



Addis Ababa University
School of Commerce
Master of Arts in Business Leadership

*Succession Planning Practices and their Impact on Employee Retention: in the
case East Africa Bottling S.C*

***“A PROJECT SUBMITTED TO ADDIS ABABA UNIVERSITY, SCHOOL OF
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By: Tewodros Alene (GSE/9617/10)

Submitted to: Dr. Wubshet Bekalu.

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CERTIFICATION

The undersigned certifies that, he has read and hereby recommends for acceptance of this research paper titled: “Succession Planning Practices and their Implications on Employee Retention: in the case East Africa Bottling S.C” in partial fulfillment of the requirements for the degree of Master of Business Leadership of Addis Ababa University Graduate Studies.

1. Dr. Wubshet Bekalu
Advisor	Signature	Date

2. Dr. Abraraw Chanie
Internal Examiner	Signature	Date

3. Dr. Afework G.....
External Examiner	Signature	Date

DECLARATION

I, Tewodros Alene, hereby declare that this project has been conducted by me under the Supervision of Dr. Wubshet Bekalu. This project has never in its present form, or in any other form, been submitted to any other university or institution for the award of any degree. All reference in the thesis has been duly acknowledged and cited in the reference list. I therefore take responsibility for any inaccuracies and shortcomings, which may be detected in this thesis.

Signature: _____

Date: _____

TEWODROS ALENE

(Student)

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

Signature: _____ Date: _____

WUBSHET BEKALU (PHD)

Principal advisor

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ACRONYMS

EABSC	East Africa Bottling Share Company
CCBA	Coca-Cola Beverages Africa
HR	Human Resource
HRM	Human Resource Management
SP	Succession Planning
SPP	Succession Planning Practice

Table of Contents

DECLARATION	
ACKNOWLEDGEMENT	
ACRONYMS	
ABSTRACT	
LIST OF TABLES	III
LIST OF FIGURES	III
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of the Study	1
1.2. Background of the Organization	3
1.3. Statement of the Problem	4
1.4. Research Questions	6
1.5. Objective of the Study	6
1.5.1. General Objective of the Study	6
1.5.2. Specific Objective	6
1.6. Significance of the Study	6
1.7. Scope of the Study	7
1.8. Limitation of the study	7
1.9. Organization of the study	7
CHAPTER TWO	9
LITERATURE REVIEW	9
2.1 Theoretical Foundation of the Study	9
2.1.1. Succession Planning	9
2.1.2. Importance of Succession Planning	14
2.1.3. Succession Planning Practice	16
2.1.4. Challenges to Implementing Succession Planning	20
2.1.5. Succession planning Best Practices	22
2.1.6. Employee Retention	25
2.1.7. The Relationship between Succession Planning and Employee Retention	28

Succession Planning Practices and their Implications on Employee retention

2.2. Empirical Analysis of Relevant Studies.....	29
2.3. Conceptual Framework	31
CHAPTER THREE	33
RESEARCH METHODOLOGY.....	33
3.1. Overview	33
3.2. Research Design and Approach	33
3.3. Source of Data and Data Collection Tools Used.....	34
3.4. Target Population and Sampling Technique	35
3.4.1. Sampling Technique	35
3.4.2. Sampling Methods	36
3.5. Method of Data Analysis and Presentation	37
3.6. Reliability and validity of data collection tools	38
3.6.1. Validity	38
3.6.2. Reliability.....	38
3.7. Ethical Issues.....	39
CHAPTER FOUR.....	41
DATA ANALYSIS AND RESULTS.....	41
4.1 Introduction	41
4.2 Response Rate	41
4.3 Demographic Data of Participants	41
4.4 Results ad Discussion.....	43
CHAPTER FIVE	59
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	60
5.1 Introduction	60
5.2 Research Findings	60
5.3 Conclusion.....	61
5.4 Recommendations	61
5.5 Suggestions for Further Study.....	62
REFERENCE	
Appendix	

LIST OF TABLES

Table 1: Total Population Distribution	36
Table 2: Population and Sample Proportion	37
Table 3: Reliability Statistics	40
Table 4: Sex, Age, Academic background and Marital Status of the Respondents	42
Table 5: Degree of Extent of Succession Planning	44
Table 6: Degree of Motivation for good Succession Planning	45
Table 7: Item Statistics of Candidates for succession identified.....	46
Table 8: Item Statistics of Challenges Facing HR Succession Planning	46
Table 9: Item Statistics of Reward and Benefiting	48
Table 10: Item Statistics of Career Planning	49
Table 11: Item Statistics of Working Environment	49
Table 12: Item Statistics of Performance Management	50
Table 13: Item Statistics of Retention Factor.....	51
Table 14: Correlation matrix of succession planning and employee retention	52
Table 15: Correlation matrix of career development and employee retention.....	53
Table 16: Correlation matrix of performance management and employee retention.....	53
Table 17: Correlation matrix of reward & benefit and employee retention.....	54
Table 18: Correlation matrix of working environment and employee retention.....	54
Table 19: Regression between succession planning and employee retention.....	55
Table 20: Regression between career development and employee retention.....	56
Table 21: Regression between performance management and employee retention	57
Table 22: Regression between reward & benefit and employee retention.....	58
Table 23: Regression between working environment and employee retention	59
Table 24: Beta Coefficients of Succession planning practices and employee retention.....	59

LIST OF FIGURES

Figure 1: Steps of Creating Succession plan.....	16
Figure 2: Conceptual Frame Work	32

Abstract

This study aimed at empirically establishing whether succession planning practices exist in East Africa Bottling S.C and the extent to which such practices had been implemented. In addition, it aimed to establish the impact of such practices have on employee retention in the organization. The design of the study adopted was descriptive research, and data was collected using questionnaires and interview to management staffs which were purposely selected, stratified and simple randomly selected of the organization. Both descriptive and inferential statistics were used to analyze the data. The data was analyzed using Statistical Package for Social Sociences (SPSS). The findings showed that there is high level of succession planning practices implementation in the organization. The findings also showed that the independent variables (succession planning, working environment, career development, reward and benefit and performance management) have positive impact on the dependent variable (employee retention). The study has some limitations on the basis of which, it is suggested to the future scholars to conduct a study in industry level instead of on specific organization.

Key terms: *Key Terms: Succession Planning, Employee Retention, work environment, Reward and benefit, Career Development, performance management*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

In spite of the fact that unemployment in Ethiopia has been at higher level for the last couple of years, there is also intense competition to find talented, competent and knowledgeable employee in all types of business organizations. In addition to the competition to find talented workers, retaining and finding a qualified replacement for knowledgeable employees is also a challenge for different organizations.

Ralph Nader said ‘I start with the premise that the function of leadership is to provide more leaders, not more followers’ Mayo (2011). Developing higher number of leader can be implemented when human resource management has its own succession planning.

Succession planning is very important concept to be applied in any kind of organization. According to (Butler and Roche-Tarry, 2002) definition, succession planning is an ongoing dynamic process that assists a business or organization in aligning its goals and its human capital needs. Butler (2002)If we are thinking about the continuity of a business, succession planning is an important concept. All companies have to be engaged in any kind of succession planning so as to survive beyond the life span of a single generation.

Succession planning is crucially important in small companies as the sudden retirement or termination or illness of a key manager or player can cause the business to struggle. Mathur states that if company has large size then organization must have a larger pool of potential successors to choose from. Organization may identify several early on, and then monitor their performance and make a conclusion when it is approaching to time for them to take over. With smaller companies, however, designating a successor could also be harder. Organization might not have employees prepared to take the position, and may need to recruit someone specifically for the position, or recruit employees based not only on how capable they are for the job, but on how skilled they are to take over higher-level positions (Mathur, 2011).

Rothwell (2005) in his research states that succession planning and employee retention form a part of action human resource planning which cares with staffing and both have a direct impact

on reducing staff turnover. Mahfoozi, Salajegheh, Ghorbani, and Sheikhi point out that it's of utmost importance to retain essential capabilities and competencies in the manpower in order to build and maintain business competitiveness (Mahfoozi, 2017). In addition to the business's competitiveness, the business's survival will also be in question if leaders' succession continuity is interrupted and it could result in loss of knowledge that is essential to its growth and success.

Succession management is typically done for upper-management because the resignation or termination of a key leader can be detrimental to the social well-being and productivity of an organization (Garg, 2012). However, succession planning is also important to other positions within a company. Regardless of the position's level, an effective succession plan for project managers is critical for businesses that utilize project-based staff and teams (Adewale, 2011).

Even though many companies have succession planning programs applicable as per their policies, it's not clear how solid these programs are (Gulzar, 2014).

According to previous studies concerning succession planning, as organizational situations changes through business growth, promotions and resignations of key staff, proactive succession planning will supply a guarantee that the company will have a backup pool of talent ready to fulfill new roles (Mathur, 2011).

It has also been well-known that organizational survival and growth are the most essential responsibilities which can best be fulfilled by planning management succession to ensure the availability of the right number and type of management staff at the proper time and within the right position (Pahanayak, 2008). Being a process, succession management aims at identifying particular individuals working within the corporation as possible successors for specific suitable positions.

Employee retention is the ability of an organization to keep its employees from leaving the organization for whatever reason except natural attrition to another competing organization. In other words, employee retention which relates to the efforts by which employers attempt to retain employees in their workforce plays an important role in an organization's success to the extent that it becomes the strategies rather than the outcome. It is clear that one of the main goals of succession planning is to retain employees. Beardwell, Holden and Clayton (2004) state some

of the components of a retention plan largely are determined by the outcome of labor turnover and risk analyses which should periodically be conducted (Ian Beardwell, 2004).

1.2. Background of the Organization

Coca-Cola Beverages Africa (CCBA) is the eighth largest Coca-Cola bottling partner in the world by revenue, and the largest African Coca-Cola bottler in the continent. It accounts for 40% of all Coca-Cola products sold volumes in Africa. It operates with almost 40 bottling plants in 13 African countries: Ethiopia, South Africa, Kenya, Uganda, Namibia, Ghana, Comoros, Mayotte, Tanzania, Mozambique, Zambia, Botswana and Eswatin.

CCBA is a market front-runner in the NARTD (non-alcoholic ready to drink market) in Africa. It has an extensive footprint in Africa, employing approximately 16,000 employees, of which approximately half of them are located in South Africa. The creation of CCBA in 2016 was designed to advance a consolidated, more successful Coca-Cola system on the continent, and also in Ethiopia.

East Africa Bottling Share Company (EABSC) is subsidiary of CCBA and a Coca Cola bottler in Ethiopia. EABSC launched its operation in 1959 in Addis Ababa by five Ethiopians with an initial capital of birr 750,000 & opened a second plant in 1965 in Dire Dawa. This time the five Ethiopians were joined by one foreign national. The two plants were nationalized in 1975 and ran as public companies until 1996, when they were bought by private investors. Just prior to that, in 1995, the Coca-Cola South African Beverage Company (Coca-Cola SABCO) bought shares in the business. In 1999, the company made a breakthrough by signing a joint venture agreement with South Africa Bottling Company named Coca-Cola South Africa Bottling Company (CCSABCO). In 2001, CCSABCO increased its share to 61% and took the lion's share in leading and managing the business and the company changed its name to the East African Bottling Share Company. On July 02, 2016, it was declared that Coca-Cola Sabco was merged with The Coca-Cola Company and SABMiller to form Coca-Cola Beverages Africa (CCBA). Their respective share is SABMiller: 57.0%, Coca-Cola SABCO (Gutsche Family Investments): 31.7% and The Coca-Cola Company: 11.3%.

After the privatization and merger with the South African company, EABSC has shown continuous progression by taking advantage from the strategic leadership and long years business

experience of the mother Company which led to advancement in professionalism, knowledge and experience from which both parties have been benefiting.

EABSC established its third plant in Bahir Dar city in 2013 and began serving the northern Ethiopia market since November 16, 2016.

As a subsidiary company of CCBA, EABSC has a vision to become the best coca cola bottler in the world, the best in terms of sales volume and return on capital employed against all Coca-Cola bottlers in the world. EABSC has a purpose of creating value for everyone involved in the business by providing right refreshment, at the appropriate price and place. The value statement of EABSC emphasizes that the company will create a work environment where employees are passionate about performance by maintaining integrity, individual initiative, customer value, team work, people development, mutual trust, respect, and commitment.

EABSC is managed by board of directors which consists of Ethiopians and foreign nationals. The company has more than 2,100 permanent employees working in the three plants in Ethiopia. The company solely bottles Coke Product such as Coca-Cola, Fanta, Sprite and Schweppes Tonic.

EABSC has plans to expand by building a plant in Hawassa city on five hectares of land and construct a factory in Sebeta. CCBA has invested a significant amount to add new production lines that makes sugar-free, and non-alcoholic malt drinks. The new malt drink Novida Pineapple, which launched on February 6, 2020, is part of the expansion project of the company.

1.3. Statement of the Problem

Organizations should have a competent, knowledgeable and well trained workforce. But this is not enough. Nevertheless, these qualities should be accompanied with good management succession practices which include identifying successors and individual careers path.

