



**SUCCESSION PLANNING PRACTICES AND CHALLENGES AT
COMMERCIAL BANK OF ETHIOPIA**

BY: ESHETU SEID HUSSEN

**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY,
SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF
HUMAN RESOURCE MANAGEMENT**

ADVISOR: SOLOMON MARKOS (PHD)

JUNE, 2017

ADDIS ABABA, ETHIOPIA

TABLE OF CONTENTS

CERTIFICATION	I
DECLARATION	II
DEDICATION	III
ACKNOWLEDGEMENTS	IV
ABSTRACT	V
LIST OF TABLES	VI
LIST OF FIGURES	VII
LIST OF ACRONYMS	VIII
CHAPTER 1 INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem	3
1.3 Research Questions	4
1.3 Research Questions	4
1.4 Research Objectives	4
1.4.1 Specific Objectives	4
1.4.2 General Objectives	4
1.5 Significance of the Study	4
1.6 Scope of the Study	5
1.7 Limitation of the Study	6
1.8 Organization of the Study	6

CHAPTER 2 REVIEW OF LITERATURE.....	7
2.1 Theories.....	7
2.2 Emprical Review.....	22
2.3 Conceptual Framework.....	24
CHAPTER 3 RESEARCH DESIGN AND METHODOLOGY.....	27
3.1 Research Design and Approaches.....	27
3.2 Data Types aand Sources.....	28
3.3 Instrument Design.....	28
3.4 Sample Design.....	29
3.5 Data Collection Method.....	29
3.6 Data Analysis and Presentation.....	30
3.7 Validity of Instruments.....	30
3.8 Reliability.....	31
3.9 Ethical Consideration.....	31
CHAPTER 4 RESULTS AND DISCUSSIONS	33
4.1 Demographic Characteristics.....	33
4.2 Results and Discussion.....	31
4.2.1 Practices of Sucession Planning.....	31
4.2.2 Findings on Challenges of Sucession Planning.....	31
4.2.3 Challenges of Sucession Planning.....	37
4.2.4 Postive Factors of Sucession Planning.....	38

4.2.4 Strategies of Sucession Planning.....	40
CHAPTER 5 RESEARCH FINDINGS.....	42
5.1 Research Findings.....	42
5.2 Conclusions.....	44
5.3 Recommendations.....	42
5.4 Areas for Further Study	48
APPENDIX A AAU COOPERATIVE LETTER	1
APPENDIX B CBE COOPERATIVE	2
REFERENCES.....	3

CERTIFICATION

The undersigned certifies that, he has read and hereby recommends for acceptance of this research paper titled: “**Succession Planning Practices and Challenges at Commercial Bank of Ethiopia**” in partial fulfillment of the requirements for the degree of Master of Human Resource Management of Addis Ababa University Graduate Studies.

.....
Ato ShewaJemal
(External Examiner)

.....
Date

.....
Dr. Abdurazak Mohammed
(Internal Examiner)

.....
Date

I

DECLARATION

I, Eshetu Seid, hereby declare that this thesis has been conducted by me under the Supervision of Dr. Solomon Markos. This thesis has never in its present form, or in any other form, been presented to any other examining body for the award of any degree. Where the views and ideas of others have been used, they have been duly acknowledged. I therefore take responsibility for any inaccuracies and shortcomings, which may be detected in this thesis.

Signed: _____ Date: _____

Eshetu SeidHussen
(GSD/0066/06)
Student

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

Signed: _____ Date: _____

SOLOMON MARKOS (PHD)
Principal advisor

II

DEDICATION

I dedicate this work to the Almighty God, the strength, wisdom and gift of life for putting together this thesis. I also dedicate this thesis to my mother Zenitu Hussen and all my brothers and sisters for their immense support for my education and success in life. I appreciate the sacrifices you have to make to bring me this far.

ACKNOWLEDGEMENTS

I thank the Almighty God for the grace, mercy and love for seeing me through this very challenging but successful period of my life.

My heartfelt gratitude goes to Dr. Solomon Markos, my supervisor for his patience, time and guidance. His constructive criticism and quick feedback made it possible to complete my thesis on time. He has brought the best out of me and I am forever grateful to him.

To the management and staff of Commercial Bank of Ethiopia, I say thank you. There would not have been any data to analyze to come out with this thesis without your approval to use your banks in the data collection.

Finally, my appreciation goes to all my friends, especially the course mates I studied with and spent good moments with during my three years training in Human Resource Management. They were not just interesting friends but great family who made my master's program very successful.

ABSTRACT

The study aimed in assessing succession planning practices and challenges affecting human resource succession planning in Commercial Bank of Ethiopia. Specifically, the study aimed in finding answers to four objectives. It assessed the extent of human resources succession planning activities in Commercial Bank of Ethiopia it also examined the challenges facing human resources succession planning in the bank. Furthermore, the study assessed the positive factors influencing human resources succession planning in the bank. Finally, the study looked at strategies used for enhancing the application of human resource succession planning in Commercial Bank of Ethiopia. The study employed questionnaire and interview in data collection. The data were analyzed using descriptive statistics such as percentages, mean and standard Deviation. The study findings indicate that majority of the respondents did not have knowledge on the concept of human resource succession planning. The study finding also showed that the bank did not properly practice the positive factors of human resource succession planning such as Ability to motivate and retain key employees, focusing on roles and responsibilities across a carrier plan and Lack of Plenty of information about employees. Moreover, the bank did not properly used various strategies of enhancing human resources succession plans which included attracting and recruiting potential employees, Effective leadership and management development and improving budget. Furthermore, the study also provides the recommendations of what should be done in improving succession planning and this include the bank should properly implement the positive or success factors of succession planning such as Attracting and recruiting the potential employees, Rewarding and recognizing hard working employees, Effective management and properly implement performance Management system..

