-makers need to commit to systematic succession planning and management and set up it as a program. Inside the second step, selection-makers normally check the prevailing work necessities in key positions. Best in that manner can people be prepared for advancement solidly grounded in paintings necessities. On this step, selection-makers have to make clear wherein key leadership

positions exist in the organization and have to practice one or more methods to determining work or competency requirements.

The step 3 entails essential evaluation of the way well individuals perform in their jobs, because maximum succession making plans applications assume that people have to be acting nicely of their gift jobs in an effort to qualify for development. As a part of this step, the corporation must additionally start setting up an stock of expertise, thereby establishing a clean idea of the available human property.

In step 4, competency necessities in key leadership positions inside the destiny want to be identified. This is achieved by using decision-makers through assessment of destiny work requirements and competencies. In that way, destiny leaders may be organized to cope with changing necessities. The fifth step issues the evaluation of individuals' destiny capability and it's fit to their destiny work requirements. The organization must set up a system for assessing destiny individual capability. That destiny orientated manner must no longer be burdened with past- or present oriented worker performance appraisals.

Inside the 6th step, the organization needs to establish a persevering with application for management development to cultivate future leaders internally. Decision-makers must additionally explore alternatives to traditional promotion-from-within techniques of meeting succession wishes.

In the end, to enhance, the succession making plans and control software must be subjected to continual evaluation to evaluate how properly it is working.

2.5.2 Acceleration Pools Model

Pointing out that replacement planning is far behind the times, (Byhamet al. 2002) suggested a different approach to grooming executive talent. Rather than targeting one or two hand-picked people for each executive position, an Accelerate Pool emphasizes the development of a group of high-potential candidates for executive positions in general. The model highlights the accelerated development of pool members through stretch jobs and task-force assignments that offer the best learning, including mentoring, coaching, training, and special developmental activities such as university executive programs and in-company action learning sessions, and highest visibility opportunities.

Byhamet al. (2002) explained the process of the Acceleration Pool in five phases: Phase one involves nominating and identifying high potentials. What are specifically done are the business units or functions to nominate a potential pool of candidates. The executive resource

board (ERB) screens candidates and makes final decisions and the pros and cons are explained to candidates who make decisions to either enter or not enter the pool.

Phase two concerns diagnosing development Opportunities. Assessment of strengths and development needs is carried out using an acceleration center. The results of the assessment are publicly released. In phase three, solutions to development opportunities are prescribed. The ERB makes decisions on pool members' assignments, special training or executive coaching and monitors progress and completion. This is followed by framing of development goals on current or new job assignments relative to diagnosis. The pool members develop target areas and strategies with the help of their managers and mentors.

Phase four insures that development takes place and is fully documented. Five activities take place in this phase. First, pool member develops needed behavior and knowledge through training and executive coaching. Second, pool members apply behavior or knowledge in assignment or short- term experience.

Third, each pool member is required to measure and report the results of application of new behavior or knowledge. Lastly, each pool member starts building a career development portfolio and meets with manager and mentor to review progress and set new development goals. Phase five concerns reviewing progress and new assignment. Basically, the ERB audit pool members' progress and decides on new or next assignment.

2.5.3. Replacement Planning

Succession planning must now not be confused with alternative making plans, even though they're well matched and often overlap (Rothwell, 2001). Traditionally, succession making plans equates with substitute making plans (Charan, Drotter, and Noel, 2001). Inside the handiest shape, substitute planning is a form of threat control (Rothwell, 2001), which focuses on the movements that ideally have to take area if a key executive should depart (Burdett, 1993). The leader aim of replacement making plans is to lessen the threat of disaster stemming from the instantaneous and unplanned lack of key job incumbents (Rothwell, 2001).

For many years, alternative planning has concentrated on pre-deciding on 20 backup humans for key positions after which charting a chain of job assignments to prepare them to fill the positions (Byham, Smith, and Paese, 2002). This turned into now not the appropriate machine whilst organizations were strong, massive, and hierarchical: few changes took place in job titles, process responsibilities, or organizational path. Companies hired many middle managers, maximum of whom had time for assignments outdoor their everyday task duties. Technical and aggressive changes happened a whole lot extra slowly.

Human resources staffs have been large, and control of the employees' gadget changed into extra centralized. Succession planning became largely an HR-managed manner for knowing who might replace departing leaders. People modified jobs and moved to new towns while requested to accomplish that. In such a surroundings managers ought to tolerate a bureaucracy pushed system that ate up days or even weeks of their time every yr (Byham, Smith, and Paese, 2002).

Today conceiving of devoting even a fraction of that a whole lot management time to replenishing managerial expertise or different associated HR sports is not possible. In nowadays enterprise world, organizations are flatter, with horizontal career paths taking on growing importance similarly to vertical paths. With fewer center managers, folks who continue to be have a couple of needs that compete for the time required to broaden them or teach and mentor their direct reviews (Byham, Smith, and Paese, 2002).

Similarly, mergers, acquisitions, downsizing, globalization, and the internet are profoundly impact businesses, inflicting formerly vital jobs to turn out to be less so or even unnecessary. on this surroundings, replacement planning makes little sense (Charan, Drotter, and Noel, 2001). In brief, while substitute planning units in movement action that limits damage from unpredictable activities (Burdett, 1993), succession planning is proactive and tries to ensure the continuity of management by means of cultivating talent from within the company through planned sports (Rothwell, 2001).

2.6 Implementation Strategies

2.6.1. Background work and preparation

Identify key business objectives, strategic vision and plans

- A strategic vision of the organization will assist in identifying positions that are critical to ensure the organization's continued growth.

Ensure that there is an effective performance management system in place.

- A performance management plan will assist the organization in identifying high performers, high potential candidates, employee career interests and elaborating learning and performance plan for the employee.

Identify competencies, abilities and skills requirements for each position within the organization

- Identifying the competencies, skills and abilities required for each position will assist the organization in identifying potential candidates that best meet the position requirements

or assess the knowledge and skills gaps to elaborate a targeted learning and development plan.