Succession planning is a tool to realize the mission and to create an effective process for recognizing, developing, and retaining top leadership talent (Winn, 2006). According to (Odhiambo, Njanja, and Zakayo, 2014), effective succession planning focuses on consistency and a systematic approach to growing leaders within the company. In other word, leadership development may be a process that happens over time, and which uses different methods and

approaches that change consistent with the organizational culture, mission, individual interests, and support and resource systems in place (Caldwell, 2007).

Majority of the companies give a lot of central focus on the talent management and development processes by forgetting the fact that talented and ambitious workers do not prefer to stay for longer times to save their management positions (Armstrong, M., 2012).

Shortage of talent is being experienced in every organization no matter the industry as a result of the fact that skills set possessed by available workers might not match the more complex advanced skills required by business (Buhler, 2008) and (Lyria, 2014). Nana (2013) suggests that organizations should make sure that they are better positioned to meet the problems of talent shortage.

There have been a number of studies on the topic of succession planning and employee retention. Eshiteti et al (2013) investigated the impact of succession planning on the retention of employees among the Kenyan sugar companies. The study found that the majority of the workers have a higher job contention as there was proper succession planning implemented for them by their corporation. The result showed succession planning has positive impact on staff retention among sugar firms (Eshiteti, 2013).

Other research has indicated that efforts of succession management are presumably to accomplish if they are embedded in management operations, involve human resource and other managers throughout the organization and are concerned with implications for other career planning practices such as formal education training (Caldwell, 2007).

Chepkwony (2012) conducted the study to examine the relationship between succession planning, talent management and organizational strategy among commercial banks and found that there is a connection between succession planning, talent management and organizational strategy.

Thus, no such study was seen locally that has investigated the succession planning practices and its implication on employee retention in East African Bottling S.C. The present study, therefore, aims to fill this gap and seeks to investigate the existence and extent to which succession

management practices have been implemented in EABSC. The particular interest of the study is the implications of such practice on employee retention.

1.4. Research Questions

1. What are succession planning practices in EABSC?
2. What is the extent of succession planning practices in EABSC?
3. How do succession planning practices impact employee retention in EABSC?

1.5. Objective of the Study

1.5.1. General Objective of the Study

The broad of the project is to assess the existence and extent to which succession planning practices have implemented in East African Bottling S.C (EABSC) and will search for establishing the implications of such practices on retention of employees.

1.5.2. Specific Objective

The study specifically will;

- Exploring current trends of succession planning
- Determine the extent of succession planning practices in EABSC
- Analyze the impact of succession planning practices on retaining employees of EABSC
- Analyze impact of career development, performance management, reward and benefit and working environment on employee retention in EABSC

1.6. Significance of the Study

This study aimed to benefit EABSC by disseminating information that can be used to improve succession planning programs. The organization implements succession planning programs by investing on the program and expect results. In this case, the study helps to identify the gaps or areas that need improvement in succession planning practice at EABSC. The study also benefits other organizations, as the challenges of implementing the practice are of more or less similar with different industries which can help the organizations to use this study as a reference. It could also serve as a valuable contribution to the current literature, which can form a basis for further research on similar topic or organization.

1.7. Scope of the Study

EABSC has three different manufacturing plants located in Addis Ababa, Dire Dawa and Bahir Dar plant. The research was conducted only on Addis Ababa manufacturing plant because majority of the company's permanent employees in Ethiopia is found in Addis Ababa plant so the researcher believes that it can be a representative sample of the population. Moreover, the current COVID 19 pandemic in Ethiopia and all over the world does not allow the researcher to move freely to different plants and easily meet the employees found there.

Succession planning practice can be investigated from different perspectives, but the research scope was delimited and focused only on the practice and its implications on employee retentions.

1.8. Limitation of the study

The limitation of the study is that Coca-Cola Beverages Africa (CCBA) as a parent company is not considered. So, the study doesn't reflect the overall picture of the implications of succession planning on employee retention in the CCBA or East Africa Bottling Company in Ethiopia; rather it deals on East African Bottling S.C Addis Ababa Office. The other limitation is the findings are based on the information provided by the respondents, and are subject to potential bias and prejudice of the people involved in the research.

1.9. Organization of the study

This research comprises five chapters which are organized in the following manner. Chapter one has introduction background of the study, background of the organization, statement of the problem, research questions, general and specific objective of the study, significance of the study, scope and limitation of the study.

Chapter two is literature review part which covers the theoretical foundation of the study, empirical analysis and conceptual framework of the study.

Chapter three is the research methodology part of the study which comprises research design and approach, source of data and data analysis, target population and sampling technique, methods of data analysis and presentation and reliability and validity of data collection.

Chapter four is data analysis and result part of the study and is composed of introduction, response rate, demographic data of participants and results.

Chapter five is findings, conclusions and recommendations which is the final part of the study. It has research findings, conclusions, recommendations and suggestions for further studies

CHAPTER TWO

LITERATURE REVIEW

This chapter presents the literature review relevant to the succession planning and employee retention and presents the theoretical foundation of the study. It defines different words and phrases incorporated in the study. A succession planning practices, factors influencing employee retention, independent variables and the conceptual framework is also discussed in this chapter. The literature has been reviewed from different journals, reference books, working papers and reports.

2.1 Theoretical Foundation of the Study

2.1.1. Succession Planning

Organizations benefit from stability of their human resources. Succession planning is characterized as organization's attempt to prepare for transition of all management positions (Rothwell, 2010). According to (Sambrook, 2005) definition, succession planning is the attempt to plan for the right quality and number of managers and key-skilled employees to cover serious illness, retirement, death or promotion and any new positions which can be created in future organization plans. Augustine & Kanemoto (2009) defines succession planning as it is a deliberate effort by an organization to make sure leadership continuity in key positions and encourage individual advancement. The goal of succession planning is to match the organization's available (present) talent to its needed (future) talent, to ensure that the lessons of organizational experience (institutional memory) are preserved to achieve continuous improvement. Other researcher also define Succession planning as a process for identifying and developing new leaders who can replace old leaders when they leave, retire or die. Robert (2018) discusses succession planning as it increases the availability of experienced and competent employees that are prepared to assume these roles as they become available.

Succession planning is described as having the right people in the right place at the right time. More specifically, succession planning is the ongoing process of identifying successors to the critical roles of an organization and developing them so they are ready to move into those leadership roles. This process includes reviewing the organization's strategic plan, assessing the

current workforce, estimating future patterns, and developing employees in a structured plan to takeover leaders as they retire or depart from the corporation.

In line with these above definitions, (Collins, 2009) defines succession planning as a process which will provide seamless leadership transition across the organization. Succession planning therefore can be understood as a means to successfully deal with staffing surprises. Traditionally, the term succession planning is referred to planning for leadership continuity at CEO level, but today succession planning provides for leadership continuity at all levels (lower to top). Actually, an appropriate succession planning should address the need for crucial backups and individual development in any job category, including key people in the professional, technical, sales, clerical, and production ranks (Rothwell W. J., 2010).

❖ **Talent Management**

Talent management is defined as the process of recognizing, establishing, recruiting and organizing the talented people in the organization (Armstrong, M., 2012). Talent management, which sometimes is called human capital management, involves the inclusion and communication with all managers at all levels (Koketso & Rust, 2012). Schmidt & DeTuncq (2013) state that talent management as an integrated process, which includes a group of functions executed for a similar purpose, which is usually that of increased productivity. According to (Stadler, 2011), talent is a total of varied constructs including an individual's abilities, skills, knowledge, experiences, intelligence, judgment, attitudes, character, drive, ability to learn and grow and he views succession planning as one of the talent managing strategies within organizations. Similar to numerous terms in human resources (HR), "the phrase talent management is used loosely and often interchangeably across a wide array of terms such as succession planning, human capital management, resource planning, and employee performance management (Rothwell W. J., 2010).

It includes all organizational activities like identification, development, engagement, retention and deployment of 'talent' for ensuring that the best employees occupy organizational strategic positions (Vaiman, Scullion & Collings, 2012). According to (Morton, 2005) talent management is vital to engaging employees within the organization. This includes the following: inviting or attracting and retention of talent, developing talent and managing talent. Talent management the

activity of ensuring that the organization has the talented people it requires to supply for management succession and meet present and future business needs (Armstrong M., 2014).

Career Management

Career is defined as a series of job arranged within the hierarchy of prestige, by which the individuals are moved in an orderly and less predicted sequence (Taylor, 2011). Career management covers recruitment, personal development and growth programs that will help to bridge the career of the employees who seek to progress further. According to (Armstrong, M., 2012) career management covers recruitment, personal development, lateral moves, and special assignments at home and abroad, development positions, career bridges and support for employees who want to develop. He lists several career management practices as formal mentoring, career counseling, performance appraisal, assessment centers, succession planning, retirement preparation, career workshop amongst others.

According to (Armstrong, 2014), career management is all about providing or arranging the organization with the flow of competent and talent people it requires. It is also concerned with the provision of opportunities for people to grow or develop their skills and their careers in order to satisfy their own aspirations. The aforementioned author discusses also the necessary part of career management is career planning, which shapes the progression of individuals within a corporation in accordance with assessments of organizational needs, defined employee success history or profile and therefore the performance, potential and preference of individual members of the enterprise. Career management also involves career counseling to assist people develop their careers to their advantage also as that of the organization.

Replacement Planning

Succession planning and management should not be mixed up with replacement planning, though they are compatible and often overlap. The obvious need for some form of replacement planning is usually a driving force behind efforts that eventually turn into succession planning and management programs.

In its simplest form, replacement planning is a sort of risk management. In that respect it looks like other organizational efforts to manage risk. The major aim of replacement planning is to restrict the probability of catastrophe stemming from the immediate and unplanned loss of key

job incumbents. Replacement planning typically does that by stressing attention on each corporation unit like division, department, or work group and asking the manager of each unit to find up to three people from internal or inside the organization as possible backups. However, SP&M goes beyond simple replacement planning. It is proactive and attempts to make sure the continuity of leadership by cultivating talent from within the organization through planned development activities. It should be considered as a crucial tool for implementing strategic plans (Rothwell W. J., 2010).

According to Aljeemaz the main difference is replacement planning focuses on finding suitable replacement only for top executives but succession planning means that the company is easily able to fill vacant positions throughout the business because of the employees are being empowered and developed. There is a short list of candidates in replacement planning but succession planning builds a large talent pool. Succession planning takes a little more time and effort from those in leadership, but it produces a high return on such an investment (Aljeemaz, 2017).

Workforce Planning

Workforce planning connotes comprehensive planning for the organization's entire workforce (Rothwell W., 2005). The more common approach is to fill positions as vacancies become available or as demand requires people to try to do the work. The outcome is that the organization builds up an outsized number of legacy employees who may be ill-suited to help an organization meet its strategic objectives. Some people consider succession planning and management as a top-of-the-organization-chart planning and development only. However, succession planning and management refers more widely to planning for the appropriate number and right type of people to meet the organization's needs over time (Rothwell W. J., 2010)

Succession planning is part of workforce planning. Workforce planning involves planning for hiring and developing employees in all levels of a corporation and encompasses more positions than a traditional succession planning which focuses on leadership and key positions (Atwood, July 2019).

Human Capital Management:

The theory of Human capital management (HCM) is all about individuals and their economic value. Unfortunately, HCM has been (too broadly) understood to mean that individuals are calculating players who act out of self-interest only, that the sole value of individuals is as economic commodities (and thus the saying that people are our greatest assets“), which the social value of developing human resources rests only in summing the total value of individual development efforts. But a key issue about human capital management is that people are valuable or important for more than the labor they can produce.

A major issue in HCM, then, is that creativity and innovation have value. So does the institutional memory that individuals carry in their heads. So do the professional contacts that workers have made while doing company business. It’s worth underlining now that succession planning can mean more than just finding warm bodies to fill vacant positions. Additional issues should be considered such as the value of institutional memory and creativity and the value of social relationships (Rothwell W. J., 2010).

Performance Management

The performance appraisal system starts with individual managers setting performance goals and objectives that are in congruence with organizational goals and objectives (Berger & Berger, 2008). According to (Rothwell W. J., 2010), Performance appraisal is the process of determining how well individuals are meeting the work requirements of their jobs. Just as most organizations prepare job descriptions to answer the question, “what do people do?” most organizations also prepare performance appraisals to answer the question of “How well are people performing?” And also performance management are often a term in search of meaning and may refer to after-the-fact performance appraisal, before-the-fact performance planning, during-performance feedback, and therefore whole cycle for performance planning, by identifying performance barriers knocking down them, providing feedback during performance, and giving feedback upon the completion of performance.

Performance management is critically important for succession planning and management since few organizations will advance individuals into key positions when they are not performing their present job adequately (Rothwell W. J., 2001) Companies that have a well drafted process and procedure for performance management are able to build better talent pipelines. An effective

performance appraisal will result in a satisfied, motivated and committed employee (Hong, 2012).