Keywords: *succession planning; human resource development; Replacement Planning; Reduced staff turnover*

LIST OF TABLES

Table 3.1 Summary of Reliability Test	31
Table 4.1 Demographic Characteristics of Respondents	34
Table: 4.2 Practices of Succession Planning	36
Table 4.3 Challenges of Succession planning	38
Table 4.4 Positive Factors of succession planning	39
Table 4.5 Strategies of Succession Planning	40

LIST OF FIGURES

Figure 2.1 the seven pointed star model of succession planning and management 18

Fig. 2.2 Conceptual Frame work for assessment of succession planning 25

Activities in an organization

Appendix A: AUU Cooperative Letters

Appendix B: CBE Cooperative Letters

Appendix C: Questionnaire

LIST OF ACRONYMS AND ABBREVIATION

CBE	Commercial Bank of Ethiopia
M	Mean
VP	Vice President
SP	Succession Planning
SD	Standard Deviation

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Human Resource Planning aims to ensure that an organization has the number of people with the right skills needed to meet forecast requirements. Several activities involve HR Planning and they include scenario planning, demand and forecast planning as well as action planning. Action planning entails preparation of plans to deal with forecast deficits through internal promotion, training and external recruitment as well as developing retention and flexibility strategies (Armstrong, 2009).

According to (Ruthwell,2005), succession planning and employee retention form part of action HR planning which is concerned with staffing and both have a direct impact on reducing staff turnover. Armstrong, (2003) says the main aim of succession planning is to ensure that suitable managers are available to fill vacancies created by promotion, retirement, death or leaving and ensures that a cadre of managers is available to fill the new appointments that may be established in the future.

John, (2007) says it often takes years of grooming to develop effective senior managers thus a succession plan exists mainly for the purpose of assured continuity in leadership. Additionally, succession planning helps organizations to plan for any disasters brought about by abrupt losses of employees especially caused by death and early retirements. Charan, Drotter and Noel ,(2001), say succession planning increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. The implementation of succession planning relates to the actual practices carried out in any firm (Downs, 2012)

These fundamentals of succession planning include: Support from the CEO; Build a development mindset in the organization; Approach should not be just top-to-bottom but also bottom-to-top and cross-functional; Align succession plan with the overall strategy of the company; Ensure data-driven decision-making; Develop a “learning organization”; and Assess performance culture on a regular basis

Commercial bank of Ethiopia starts succession planning and management since 2014 in consultation with Frankfurt School of finance and management. CBE uses 8 step frameworks for its succession planning and management. These are: **SPM Framework: Step 1 Identify strategic Linkages** Consider internal (i.e. Projected growth, support of BSC, turnover, retirement eligibility) and external forces & alignment with organizational strategy. **SPM Framework: Step 2 Design Program and Components** Identify target groups, roles and responsibilities; develop policies and procedure, Determining recordkeeping and communication **SPM Framework: Step 3 Conduct Position Needs Assessment** Identify leadership competencies skills and abilities, conduct/review gap analysis, and create leadership profiles. **SPM Framework: Step 4 Determine Talent Pool and development Needs** Assess and organize employees using performance, 360 feedback, and talent assessments. **SPM Framework: Step 5 Utilize a tool to determine how quickly positions will be vacant and soon participants will be ready to fill vacancies.** **SPM Framework: Step 6 Identify and create Talent Development Goals.** Goal is to enhance knowledge, skills, attitude and abilities. Include job rotations, stretch assignments, coaching, mentoring and classes. Example Individualized Development Plan: Job Assignment (70%) Bosses, Coaches, Mentors (20%) Courses (10) **SPM Framework: Step 7 Execute SPM Framework: Step 8 Monitor and Adjust** Conduct a formal program evaluation annually to ensure components meet organizational needs. In addition to the above Succession planning framework CBE uses the following steps for its successor identification, selection and development. **Step 1 Identify crucial Succession roles** The bank identify the following roles as critical succession roles President; Vice President; Chief ;Director; District Manager Branch Manager; Team Leader; Expert, **Step 2 Select Phase 1 Succession role** Vice President, **Step 3 Develop Succession Pool eligibility Criteria,** **Step 4 Screen Talent Pool** **Step 5 Select Potential Succession Candidates,** **Step 6 Conduct 360 Degree leadership Assessment and provide feedback,** **Step 7 Develop & Discuss Personal Development plan,** **Step 8 implementing the plan**

1.2 Statement of the problem

Different Organizations are faced with challenges of employing good employees in order to gain a competitive edge over their competitors in the same industry. It should be noted that the worst of any organization is to put wrong people in the right positions at the right time (Rothwell, 1995). An important issue for the corporation, its shareholders, and employees, is the question of succession - who will lead the corporation in future. Although the notion of succession planning is well established in human resource management it does not seem to be established as a key human resource activity (Rothwell, 1995).

Obviously, succession planning is essential to the future survival of organizations. In addition, numerous surveys have highlighted the importance of succession planning and management. In most cases organizations continue to select the leaders through crisis management.

While several studies have attempted to reveal the value of succession planning and management using various sources of data little research has been devoted to studying the nature and implementation strategies of succession planning. For example, (Friedman, 1984) investigated succession planning in relation to its financial performance. Zajac(1990) studied the effects of succession planning on a firm's financial performance while (Huang, 2001) analyzed the effect of succession planning on human resource outcomes.

Commercial Bank of Ethiopia is one of the government owned banks which starts succession planning for its key employee since 2014 by identifying various pools for its key position starting from the top level management up to the lower level management and other non-managerial position but which are very critical position useful for the overall organizational vision and mission achievement. The bank provides various types of technical and development training for all employees based on their gap assessment.

Therefore, this study aims to investigate the effectiveness of succession planning practices and its challenge in CBE and to recommend for better performance. In order to assess the succession planning practices and its challenges in CBE the following four areas will be examined: First, the Extent of Human Resources Succession Planning: the items incorporated focus on the employee's like knowledge on the concept of human resource succession planning and how it works in their organization, practice succession planning in the bank, frequencies in conducting succession planning, importance of the Succession Planning in their working environment and strategies

used by the bank in carrying out human resources succession planning. Second, Challenges Facing Human Resources Succession Planning: Like insufficient talent pipeline, Inability to motivate and retaining key employees, Ineffective business practices. Third, Positive Factors Influencing Human Resources Succession Planning: Like Sufficient talent pipeline in the organization, focusing on roles and responsibilities across a carrier plan and; fourth, Strategies for Enhancing the Application of Human Resource Succession Planning: like Attracting and recruiting the potential employees, Rewarding and recognizing hard working employees, Effective management and performance.

1.3 Research Question

- What are the major succession planning practices in the bank
- What are the challenges facing human resources succession planning in Commercial Bank of Ethiopia?
- What are the positive factors influencing human resources succession planning in Commercial Bank of Ethiopia?