Create formalized training and development programs and opportunities

- These strategies may include mentorship relationships, coaching, job shadowing, stretch assignments, etc.

2.6.2 The identification of key areas and positions is the focus of succession planning efforts.

For example, succession planning activities may be geared to developing talent for certain positions (e.g. electricians, engineers, managers, supervisors, etc.) or functional communities (e.g. finance department, sales and marketing, the human resources department)

Key positions are those that exert critical influence on the operational activities or the strategic objectives of the organization. This means that without this role, the organization would be unable to effectively meet its business objectives. These can include upper management positions or key technical positions, such as those with very specific training or certification requirements or advanced level of technical expertise or experience.

2.6.3. Identify interested employees and assess them against knowledge, skills and abilities requirements

The main purpose of identifying and assessing employees against the capabilities for key areas and positions is to tailor development opportunities in such a way that employees can acquire the requisite skills and competencies they need to prepare themselves for future roles.

2.6.4. Develop and implement succession and knowledge transfer plans

Research has shown that experience-based learning is more effective than classroom training in preparing potential candidates for future roles. Consideration should be given to incorporating development tools and methods into succession strategies when applicable. These include mentoring, coaching, upward and lateral promotions, stretch assignments, etc.

2.6.5 Use the succession planning as part of an integrated human resources plan

- ✓ Use the plan to communicate career paths to high potential employees. Discretion should be used to ensure that employees not being considered as part of the succession plan are not frustrated or de-motivated.

- ✓ Use the plan to guide training and development plans and strategies for key positions, individuals or key areas.
- ✓ Use the plan to strategically promote upwards or laterally.
- ✓ Use the plan to effectively recruit new staff that will meet the requirements of the succession plan, rather than only the immediate technical requirements of a position.
- ✓ Ensure that those new employees can grow the business and be a value-added part of the workforce.

2.7. Evaluate effectiveness

Succession planning is the process of identifying very important positions in the organization and creating a talent pipeline, by preparing employees to fill vacancies in their organization as others retire or move on. A successor is an employee with the knowledge, skills, and abilities to fill a vacant position until a permanent replacement can be identified. To ensure that the organization's succession planning efforts are successful, it is important to systematically evaluate and monitor each step in the implementation strategy and make adjustments as necessary.

2.8 Empirical Review

The TPF and C (Towers, Perrin, Forster, and Crosby) study, which covered 30 major firms, was reported by Rhodes and Walker in 1984. They examined and studied the management succession and development planning procedures in use at the time for their study. They distinguished between informal, decentralized, centralized, and integrated planning methods for management succession and development. They also discovered that factors such as organizational structure, managerial style, organization size and wealth, and rate of firm growth all had an impact on the tactics chosen. The six methods utilized to administer the programs were also described, including: 1) senior management engagement; 2) information needs; 3) assessment; 4) management review; 5) developmental strategies; and 6) educational training.

They made connections between the applied process and each management succession and development planning strategy. They underlined the significance of creating and putting into place a program that takes each organization's peculiarities and culture into account (Rhodes and Walker, 1984). In a research on succession planning, (Vancil, 1987) examines data on 227 big firms that were randomly selected between 1960 and 1984. However, he draws much of his conclusions from case studies. He discovers that choosing a successor, or a "heir apparent," a few years before to the turnover, is the most typical kind of succession in businesses, which

he refers to as relay succession. The current CEO and the heir apparent then collaborate until the current CEO leaves (often to become the board chairman) and the heir apparent takes over.

In 100 U.S.-owned companies, 150 Japanese-owned companies, and 400 local Taiwanese enterprises, the study looked at whether local firms with more comprehensive succession plans had better human resource results than those with less sophisticated plans. The level of sophistication with which succession plans were implemented and the outcomes for human resources appeared to be significantly correlated, even though the study's results showed no appreciable difference in human resource outcomes between companies that adopted succession planning and those that did not. Some of the characteristics, such as line-manager involvement, non-political succession criteria, the credibility of succession planning staff, review and feedback, and effective information systems, affected the performance of human resources. In their study from 2003, Shen and Cannella presented a type of succession planning for the business setting. The impact of relay succession planning on shareholder reaction was examined by the authors. This article provided evidence that shareholder happiness is closely correlated with the resources allocated to ensuring that management is ready for turnover.

According to this study, a top executive's untimely demise might have a detrimental effect on shareholder value. If a new replacement is installed quickly, this loss can be reduced. According to Bower (2007 and Davis, 2008), both insiders and outsiders have advantages and disadvantages when applying for new roles. Employees are familiar with the business and how it operates, yet they might not see the need for change. Although outsiders can offer fresh perspectives, they frequently don't understand the organization well enough to encourage the necessary adjustments. Lewis (2009) questions why, with all the advantages, more firms do not use succession planning. It has been demonstrated that succession planning increases employee performance by boosting retention. Planning lowers recruiting expenses since hiring may be done when there is less stress, resulting in hiring the "best" personnel rather than just a body to fill a seat. He embodies the idea that effective talent planning will position these enterprises for success rather than failure. It's possible that finding talent locally won't satisfy the demands of the company. We "must realistically cast a bigger net," as Lewis puts it.