2.1.2. Importance of Succession Planning

Succession planning has been used to describe a wide variety of activities that involve planning for key replacements in leadership within organizations (Garman & Glawe, 2004). The purpose of succession planning is to supply an organized approach to the process. Systematic “succession planning occurs when a corporation adapts specific procedures to insure the development, identification, and long-term retention of talented individuals” (Rothwell W. J., 2010). It is therefore a thoughtful and systematic effort by a corporation to make sure leadership continuity in key positions, retain and develop intellectual and knowledge capital for years to come in the future, and encourage individual advancement. Tropiano (2004) agrees with the above explanation that succession planning needs to be systematic, strategic and deliberate effort as well as recommends that competencies of potential leaders be developed through proposed learning experiences like educational training and targeted rotations so as to fill high-level positions without favoritism.

The benefits of succession planning rest on two main points, namely; business continuity and sustaining competitive advantage (Winn T., 2006). The benefits of succession planning can be explained in terms of its impact on organization and individuals. Perrenoud (2012) indicates that an effective succession planning provides an equal impact to both the organization and individuals. The other benefit of effective succession planning is the stability it offers lenders, investors, suppliers, vendors, and customers. It also preserves and protects one of the most critical, expensive, and often overlooked assets of any business its people, who possess a wealth of experience, knowledge, and intellect (Wallin, 2007).

As businesses can invest in new technologies for growth in their market share, the important drivers of value in a business are its talented staffs. Therefore, emphasis should be directed to the people who create the products, raise the capital and create innovative advancements (Schiemann, 2009).

According to (Rothwell W. J., 2001), succession planning and management is important for several reasons:

- i. the continued existence of the organization is determined by having the right people in the right places at the right times
- ii. as a result of recent economic restructuring efforts in organizations , there are simply fewer people available to advance to the top ranks from within
- iii. succession planning and management is desirable to encourage diversity and multiculturalism and avoid “homosocial reproduction” by managers
- iv. succession forms the basis for communicating career paths, establishing development and training plans, establishes career paths and individual job moves

Mehrabani & Mohamad (2011) state that the key goal of succession planning is to “develop people to increase their managerial power”. Kowalewski, Moretti, & McGee (2011) support this view by asserting that, historically, succession planning focused on developing employees to fill higher level management positions. Presently, companies are using this planning for all levels of their organization (Kowalewski, Moretti, & McGee, 2011). According to the aforementioned authors, succession planning has a great influence in making an organization to succeed and to become more competitive. It also advances the retention of talented employees and minimizes the possibilities of losing critical skills and knowledge when employees leave the company. Kowalewski, Moretti, & McGee (2011), questions as to why more organizations are not implementing succession planning if it has so many benefits. Moreover, future planning is understood to reduce costs of recruitment because recruiting can be accomplished in periods of lowered stress, hiring the best talent, not just a body to fill a seat stated by the aforementioned author.

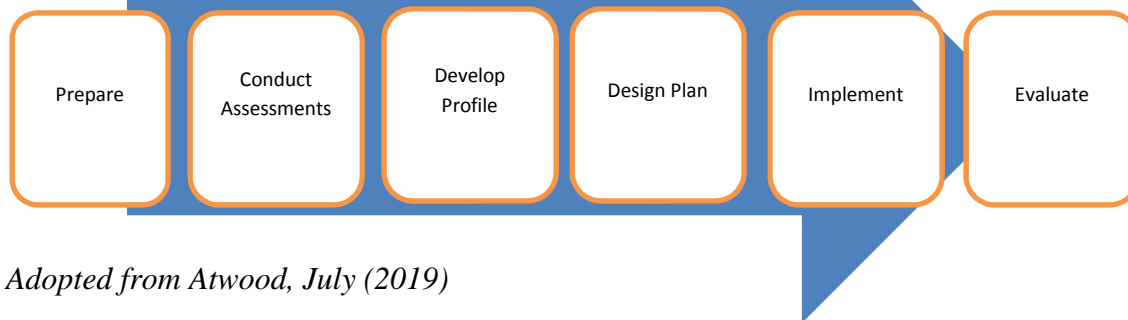
According to Atwood, the purpose of succession planning is to make ready your organization for the challenges and opportunities associated with changes in critical key positions. It allows the organizations to develop a standard for the qualifications and competencies that future leaders need to have if they are going to take over the organization in to the future. It also offers senior management a structured way to analyze and monitor the potential leadership talent in the organization. It also benefits employees by improving their understanding of the potential career paths available and the development they need to move along those paths (Atwood, July,2019).

Mathur (2011) suggests a planning that turns out into a legacy also affirms that succession planning system is intended to make sure that skilled and talented employees are made ready or well prepared to take over each key positions in the event of sudden loss of efficiency created by retirements, death, serious illnesses or promotions.

2.1.3. Succession Planning Practice

Eshiteti (2013) states that it is struggled to fill vacancies at the management level as a result of deep dissatisfaction among employees. According to (Groves, 2007), best organizations effectively associate to both succession planning practices and leadership development activities. Christee Atwood Atwood July (2019) elaborates that because the emphasis is relatively new on succession planning when it is compared to many human resource functions, there are multiple formats and, consequently, a lack of standardization. Also, because organizations differ in their specific requirements, there will always be a need to tailor or customize succession plans to fit the company's requirements and culture. In succession planning, leaders ought to support their followers while executing development and social skills, and promoting professionalism and social relationships in order to become successful (Levi, 2014).

Figure 1: Steps of Creating Succession plan



Adopted from Atwood, July (2019)

Creating succession planning team is priority of the first stage. In some organizations the team of succession planning is composed only of senior managers. However, if the team's composition is expanded to ensure diversity and additional views that can ensure that the company doesn't just create carbon copy managers throughout the organization. Atwood, July (2019). According to (Aljeemaz, 2017), before creating a succession plan, it is essential to set the parameters for the process. He also lists the parameters which includes guidelines, roles of employees and different approaches to implement the plan. The common parameters stated are listed below:

Succession Planning Practices and their Implications on Employee retention

- Recognizing legal obligations: Considering the methods that increase diversity and protect the rights of individuals
- Identify guidelines: Guidelines for policies and procedures, action plans, and identifying target groups are essential to success.
- Determining methods for recruiting and retaining employees: This is particularly necessary in key positions.
- Predict future needs: Remember to be well informed of changes to key needs in the future
- Create action plans: Develop the necessary steps for individual action plans.

The groups should be represented on the succession planning team:

- ◆ **Senior Management.** If the plan is to be successful, it has to have backing from the top management of the organization. That backing can't just be a good kickoff talk and pat on the back. It ought to be a commitment that all the succession planning team develops will be instituted, respected, and, most of all, maintained.
- ◆ **Management Levels.** Other members of the succession team should include highly effective managers in the organization. The company will want to choose them based on their effectiveness and abilities, not for any reasons based on office politics.
- ◆ **Key Area Representatives.** It's important to invite representatives from key areas to serve on the team.
- ◆ **Long-Time Employees.** Employees who are expected to be in the long term in the company can be valuable additions to this planning team. They bring the history that helps the company avoid repeating past mistakes. They are also some of the best gauges of the culture of the organization. Even if the company is trying to initiate changes through this program, change without considering where you've come from is tricky.
- ◆ **Human Resources Specialists.** HR specialists will organize and analyze data as well as keep this process and ensure its continuation. This fact, together with the expertise HR delivers to this project team, makes their participation from the beginning necessary to the success of this project (Atwood, July, 2019).

The optimum number of people for the team is seven to twelve members (Aljeemaz, 2017) state that the responsibilities of a committee is as follows:

- Identify important succession planning issues
- Outline the succession planning process
- Manage the planning process
- Work with HR and other teams
- Develop specific strategies
- Evaluate progress and make necessary adjustments

There are several general steps to be undertaken in order for the succession planning process to be successful. These include:

1. Selecting the successor;
2. In the family business and business in general; developing or training the successor
3. When the incumbent leaves the organization, develop a strategic plan;
4. Ensuring a strategic plan in detailed and goal-oriented;
5. Defining the role of the departing incumbent;
6. Disclosing the successor to organizational stakeholders;
7. Takes leadership responsibility in the organization be ensured to successor;
8. Implementing organizational strategic plan;
9. Providing guidance to the successor, by the incumbent if possible (Gordon & Overbey, 2018)

Wharton (2017) found that companies remain on their path to success if the transfer of power happens seamlessly. Accountability to shareholders and customers is one of the measures to corporate culture and the overall health of the organization. The seamless transfer of power is another. When implemented successfully, both signal the organization's continuity and strength. Mathur (2011) Succession Planning: A Planning that turns out into a legacy acknowledges that making ready suitable replacements is a process that needs complex design and strategy. The author further advocates a three phase model of succession planning which companies use to characterize their succession and development practices as follows:

- Phase I - Recognize the key roles for succession or replacement planning and define the competencies and motivational profile required to undertake those roles.
- Phase II - Evaluate people against these criteria - with a future orientation.
- Phase III - Identify pools of skill and competency that could potentially fill and perform highly in key roles and develop employees to be ready for advancement into key

In another study, it was identified that succession planning practices must be implemented after recognizing the individual needs and then incorporating it (Aswathappa, 2013). Some of the most common practices identified by previous studies under succession planning include self-development, talent development, diversity management, and job rotation.

Kotter (2003), advice that developing or creating individuals for leadership requires more work on the part of senior executives than many expect.

According to (Singer & Griffith, 2010), once infrastructures are available, you will be ready to implement the actual succession planning and development process which has three phase process which consists of (1) identifying and measuring talent, (2) creating succession plans, and (3) creating and executing individual development plans.

Phase I: Identifying and Assessing Talent

The aforementioned authors state that it is one of the key (and hardest) aspects of any succession management and development process. This phase is completed by succession plan committee.

List of activities performed under phase one are

1. Evaluate Performance- First step of assessing talent needs appraisal for each employee. The employees will identified as high- performing employees who are rated “exceeds expectation”, medium performers which are often rated as “fully meets expectations” and low performers which are rated as “do not meet the prospects of the job.”
2. Define Potential- During this step, leadership and HR are able to focus on the individual’s key talent and ability for growth and increased contributions within the system. You may create criteria that fits the organizations culture which include leadership experience, education, learning agility, assessment against competencies (often reviewed in the performance management process), leadership ability, risk taking

ability, and project management experience. Before reviewing employees, some tips to be considered are be objective and be future oriented; do not focus on the past years.

3. Select a code based on performance and potential
4. Assess retention risk
5. Complete a talent profile- completing the talent profile forms to create in-depth, individualized profiles which will serve as basis for discussion in the succession planning committee meeting.
6. Build a leadership overview – resulting overview provides a comprehensive, high-level view of top talent and the multiple leadership opportunities available.
7. Conduct Succession planning and development preview sessions- the succession planning committee meets to assesses employees with an eye toward growing leaders and providing development opportunities to maximize their potential. Stueart (2010) suggests some of these same ideas, but also states that it is also important to plan and announce the profiles of ideal performers at all levels and to identify potential recruits for the organization, in addition to current employees.

Phase II: Creating Succession Plans

Leaders make succession plans on the basis of organizational requirements, goals, and priorities as well as individuals' performance, potential, ability, and motivation. To undertake this, they utilize the documents completed in phase I to give priority of needs and potential candidates to fulfill these needs (Singer & Griffith, 2010).

2.1.4. Challenges to Implementing Succession Planning

According to (Fink, 2010), Succession planning presents a number of organizational and policy challenges which, if left unresolved, will undermine the concept: challenges of a talent bench strength and succession strategy are similar in corporations of different shapes and size.

It is as good as the people who are managing the planning process. Both outstanding planning & committed execution will contribute for its success. Without an efficient plan for succession together with increased frequency of succession events and leadership vacuums, which are filled with risk and have a tendency to steer to reactive instead of proactive decisions company's may face many difficulties (Caldwell, 2007).

Below are some of the lists of common barriers, pitfalls and challenges to avoid when implementing or running a succession planning strategy:

- Not coordinating succession planning with other processes
- Lack of support from top management
- Not communicating the succession plan to talented or high potential candidates
- Underestimating the potential of existing employees
- Focusing exclusively on technical skills
- Not offering training or development opportunities
- Consider only upward succession

Integrating succession planning with other processes is not the only challenge facing organizations. While organizations implement or plan to implement a succession planning program, these companies still confront several challenges to making it work (Caldwell, 2007).

In another research, these challenges fall under two categories (Fink, 2010): challenges with the process and challenges with the technology. Challenges with creating the process work include failure to locate or create a pool of active and passive candidates and lack of interest from senior executives.

Meanwhile, lack of assessment tools and lack of succession planning tools and career development tools were specified in the study as examples of technology challenges. These concerns in succession planning represent a bigger challenge in human capital management, i.e., getting the talent needed and addressing the talent requirements for the future.

Follow-up discussions with customers show that additional challenges with succession planning include lack of support by top management. Succession planning needs to be associated with the business objectives of the company. Succession planning will not become a companywide initiative if the management is not involved and playing a key role in safeguarding a more consistent succession planning initiative (Griffiths, 2012).