1.4 Objectives of the study

1.4.1 General Objectives

The primary aim of this study was to investigate succession planning practices and challenges of Commercial Bank of Ethiopia.

1.4.2 Specific Objectives are:

- To examine the major succession planning practice in the bank
- To assess the extent to which human resources succession planning activities are carried out as per the principles indicated in relevant theories.
- To examine the challenges facing human resources succession planning in the Commercial Bank of Ethiopia.

1.5 Significance of the study

The study is expected to make contributions to the expanding literature on issues related to the succession planning in Commercial Bank of Ethiopia. Results from the study have significance to academia, extension of knowledge frontier as well as to policy makers. The study fulfill my academic need of acquiring Masters of Human Resource Management. The dissertation will also be used as a reference material for other academicians who use the research document for further reference. The future researchers identified the gaps available for further studies. Furthermore, the study is expected to provide knowledge on the challenges facing human resource succession planning in Commercial Bank of Ethiopia. The research findings raise some human resource succession plan pitfalls which should be addressed by Commercial Bank of Ethiopia.

Public and private financial institutions especially private commercial banks may benefit from this study as they can get with information on how to effectively manage succession planning so as to enhance effective succession management.

1.6 Scope of the Study

The study was conducted only in the Commercial Bank of Ethiopia. Specifically it was focus on to assess the current succession planning practice of the bank and identify its major challenges in implementing it. Furthermore it is limited by focusing in its head quarter and selected Addis Ababa area branches. In this study all CBE staffs are not included but the researcher had tried to address the following employees which believe they can show the current situation of succession planning in the bank and its challenges. These are: HRD director, Career and successions manager, HR specialists, grade four branch managers, grade three branch managers. It was therefore, leave out grade two and one branch manager, districts and branches outside of Addis Ababa.

1.7 Limitations of the Study

The study is limited to exploring the factors that affect succession planning practice and challenges within the context of commercial bank of Ethiopia

This study has a number of limitations:

- All findings are based on the information provided by the respondents, and are subject to the potential bias and prejudice of the people involved.

- The scope of the study is restricted to the study of employees in Commercial Bank of Ethiopia, and places particular focus on its head quarter and workers within Addis Ababa area.

1.8 Organization of the study

This thesis had comprise six chapters. The sequence and structure of these chapters are as follows:

Chapter One: Introduction

The first chapter is the introductory chapter and it comprises; background to the study, statement of the problem, research questions which raise research objectives. It also covers the significance of the study, scope of the study, limitation of the study, definition of terms

Chapter Two: Literature Review

This Part presents the theoretical background of succession planning, objectives of succession planning, types of succession planning, its benefits, best practices, challenges, models, strategies and empirical studies of succession planning

Chapter Three: Research Methodology

This chapter will describes the techniques used in conducting the present study; it will also addresses the research approach, strategy, sampling method, target population, and various data collection methods inclusive of primary and data collection, Ethical issues will discuss in this chapter.

Chapter Four: Qualitative and Quantities Results and Discussion

This chapter wills presents the overall results along with a discussion of the qualitative data gathered during this study. It will include the results from the focus group discussions and structured interviews. And the findings from the analysis of the quantitative data collected using the study instrumentation. It includes a summary of the descriptive statistics and correlations between the variables. In addition, this it will investigates the results of the study's findings and confirms them with reference to previous scientific research in the literature, to clarify the significance of the findings.

Chapter five: Conclusion and Recommendations

This chapter will discuss the overall findings of the study, including the implications for the target groups and directions for further research. It offers recommendations arising from the findings, reports on the limitations of the study, indicates areas for future research and offers the final conclusion

CHAPTER TWO

REVIEW OF LITREATURE

2.1 Theories

Succession Planning

Succession planning refers to the process of identifying employees who have the potential to assume key positions in the organization and preparing them for these positions (Belcourt and McBey, 2007). The identification of talent is always paired with on-going programs to develop that talent. Likewise, succession planning defined as “deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future and encourage individual” (Rothwell, 2010). It is argued that succession planning is no longer limited to top managers, nowadays need to successor for every job in the organization is evident, especially with more involvement of employees to the organization and distribution of decision making to empowered employees across organizations.

The term succession refers to a systematic process of identifying and developing candidates for leadership or management positions (Sheila and Bentham, 1999).

Armstrong, (2003) refers to succession planning as a process whereby an organization ensures that employees are recruited and constantly developed to fill each key role within the company. According to (Armstrong ,2012) succession planning is a process of identifying successors for key posts and then planning career moves and /or development activities for the potential successors thus career management is complementary to management of succession planning.

Succession planning as defined by (Pooja ,2013) involves having senior executives review their top executives and those in the next level to determine several backups for each senior level.

Charan, Drotter and Noel, (2001), define succession planning as a process for identifying and developing internal people with the potential to fill key business leadership positions in the company.

According to (Dessler,2000) succession planning is the process of ensuring a suitable supply for current and future key jobs successors so that the career of individuals can be managed to optimize the organizations needs and the individual inspirations.

Armstrong, (2012) defines management succession planning as the process of assessing and auditing the talent in the organization in order to answer three fundamental questions:

- Are there enough potential successors available who can take roles in the longer term?
- Are they good enough?
- Do they have the right skills and competences for the future?

Bernardin, (2007) cites two types of succession planning namely; formal and informal succession plans where the former an individual manager identifies and grooms his or her own replacement and the latter involves an examination of strategic plans and human resource forecast, talent pool and implementation of promotion from within policy.

Objectives of Succession Planning

Recently, not just business organizations, but all types of organizations, including educational institutions and government offices, realized the necessity of succession planning and implementation of effective succession planning that fit their own organizations. Kim, (2006) identifies various objectives of succession planning such as: meeting the future needs, fulfilling needs of organization in the future, strengthening internal leadership bench, building leadership bench strength by managing and developing candidates who can be promote to key positions, filling the position, filling key open position(s) and minimizing the potential negative effect cause by it, enhancing diversity, enhancing diversity in organization and to accelerate development.

Types of Succession Planning

Succession planning can be classified into different groups basing on the motive behind its implementation in an organization. Surdej and Wach, (2010) identify two different types of succession in family owned businesses. First type is called a defensive succession, in which family tries to preserve the control over enterprise at all costs. Second type might be called a

transformatory succession, in which the company is transformed so as to maximize the wealth of family even at the cost of reducing the family control.