According to Kowalewski et al. (2011), the 2010 "Best Companies to Work for in New York" used succession planning. The study's findings suggested that in smaller businesses, the strategic plan for succession planning should only involve the CEO or the president. Middle and senior level roles may potentially be added as the company grows. Any strategic plan must be understood by the whole business in order to be effective, and each department must be aware of the components of the plan for which they are accountable. Both internal and external

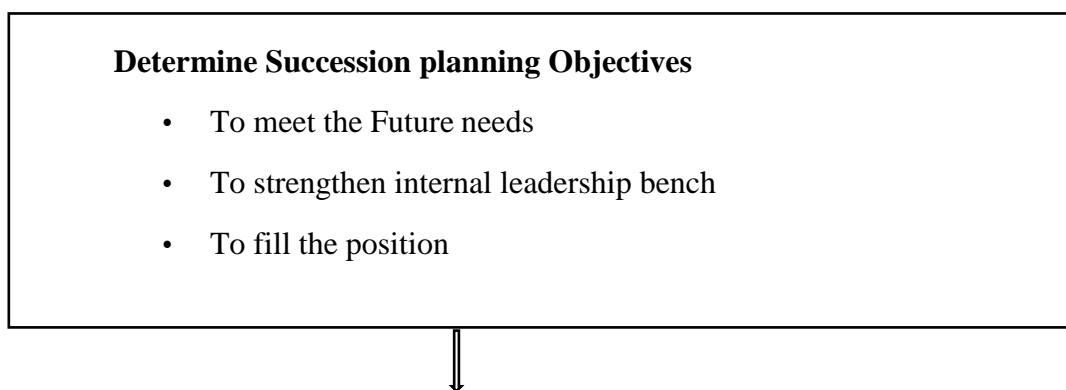
sources of data must be obtained about the company. A few of the issues that affect succession planning include competition, technology, legislative changes, corporate priorities, market trends, the economy, turnover, retirements, promotions, and retention initiatives. The elements that have an impact on the talent pool don't simply originate from the corporate headquarters of the organization; in today's global economy, they come from all over the world.

One of the key elements for the operation and expansion of family businesses has been highlighted as the succession issue. In their 2010 study on succession planning in Polish family businesses, Surdej and Wach discovered that 85 out of the 496 family businesses had successfully completed the succession process. The findings also revealed that the initial founders of family firms were preparing to pass their companies on to their heirs in 147 cases. According to Rothwell (, 2010), if the suitable candidate is not identified, chosen, and given the necessary support throughout the succession planning process, there is a lower chance that the leadership transfer would be successful. After a leadership transfer, choosing an unqualified or unfit successor might have negative effects.

2.9 Theoretical Framework

A conceptual framework, according to Ndunguru (2007), is a grouping of study concepts and variables together with their logical linkages. These elements are frequently portrayed as diagrams, charts, graphs, pictographs, flow charts, organograms, or mathematical equations. Ndunguru maintains that a conceptual framework transforms a phenomena that has been researched into a straightforward set of relationships that are simple to understand, model, and study.

Fig. 2.2 Conceptual Frame work for assessment of succession planning Activities in an organization



Management Participation and Support

- Management encourages staff to follow succession planning
- Management participates in determining criteria of succession plan
- Management ensures that a succession plan is followed once implemented



Assessment of competency levels

- Organization assess core competencies to determine gaps
- Organization assess core competencies to determine future needs
- Organizational conducts capability assessment to benchmark skills required for critical



Mentoring Programs

- Organizational has a formal program for professional development for its employees
- Organizational has an informal program for professional development for its employees
- Organizational provides employees with opportunity to develop and advance skills through job assignment, training and job rotation



Extension to all levels

- Within the organization there is identification of talent at all levels
- There is open communication and knowledge of succession plan
- Strategic plan determines which positions will be in succession plan

Source: Researcher, 2017

This conceptual framework aims to depict research topics and variables not as separate entities but rather as components of a coherent network of interactions. A conceptual framework (Figure 2.2) is created based on the literature study and led by the Seven-Point Star model and Acceleration Pools Model to evaluate the execution of the succession planning program at Boa. The evaluation is based on five factors or features, namely: objectives, top management support and involvement, needs-driven assessment of mentoring programs, emphasis on individualized care, and expansion to all organizational levels. The organization decides what goals it wants to accomplish through succession planning implementation. The company then identifies a variety of areas (succession planning aspects) that may help the organization achieve its goals once it has established what it wants to do. This implies that goals dictate the components of succession planning.

The four aspects of succession planning that were previously covered are crucial areas that direct how succession planning is implemented within a company. Succession planning, which ensures the continuation of an organization, department, or work group by making arrangements for the development and replacement of important personnel through time, is dependent on how the four criteria are integrated and the weight assigned to each one.

Any succession plan must have the participation and support of top management to be successful. The goals of mentoring are to develop and teach new information and skills, as well as to advance professional and leadership abilities. Without comprehensive coverage at all levels, it is possible that the program won't last.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter affords info of the studies layout and methodology. It discusses the research approach used in the study and the reasons for choosing such a method This includes the research design and approach, population, sample size and sampling technique, data type and collection method, procedure of data collection, methods of data analysis, ethical consideration and reliability test.

The kind of research design implemented in this examine is descriptive studies. It is due to the fact the aim of the study is to describe and disclose how, while and what of succession planning is managed and done in in Bank of Abyssinia.

3.1 Description of the Study Area /organizational profile

Bank of Abyssinia (BOA) has been in business for the ultimate 25 years. It had maintained its persevered excellence in its enterprise boom and profitability. As a result, the gross earnings of the bank reached this unheard of stage registered regardless of much less appearing financial system and. The ultimate a few years have confirmed its sustainable increase in terms of all elements such as its human resource. The entire quantity of team of workers as of June 2021 has reached 8146. The growth in its human resource is not only in number, however also the first-class and diversity has additionally been developing and reached a position in which the bank grow to be number one in attracting the great talent from the enterprise as well as the overall market.

As mentioned above the bank combines a wide capital base with more than 8,100 talented and committed employees. Achieving service excellence and high business growth remained to be the key objectives of the bank in the current fiscal period. To this end, the BOA has continued to implement three major projects crucial for transforming its service delivery and overall performance. These are strategies related to growth, digitalization, and operational excellence. Particularly, those recommendations which are being implemented under five action areas include provision of technical assistance to implement the strategy; putting a succession planning system in place; improving engagement and retention; introducing performance management system; and training and system development. While some of the recommendations have been finalized which include restructuring HRM; provision of developmental training for top management and Board of Directors(BOD); and engagement

and retention survey, others such as staffing; succession planning scheme; and employee performance management system are underway.