Other research states that there are plenty of challenges that must be addressed in proper succession planning. Some of the foremost essential to work through with your attorney include the following:

Succession Planning Practices and their Implications on Employee retention

- The size of your organization affects your ability to provide opportunities for advancement, along with employees with the potential and the drive to advance their careers to move or grow the organizations forward;
- The requirements or need of your company's executive leadership have changed;
- Poor communication which creates confusion and unrest within the company with staff speculation about the true details of the succession plan. Issues with your financial resources, so that your employees remain content with adequate salaries and benefits;
- Looking at temporary employee and consultants as part of the potential or talent pool available to your company;
- The nature of funding may be an issue as more organizations rely on project funding as opposed to core funding;
- Management that no longer has the skills needed for the top job;
- Senior managers who stay in their positions for too long or have expectation rights those are unrealistic;
- Your company's leader is no longer creating a meaningful or expressive and productive contribution to the company;
- Failing to strategically include promising employees in the succession plan, rather than including those who are unmotivated, disinterested, or lack the capacity to advance;
- Insufficient training and development will mean employees who are not ready for a promotion;
- Your succession plan doesn't allow employees grow or promote regularly, resulting in potential successors leaving the organization for other opportunities; and

These and other challenges must be addressed so that your company has a effective transition of leadership. Inability to do so may mean the failure of your business.

2.1.5. Succession planning Best Practices

The literature designates some best practices that organizations are starting to use to develop durable succession planning and management programs. There are a number of factors that lead to stronger programs. For best practice organizations, senior or top level support was key (Rothwell W. J., 2001). Pulling together assessment, employee development, feedback, coaching

and succession planning into one integrated system or plan is another key in developing strong succession planning and management programs (Rothwell W. J., 2001).

Haworth (2005) state that organizations that are best at succession planning have adopted the following practices: understand your business, know your people, create trust, take time to think, spot potential, seek win-win approaches, create opportunities, let go, tolerate mistakes, invest in the future, use creativity, take risks, encourage them and establish a coaching culture. According to Kotter (2003), developing individuals for leadership requires more work on the part of senior executives than many realize. It is necessary to categorize people with great leadership potential early in their careers and to then foster the talents, skills and competencies that will be needed to stretch and develop them over the course of time (Kotter, 2003); (Kelloway & Barling, 2000).

One of the most critical challenges facing companies at the moment is preparing a new generation of leaders who will extend the strategic reach of the organizations (Winum & Saporito, 2012). The type of leadership an organization's leader(s) possesses is another key factor in the success of an organization.

Concerning succession planning, these types of leadership styles can progress the process; however, it may be more operational for the organization to build the leader organically, as this may be more cost effective (Aon Hewitt, 2012). Moreover, managers or leaders develop their trust in the organization if they are selected from within the organization and will more likely have more positive and persuasive authority than those hired from outside (Nieh & McLean, 2011). Adding change to the chief executive officer's functional and educational background in successions with having more than the usual amount of change will come with a price in the form of declining performance and an increasing probability of bankruptcy for that organization (Elsaid, 2014).

According to (McCarthy, 2013) succession planning means more than writing up a list of candidates to occupy vacant positions. This is an unfortunate habit for most companies who end up scrambling searching for replacements; employing overpriced external recruits or prematurely promoting internal candidates who are not yet. Atwood agrees with this concept that succession planning assists us to remove premature promotions because employees are guided in their development and prepared for their leadership roles (Atwood July, 2019). If an organization

seeks to successfully implement an effective succession planning, it must follow the below 10 best practices:

- Succession planning must not be an HR driven paperwork exercise but commitment and involvement from the CEO and executive management has to be visible. The CEO must own the entire process and hold regular reviews with the Board, and Board members must contribute to the process through giving necessary feedback, requesting relevant questions to ensure accountability of the CEO.
- There should be frequent talent reviews where the Board conducts talent evaluations with the CEO; the CEO must evaluate talent with the executive team, each executive team member to hold reviews with their teams, and the process must cascade down throughout the organization. This is to categorize wide pool of high players and poor performers are also to be dealt with.
- A practicable number of executive level successors must be determined, who then must identify pools of highly talented employees that can be groomed for higher level positions.
- A pipeline approach to development must be established to identify and develop talent at all levels of the organization.
- Executive team must be held accountable as they are responsible to measure key activities and results, and regularly tie them to executive compensation.
- Business strategy must be associated to clearly link the importance of doing succession planning and the consequences of not doing it.
- Irrational, emotional and political dynamics of succession planning must be managed properly as “letting go” becomes a challenge for many people and such heddles must not be ignored since overcoming these comes with emotional intelligence and experience.
- Potential and performance must be evaluated, the organization must not bet on previous performance as a predictor of future success in a new role. A variety of effective ways with relevant and consistent criteria must be used to assess potential.
- Succession planning must not be done in isolation but to be integrated with other human resource practices such as performance management, recruitment, selection, development and rewards.

- Serious commitment to development must be made by assigning time and resources. In order for succession planning efforts to flourish, investing in development is highly important. Successful companies dedicate extra time developing and coaching candidates (McCarthy, 2013).

Proactive leaders in their succession planning would more than likely be prepared for unplanned consequences that could arise within their talent pools. They should develop a talent pool macrocosm within the organization to make sure that returns on investments are equated in their succession strategies. If succession plans or strategies are not part of the organization, it is possible that unintended consequences or other catastrophe situations may lead to suboptimal operation and a drop in accountability in many aspects of the organization (Stephens, 2016). This could trickle down to an hostile employment effect that may rapidly permeate through the organization if not controlled (Gordon & Overbey, 2018).

2.1.6. Employee Retention

Retaining talented leaders, supervisors, managers, and followers represents effectiveness and a transparent succession plan (Chaturvedi, 2016). Retention of the best and more talented employees is critical because replacing leaders can become expensive (Weeks, 2013). HRM focuses on attribution rates and makes better managerial interventions that reduces employee turnover (Hagel & Wong, 2014). Though the term employee retention can be defined in various ways, it basically signifies that different measures taken by organizations to encourage its employee so that they remain with it for a longer duration of time. James and Mathew state that the primary reason for retention of employees is to prevent its talented employee from leaving the company (James & Mathew, 2012). Employee retention is commonly considered to mean the skills to have a stable workforce. It is often associated to morale and to organizational productivity. Retention and turnover are two opposite words, a well-known concept that generally refers to the loss of people from the workforce. Retention is important for the simple reason that turnover is expensive (Rothwell W. J., 2010).

Ramlall (2004) defines employee retention as the ability of the company to retain its employees and the practice which is undertaken by the companies to reduce the turnover rate of the workers. The four different types of employee turnover include voluntary turnover, avoidable, involuntary turnover, and unavoidable turnover. Tunje (2014), also discuss to staff retention as the ability of

an organization to retain its employees from leaving the company while minimizing staff turnover.

It has been noted by the preceding scholars that by means of loyalty strategies, the companies have the necessarily higher employee efficiency and smaller employee retention (Liao & Chuang, 2004). The employee retention strategies are taking a rise as being the most important workforce organizational challenge in the contemporary world. From the early nineteenth century, the previous scholars have been demonstrating not just about the findings based on why the employees are leaving the organization, but also they have highlighted that how the employees should be made engaged with the company and in what way they would stay with the company. This can be done through the well-implemented employee retention practices that as a result raise the tenure of employee more as compared to the remuneration for themselves by minimizing the turnover costs and increasing the productivity of employees. Schroeder, Goldstein, and Rungtusanatham (2013) mention that employee retention and smaller employee turnover assists in driving production efficiency and customer value. Chitsaz-Isfahani and Boustani (2014) instead affirms that “employee retention is commonly considered to mean the ability to maintain a stable human resource”. Above authors further refer to employee retention as all that energy exerted by the organization to alleviate the chances of an individual to remain longer within the company.

Sinha and Sinha (2012) and Manna (2008) indicated that employee retention issues are evolving as the most important workforce management challenges of the quick future. Employees are making career decisions based on their marketability and financial security, where the very best bidder gets the services of the employee. As stated by (Wilkes, 2006), employees reciprocate with loyalty and commitment towards corporations that invest in the employee’s personal development. Employee retention is somewhat complex and broad concept within the organization (Das & Baruah, 2013); (Parthasarathya & Zimmermann, 2012). It depends on the nature of the organization and its rules. Every organization ought to have an appropriate procedure to retain their workforce and a proper frame work to maintain and work maximum.

Rewards and Benefit Systems

The most essential retention strategies are those linked with the monetary and non- monetary rewards. There have been numerous studies that have focused on the impact of employee

compensation rewards and recognition on employees' turnover. With regards to salary, a study has found that the employee of a company that are not paid sufficiently usually end up leaving the organization as this is quite important for them to be paid satisfactorily (Bacon & Hoque, 2005). In line with this, there was another study done for the employees in the hospitality sector, the study found that the annual pay is very small among the employees and this was again leading the employees to resign from the company (Caraher, 2011). The other study found that employees are going to stay in the company as long as they are satisfied with the pay. Though, many of the studies have identified that compensation highly determines the employee turnover and compensation given in the form of base may not attract the staff or retain them (Rynes et al., 2004).

According to (Berger and Berger, 2008), reward and recognition system serves as a crucial component to build and retain talents in an organization. The reward and compensation factor of talent management has become progressively important to retaining talents and engaging valued employees (Richman, 2008). The aforementioned author state employees value incentives and bonus schemes unlike promotion which takes them away from a position which they like. Incentives like shorter working hours or a versatile working schedule, ability to be present in or attend conference, short courses or training etc will appeal to their interest more.

The other explanation on retention involves the intrinsic fulfillment and the working conditions instead of focusing on the financial rewards as noted by the previous scholars. Moreover, the lack of professional growth or inability for growth and development often influences the turnover rate instead of creating a balance among the life and work. The past studies based on the concept of employee retention have explained that employees that are giving the central focus to their jobs and more towards looking at doing the good add in enlightening the satisfaction level of clients in the workplace (Iqbal & Hashmi, 2015).

Working Environment

Zeytinoglu & Denton (2005) states that working is one of the factors determining employees decision whether to leave or remain with the organization. Organizations which have generous human resource policies, have a very good opportunity of satisfying and retaining employees by providing them an proper level of privacy and sound control on work environment which

enhance the motivation levels to commit with the organization for longer period of time (Wells & Thelen, 2002).

2.1.7. The Relationship between Succession Planning and Employee Retention

Das & Baruah (2013) point out that the weathering life-long achievement of an organization rest upon retaining of the key role players. According to (Gulzar & Durrani, 2014) organizations should invest in human capital, however, this call for appropriate planning. The above authors further stipulate that appropriate talent management policies and practices that exhibit commitment to employee development produce more committed staff members within the organization and reduce employee turnover. Tunje (2014) asserts that for succession planning getting to be implemented in an attempt to retain employees, focus needs to be laid on career management and talent management (Tunje, 2014). The above-mentioned author emphasized that the presence of succession planning practices should always lead to employee retention and hence, conscious decisions should be made when promoting talented employees.

Not all turnovers is bad. If a poor performer (sometimes jokingly mentioned as a poor performer) is replaced, the organization may very well gain productivity in the long run by substituting the employee with a better performer and/or a more promotable person (Rothwell W. J., 2010).

According to (Nzuve, 2010), employee retention encompasses all the organization's endeavors like succession planning should guarantee the employee stay in the organization. Succession planning improves the employee's career paths and results to motivating staff and lowers the employees' turnover rate. Oladapo (2014) affirms that chance for advancement, job security and compensation were the reasons given by respondents of the research for leaving an organization in order to better importance. In spite of the fact that the researcher states compensation as one of the factors, it is stated that compensation was not the most essential factor but job security and opportunity for advancement should be addressed in the talent management program very well (Oladapo, 2014).

Stadle (2011) asserts that employees with higher job satisfaction are normally committed to the organization as they believe the company has great future for them and eventually will care about their contribution to the organization. Oladapo (2014) ascertain that poor hiring practices escalates turnover in two different ways: new recruits that are incompatible and disorientated tend to leave quickly; experienced staff, on the other hand, can become highly frustrated at the

revolving door of newcomers that places a continuing burden on their time and performance. Committed employees are more likely to excel in their jobs, stay in employment longer and do not accept job offers, subsequently increasing retention rates and productivity (Stadle, 2011). According to (Oladapo, 2014) research successful retention practices begin with good hiring practices since competent and motivated people will stay longer. The finding of the research by (Hassan, 2020) there is a positive impact of effective succession planning on employee retention.

2.2. Empirical Analysis of Relevant Studies

The origin of succession planning as a research topic is debatable but the bulk of empirical studies of succession were done during the mid-1950s to the mid-1960s (Kim, 2016). Succession planning has grown more important since the 1980s and picked up steam within the 1990s. These days, experts say, most Fortune 500 companies take succession planning seriously, and many smaller companies embrace it. Marc Kaiser, a consultant with Hewitt Associates in Lincolnshire, Illinois, says savvy companies recognize that they have to be prepared to challenge the leadership gap created by retiring baby boomers. The ability to simply automate succession planning using the Web also drives interest. “It is easier now, and that’s one reason people are doing it,” he says (Rothwell W. J., 2010).