It seems that the first type of the succession dominates among SMEs (Micro-, Small and Medium-Sized Enterprises) as they operate undiversified business and the firm's success depends very much on the use of idiosyncratic knowledge – tacit and informal knowledge which has been acquired over long time and their use is of limited application elsewhere. This might explain why small firms try to find the successor among family members, relatives or close friends

Elements of Succession Planning

Based on a review of the existing literature and the elements of successful succession plan as identified by (Sharon Ley, 2002) the following categories:

- Top management support,
- Needs-driven assessment,
- Provision of formal professional development opportunities,
- Focus on individual attention and
- Extension to all levels of organization.

Top Management Participation and Support

Before succession planning can be implemented in any agency, it must obtain the full support of the organization's executive and management staff. "A commitment by the city or county manager and alignment with organizational strategy" is a necessary element to any succession plan (Ibarra, 2005). Without this support, even if a succession plan is identified, the plan will never take flight within the culture of the organization.

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

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

Furthermore, “executives must communicate with current employees to ensure that” fear or insecurity of losing their positions “sabotage the plan” (Diamond, 2006).

Needs-Driven Assessment

One way to determine which positions are a key or critical is to perform an assessment of the competency levels of current employees. This will help in determining “the number of those available and capable of fulfilling future functional requirements,” as well as “what recruitment, training, and other strategies need to be deployed to address workforce gaps and surpluses.” An effective way to conduct this assessment is through a checklist including ratings of competency levels “such as: advanced, intermediate, beginning or none.”

Mentoring Programs

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

In other words, since experience and job knowledge are highly valued for succession, it is necessary that organizations provide employees with the opportunity to develop and advance these skills. These opportunities “can be accomplished through job assignments, training, or job rotation, and it is one of the best ways for employees to gain additional knowledge and skills.”

According to (Kowalewski *et al*, 2011) mentoring enhances sense of self-esteem; leads to fulfillment of development needs-satisfaction in leaving part of themselves to the next generation; improves professional, leadership and collaborative skills makes mentors better listeners; helps reaffirm own successes, and the mere fact of being asked to be a mentor is a powerful compliment”

Focus on Individual Attention

In a “performance based selection system individual” employees “can be put in a leadership track by being given a special assignment that allows him or her opportunity to grow” (Larson 2005, 16). Often, leadership tracks are guided by career paths, which provide employees with a road map or stepping stones allowing them to move from their current position to their desired promotion. In providing employees with career paths and listening to their career goals and desires, an agency places a personal responsibility on the employee to ensure that their career

goals are achieved (Diamond 2006, 38). Ultimately, “individuals are responsible for their career and accountable for meeting developmental objectives and gaining and demonstrating new capabilities;” therefore, employees should be enabled to choose training that suits their career goals (Australian Public Service Commission, 2003).

In order to make employees accountable for this developmental responsibility, advancements in the career path should be explicitly outlined (Personnel, 2006). During the performance evaluation, “individuals and managers should discuss employee performance evaluation (SAO, 2006). In the performance evaluation, employees can be credited for their individual competencies, which are those competencies “that each employee brings to his or her function” (Washington State Department performance, potential and development and contribute constructively to the implementation of development plans” (Australian Public Service Commission, 2003).

Extension to all Levels of the Organization

Succession planning has been used to describe a wide variety of activities that involve planning for key transitions in leadership within organizations (Garman and Glawe, 2004). The term succession planning has traditionally referred to planning for leadership continuity at the CEO level, but today succession planning provides for leadership continuity at all levels (Cooke, 1995). As with any program, a succession plan should have a project planner assigned to oversee it and ensure that the plan stays current and covers all levels in an organization. Without full coverage to all levels it is likely that the program will not be sustainable. In order to have a successful succession planning for any organization the focus should be on preparing staff for assuming a higher leadership level” or career path, rather than on preparing staff for a specific position.

Benefits of succession planning

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

Reduced amount of time and expenses to fill vacancies

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

Readiness to deal with sudden loss of key players

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

Aligned staffing processes with the long term goals of the organization

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

Reduced staff turnover

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

Increased appeal to investors and prospective employees

Here to stay and we are thinking about the future strategically. Investors will be comforted knowing that the organization has a broad strategy involving its workforce and prospective employees will be attracted to a company that recognizes its employees as a key driving force of the business.

Barriers and challenges of succession planning

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

Not integrating succession planning with other processes

Succession planning should be aligned first and foremost with the strategic business plan of the organization. Furthermore, for it to be effective, it should also direct development and career planning, hiring and staffing. Succession plans should also be informed by performance

appraisals, formal and informal performance feedback, employee interests, existing skills, abilities and knowledge.

Lack of support from top management

Succession planning must be aligned with the overall business strategy of the organization. As such, support from the CEO and from other top leaders of the organization is essential.

Aligning succession planning with the business strategy means that not only will it be rolled out throughout the organization but that the positions and potential candidates identified in the plan will take into account the trends in the labour market, the competitive market, the strategic direction of the organization and drive the organization's development and growth.

Not communicating the succession plan to high potential candidates

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

Underestimating the potential of existing employees

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

Focusing exclusively on technical skills

The technical requirements of a position will evolve with time. Focusing exclusively on the current technical skills required for a position may lead the company to identify candidates with strong technical skills but who lack the soft skills required to be successful in the position as it will be in 5 or 10 years (such as leadership skills, continuous learning, teamwork, etc.)

Not offering training or development opportunities

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

Consider only upward succession

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

Succession Planning Practices

Sheila and Bernthal,(1999) list some of the succession planning practices to be involving the Chief Executive Officer, having a support system with senior management, involving line managers in identifying candidates using development assignments and linking the succession management plans to business strategies. Pooja, (2013) identified other succession planning initiatives which must be followed for any full implementation of a succession plan to be realized. These include: employee commitment to self-development, partnership of senior leaders with the Human Resource Department, talent development, coaching, mentorship, diversity management and job rotation.

Karen and Leah, (2011) identified some of the emerging best practices in succession planning which include; top management involvement, targeted processes to focus on clearly defined. Specific goals and comprehensive assessment programs based upon competencies.

Best practices in succession planning

The following are general best practices in succession planning recognized in the academic and business literature.