Whilst a number of the components of the strategic actions have been achieved, others are underway and could remain carried out. In addition, BOA has persisted its efforts toward strengthening its human capacity through offering various on-the-job and stale-the-task training, recruiting additional new and skilled employees in addition to retaining existing staff thru devising exclusive incentives and advantage applications. All this success has accomplished through a colorful management commitments and the visionary management they furnished and the personnel of the bank for his or her endured dedication and dedication. The financial institution could retain loyalty of its self-esteemed customers, visionary leadership from BOD and personnel commitment to obtain a long way better consequences, it remains human being's selected financial institution within the impending years and realize its vision of becoming a leading commercial bank in East Africa through the year 2030.

3.2 Research design and Approaches

The type of research design applied in this study is descriptive research. It is because the aim of the study is to describe and disclose how, when and what of succession planning is managed and executed at the bank. The study is involved in locating out the actual information as they exist at the prevailing and to describe the situation regarding succession making plans exercise in bank of Abyssinia. The research describes what the fact is when it comes to succession making plans exercise in Bank of Abyssinia. To this end, quantitative data were collected to better understand the situation concerning the research main area of interest. The finding analysed and interpreted with quantitative approach. Quantitative approach emphasizes objective measurement and the statistical, mathematical, or numerical analysis of data collected through questionnaire, so that's why I preferred to choose quantitative approach.

3.3 Data Types and Source

The data for the study are collected from both primary and secondary sources. Primary data were collected from the head quarter and from selected branches of Addis Ababa area through questionnaires. Further, secondary data will collect from documentations such as bank's succession planning policy, procedure manual scholarly papers, publications and the relevant documents.

3.4 Population, Sample and sampling Techniques

3.4.1 Study Population

The populace this study considers is round 200 and they're managers who're managerial positions and experts from HR department. Within the BOA, there are 3 managerial and administrative task classes, specifically, senior management agencies (chief gov't Officer), center stage managers (directors and District Managers), and decrease stage managers (Managers at Head office and department Managers).

For this look at, the writer used Managers (BM, BBM & BOM,), HR and different (middle and senior) managers as members. Here, the research excludes respondents at outlying Districts, outdoor Addis Ababa, due to time and different constraints. A purposive sampling method was applied to pick the best sample of characters with experience and in-depth knowledge of succession planning practices and demanding situations of the bank.

3.4.2 Sampling Techniques

Chan, (2008) argued that the specific research question and characteristics of the target population together from the basis on which the appropriateness of a sampling procedure is evaluated. In this regard, purposive sampling techniques were applied to select an appropriate sample of individuals with experience and in-depth knowledge of succession planning practices and challenges of the bank. The size of target population was 200 based on the purposive sampling these are: 1 HRD director, 1 HRD manager, 3 HR Division managers, 3 corporate branch manager and branch business and branch operation manager, 3 grade three branch manager and branch business and branch operation manager and succession manager since they are the major stakeholders in implementing succession planning and Practice. Out of the 200 total target populations, 150 target populations are participating for questionnaire. The basis to select the above department and positions is because of the bank currently implemented its succession planning in those departments and positions.

3.5 Data Collection Method

The major data for the study is collected using questionnaires. In addition, questionnaire consisting of mainly structured or close-ended questions are used to collect the primary data for the study from the selected samples in order to take the opinions of employees on succession planning practices and challenges of the bank.

Secondary resources of records additionally reviewed to achieve relevant information regard to succession planning practices and challenges of the financial institution. This includes the bank's HR procedure, annual succession plan HR needs survey wishes and result, and beyond year succession overall performance report and consultants document on succession planning practices comments. Similarly to this the researcher has tried to asses' different related research and online source on the subject matter.

3.6 Methods of Data Analysis

The analysis and interpretation was made based on quantitative results. The information collected via both primary and secondary methods is summarized the use of descriptive information which include tables, frequency distributions, chances and charts to offer a condensed photo of the statistics. While, the facts gathered via questionnaire and facts collected through secondary source of data are analyzed and used to elaborate major statistics associated with the existing succession planning practices in BOA. Finally, conclusion and recommendation is given by the researcher based on the findings.

3.7 Ethical Consideration

In conducting research, it is necessary to look at the ethical implications of what we are proposing to do. Most ethical issues fall in to one of four categories: protection from harm, informed consent, right to privacy, and honesty with professional colleagues (Leedy & Ormrod, 2005).

Therefore, taking the nature of this study under consideration, participants have been told the nature of the study to be conducted and given the choice of either participating or not participating because any participation should be strictly voluntary. More specifically, for ethical clearance the study confirmed and containing the following information:

- A brief description of the nature of the study
- A description of what participation will involve, in terms of activities and duration
- The guarantee that all response remains confidential and anonymous.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

This chapter affords the results and discussion of major findings. Its objectives to offer solutions to the ones key studies questions set out at the start of the observe. In doing so, the section discusses and reflects on their implications as per the objective of the study.

4.1 Demographic Characteristics of Respondents

A total of 200 questionnaires were distributed to respondents and received 150 responses. And its response rate was 75%. This section presents general information of the respondents. It included age, gender, marital status, educational level, work experience and department of the respondent. The Age of the respondents turned into considered being crucial in assessing challenges dealing with human aid succession making plans within the financial institution. As proven in table four.1 under, the study revealed that the age distribution of the respondents favored the group among 20-30 years which comprised 52 (34.67%) of the entire respondents and 31-40 years which comprised 65(43.33%) takes the largest proportion age institution inside the financial institution, the studies desired to realize sex distribution of respondents if you want to verify their non-commercial enterprise of the sample. greater than half of comprising 88(58.67%) of respondents had been males.