The usual practice in succession management involves organization analysis, selection, evaluation, development of executive level talent, and inventory management or control (Mehrabani & Mohamad, 2011). It has been recognized that companies prepared for succession were less likely to experience financial difficulty during executive turnover. As per Silbert study reward is essential because it has an persistent impression on employees which, in turn, gives them an impression that they are valued in the organization (Silbert, 2005).

According to the research (Hassan, 2020) finding with topic dubbed impact of effective succession planning practice on employee retention: exploring the mediating roles, effective succession planning practice has positive relationship with employee retention in the private sector of organizations in Pakistan. This research finding is similar to the research done by (Eshiteti, 2013) which designate that succession planning programs allow employee development opportunities and job satisfaction which in turn has a great influence on staff retention. Hassan (2020) also argues that if the firm implements an adequate succession planning program, it will positively influence employees’ decision to remain with the organization

because they will believe that they have a future with the organization. Jonathan Tetteh also agrees with this argument which can result the increase in the rate of retention or the organization (Jonathan, 2015).

In recent years, there are a numerous numbers of empirical researches held which focus on the relationship between succession planning practices and staff retention. Locally, there are few researches which focus only on the succession planning practices of certain companies in Ethiopia. The researches don't show the relationship between succession planning and employee retention.

Tunje (2014) research finding shows that employee retention and succession planning practices have positive relationships. The aforementioned author's study also emphasized the necessity for clear career paths as the major reason for several employees leaving of the organization is career progression. The study recommended that promotion should not always be based on merit but seniority and experience in the area should also be considered. The study suggested that the organizations should clearly inform the employees of the current succession program and should get it updated as and when needed.

So as to have successful retention practice in a company, hiring competent and motivated people is that the first task which has got to be done effectively (Oladapo, 2014). The above-mentioned author's finding also shows that the core tenants of talent management were valued by their organization and were deemed important. The respondents of the research done by Oladapo agreed that retention is apriority of leadership; that retaining workers within (which was the major reason given previously for turnover).

According to research thesis done by (Stephen K. Malakwen, 2013), the responds indicate that their organization used job rotation as a succession management. The fact that the strategy or policy for career development for employees and succession planning system indicators scored low in the organizations studied could be a major reason for high employee turnover through loss of their best employees to competitors. Lack of appropriate succession management systems and career strategy or plan for employees can have implications on employee retention as per the researcher finding (Malakwen, 2013). Hong (2012) studied a research with title of an effectiveness of human resource management practice on employee retention in institute of higher learning and found that employees in regards to giving importance to the career

development, skills attainment and effective performance management are looking forward for their career progression from their company. The study also found that training and development followed with performance management and compensation is very important for retaining the employees.

The study findings of the research on the title effect of talent management strategies on employee retention in the insurance industry revealed that majority of the respondents were of the view of job rotation. This implied that most of the organizations adopted job rotation with a view of career development programs to enhance talent and employee retention. Based on whether the respondents agreed to the statement that organization had implemented leadership programs that enhance talent management and employee retention, the study findings revealed that majority of the respondents agreed that organization has implemented leadership. This gives the implication most of the organizations had implemented leadership programs that enhance talent management and employee retention (Kigo & Gachunga, 2016).

2.3. Conceptual Framework

Conceptual framework is a logical structure to aid provide picture or visual display of how ideas in a study relate to one another. Grant & Osanloo (2014). The above literature review discusses about the succession planning practices and the implications of the practice on employee retention. Based on the literature review, theoretical framework has been developed to assist analysis of findings on succession planning practices and their implications on the employee retention.

H1: There is a positive relationship between succession planning practices and employee retention.

H2: Career development is positively related to employee retention

H3: Performance Management is positively related to retention of employees

H4: Reward and benefit system is positively related to employee retention

H5: Working environment is positively related to employee retention

Succession Planning Practices and their Implications on Employee retention

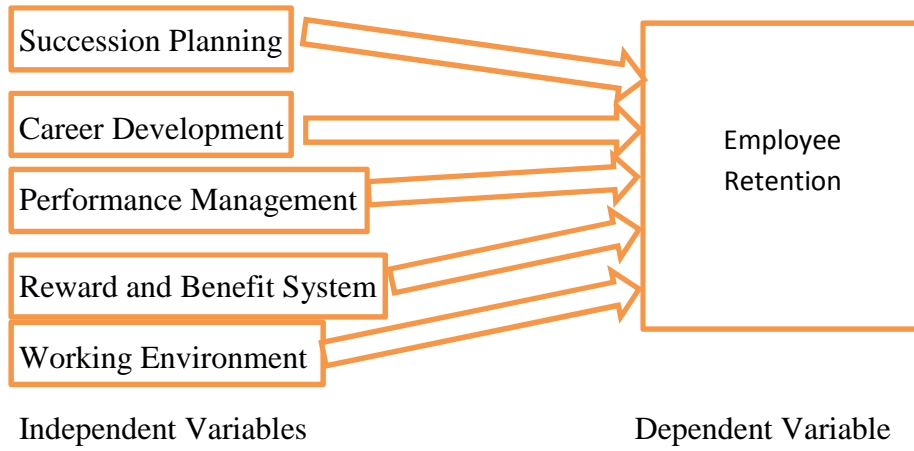


Figure 2: Conceptual Frame Work

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Overview

The aim of the study was to examine the implications of succession planning practices on employee retention. The study attempts to answer the main questions which were what succession planning practices are, what the extent of succession planning practices is and how succession planning practices impacts on the employee retention in EABSC do. This chapter presents details of the research design and methodology of the research. It discusses the research technique used in the study. This chapter contains descriptions of the research design, study area, target population, sample size, sampling procedures and data collection instruments.

3.2. Research Design and Approach

Research is defined as something that people undertake in order to find things in a systematic way (which is based on logical relationship not just beliefs), thereby increasing their knowledge Saunders, (Lewis & Thornhill, 2007). According to (Cooper & Schindler, 2014), research design is the plan and structure of investigation so conceived as to obtain answers to research questions. Just as in the architecture's design for building a house, it is necessary to ensure that all the specified requirements are met without any exception (Srivastava & Rego, 2011).

The research design of this study uses descriptive research which attempts to describe and disclose the succession planning practices and the implications on employee retention. Ghauri & Grønhaug (2005) states descriptive study is necessary to have a clear picture of the phenomena on which you wish to collect data prior to collection of the data. The researcher also uses correlation and regression to see the relationship between the independent and dependent variables. The research adopted mixed methods of quantitative and qualitative research that best suits to understand the study very well. For quantitative research, the study will use questionnaire survey method. The study covers only one organization and data will be collected at one point in time. That means the research is a cross-sectional research. According to (Creswell, 2014) the quantitative survey research design is vital to create quantifiable correlation and /or cause and effect relationship between the variables of the study. The aforementioned author states that

quantitative research is a means of testing objective theories by examining the relationship among variables. These variables can be measured, typically on instruments.

3.3. Source of Data and Data Collection Tools Used

The research uses primary data from different managers who are responsible for succession planning practice implementation in the organization. Questionnaires are designed using five degree Likert scale to evaluate the specific activities and parts of succession planning. Questionnaires are pre-formulated, written sets of questions to which the respondents record their answers (Sekaran & Bougie, 2010). Descriptive research, such as that undertaken using attitude and opinion questionnaires and questionnaires of organizational practices, will enable you to identify and describe the variability in different phenomena (Saunders, Lewis, & Thornhill, 2007). The questionnaires will be administered by electronic means (email) for those who have access to email and drop and pick the questionnaires.

According to (Saunders, Lewis, & Thornhill, 2007), the design of your questionnaire will affect the response rate and the reliability and validity of the data you collect. The response rates, validity and reliability can be maximized by using below points as stated by the above authors:

- Careful design of individual questions;
- Clear layout of the questionnaire form;
- Lucid explanation of the purpose of the questionnaire;
- Pilot testing;
- Carefully planned and executed administration.

The other is to make the study more valid and to minimize bias as it is expected from descriptive type of research, the researcher conducted structured interview. According to Sekaran and Bougie interviews can be structured or unstructured and can be conducted telephonically, face-to-face or online. The advantages of interviews are that they require minimal literacy; therefore responses can be obtained from almost all segments of the population, which contributes to high response rates. It is also easy to observe nonverbal cues, and questions can be clarified instantly.

The other point is that interviews can be time consuming. Arrangement to conduct interview can take time and training interviewers can be costly. The respondent can also be tempted to provide socially acceptable responses and might feel anxious when they know that responses are

recorded, which can lead to non-verbal cues being misinterpreted by the interviewer (Sekaran & Bougie, 2010). Therefore, the research will interview selected key informants in Succession Planning Team Leader and Human Resource Department and use telephone as a means to interview them.

The questionnaire comprised of five parts, part one involved the personal information, part two focused on the extent of succession planning practices, part three covers challenges facing human resources succession planning, part four comprises of factors of employee retention which is adopted from the study (Hassan, 2020) and part five focuses on employee retention. The majority of questionnaires is administered via electronic mail to reduce physical distance due to COVID 19 and collected data from some who do not access their emails. The responses then be rated using Linkert scale which response options were strongly disagree, disagree, neutral, agree, strongly agree.

3.4. Target Population and Sampling Technique

3.4.1. Sampling Technique

Population refers to the entire group of people, events, or things of interests that the researcher wishes to investigate (Sekaran & Bougie, 2010). As of May 20, 2020, EABSC has 1,670 staffs in Addis, 342 staffs in Dire Dawa and 469 staffs in Bahir Dar. There are 128 senior managers having a position of team leader and above in Addis Ababa. This will be the target population. The target population of the research is employees of EABSC having a managerial position working in Addis Ababa office. The scope of study as stated in chapter one is to cover only Addis Ababa office only. The study's target is only employees having different levels of managerial position because it will save time and those managers are in charge of implementing the succession planning in their respective units with other concerned departments. The numbers are found in HR department records.

Table 1: Total Population Distribution

Target Population	
Manufacturing	36
Logistics	37
HR	7
Finance	9
Legal	2
Sales and Marketing	37
Grand Total	128

3.4.2. Sampling Methods

Sample is defined as a subset of the population made up of selected members (Sekaran & Bougie, 2010). In other words, some but not all elements of the population forms the sample. The above author discusses that by studying the sample, the researcher should be able to draw conclusions that are generalizable to the population of interest. When we conduct a research, we need to know that as (Cooper & Schindler, 2014) discuss considering the entire population to gather data is not practical, possible and sometime expensive.

Sample size and the technique used are influenced by the availability of resources, in particular financial support and time available to select the sample and to collect, enter into a computer and analyze the data (Saunders, Lewis, & Thornhill, 2007). According to the aforementioned authors, when you are intended particularly to collect qualitative data, the sample size is dependent on your research question and objectives in particular, what you need to find out, what will be useful, what will have credibility and what can be done within your available data. There are six factors that affect decision making on sample size such as: the research objective, the extent of precision desired, the acceptable risk in predicting that level of precision, the amount of variability in the population itself, the cost and time constraints, and in some cases, the size of the population itself (Sekaran & Bougie, 2010).

Sample size of the study is computed using the formula

$$n = \frac{N}{1+N(e)^2}$$

Where: N= is the total population

n= is the sample from the population

$e=$ is the error term, which is 5% (i.e. 95% confidence level are assumed)

Thus, based on the above formula, the sample size of this study will be 97. This sample size is 97/128 (75.8%) of the target population because of the situation(COVID 19) it is difficult to collect data from the whole target population.

Due to the nature of this study, a non-probability sampling which is deliberate or also called purposive or judgmental sampling technique is appropriate and is applied in the study. In addition to judgmental sampling, the researcher uses random sampling method to select the samples from the target population.

Table 2: Population and Sample Proportion

No.	Department (Population description)	Population	Sample Proportion 75.8%	Percentage
1	Manufacturing	36	27	28%
2	Logistics	37	28	29%
3	HR	7	5	5%
4	Finance	9	7	7%
5	Legal	2	2	2%
6	Sales and Marketing	37	28	29%
Total		128	97	100%

The above table shows the population and sample proportion of each competency. So, 27 respondents from manufacturing, 28 from Logistics, 5 from HR, 7 from finance, 2 from legal and 28 from sales and marketing departments are selected. Using simple random sampling, the 97 samples are selected from the target population of 128 managerial staffs working in Addis Ababa office. Simple random sampling (sometimes called just random sampling) involves you selecting the sample at random from the sampling frame using either random number or a computer. This will give elements of the sample an equal chance of being selected.

3.5. Method of Data Analysis and Presentation

The research data analyzed and to ease the explanations uses tables. The primary data that is obtained from the questionnaire which is the quantitative data be analyzed using SPSS (Statistical Package for Social Science). The qualitative data that be obtained from the interview will be analyzed qualitatively and is presented.

3.6. Reliability and validity of data collection tools

3.6.1. Validity

Vlachos (2009) discusses answering a research question or testing the hypothesis of the research in a particular segment adds to the validity of the research design since managerial abilities are to a large extent industry-specific. The study is working on a manufacturing organization having three plants but focuses on one of them located in Addis Ababa. According to (Ghauri and Gronhaug, 2005) validity explains how well the collected data covers the actual area of investigation. Field (2005) states validity basically means “measure what is intended to be measured” . Validity is the capacity of an instrument to measure the variable it is expected to measure. The method of validating instrument is done purposely to decrease errors in the measurement process. To test validity, the instruments used for collecting the data for the study were pre-tested.