Ensuring management buy-in

- The process of preparing or implementing requires the support and endorsement of higher management, including the CEO. This can prove to be a challenge in proprietor-controlled organizations where the CEO may not be as opened to discuss succession but is, nevertheless, important to ensure business continuity.
- Higher management must actively communicate and be involved in the alignment of succession planning with business needs, strategic orientation and plans.
- Higher management buy-in ensures that succession planning will be understood to be an organizational priority at every level of the organization, thus ensure full cooperation and participation from all levels of the organization.

Alignment with Business Strategy

- Succession planning must be an integral part of the human resource function and as such, be a strategic tool for higher management. These human resources functions include performance, development, learning and staffing.
- The succession plan is a tool to support and ensure that the business strategy of the organization comes to fruition in the short-term and the long- run.

Analyzing business needs, including:

- Segments of the workforce or occupations that create value for the organization.
- Impact of retirements, departures, turnover of specific occupations or positions on the organization.
- Impact of retirements, departures, turnover on the workforce skills and ability to deliver and meet future demand.
- Availability of workforce for certain occupations or positions and the ability to staff key critical positions. Skills, abilities and competencies required in the immediate future, in 5 years, in 10years.
- Potential risks and integration of remedial plans within the succession plan to mitigate consequences in the event of sudden departures or difficulty in staffing key positions to minimize business disruptions.
- Calculation and analysis of turnover rates, and cause, in key business areas with associated cost of replacement and risk to customer, productivity, innovation, and quality.

Fair, accessible, transparent process

- Ensure that a fair, accessible, and transparent process is used.
- Create a communication strategy that will ensure that all levels of the organization are made aware of succession planning.
- Invite managers and employees to participate in workshops and information sessions to learn about the succession planning process and their role in it.
- Use and create tools that support the process and that are easy to use an accessible.

Multilevel implementation

- Collaboration among key players and buy-in from stakeholders, including middle management and operational levels.
- Planning must extend to all levels of the organization rather than remaining limited to senior executive positions.

Talent Assessment

- Identification of key skills, abilities and competencies required to meet business objectives and strategies.
- Identification of critical talent in the existing workforce.
- Identification of skills, abilities and competency gap.

- Assessment of employees through multiple sources of data, and early identification of critical development opportunities.

Development

- Encourage experiential learning supported by coaching, mentoring and evaluation programs.
- Provide a range of developmental activities that are individually tailored to address gaps in skills and competencies.
- Provide development opportunities that can include upper and lateral promotions.

Integration with other Human Resources Functions

- Competencies and skills for key positions are reinforced in various HR systems such as recruitment, learning, development, and performance management.
- Mechanisms are in place to ensure the full realization of employment equity and diversity goals.

Monitor and Evaluate

- The process should be ongoing, monitored, evaluated, and refined based on feedback from stakeholders, leading research, and new developments in technology.

The plan should be regularly revisited to adapt to new market requirements, new business strategy and orientation, change in requirements of key positions, and change in workforce.

Success factors in succession planning

There are several factors typically found in successful succession planning initiatives. For example

- Senior leaders are personally involved.
- Senior leaders hold themselves accountable for growing leaders.
- Employees are committed to their own self-development.
- Success is based on a business case for long-term needs.
- Succession is linked to strategic planning and investment in the future.
- Workforce data and analysis inform the process.
- Leadership competencies are identified and used for selection and development.
- A pool of talent is identified and developed early for long-term needs.
- Development is based on challenging and varied job-based experiences.

- Senior leaders form a partnership with human resources.
- Succession planning addresses challenges such as diversity, recruitment, and retention

Models in practice to study succession planning and management

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

The Seven-Point Star Model

Rothwell2001, (2005) explained that organizations go through a life cycle of development in their succession planning and management programs. At each generation, organizations gain sophistication about what to do and how to do it.

The model has distinct seven steps: in first step, the organization's decision-makers should commit to systematic succession planning and management and establish it as a program. In the second step, decision-makers normally assess the present work requirements in key positions. Only in that way can individuals be prepared for advancement solidly grounded in work requirements. In this step, decision-makers should clarify where key leadership positions exist in the organization and should apply one or more approaches to determining work or competency requirements.

The third step involves critical evaluation of how well individuals perform in their jobs, because most succession planning programs assume that individuals must be performing well in their present jobs in order to qualify for advancement. As part of this step, the organization should also begin establishing an inventory of talent, thereby establishing a clear idea of the available human assets.

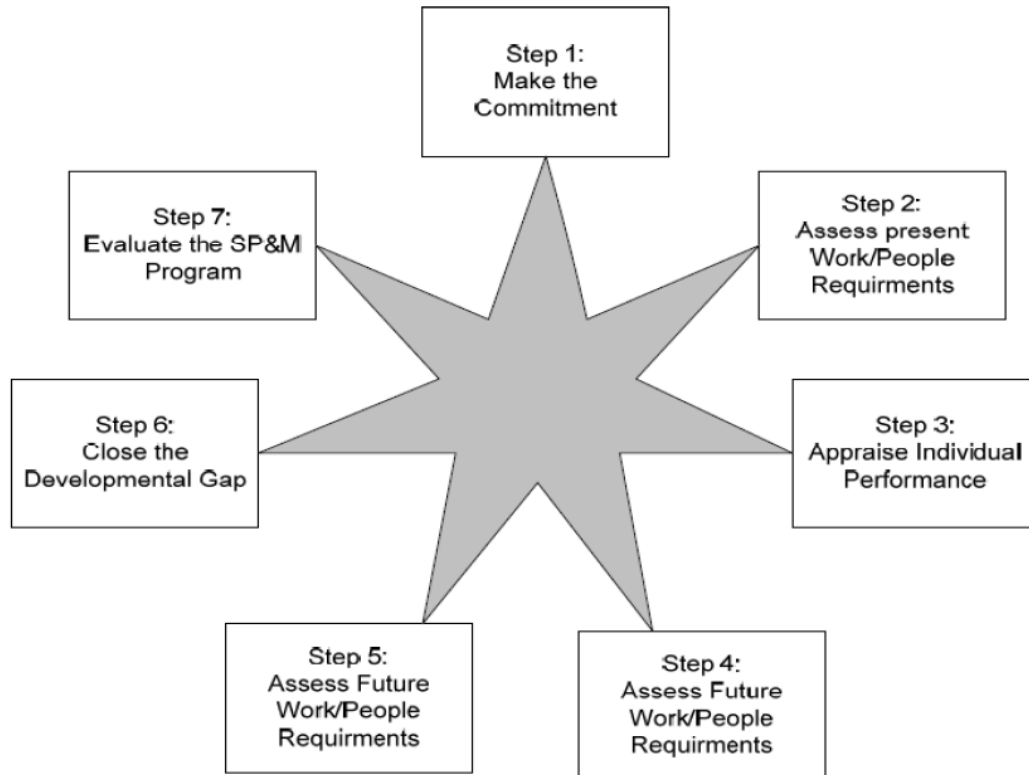
In step four, competency requirements in key leadership positions in the future need to be identified. This is done by decision-makers through assessment of future work requirements and competencies. In that way, future leaders may be prepared to cope with changing requirements.