This turned into the outcomes of given socio - cultural problems in Ethiopia where adult males are dominant in employment and marital repute became taken into consideration as an critical detail all through this take a look at. The findings found out the subsequent: - 60(40%) of general respondents have been single. 84 (56%) had been married respondents. handiest 6 (4%) have been divorced respondents. these figures display that there was a massive distinction of marital repute of different respondents throughout this look at. again training degree was considered as an vital attribute whilst assessing challenges facing human resource succession making plans in financial institution of Abyssinia. This was due to the fact, education was assumed to have a crucial position in permitting respondents to apprehend one-of-a-kind questions about the challenges dealing with human aid succession planning inside the bank. The observe observed that 84 (56%) of respondents had been diploma holders. 66 (44%) of respondents had a master degree. Therefore, the statistics indicate that all categories of education were considered by the surveyed organizations during recruitment. However, more than half of the respondents had a bachelor degree. Additionally respondents had been

requested to country their work experience in the financial institution. The have a look at statistics imply that 11 (7.33%) labored with their respective companies for the duration of much less than four years. 101 (72.67%) worked among five and ten years with the respective organizations. 16(10.67%) of the respondents worked with the respective organizations for the length among 11 and 14 years. 14 (9.33%) of the closing respondents labored for their groups for a duration of over 14 years. The records display that there has been a good mixture of skilled and much less skilled inside the financial institution. but, the massive wide variety of the respondents become from the 5-10 years skilled employees which comprised extra than half of general respondents. And the last element of the questions was about the department of the respondents to see different levels of challenges they facing them in conducting human resources succession plans. The aim of considering departments was due to the fact that even if the bank identifies more critical job roles it currently implements them on branches than head office organs. The study revealed that 126 (84%) of the respondents were from the branches under Addis Ababa area District. 24 (16%) of the respondents were from the Human resource departments.

Table 1 illustrates all the above statistical findings.

Characteristics		Frequency	Percent	Valid percent	Cumulative Percent
	20-30 years	52	34.67%	34.67%	34.67%
	31-40 years	65	43.33%	43.33%	78%
	41-50 years	33	22%	22%	100%
	males	88	58.67%	58.67%	58.67%
	females	62	41.33%	41.33%	100%
	Total	150	100%	100%	
	single	60	40%	40%	40%
	married	84	56%	56%	96%
	divorced	6	4%	4%	100%
	Total	150	100%	100%	
	BA Degree	84	56%	56%	56%
	Master's Degree	66	44%	44%	100%

	Total	150	100%	100%	
	less than 4 years	11	7.33%	7.33%	7.33%
	5-10 years	109	72.67%	72.67%	80%
	11-14 years	16	10.67%	10.67%	90.67%
	above 14 years	14	9.33%	9.33%	100%
	Total	150	100%	100%	
	Branch	126	84%	84%	84%
	HRD	24	16%	16%	100%
	Total	150	100%	100%	

Table 1. Demographic Characteristics of Respondents

Source: Questionnaire analysis, 2022

4.2 Results and Discussion

4.2.1 Practices of Succession Planning

The objective of the study is to examine succession planning practices in Bank of Abyssinia by assessing the degree level of succession planning and the importance of succession planning to the bank.

Characteristics		Frequency	Percent	Valid Percent	Cumulative Percent
	strongly well done and satisfactory	64	42.67%	42.67%	42.67%
	well done and satisfactory	51	34%	34%	76.67%
	fairly done but not satisfactory	35	23.3%3	23.33%	100%
Total		150	100%	100%	

Characteristics		Frequency	Percent	Valid Percent	Cumulative Percent
	Very Important	99	66%	66%	66%
	Important	50	33.33%	33.33%	99.33%
	Not Important at all	1	0.67%	0.67%	100%

	Total	150	100%	100%	
--	-------	-----	------	------	--

Table 2. Practices of Succession Planning

Source: Questionnaire analysis, 2022

The respondents were requested to choose from the statements which sought to explore records at the degree level of succession planning within the bank. The have a look at findings suggest that 64 (42.67%) of the respondents agreed that human resource succession planning within the bank is strongly properly finished and quality. 51 (34%) of the respondents indicated that human resource succession planning inside the bank have been well done and satisfactory. 35 (23.33%) of the respondents indicated that human resource succession making plans is reasonably executed and not quality to the stakeholders. The statistics implies that Succession planning is properly accomplished and fine by way of the bank. Concerning to the significance of succession planning to the bank, Respondents have been requested to rank if they concept succession planning to be very critical, important or now not crucial at all. The observe findings found out that 99 (66%) of the respondents agreed that succession making plans could be very vital. 50(33.33%) of the respondents showed that succession planning is crucial for the bank to reap its targets. handiest 1 (0.67%) of the respondents did no longer see any significance of succession making plans. consequently, the observe finding implies that human resource succession making plans performed critical role for the bank’s goal fulfillment. subsequently, the financial institution should recognize the paramount position played with the aid of human useful resource succession planning for their survival.

4.2.2 Summary of Findings on the Challenges Succession Planning

Awareness of SP challenges observed in the bank, such as, insufficient talent pipeline, and inability to motivate and retaining key employees, ineffective business practices, unfocused roles and responsibilities across a carrier plan, lack of effective company vision, inactive periodical succession plan were discussed under this part to be among of the challenges facing human resources succession planning in the bank.

Challenges of SP	N	Minimum	Maximum	Mean	Std. Deviation
insufficient talent pipeline	150	1.00	2.05	0.722	
inability to motivate and retaining key employees	150	1.00	3.00	1.95	0.708

unfocused roles and responsibilities across a carrier plan	150	1.00	3.00	1.95	0.698
limited information about employees	150	1.00	3.00	1.83	0.699
lack of effective company vision and failure to address future needs	150	1.00	3.00	2.01	0.723
ineffective business practice	150	1.00	3.00	1.93	0.743
inactive periodical succession plan	150	1.00	3.00	1.81	0.745
Valid N (list wise)	150				

Table 3. Challenges of Succession planning

4.1.1 Challenges of Succession planning

In order to understand the challenges of succession planning at bank of Abyssinia 7 items concerning the general demanding situations of succession planning have been protected in the questionnaire. As it is shown in table 4.3 below out of seven item on measuring succession planning challenges the maximum mean is 2.01 where respondents mentioned ‘lack of effective company vision and failure to address future needs’ as a difficult one and the minimum score is 0.722 for ‘insufficient talent pipeline’. The overall response shows that the whole measurement items have moderate impact over successful succession planning.