In order to guarantee content validity and ethicality of the items incorporated in the instrument a colleague in the HR department have inspected the instrument. The researcher check on primarily the ethicality of the items and the HR professionals evaluates the content of the questionnaire in each variable. Moreover, the questionnaire was given to my research advisor for final comment. Accordingly, based on their comments, subsequent changes were made to the survey questionnaire and finally distributed to the sample population. In addition, all reference materials are recognized with proper citation and confidentiality of data is maintained throughout the process.

3.6.2. Reliability

The reliability of the instruments has to be determined so as to make sure whether they are free from error or not. According to (Huck, 2007), it is important to test for reliability as it refers to the consistency over the parts of a measuring instrument. The most commonly used internal consistency measure is the Cronbach Alpha coefficient. It is regarded as the most suitable measure of reliability when making use of Likert scales (Robinson, 2009). The aforementioned author states that no outright rules exist for internal consistencies, however most be in accord on a minimum internal consistency coefficient of .70.

3.7. Ethical Issues

Ethical considerations are considered as the foremost vital component whereas conducting research. Additionally, the researcher ought to guarantee to conduct the study in a way that's beneath ethical concerns. Through the suitable execution of ethical consideration, the examiner may consider the research as reliable and has upgraded the level of trustworthiness of each of the explanation written in the study. On the other hand, whereas gathering the information from the respondents or collecting data from them, it is ethically vital to require consent from them. In addition, it is also ethically obligatory to teach respondents about the inquiry. Moreover, on the off chance that the researcher needs to uncover the name of the respondents, it is critical to require their thought. It'll be basic to preserve confidentiality of the people taking part. Further, the researcher ought to make the members objectives and aims of the study, so that they can respond in like manner.

Moreover, in this study, appropriate in-text quotation with legitimate references, to guarantee that this consider has been carried out in agreement with ethical contemplations. Further, since this research depends on analyzing the implications of succession planning practices on employee retention, to get effective findings, the researcher has justified each statement in the literature review properly. In addition, to light the concept of succession planning this study has taken into consideration all interrelated variables, factors and sub-factors including performance management, career management, work environment and rewards administration. The respondents are gathered to be the respondent to each of the variable; on the other hand, concurring to ethical considerations the researcher has fulfilled the members by giving them with a certainty of secrecy and security.

Besides, the information collected from the respondents and from the past articles and journals have been considered as noteworthy. The most objective of executing ethical considerations is to move forward and upgrade the level of astuteness within the research. The concept of succession planning is concerned with the workers, since it increases the retention of employees. In addition, it helps administration in investigating the covered up talents of employees. Further, the ethical issues while conducting this study is respondents' right, autonomy, informed consent.

Table 3: Reliability Statistics

Item	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
Extent of Succession Planning	0.745	0.734	4
Motivation for good Succession Planning	0.741	0.771	4
Candidates for succession identified	0.704	0.704	3
Challenges Facing HR succession Planning	0.736	0.820	5
Reward and Benefiting	0.750	0.763	4
Career Planning	0.722	0.704	4
Working Environment	0.703	0.732	4
Performance Management	0.750	0.752	4
Retention Factor	0.830	0.859	13
Over all	0.918	0.925	45

Cronbach's alpha measures the reliability of research tools. For this study the Alpha coefficient for the overall scale calculated as a reliability indicator is 0.918. The alpha values in this study are far more than 0.7 and which are; therefore it had very good reliability for the questioners.

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.1 Introduction

This chapter presents the findings of the data which is analyzed and their interpretations. It has the analysis of data collected from primary sources. The analysis part begins with the demographic information of the respondents and followed by presentations, interpretations and discussions of the research findings based on the research questions.

4.2 Response Rate

Out of the sample size of 97 managerial staffs of EABSC which the questionnaires were distributed, 82 respondents filled the questionnaire and returned. From the returned 82 response, 3 responses were removed from the analysis due to incomplete response. Therefore, 79 complete responses are utilized to analyze the data. This response shows that 81.44% and the rest do not respond the questionnaires. This shows a remarkably good response rate.

4.3 Demographic Data of Participants

Demographic information usually represents the selected characteristics of the respondents or study participants. Sex, age compositions, academic background, work experience, departments and marital status of the respondents in the company (EABSC) were presented in Table 3. Each demographic information has its own categories.

Table 4: Sex, Age, Academic background and Marital Status of the Respondents

Respondents Characteristics	Categories	Frequency	Percent
Sex	M	54	68.4
	F	25	31.6
Age	20 to 30 years	25	31.7
	31 to 40 years	28	35.4
	41 to 50 years	24	30.4
	51 to 60 years	2	2.5
Academic Background	Graduate	60	75.9
	Masters Degree	19	24.1
Marital status	Single	26	32.9
	Married	51	64.6
	Divorced	2	2.5
Work Experience	< = 5 years	30	37.97
	6 – 10 years	36	45.57
	11- 15 years	11	13.92
	> 15 years	2	2.53
Department	Manufacturing	24	30.38
	Logistics	25	31.65
	HR	5	6.33
	Finance	2	2.53
	Sales & Marketing	23	29.11
Total		79	100

Source: Research survey result, 2020

The sex composition shows that out of the total respondents, 54 (68.4%) are males and 25 (31.6%) are females. That means more than half of the respondents are male and having management positions. The age distributions of the respondents were categorized in five groups. The result indicates the majority of the respondents are in the age of 31 to 40 (35.4%) which is followed by the ages from 20 to 30 (31.6%) and it is followed by 41-50 (30.4%). The age distribution shows that there are many young managers in the age range 20-40 in the company. Regarding the academic background, the majority of the participants of the study (or respondents) which accounts 75.90% are graduates followed by 24.1% of which are Master's degree holders. This implies that the company's management level employees have a minimum of first degree qualifications. The majority of the respondents are married (64.6%) followed by unmarried (32.9%).

The work experience of the respondents show that the workers who have experience of less than or equal to 5 years are 37.97%, the majority of the respondents are having work experience 6-10 years which accounts 45.57%.

The department compositions of respondents based on the output shows that 31.65% are from logistics department and followed by manufacturing department which accounts 30.38% and followed by sales and marketing department which accounts 29.11%. It shows that the three departments are almost equal in their compositions which was also the majority of the samples were from these departments.

4.4 Results and Discussion

Extent of Succession Planning Practice in EABSC

The Tables below imply mean scores and deviations from the mean towards the different variable, the correlation matrix of the degree of agreement towards a specific indicators (or items).

Table 5 illustrates the descriptive statistical results of the study based on the questionnaires. The table displays the mean and standard deviation of variables. The mean shows the numerical average and it is the most widely used measure of data and the standard deviation shows how much the data deviates. If the standard deviation is smaller, it means the data is closer. The rating was given by Linkert scale which shows 1- strongly disagree, 2- disagree, 3 –neutral, 4- agree and 5- strongly agree.

In order to understand the extent of succession planning practice in the organization, there were four items presented to the respondents. Accordingly, the results generated for extent of succession planning in which the mean is 4.06 with standard deviation of .150. The highest mean being 4.62 i.e. importance of succession planning in the working environment, and lowest 3.77 which is employees' participation of the SP, and their standard deviation were 0.514 and 0.905 accordingly. The overall level of agreement is high with the mean value of 4.06 from the respondents' perspective. This represents a high level of extent of succession planning in the company. Accordingly, the respondents have positive attitude towards the extent of succession planning practice implemented in the company and having the mean above 4 means the

respondents' overall understanding and perception of the extent of succession planning practice is to the level which lies more than agreement.

Table 5: Degree of Extent of Succession Planning

	Mean	Std. Deviation	Level of Agreement	Rank
ESP1: You participate in organization succession planning	3.77	.905	High	4
ESP2: The organization have a formal succession planning in place	4.01	.742	High	2
ESP3: There is satisfactory succession planning practice in the company	3.84	.823	medium	3
ESP4: Succession planning is important in your working environment	4.62	.514	Very high	1
Overall	4.06	.150	High	

Source: Researcher data (2020)

Table 5 result also implies that respondents have understanding on the succession planning practice implementation on the organization. That means the employees are agreed that the extent of the practice in their organization.

The researcher interviewed OD and Talent manager about the succession planning practice and raised a question, what are your views succession planning?, he replied that the talent development forum (which they call succession planning as TDF) is an activity that the company assigned a division under HR department which is managed by a manager. They do this activity every year by focusing only on the critical roles which is identified by the company's mission role and based on the profit and loss having material impact.

What Motivates the Company to have a good Succession Planning?

The respondents were asked about what the company motivates to have succession planning. Table 6 describes the results generated for motivation for good succession planning in which the mean is 4.358 with the highest mean being 4.59 that shows putting the right people in the right job motivates succession planning practice, and lowest 4.20, and their standard deviation were 0.589 and 0.705 respectively. The overall level of agreement is very high from the respondents' perspective and also there is closer data as the standard deviation shows smaller. This represents a high agreement in terms of motivation for good succession planning in the organization.

Aggregate mean value of 4.258 indicates that the respondents are strongly agreed to the items raised to understand the driving factor to have effective succession planning in the company. This implies that the respondents have very well understood and strongly agreed with what motivates the company to have good SP.

Table 6: Degree of Motivation for good Succession Planning

	Mean	Std. Deviation	Level of Agreement	Rank
MSP1: Anticipated changes in skills required of future leaders	4.29	.663	High	3
MSP2: The desire to improve company's bottom line	4.20	.705	High	4
MSP: To retain employees	4.34	.618	High	2
MSP3: To put the right people in the right jobs	4.59	.589	Very high	1
Overall	4.358	0.028	High	

Source: Research data, 2020

How are candidates for succession identified?

Table 7 describes the results generated for candidates for succession identified in which the mean is 3.996 with the highest mean being 4.11 and lowest 3.87, and their standard deviation were 0.716 and 1.079 respectively. The average mean value 3.996 of the items requested to understand how successors are identified implies that the respondents have agreed about the mechanism that the company uses to identify the talents to be successors for the future.

The OD and talent manager explained for the question how the candidates for succession are identified when the researcher interviewed him. The talents are identified, there is talent profile which is filled first by the candidates about themselves and the department heads have a discussion with talent manager and HR director. The performance management process rating (scale 1-6) will be assessed for the past two years and the candidate has to have a minimum of 3 scales. The attitude of the candidate will be assessed during different discussion programs and try to check whether the candidate can manage the complex jobs that the candidate takes over or not. The willingness of the candidate for the post will be also discussed. Based on these steps, the talents will be identified and be ready for the next step which is mentorship, coaching and training to fill the gaps. The steps of succession planning practice in the company are more or

less similar to Aljeemaz (2017) which starts with the preparing, then conduct assessments, develop profile the talent.

Table 7: Item Statistics of Candidates for succession identified

	Mean	Std. Deviation	Level of agreement	Rank
CSII: Data on performance appraisals	4.00	.716	High	2
CSI2: Recommendation analysis of work samples/outputs	4.11	.716	High	1
CSI3: Ability, personality and psychological tests	3.87	1.079	High	3
Over all	3.996	0.014	High	

Source: Researcher data (2020)

Challenges Facing Human Resources Succession Planning

Table 8 describes the results generated for challenges facing HR succession planning in which the mean is 3.656 with the highest mean being 4.20, and lowest 2.46, and their standard deviation were 0.822 and 0.971 accordingly. According to the result of the questionnaire distributed to understand the challenges of human resource to implement succession planning, the result shows that they are more or less indifferent or neutral. The aggregate result shows that the questions raised to have understanding on the challenges of implementing SP in the company is not clear to the respondents and do not have agreement with the items stated.

The OD & talent manager were also interviewed about what are the challenges of implementing SP? He stated that there is no clear challenge that the organization faces when implementing the practice. The only challenge that he saw is after the successors or talents identified and got the necessary coaching, mentorship and trainings activities, if there is no vacant position available for some longer time, they may be disappointed and search for other options.

Table 8: Item Statistics of Challenges Facing HR Succession Planning

	Mean	Std. Deviation	Level of agreement	Rank
CSP1: There is sufficient talent pipeline	3.87	.806	High	3
CSP2: The company motivates and retains key employees	3.97	.733	High	2

Succession Planning Practices and their Implications on Employee retention

CSP3: There is effective business practices	4.20	.822	High	1
CSP4: Management has information about employees	2.46	.971	Low	5
CSP5: The company has active periodical succession plan	3.77	.862	High	4
Overall	3.656	.475	High	

Source: Researcher data (2020)

Reward and Benefiting

Table 9 describes the results generated for reward and benefiting in which the mean is 3.943 with the highest mean being 4.14 that is the company's reward program that shows the organization makes special effort to recognize employees, and lowest mean 3.58, and their standard deviation were 0.693 and 1.247 accordingly. The overall level of agreement is high from the respondents' perspective. This represents a high level of agreement in terms of *reward and benefiting* in the Company.