The fifth step concerns the assessment of individuals' future potential and its match to their future work requirements. The organization should establish a process for assessing future individual potential. That future oriented process should not be confused with past- or present-oriented employee performance appraisals.

In the sixth step, the organization should establish a continuing program for leadership development to cultivate future leaders internally. Decision-makers should also explore alternatives to traditional promotion-from-within methods of meeting succession needs.

Finally, to improve, the succession planning and management program must be subjected to continual evaluation to assess how well it is working. That is the seventh and final step of the model.

Figure 2.1 the seven pointed star model of succession planning and management



Source: Rothwell, 2001

Acceleration Pools Model

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

Byhamet *al.* (2002) explained the process of the Acceleration Pool in five phases: Phase one involves nominating and identifying high potentials. What are specifically done are the business units or functions to nominate a potential pool of candidates. The executive resource board (ERB) screens candidates and makes final decisions and the pros and cons are explained to candidates who make decisions to either enter or not enter the pool.

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

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

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

Replacement Planning

Succession planning should not be confused with replacement planning, though they are compatible and often overlap (Rothwell, 2001). Traditionally, succession planning equates with replacement planning (Charan, Drotter, and Noel, 2001). In the simplest form, replacement planning is a form of risk management (Rothwell, 2001), which focuses on the actions that ideally should take place if a key executive should leave (Burdett, 1993). The chief aim of replacement planning is to reduce the chance of catastrophe stemming from the immediate and unplanned loss of key job incumbents (Rothwell, 2001).

For decades, replacement planning has concentrated on pre-selecting 20 backup people for key positions and then charting a series of job assignments to prepare them to fill the positions

(Byham, Smith, and Paese, 2002). This was not an appropriate system when organizations were stable, large, and hierarchical: few changes occurred in job titles, job responsibilities, or organizational direction. Organizations employed many middle managers, most of whom had time for assignments outside their regular job duties. Technical and competitive changes occurred much more slowly.

Human resources staffs were large, and control of the personnel system was more centralized. Succession planning was largely an HR-managed means for knowing who would replace departing leaders. People changed jobs and moved to new towns when asked to do so. In such an environment managers could tolerate a forms driven system that consumed days or even weeks of their time each year (Byham, Smith, and Paese, 2002).

Today conceiving of devoting even a fraction of that much management time to replenishing managerial talent or other related HR activities is impossible. In today's business world, organizations are flatter, with horizontal career paths taking on increasing importance in addition to vertical paths. With fewer middle managers, those who remain have multiple demands that compete for the time required to develop themselves or coach and mentor their direct reports (Byham, Smith, and Paese, 2002).

In addition, mergers, acquisitions, downsizing, globalization, and the Internet are profoundly impact organizations, causing previously important jobs to become less so or even unnecessary. In this environment, replacement planning makes little sense (Charan, Drotter, and Noel, 2001). In short, while replacement planning sets in motion action that limits damage from unpredictable events (Burdett, 1993), succession planning is proactive and attempts to ensure the continuity of leadership by cultivating talent from within the organization through planned activities (Rothwell, 2001).

Implementation strategies

Background work and preparation

Identify key business objectives, strategic vision and plans

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

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

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

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

- Identifying the competencies, skills and abilities required for each position will assist the organization in identifying potential candidates that best meet the position requirements or assess the knowledge and skills gaps to elaborate a targeted learning and development plan.

Create formalized training and development programs and opportunities

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

Identify key areas and positions

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

- For example, succession planning activities may be geared to developing talent for certain positions (e.g. electricians, engineers, managers, supervisors, etc.) or functional communities (e.g. finance department, sales and marketing, the human resources department)
- Key positions are those that exert critical influence on the operational activities or the strategic objectives of the organization. This means that without this role, the organization would be unable to effectively meet its business objectives. These can include upper management positions or key technical positions, such as those with very specific training or certification requirements or advanced level of technical expertise or experience.

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

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

Develop and implement succession and knowledge transfer plans

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

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

- Use the plan to communicate career paths to high potential employees. Discretion should be used to ensure that employees not being considered as part of the succession plan are not frustrated or de-motivated.
- Use the plan to guide training and development plans and strategies for key positions, individuals or key areas.
- Use the plan to strategically promote upwards or laterally.
- Use the plan to effectively recruit new staff that will meet the requirements of the succession plan, rather than only the immediate technical requirements of a position. Ensure that those new employees can grow the business and be a value-added part of the workforce.

Evaluate effectiveness

- To ensure that the organization's succession planning efforts are successful, it is important to systematically evaluate and monitor each step in the implementation strategy and make adjustments as necessary.

2.2 Empirical Review

Rhodes and Walker,(1984) reported a survey research, called the TPF and C (Towers, Perrin, Forster and Crosby) study, which involved 30 large corporations. In their study they reviewed and analyzed the management succession and development planning practices at that time. They identified four different approaches to management succession and development planning: informal, decentralized, centralized, and integrated.

Furthermore, they found that the selection of the approaches is affected by organizational structure and management style, size and wealth of the organization, and the company's growth rate. They also explained the six techniques used in implementing the programs: 1) senior management involvement, 2) information requirements, 3) assessment, 4) management review, 5) developmental techniques and 6) educational training. They related each approach to

management succession and development planning with the employed procedure. They emphasized the importance of developing and implementing a program that fits each organization's characteristics and culture (Rhodes and Walker, 1984).