Positive Factors of SP	N	Minimum	Maximum	Mean	Std. Deviation
Sufficient talent pipeline in the organization	150	1.00	4.00	2.47	1.028
ability to motivate and retain key employees	150	1.00	4.00	2.35	0.921
effective business practices in the organization	150	1.00	4.00	2.13	0.939
focusing on roles and responsibilities across a carrier plan	150	1.00	4.00	2.13	0.953
plenty of information about employees	150	1.00	4.00	2.31	1.037

availability of effective company vision	150	1.00	4.00	2.32	0.965
active periodical succession plan	150	1.00	4.00	2.20	0.934
Valid N (list wise)	150				

Table 4. Positive Factors for succession planning

4.1.1 Positive Factors of succession planning

In order to understand the availability of positive factors influence on succession planning at Bank of Abyssinia, 7 items which are supposed enhance succession planning of the bank were included in the questionnaire. As it is shown in table 4.4 below out of seven item the respondents reflect their view on items positive impact on succession planning. As the result shows the maximum ranges is 2.47, i.e. ‘plenty of information about employees’ and the lower score is 2.13 ‘sufficient talent pipeline.’

The overall response shows that the availability of positive factors influences on succession planning at Bank of Abyssinia has confirms availability of certain factors which positively contribute banks succession planning.

Strategies of SP	N	Minimum	Maximum	Mean	Std. Deviation
attracting and recruiting the potential employees	150	1.00	4.00	1.99	0.831
rewarding and recognizing hard working employees	150	1.00	4.00	2.25	0.897
effective leadership and management development	150	1.00	4.00	2.22	0.896
staff engagement	150	1.00	4.00	2.02	0.979
effective management and performance	150	1.00	4.00	2.03	0.827
organizational learning and development	150	1.00	4.00	2.14	0.934
setting enough budget for human resource development	150	1.00	4.00	2.27	0.946
human resource policies	150	1.00	3.00	1.97	0.755
committed management	150	1.00	3.00	2.11	0.738
culture of the organization	150	1.00	3.00	2.01	0.751

readiness of the organization	150	1.00	3.00	1.94	0.771
competence of the organization	150	1.00	3.00	2.03	0.768
Valid N (list wise)	150				

Table 5. Strategies of Succession Planning

4.1.1 Strategies of Succession Planning

In order to examine whether the availability of strategies for succession plans have an impact on succession planning implementation on the bank 12 items have been included within the questionnaire As it is shown in table 4.5 below out of these items the respondents on strategies of succession planning which ranges maximum mean 2.27, i.e. ‘Organizational learning and development ‘to minimum mean 1.94 ‘competence of the organization.

The overall reaction suggests that the strategies of succession planning have an effect on succession planning at bank of Abyssinia has suggests that the strategies of succession planning have an strong impact on in the bank’s succession making plans

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter dealt with analysis and interpretation of statistics acquired by using way of questionnaire. In this chapter, a quick summary on the research challenge presented. The finding from both literature assessment and the empirical research on succession planning practice and challenges at Abyssinia bank, also presented. The recommendations with a view to function tips to help bank managers, human sources to hold succession planning practices and demanding situations will be made.

5.2 Research Findings

The study aimed in assessing succession planning practice exercise and challenges at bank of Abyssinia. The study tries to attempts to be inclusive through thinking about numerous units of the bank. As a result, all 3 Districts of Addis Ababa place Branches and the head office units are involved inside the studies. As the observe suggests huge percentages of the respondents are from branches places of work. The intent behind this because the financial institution presently imposing its succession planning method on its branches and head office organ.

On this segment, the strive is made to speak about specific findings from the outcomes obtained through the survey questionnaire.

- ✓ The main finding of the study is that the succession planning practice of the bank is not centred on the employees of the bank. But the bank of Abyssinia, as a bank, needs its own succession planning practice in a participatory and transformative manner.
- ✓ Among other factors Organizational learning and development activities is largely assumed to have an influence in succession planning activity of the bank. Whereas competency level of the bank has the least impact on such activity.

5.3 Conclusions

As the objective of this study mentioned in prior sections, more practical succession planning topics were raised and examined to assess the extents of bank's human resources succession planning practices in line with relevant theories and real-world practices. In order to meet the above objectives, the researcher gathered detail data regarding the succession planning practices and challenges through questionnaire.

Moreover, document analysis or documentary was used to conduct the succession planning practices and challenges of the bank. The sources of secondary data were HR procedure, career and succession management plan, list of activities performed regarding succession planning in the past years and a review of consultant's document. Based on this, the following findings are forwarded about bank's succession planning practices; sudden change could happen because of a various reason which could affect the function of the organizations. Thus it is essential for the bank to be prepared to ensure that the right candidates exist to fit any vacant spot. The study captures banks due effort and commitment in this direction as it conducts all success planning steps. All study participants gives high regard for succession planning task. As it has it increases the availability of experienced and competent employees to take different leadership role and protects the bank from future disturbance.

The study tries to see what challenges the bank faced in implementing succession planning. Among various factors inactive succession planning is assumed to affect smooth transition.

The study finds out that availability of plenty information about the employee profile has a positive role in succession planning. This shows that documenting workers profile is a key step in building succession planning and allowing the bank to identify succession candidates and preparing them for growth and development. Among other factors Organizational learning and development activities is largely assumed to have an influence in succession planning activity of the bank. This connotes the benefits of identifying crucial skills, set of knowledge and organizational practices and passing them and preparing next generation to ensure seamless movement of talent within the organization.