The analysis as stated in the table below EABSC incorporate in their rewards systems pay and grading structures which flexible and determined based on different factors. It encourages employees specially talents to work hard and get the flexible benefit and reward package that the company offers and it also shows that there is no discrimination in the package. There is equal chance of getting the reward to all employees and the talents be rewarded.

One of the independent variable was reward and benefiting which results from the questionnaire as it has positive implication to the retention of employees. According to the (Berger and Berger, 2008) which is discussed in the literature review part, reward and recognition system helps the company to retain employees which is in line with this research finding.

Therefore, the aggregate mean value of 3.946 shows that the overall perception of the respondents about the company's reward and benefit that they have an agreement about the four items raised to understand it.

Table 9: Item Statistics of Reward and Benefiting

	Mean	Std. Deviation	Level of agreement	Rank
RB1: In EABSC, rewards are given to all employees without any form of discrimination	3.58	1.247	High	4
RB2: In my organization, rewards are given to talent employees	3.95	.799	High	3
RB3: The reward contributes greatly for my retention	4.10	.871	High	2
RB4: The reward program that my organization uses shows that the organization makes special effort to recognize employees	4.14	.693	High	1
Overall	3.943	.065	High	

Source: Researcher data (2020)

Career Development

Table 10 describes the results generated for career planning in which the mean is 4.051 with the highest mean being 4.13 that the company has formal training programs to teach employees to have the skills they need to perform their jobs well, and lowest 3.8734, and their standard deviation were 0.70469 and 0.62772 respectively. The overall level of agreement is high from the respondents' perspective. This represents a high level of agreement in terms of career development in the Company. The result indicates that the standard deviation is lower than the mean which means, the data could be very well reflected by the mean. The four items raised to the respondents are to understand how career development impacts the employees on their career on the organization.

The result implies that the company has a career development activity that the employees participate to get the skills, to promote, to attain their objective and to shape their career patch. The employees target, career path and objective are also be determined and shaped by the different trainings that the company provides to them. It also implies that the employees are well aware about the career development activities performed in the organization and its contribution to the employees.

Table 10: Item Statistics of Career Planning

	Mean	Std. Deviation	Level of agreement	Rank
CD1: There is formal training programs in EABSC to teach employees the skills they need to perform their jobs	4.13	.70469	High	1
CD2: Your promotions is a result comes from induction of the training program	3.87	.62772	High	4
CD3: You believe that your targets and objectives set are attained and identified by the firm through training	4.10	.65231	High	2
CD4: Your career path is shaped due to your participations in different training programs	4.10	.61174	High	2
Overall	4.051	.014	High	

Source: Researcher data (2020)

Work Environment

Table 11 describes the results generated for working environment in which the mean is 3.820 with the highest mean being 4.25 that there is spirit of cooperation and team work in the organization, and lowest 3.43 that the work life balances with their family life, and their standard deviation were 0.630 and 0.901 respectively. The overall level of agreement is high from the respondents' perspective. Average mean value of 3.82 to the items stated to understand the perception of the respondents related to the work environment means that the have high level of agreement in terms of *working environment* in the Company.

Table 11: Item Statistics of Working Environment

	Mean	Std. Deviation	Level of agreement	Rank
WE1: Your organization provides suitable and comfortable working conditions (sitting arrangements, working space, ventilation, and air conditions)	3.68	1.032	High	3
WE2: There is a spirit of cooperation and team work in your organization	4.25	.630	High	1
WE3: This organization is harmonious place to work	3.91	.664	High	2
WE4: Your work life balances with your family life	3.43	.901	High	4
Overall	3.820	.122	High	

Source: Researcher data (2020)

According to (Wells & Thelen, 2002), the work environment can enhance motivation levels of employees to commit with the organization. Accordingly, this research finding shows higher level of agreement on the work environment of EABSC and motivates them to remain in the company.

According to the table 11 result, the employees have higher team work and spirit of cooperation and also other factors have higher level of agreement to the respondents. This gives company’s work environment be interesting to them.

Performance Management

Table 12 describes the results generated for performance management in which the mean is 4.130 with the highest mean being 4.32 that the employees feel smart when they do things without mistake and lowest 4.03, and their standard deviations were 0.825 and 0.891 accordingly. The overall level of agreement is high from the respondents’ perspective. Aggregate mean of 4.13 implies the respondents have higher perceptions and understanding to the items raised about the performance management of the company. This represents a high level of agreement in terms of *performance management* in the Company.

Table 12: Item Statistics of Performance Management

	Mean	Std. Deviation	Level of agreement	Rank
PM1: You prefer to do things that you can do well rather things that you do poorly	4.03	.891	High	3
PM2: You are happiest at work when you perform tasks on which you know that you won’t make mistakes	4.03	.862	High	3
PM3: You enjoy the most when you do things that you do best	4.15	.818	High	2
PM4: You feel smart when you do things without mistake	4.32	.825	High	1
Overall	4.130	.019	High	

Source: Researcher data (2020)

Employee Retention

Table 13 describes the results generated for retention factor in which the mean is 4.044 with the highest mean being 4.41 which is level of cooperation among co-workers, and lowest 3.81 that predictability of the work environment, and their standard deviation were 0.651 and 0.786 accordingly. The overall level of agreement is high from the respondents’ perspective. This represents the company’s employee retention mechanism has a high level of agreement.

The result implies that the respondents have a higher level of agreement with regard to the opportunities for growth and advancement, compensation package/ reward system, performance evaluation system and succession management system of the organization. The result also shows that other questions asked to the respondents are responded with higher agreement level although the above are with the highest level of agreement.

Table 13: Item Statistics of Retention Factor

	Mean	Std. Deviation	Level of agreement	Rank
Amount of meaningful work-the feeling of making a difference	4.24	.664	High	7
Quality of relationship with supervisor or manager	4.18	.874	High	9
Level of co-operation with coworkers	4.41	.651	High	1
Compensation package/ reward system	4.30	.704	High	5
Opportunities for growth and advancement	4.32	.690	High	3
Linkage between pay and individual contribution	4.14	.593	High	10
Quality of vision and strategy from senior management	4.27	.780	High	6
Ability of the company to recruit and select the right employees	4.24	.835	High	7
Amount of job stress	3.94	1.017	High	11
Predictability of work environment	3.81	.786	High	13
Amount of internal politics/bureaucracy	3.82	1.071	High	12
Succession Management System	4.29	.754	High	4
Performance evaluation system	4.34	.575	High	2
Over all	4.044	.119	High	

Source: Researcher data (2020)

Correlation Analysis

In this part the relationship of independent and dependent variables of the study were analyzed using the bivariate correlation and simple regression analysis.

To analyze this hypothesis, the result of the correlation with two-tailed significance level were analyzed to indicate the direction and the significance of the relationship of succession planning and employee retention and then simple regression analysis were carried out to see employee intention to remain in the organization by means of succession planning variable.

As it is shown in below table 14, the result of Pearson's correlation coefficient $r=.481$ and $p=.000$ implies that succession planning had significant and positive relationship with employee retention. The positive value of the correlation coefficient indicates the higher the level of succession planning results to the higher level of employee retention and vice versa. The p-value also indicates the relationship is significant at $p<.01$.

Table 14: Correlation matrix of succession planning and employee retention

Variables		Succession planning	Employee Retention
Succession Planning	Pearson Correlation	1	.481**
Employee Retention	Pearson Correlation	.481**	1
	Significance	.000	.000

** . Correlation is significant at the 0.01 level (2-tailed).

The result of the correlation with two-tailed significance level were analyzed to indicate the direction and the significance of the relationship of career development and employee retention and then simple regression analysis were carried out to see employee intention to remain in the organization by means of career development variable.

Table 15: Correlation matrix of career development and employee retention

Variables		Career Development	Employee Retention
Career Development	Pearson Correlation	1	.373**
Employee Retention	Pearson Correlation	.373**	1
	Significance	.001	.001

** . Correlation is significant at the 0.01 level (2-tailed).

As it is shown in above table 15, the result of Pearson’s correlation coefficient $r=.373$ and $p=.001$ implies that career development has significance and positive relationship with employee retention. The positive value of the correlation coefficient indicates the higher the level of career development results to the higher level of employee retention and vice versa. The p-value also indicates the relationship is significant at $p<.01$.

The result of the correlation with two-tailed significance and regression analysis were carried out as can be seen below table 17 & 18.

Table 16: Correlation matrix of performance management and employee retention

Variables		Performance Management	Employee Retention
Performance Management	Pearson Correlation	1	.316**
Employee Retention	Pearson Correlation	.316**	1
	Significance	.005	.005

** . Correlation is significant at the 0.01 level (2-tailed).

As it is shown in above table 17, the result of Pearson’s correlation coefficient $r=.316$ and $p=.005$ implies that performance management has significance and positive relationship with employee retention. The p-value also indicates the relationship is significant at $p<.01$.

The result of the correlation with two-tailed significance and regression analysis were carried out as can be seen below tables 19 & 20.

Table 17: Correlation matrix of reward & benefit and employee retention

Variables		Reward & Benefit	Employee Retention
Reward & Benefit	Pearson Correlation	1	.372**
Employee Retention	Pearson Correlation	.372**	1
	Significance	.001	.001

** . Correlation is significant at the 0.01 level (2-tailed).

As it is shown in above table 19, the result of Pearson’s correlation coefficient $r=.372$ and $p=.001$ implies that reward and benefit system has significance and positive relationship with employee retention. The p-value also indicates the relationship is significant at $p<.01$.

The result of the correlation with two-tailed significance and regression analysis were carried out as can be seen below tables 21 & 22.

Table 18: Correlation matrix of working environment and employee retention

Variables		Working Environment	Employee Retention
Working Environment	Pearson Correlation	1	.391**
Employee Retention	Pearson Correlation	.391**	1
	Significance	.000	.000

** . Correlation is significant at the 0.01 level (2-tailed).

As it is shown in above table 21, the result of Pearson’s correlation coefficient $r=.391$ and $p=.000$ implies that working environment has high significance and positive relationship with employee retention. The positive value of the correlation coefficient indicates the higher the level of working environment results to the higher level of employee retention and vice versa. The p-value also indicates the relationship is significant at $p<.01$.

Regression Analysis

Relationship between Succession Planning and Employee Retention

H1. There is a positive relationship between succession planning practices and employee retention.

The extent of the impact of career development on employee retention factors is analyzed using regression analysis were carried out. The result of the regression model summary shown in the table 14 below indicates that the value of the regression coefficient $R = .481$, $R^2 = .232$ and adjusted $R^2 = .222$ and the regression model $F = 23.197$ and significance level of $P = .000$ indicates that the model is significant at $p < .01$, 2-tailed. Thus, the aggregated effect of succession planning on employee retention is explained by the value of the R^2 , which indicates that 23.2% of employee retention is accounted as a result of succession planning.

The beta coefficient of the model in the table below indicates that the beta value of the constant is 1.985 whereas, the beta value for the predictor variable (succession planning) is .548. The t-statistics is the result of beta value divided by standard error ($.548/.114$), which is $t = 4.816$ and the p-value of .000 indicates the model is highly significant at $p < .01$. Therefore, the beta coefficient (Beta = .548) implies the level of employee retention will increase by 54.8% if succession planning increases by one and vice versa.

Table 19: Regression between succession planning and employee retention

1. Model summary					
Model	R	R ²	Adjusted R ²	F	Sig.
1	.481 ^a	.232	.222	23.197	.000
2. Beta coefficients					
Model	Un-standardized		Standardized	T	Sig.
	Beta	Std. Err	Beta		
(Constant)	1.985	.457		4.340	.000
Succession Planning	.548	.114	.481	4.816	.000

a. Dependent Variable: employee retention

b. Predictors: (Constant), succession planning

Relationship between Career Development and Employee Retention

H2: Career development is positively related to employee retention

The extent of the impact of career development on employee retention factors is analyzed using regression analysis. The result of the regression model summary shown in the table 16 below indicates that the value of the regression coefficient $R = .373$, $R^2 = .139$ and adjusted $R^2 = .128$ and the regression model $F = 12.410$ and significance level of $P = .001$ indicates that the model is significant at $p < .01$, 2-tailed. Thus, the aggregated effect of career development on employee retention is explained by the value of the R^2 , which indicates that 13.9% of employee retention is accounted as a result of career development.

The beta coefficient of the model in the table below indicates that the beta value of the constant is 2.874 and, the beta value for career development is .327. The t-statistics is the result of beta value divided by standard error ($.327/.093$), which is $t = 3.523$ and the p-value of .001 indicates the model is significant at $p < .01$. Therefore, the beta coefficient ($Beta = .327$) implies the level of employee retention will increase by 32.7% if career development increases by one and vice versa.