In a study on succession planning, (Vancil, 1987) uses data on 227 randomly chosen large corporations from 1960-1984, but relies on case studies to draw many of his inferences. He finds that the most common type of succession in firms, which he terms as relay succession, involves selection of a successor, or an 'heir apparent', a few years before the turnover. The heir apparent and the incumbent CEO then work together until the incumbent CEO steps down (usually to become the Chairman of the board) and the heir apparent takes over.

Huang, (2001) researched succession planning and management systems and human resource outcomes. The study examined whether local firms with a more sophisticated succession plan achieved more favorable human resource outcomes than those with a less sophisticated plans in 100 U.S. owned companies, 150 Japanese-owned companies, and 400 local companies in Taiwan. Although the results of the study found no significant difference in human resource outcomes between companies which adopted succession planning and those that did not adopt it, in detailed results, a significant relationship appeared between the level of sophistication with which succession plans were carried out and human resource outcomes. Some of the characteristics, such as line-manager involvement, non-political succession criteria, the credibility of succession planning staff, review and feedback, and effective information systems, affected the performance of human resources.

The work of (Shen and Cannella, 2003) described a form of succession planning within the corporate environment. The authors analyzed the effect of relay succession planning on the shareholder response. This article demonstrated that the devotion of resources to ensure that management is prepared for turnover is directly proportional to shareholder satisfaction. This research shows that the sudden death of a key executive can negatively influence the shareholder wealth. This loss can be mitigated if a new successor is put into place within a short period.

Bower, (2007 and Davis, 2008) point out that both insiders and outsiders have strengths and weaknesses in entering new positions. Employees know the company and its inner workings, but may not recognize the need for change. New ideas can come from the outside, but many times these newcomers do not know the company well enough to foster the changes needed.

A report by Cutting Edge Information (Howe, 2004) reported that over two thirds of organizations do not currently have a formal succession planning process; almost half of these organizations have no approach in developing their next CEO (as cited in Succession Planning Facts and Fantasies, 2005).

Lewis, (2009) asks the question as to why more organizations are not instituting succession planning if there are so many benefits. Succession planning has been shown to boost employee retention leading to increased employee performance. Planning decreases recruiting costs because recruitment can be completed during periods of lowered stress, recruiting the “best” talent, not a body to fill a seat. He exudes the importance of good talent planning set these organizations up for success, not failure. Recruiting talent from a local area may not meet the needs of the organizations requirements. As Lewis notes, “we must realistically cast a wider net”.

Kowalewski *et al.* (2011) examined succession planning utilized by the 2010 “Best Companies to Work for in New York”. The results of study showed that in the smaller business, only the CEO or the position of president may be included in the strategic plan for succession planning purposes. As the business becomes larger, middle and senior level positions could also be included.

For any strategic plan to be successful, the entire organization needs to be aware of the plan and be familiar with the parts of the plan that they are responsible for in order to achieve results. Information about the organization must be gathered both internally and externally. Competition, technology, regulatory changes, company priorities, market trends, the economy, turnover, retirements, promotions, and retention efforts are just some of the challenges that influence succession planning. The factors that affect the pool of available talent do not just come from within the company’s corporate headquarters, but in this modern marketplace, are global.

The succession issue has been identified as one of crucial factors for the functioning and growth of family firms. Surdej and Wach ,(2010) studied succession planning in Polish family business and found that 85 out of 496 family firms surveyed had accomplished the succession process. The results also showed that in 147 cases the initial founders of family businesses were planning the succession to their heirs.

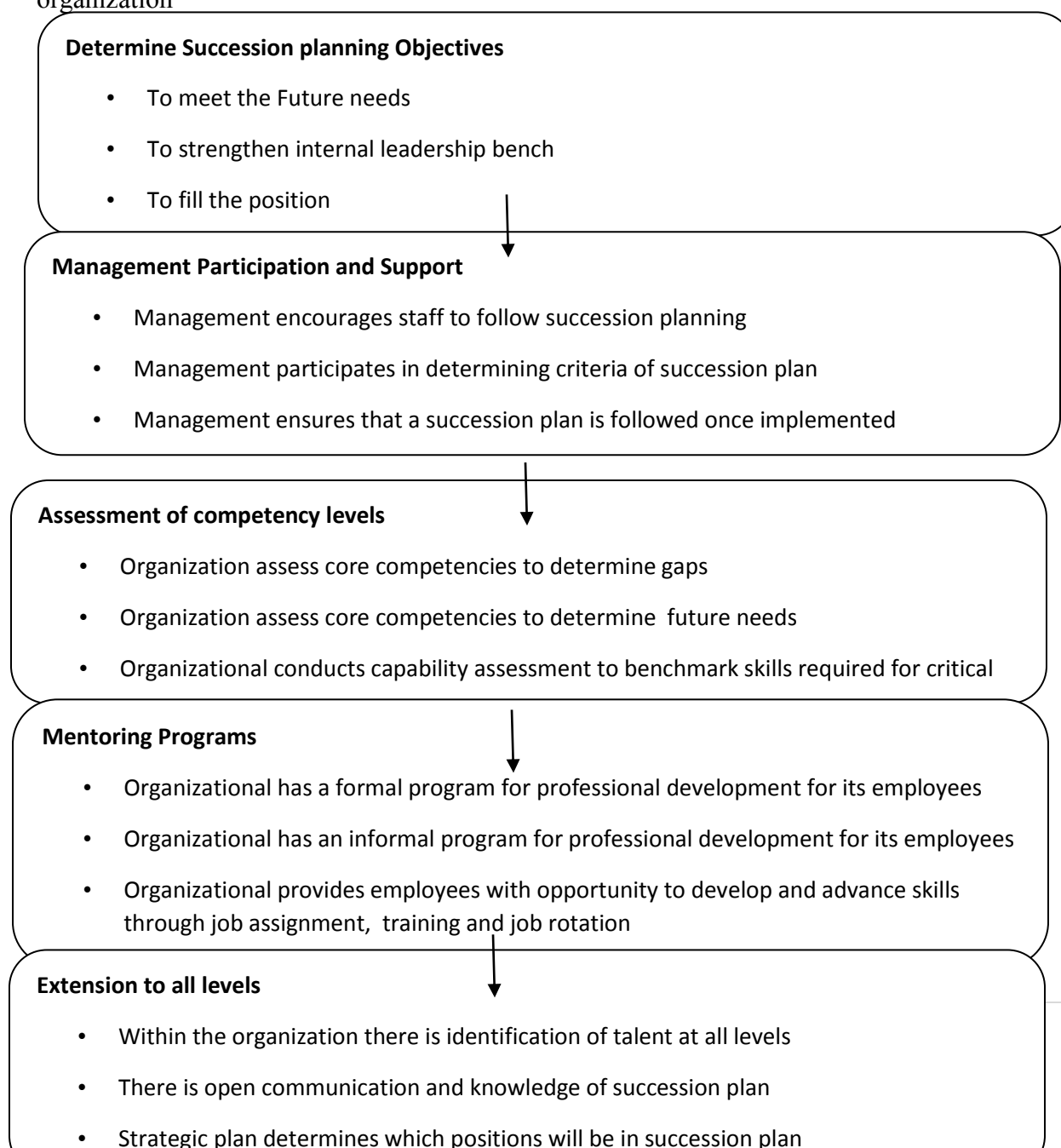
Rothwell ,(2010) has stated that analyzing, selecting and developing the right candidate are a large part in succession planning if these steps are not made the likelihood that leadership