5.4 Recommendations

The following recommendations were made to assist succession planning practices and challenges: the case of bank of Abyssinia. The succession planning is considered as part of the on-going HR and talent management duties of the bank that prepares future executives. Even senior management engage in a series of discussions to decide on employees who take a significant role and forward their own list of candidates. Yet some respondents missed this and noted SP as a peripheral activity under HRD as they noted the bank's real conduct.

Many of the participants assure the significance of SP activity as it identifies competency gaps, guides the training or talent management programs, etc. Succession planning should be the top priority for the bank. yet as the feedback noted poor bank performance where the risks of loss in critical posts is unavoidable which lowers bank's productivity and open on-whim decision-making. Nowadays banks integrate an HRM system that serves as a central repository

of full employee data which includes information on education, experience, professional training, and other skills where the bank access such data in planning training, and facilitating succession planning.

Thus BOA should integrate such a system into its HR activity where plenty of information about each and every staff is readily available. As the study find out bank's development and learning program and succession planning are the most critical HRM processes. As the succession planning process key role is reviewing and determining the of potential employee's candidates is heavily rely on the process of talent development and training and also the bank should monitor and coach succession planning.

5.5. Areas for further study

Succession planning is a totally extensive subject matter that needs to be researched in depth. Future research can be done on succession planning with regards to performance of Abyssinia banks. And the findings of this observe did no longer exhaust all technicalities of human resources succession making plans. The study explored most effective practices and demanding situations which faced human useful resource succession planning in the bank of Abyssinia. Therefore, other researchers need to behavior look at in other banks, including those located up country. Also similarly look at should aim to discover advantages which the businesses acquire from succession planning.

REFERENCES

1. Aberdeen organization (2006) Succession plans techniques: The right humans, for the right Jobs, at the proper Time.
2. Aon Hewitt (2012) best-in-elegance Succession management: Who Will Take the Baton? Aon Hewitt organization
3. Armstrong, M. (2003).A manual of Human aid management practice. Vol. 9. Kogan page Publishers.
4. Armstrong, M. (2009).A manual of Human aid control practice. Vol. 10. Kogan web page Publishers.
5. Australian Public service fee (2003) dealing with Succession within the Australian Public carrier.
6. Avanesh, N.M.(2011) A study on Succession plans and its impact on Organizational overall performance within the It zone. worldwide Refereed research magazine, Vol.– II, issue –1.
7. Diamond A (2006). finding fulfillment through succession making plans. Sec. manipulate., 50(2): 36–39.Vol.4 (10), pp. 2140-2149.
8. Farashah, A.D., Nesehifar, V. & Karahrudi, A.S. 2011. Succession making plans and its consequences on employee profession attitudes: look at of Iranian governmental organisational. African magazine of enterprise control, 5(9):3605-3613.
9. Freyens, P.P. 2010. managing competencies shortages in Australian public region: troubles and perspectives. Asia Pacific journal of Human sources, 48(three):262-286.
10. Fredericksen, E. 2010. when the track stops: succession is greater than filling seats. country and local government overview, 42(1):50-60.
11. Gothard, S. & Austin, M.J. 2013. management succession making plans: Implications for non-income human service enterprises. management in Social work, 37:272-285.
12. Hills,A(2009). Succession making plans – or clever skills control? BlessingWhite, Inc. Princeton, NJ
13. Hytti, U., Stenholm, P. & Peura, k. 2011. Transfers of business planning & bounded emotionality: a follow-up case have a look at. global magazine of Entrepreneurial Behaviour & studies, 17(5):561-580.

14. Jarrell, ok.M. & Pewitt, k.C. 2007. Succession planning in government: case take a look at of a medium-sized metropolis. overview of Public personnel management, 27(3):297-309.
15. Kesner I.F. & Sebor T.C. 1994. executive succession: beyond, present & future. magazine of management, 20(2):327-372.
16. Kim, y.(2006) measuring the cost of succession making plans and control: a qualitative observe of U.S. associates of foreign multinational companies. Carried out research challenge, Pennsylvania nation college.
17. Ley, Sharon(2002) An evaluation of Succession making plans on the nation Bar of Texas. Applied research challenge, Texas state college-San Marcos, available at <http://ecommons.txstate.edu/arp/53/>
18. Mateso, e. (2010) information succession planning and control efforts at Midwestern university: a mixed techniques look at.
19. Mehrabani, S. E., & Mohamad, N. A. (2011). Figuring out the critical factors Influencing the implementation of succession making plans. Global convention of information and Finance IPEDR vol.21 37-forty one
20. Newfoundland and Labrador(2008) Succession planning and management guide. Government of Newfoundland and Labrador
21. Oimstead, J. 2012. Succession making plans: Who desires it. The magazine of Nurse Practitioners, 8(9): 682.
22. Page up humans (2008) Succession making plans & management in hard economic instances. Survey image.
23. Pennell, k. 2010. The role of flexible activity descriptions in succession control. Library management, 31 (five):279-290.
24. Reid, M. 2005. Applying succession management blessings for leadership continuity. Magazine of commercial enterprise & Economics research, 3(6):35-forty four.
25. Rothwell, W. J (1994) effective Succession making plans: ensuring management Continuity and constructing expertise from within. Big apple: AMACOM.
26. Rothwell, W. J. (2001) powerful Succession planning. American management association, new york.
27. Rothwell, W.J. & Poduch, S. 2004. Introducing technical (not managerial) succession planning. Public employees control, 33(4):413-427.
28. Rothwell, W. J. (2010). powerful Succession making plans: ensuring leadership Continuity and constructing skills from within.. 4th ed., AMA com.

29. Stinchcomb, J; Mancini, C; and McCampbell, S (2010). country wide prison Succession making plans and leadership improvement assignment: identifying center talents for jail Leaders: techniques and outcomes, consequences of Advisory Committee assembly, feet. Lauderdale, Florida
30. WGEA(2002) promotion, switch and Termination attachment one: developing and implementing Succession Plans. work Gender Equality organization.
31. Wright, D. 2012. A qualitative look at management succession in human carrier corporations. Global management magazine, 4(3):18-37.