Table 20: Regression between career development and employee retention

1. Model summary					
Model	R	R ²	Adjusted R ²	F	Sig.
1	.373 ^a	.139	.128	12.410	.001
2. Beta coefficients					
Model	Un-standardized		Standardized	T	Sig.
	Beta	Std. Err	Beta		
(Constant)	2.874	.373		7.705	.000
Career development	.327	.093	.373	3.523	.001

a. Dependent Variable: employee retention

b. Predictors: (Constant): career development

Relationship between Performance Management and Employee Retention

H3: Performance Management is positively related to retention of employees

The result of the regression model summary shown in the table below indicates that the value of the regression coefficient $R = .316$, $R^2 = .100$ and adjusted $R^2 = .088$ and the regression model $F = 8.548$ and significance level of $P = .005$ indicates that the model is

significant at $p < .01$, 2-tailed. Thus, the aggregated effect of performance management on employee retention is explained by the value of the R square, which indicates that 10% of employee retention is accounted as a result of performance management.

The beta coefficient of the model in the table 18 below indicates that the beta value of the constant is 2.956 and, the beta value for performance management is .301. The t-statistics is the result of beta value divided by standard error which is $t = 2.924$ and the p-value of .005 indicates the model is significant at $p < .01$. Therefore, the beta coefficient (Beta= .301) implies the level of employee retention will increase by 30.1% if performance management increases by one and vice versa.

Table 21: Regression between performance management and employee retention

1. Model summary					
Model	R	R ²	Adjusted R ²	F	Sig.
1	.316 ^a	.100	.088	8.548	.005
2. Beta coefficients					
Model	Un-standardized		Standardized	t	Sig.
	Beta	Std. Err	Beta		
(Constant)	2.956	.420		7.031	.000
Performance Management	.301	.103	.316	2.924	.005

a. Dependent Variable: employee retention

b. Predictors: (Constant): performance management

Relationship between Reward & Benefit and Employee Retention

H4: Reward and benefit system is positively related to employee retention

The result of the regression model summery shown in the table below indicates that the value of the regression coefficient $R = .372$, R- square = .138 and adjusted R- square = .127 and the regression model $F = 12.337$ and significance level of $P = .001$ indicates that the model is significant at $p < .01$, 2-tailed. Thus, the aggregated effect of reward and benefit system on employee retention is explained by the value of the R square.

The beta coefficient of the model in the table below indicates that the beta value of the constant is 3.098 and, the beta value for reward & benefit is .274. The t-statistics is 3.512 and the p-value of .001 indicates the model is significant at $p < .01$. Therefore, the beta coefficient (Beta= .274) implies the level of employee retention will increase by 13.8% if reward & benefit increases by one and vice versa.

Table 22: Regression between reward & benefit and employee retention

1. Model summary					
Model	R	R ²	Adjusted R ²	F	Sig.
1	.372 ^a	.138	.127	12.337	.001
2. Beta coefficients					
Model	Un-standardized		Standardized	T	Sig.
	Beta	Std. Err	Beta		
(Constant)	3.098	.311		9.957	.000
Reward and Benefit	.274	.078	.372	3.512	.001

a. Dependent Variable: employee retention

b. Predictors: (Constant): reward and benefit

Relationship between Working Environment and Employee Retention

H5: Working environment is positively related to employee retention

The result of the regression model summary shown in the table below indicates that the value of the regression coefficient $R = .391$, $R^2 = .153$ and adjusted $R^2 = .142$ and the regression model $F = 13.859$ and significance level of $P = .000$ indicates that the model is significant at $p < .01$, 2-tailed. Thus, the aggregated effect of working environment on employee retention is explained by the value of the R^2 , which indicates that 15.3% of employee retention is accounted as a result of working environment.

The beta coefficient of the model in the table 22 below indicates that the beta value of the constant is 2.933 and, the beta value for working environment is .325. The t-statistics is the result of beta value divided by standard error ($.325/.087$), which is $t = 3.723$ and the p-value of .000 indicates the model is significant at $p < .01$. Therefore, the beta coefficient (Beta= .327) implies

the level of employee retention will increase by 32.7% if working environment increases by one and vice versa.

Table 23: Regression between working environment and employee retention

1. Model summary					
Model	R	R ²	Adjusted R ²	F	Sig.
1	.373 ^a	.139	.128	12.410	.001
2. Beta coefficients					
Model	Un-standardized		Standardized	t	Sig.
	Beta	Std. Err	Beta		
(Constant)	2.933	.325		8.689	.000
Working Environment	.325	.087	.391	3.723	.000

a. Dependent Variable: employee retention

b. Predictors: (Constant): working environment

Multiple Regressions

The beta coefficient in table 24 indicates the contribution of each independent variable to employee retention. These are, the beta= .367 represent succession planning practice had positive +36.7% contribution, the beta= .069 represents reward and Benefit had +6.9% contribution, the beta= .078 represent work environment had +7.8% contribution, the beta= .202 represent career development had +20.2% contribution and the beta= .055 represent performance management had +5.5% contribution to employee retention in EABSC.

Table 24: Beta Coefficients of Succession planning practices and employee retention

Model		Un-standardized Coefficients		Standardized Coeff.	t	Sig.
		Beta	Std. Error	Beta		
1	(Constant)	1.112	.528		2.107	.039
	Succession Planning Practice	.367	.135	.322	2.726	.008
	Reward and Benefit	.069	.092	.093	.743	.460
	Work Environment	.078	.105	.094	.746	.458
	Career Development	.202	.100	.230	2.026	.046
	Performance Management	.055	.109	.058	.510	.612

a. Dependent variable: Employee Retention

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of the research findings, conclusion, recommendations and suggestions for future further studies.

5.2 Research Findings

The first hypothesis of this research was that succession planning is positively related to employee retention. When the SP practice is higher in the organization, the result is the greater the employee retention rate. This can also mean, when the extent of succession planning practice in the organization rises, the rate of retention of employees also rises which means the tendency of making a decision to remain in the organization rises. This finding is consistent with some previous studies Hassen (2020) and Eshiteti (2013).

The second hypothesis was that career development is positively related to employee retention. The finding of this research shows that the relationship between the career development and employee retention are positive which means an increase in the career development results to the increase in retention of employees. The finding is consistent with Jonathan Tetteh (2015) but is not consistent with the study of Hassen (2020)

The third hypothesis was that performance management has positive relationship with employee retention. The finding shows that the performance management has a direct or positive relationship to employee retention.

The fourth and fifth hypotheses are reward & development and working environment has a positive relationship with employee retention respectively. The finding shows that both variables have a direct relationship with employee retention.

Therefore, succession planning and working environment have a higher level of significance to the employee retention than the other independent variables.

5.3 Conclusion

The study's objective was to assess the existence of succession planning practice and its implications on retention of employees in the case of EABSC.

Succession planning is one of the important activities which should be implemented in organizations so as to have successors or talents that can replace leaders whenever the organization requires. This practice is an ongoing process that helps the company to identify successors to the critical roles of an organization and develop them so that they are ready to move into those leadership roles

The findings of the research show that EABSC has succession planning practice in place and well implemented. The extent of succession planning practice implementation in the company shows that there is greater perception on the practice between employees of the company.

Whenever there is succession planning in the organization, the talented employees will have future career paths; will see them grow or get promotion in the organization, get better reward and benefit. Therefore, succession planning practice along with other factors which are career development, reward and benefit, work environment and performance management practices helps the organization to retain talented employees. It is the organization tool that enhances in employees retention.

5.4 Recommendations

The current succession planning practice is good to continue they need to do the practice in shorter time frame than the existing yearly activity. When there is unexpected loss of leaders in a company, the yearly succession practice could not fulfill all the required vacant positions.

Once the talents are identified, they need to get the relevant training and coaching to fill the gaps they may require. After all, they need to get promotion to relevant positions. But if there is no vacant position, the employees might become disappoint. The management of the company need to arrange alternative plan for the successors like trying to rotate their job or rewarding them at the existing position and giving additional responsibilities until they get the promotion fully. Having alternative means is necessary in the company like EABSC which has higher number of

young leaders as there is unlikely that the leaders could be retiring unless they leave for a better opportunity they may get.

The focus of the succession planning practice in the organization is on the critical areas which have material impact on the organization. But it should cover all departments so as to fill the gap even though major emphasis can be given to the critical areas as already is a practice in the company. This is because success of a company is not only comes from the core departments of the company but also the sum of all departments even employees of the company.

Identifying successors of talents can be done by means of recommendation and appraisals reports. The company needs to use personality and psychological tests as a means in addition to the other methods.

In addition to succession planning practice, all other factors that has impact on employee retention has to be in effect so not to loss key employees to its competitors and other organizations.

5.5 Suggestions for Further Study

This study was focusing on the succession planning practice of EABSC and their implications on the employee retention. Future research should try to find out the impacts of succession planning on employee retention of a broader area instead of one specific organization. This can be done in the banking industry or educational sectors or other broader sectors.

Future studies can take longitudinal approach with similar or other variables instead of the cross-sectional approach which sticks with specific time interval and audience like this study. This study's sample was only managerial level employees but other researchers can cover all levels of employees.

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Appendix

Questionnaire

Dear Sir/Madam

I am a student at Addis Ababa University School of Commerce, studying MA in Business Leadership. In order to fulfill the requirements of my degree I am doing a research on Succession planning practices and their implications in the case of EABSC. The answers you provided will remain confidential and be used solely for academic purpose. I kindly ask for your cooperation in answering this questionnaire.

Please indicate the extent of your agreement or disagreement by putting tick mark the appropriate box that accurately represents your views. You have been selected as one of the respondents in this survey. Your answers will have great contributions in my data collection.

Part One: Personal information *(please tick the appropriate answer)*

1. Name of the Organization is **East African Bottling S.C.**
2. Your age
 - a. 20-30 years
 - b. 31-40 years
 - c. 41-50 years
 - d. 51-60 years
 - e. 60+
3. Gender
 - a. Male
 - b. Female
4. Marital Status
 - a. Single
 - b. Married
 - c. Divorced
 - d. Widow/widower
5. Academic qualifications
 - a. Certificate
 - b. Diploma
 - c. Graduate
 - d. Master's degree
 - e. Any other (specify).....
6. How long have been working at this organization?
 - a. Less than or equal to 5 years
 - b. 6-10 years
 - c. 11-15 years
 - d. above 15 years
7. Department working with_____

Part Two: The Extent of Succession Planning practice

Please indicate your reaction by tick (✓) the one most appropriate to the following

1-strongly disagree, 2- disagree, 3- neutral, 4- agree and 5- strongly agree

S/N	Items	Ranking				
		1	2	3	4	5
1	You participate in organization succession planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The organization have a formal succession planning in place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	There is satisfactory succession planning practice in the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Succession planning is important in your working environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	What motivates the company to have a good succession planning					
A	Anticipated changes in skills required of future leaders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	The desire to improve company's bottom line	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	To retain employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D	To put the right people in the right jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How are candidates for succession identified						
A	Data on performance appraisals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	Recommendation analysis of work samples/outputs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	Ability, personality and psychological tests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part Three: Challenges Facing Human Resources Succession Planning

8. Please indicate your reaction by tick (✓) the one most appropriate to following as can act as a challenge to the organization intention and effort of succession planning.

1-strongly disagree, 2- disagree, 3- neutral, 4- agree and 5- strongly agree

S/N	Items	Ranking				
		1	2	3	4	5
1	There is sufficient talent pipeline	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The company motivates and retains key employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	There is effective business practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Management information about employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The company has active periodical succession plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part Four: Factors of Employee Retention

Please indicate your reaction by tick (✓) the one most appropriate to the following

Reward and Benefiting						
A	In EABSC, rewards are given to all employees without any form of discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	In my organization, rewards are given to talent employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	The reward contributes greatly for my retention	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D	The reward program that my organization uses shows that the organization makes special effort to recognize employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Career Planning						
A	There is formal training programs in EABSC to teach employees the skills they need to perform their jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	Your promotions is a results comes from induction of the training program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	You believe that your targets and objectives set are attained and identified by the firm through training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D	Your career path is shaped due to your participations in different training programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Working Environment						
A	Your organization provides suitable and comfortable working conditions (sitting arrangements, working space, ventilation, and air conditions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	There is a spirit of cooperation and team work in your organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	This organization is harmonious place to work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D	Your work life balances with your family life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Performance Management						
A	You prefer to do things that you can do well rather things that you do poorly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	You are happiest at work when you perform tasks on which you know that you won't make mistakes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	You enjoy the most when you do things that you do best	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D	You feel smart when you do things without mistake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part Five EMPLOYEE RETENTION

9. The following factors have been identified as affecting retention of employees in organizations. Place a tick (✓) in the appropriate box on the table below.

1-strongly disagree, 2- disagree, 3- neutral, 4- agree and 5- strongly agree

Retention Factor	Rank				
In terms of remaining in EABSC, how important are these factors to you?					
	1	2	3	4	5
Amount of meaningful work-the feeling of making a difference	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of relationship with supervisor or manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Level of co-operation with coworkers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compensation package/ reward system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Opportunities for growth and advancement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linkage between pay and individual contribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of vision and strategy from senior management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability of the company to recruit and select the right employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amount of job stress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Predictability of work environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amount of internal politics/bureaucracy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Succession Management System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Performance evaluation system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thank you very much for your time!!