Appendix: Questionnaire

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE MASTERS OF HUMAN RESOURCE MANAGEMENT PROGRAM

A Questionnaire for Assessing Succession Planning Practice (SPP) and Challenges at Bank of Abyssinia (BOA)

Dear Participant, You are kindly requested to take part in this unique study. The objective of this survey is to understand the status and issues of succession planning practice and challenges at bank of Abyssinia.

Succession Planning is a process of identifying and developing candidates for key leadership and professional positions over time to ensure the continuity of management (Georgia Merit System, 2005).

Your response will be treated as strictly confidential and will be used only for academic purpose i.e. in partial fulfilment of the requirement for MA in Human Resource Management.

If you have questions, feel free to call me (0910 138058) or email me via endashaw.tesfaye@bankofabyssinia.com

Thank you for your time,

SECTION ONE: General information

1. Gender • Male

• Female

2. Age Groups

• <25

• 25 to 35

• 36 to 40

• 41 to 50

• > 51

3. What is the highest level of education you have completed?

- Diploma
- First Degree
- Second Degree
- Other, Please specify _____

4. Year of service in the organization <2 3-5 6-10 11-15 > 16 years

5. Your current Job position/Level

- Top manager * Line manager
- Middle manager * If other.....

SECTION TWO: The Extent of Human Resources Succession Planning

8. Do you participate in organization succession planning? (Circle the relevant answer)

- a. Yes b. No c. I don't know

9. If yes, choose the most right statement on the degree level of succession planning in your organization.

- a. Strongly well done and satisfactory by the company
- b. Well done and satisfactory by the company
- c. Fairly done but not satisfactory by the management
- d. Not done all by the company

10. How many times the organization you are engaged with conduct succession planning? (Please circle one letter that represents your response)

- a. Every day

- b. At least once a week
- c. At least once a month
- d. Quarterly
- e. After 6 months
- f. At least once a year
- g. Never done in the organization

11. How important is the Succession Planning in your working environment? (Please circle the correct answer)

- a. Very important
- b. Important
- c. Not important at all

12. Mention strategies used by your organization in carrying out human resources succession planning

- i. -----
- ii. -----
- iii. -----
- iv. -----
- v. -----

SECTION THREE: Challenges Facing Human Resources Succession Planning

13. Do you think the organization do face any challenge(s) when executing succession Planning?

- a. Yes b. No c. I don't know

14. If the answer is YES, what do you think are those challenges?

i. -----

ii. -----

iii. -----

iv. -----

v. -----

15. Please indicate your reaction by circling the one most appropriate to following as can act as a challenge to the organization intention and effort of succession planning.

Strongly affect (1) Little effect (2) No effect (3)

NO.	Items	Ranking
1	Insufficient talent pipeline	1 2 3
2	Inability to motivate and retaining key employees	1 2 3
3	Ineffective business practices	1 2 3
4	Unfocused roles and responsibilities across a carrier plan	1 2 3
5	Limited information about employees	1 2 3
6	Lack of effective company vision and failure to address future needs	1 2 3
7	Inactive periodical succession plan	1 2 3

SECTION FOUR: Positive Factors Influencing Human Resources Succession Planning

16. What do you think are the factors which enable implementation of Succession Planning in your organization?

- i. -----
- ii. -----
- iii. -----
- iv. -----
- v. -----
- vi. -----
- vii. -----

17. Rank how the availability of the following has a positive influence on the organization human resource succession planning. (Circle the most correct one)

1= Very strong influence 2=Strong Influence 3=Weak influence 4=No influence at All

NO.	Items	Ranking
1	Sufficient talent pipeline in the organization	1 2 3 4
2	Ability to motivate and retain key employees	1 2 3 4
3	Effective business practices in the organization	1 2 3 4
4	Focusing on roles and responsibilities across a carrier plan	1 2 3 4
5	Plenty of information about employees	1 2 3 4
6	Availability of effective company vision and addressing future needs of the organization	1 2 3 4
7	Active periodical succession plan	1 2 3 4

SECTION FIVE: Strategies for Enhancing the Application of Human Resource Succession Planning.

18. Does your organization have any strategy (ies) in enhancing the application of human resource succession planning? (Please circle the correct answer).

- a. Yes b. No c. I don't know

19. If YES, what are those strategies used to enhance application of human resource succession planning.

- i. -----
- ii. -----
- iii. -----
- iv. -----
- v. -----
- vi. -----

20. Rank how the availability of the following has a can strategize the human resource succession planning in your organization. (Circle the most correct one)

1= Very strong influence 2=Strong Influence 3=Weak influence 4=No influence at All

NO.	Items	Ranking
1	Attracting and recruiting the potential employees	1 2 3 4
2	Rewarding and recognizing hard working employees	1 2 3 4
3	Effective leadership and management development	1 2 3 4
4	Staff engagement	1 2 3 4
5	Effective management and performance	1 2 3 4
6	Organizational learning and development	1 2 3 4
7	Setting enough budget for human resource development	1 2 3 4

21. Rank the following as suggested to be among the determinants of effective Succession Planning in your organization.

Strongly determine the SP= 1, Weak determine the SP= 2, Not determine at all= 3

NO.	Determinants of SP	Ranking
1	Human resource policies	1 2 3
2	Committed management	1 2 3
3	Culture of the organization	1 2 3
4	Readiness of the organization	1 2 3
5	Competence of the organization management	1 2 3

22. What do you think are the indicators of the effective Succession Planning?

i.

ii.

iii.

iv.

v.

23. Please circle what you think is the most correct answer from this statement. “Effective Succession Planning contributes to organization performance”.

a) I strongly agree

b) I agree

c) I disagree

d) I strongly disagree

24. Propose on what you think to be the indicators of the organization performance

i.

ii.

iii.

iv.

v.

Thanks for your cooperation!