transition will be successful decreases. The selection of an unprepared or inappropriate successor can create damaging impacts after leadership transition.

2.3 Conceptual Framework

According to Ndunguru (2007), conceptual framework refers to an assembled set of research concepts cum variables together with their logical relationships often presented in form of diagrams, charts, graphs, pictographs, flow charts, organogram or mathematical equations. Ndunguru continues to argue that conceptual framework unveils a studied phenomenon of conceptual cum variables into simple set of relationship that can be easily understood, modeled and studied.

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



Source: Researcher, 2017

However, this conceptual framework seeks to describe research concepts cum variables as isolated but in a unified system of relationships. Based on the literature review and guided by the Seven-Point Star model and Acceleration Pools Model, a conceptual framework is developed (Figure 2.2) to assess the implementation of succession planning programme in Commercial Bank of Ethiopia.

The assessment is based on five aspects or variables, namely: objectives, top management participation and support, needs-driven assessment provision of mentoring programs, focus on individual attention and extension to all levels of the organization. The organization establishes the objectives that it seeks to achieve from implementing succession planning. Once the organization has decided what it wants to achieve, then organization identify a range of areas (succession planning elements) that might enable the organization to achieve the objectives. This means objectives determine succession planning elements.

The four elements of succession planning discussed above are important areas that guide the implementation of succession planning within organization. The way the four factors are combined and the importance attached to each factor determine the success of succession planning the continuity of an organization, department, or work group by making provisions for the development and replacement of key people over time.

Top management participation and support is necessary for the success of any succession plan. Mentoring is concerned with improving and imparting the additional knowledge and skills and improvement of and professional and leadership skills. Without full coverage to all levels it is likely that the program will not be sustainable.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research design and Approaches

An appropriate study design is one that allows valid inferences to be made from the findings and these inferences have direct bearing on the research question that the study attempts to answer (Chan, 2008). Descriptive research permits to investigate the issue of study through looking into the problem by exploring the views of different sets of respondents, as well as by exploring different literatures related with the study. As such, the research method will make possible the presentation of facts that concern the nature and stats of the situation, as it exists at the time of the study as describing the present conditions, events or systems based on the impressions or reactions of the respondents of the research (Creswell, 1994). Therefore, descriptive research design is used to address the research objectives of this study.

The purpose of employing survey method is to describe the nature of a situation, as it exists at the time of the study and explore the cause/s of particular phenomena (Adams, Khan, Raside, and white, 2007). Thus , this research method is opted considering that the study is aiming to obtain data regarding the succession planning practice and challenges faced through interview with selected HR officials and branch managers and the perception of employee of Commercial Bank of Ethiopia.

Holton and burnettas cited in (Nolan, 2004) remarked that HR researchers have utilized both the quantitative and qualitative methods, stating ‘both methods are valuable and often quite powerful when used together. Denzinas cited in (Nolan, 2004) has identified four basic types of triangulation: *data triangulation*, which involves the use a number of sources of data in a single

study; *investigator triangulation*, involving a number of researchers or evaluators; *theory triangulation*, involving the use of multiple perspectives in order to interpret the same data set; and finally *methodological triangulation*, which involves the use of multiple methods within a single study.

Thus, mixed approach (quantitative and qualitative) were applied in order to affirm the data collected from HR officials and branch managers and employees using questionnaire. Data regarding the succession planning practices and challenges were also used interview with selected officials and branch manager.

Moreover, document analysis or documentary were used to conduct the succession planning practices and challenges of the bank. The sources of secondary data were consultant document, career and succession management plan, list of activities performed regarding succession planning in the past years.

Finally, all the collected data on succession planning practices and challenges in CBE were analyzed and interpreted using a well-known succession planning model called the seven star model framework that can be used as a basis from which to answer the study's main research question.

3.2 Data Types and Sources

In this study, data were collected from both primary and secondary sources. Primary data were collected from the head quarter and from the selected Addis Area Branches field through questionnaires designed by and structured interview guides. Further, secondary data were collected from documentations such as scholarly papers, publications and the relevant documents.

3.3 Instrument Design

For the purpose of measuring succession planning practices and challenges, interview guide and questionnaire were adopted from Devotha Balthazar and used. The following variables are incorporated in the interview guide and questionnaire administered.

- The Extent of Human Resources Succession Planning: the items incorporated focus on the employee: like knowledge on the concept of human resource succession planning and how it works in their organization, practice succession planning in the bank, frequencies in conducting succession planning, importance of the Succession Planning in your

working environment and strategies used by the bank in carrying out human resources succession planning.

- Challenges Facing Human Resources Succession Planning: Like insufficient talent pipeline, Inability to motivate and retaining key employees, Ineffective business practices.
- Positive Factors Influencing Human Resources Succession Planning: Like Sufficient talent pipeline in the organization, Focusing on roles and responsibilities across a career plan
- Strategies for Enhancing the Application of Human Resource Succession Planning: like Attracting and recruiting the potential employees, Rewarding and recognizing hard working employees, Effective performance management, human resource policies, Committed management, Culture of the organization, Readiness of the organization and Competence of the organization management

3.4 Sample design

Chan, (2008) argued that the specific research question and characteristics of the target population together form the basis on which the appropriateness of a sampling procedure is evaluated. In this regard, a purposive or judgmental sampling technique were applied to select an appropriate sample of individuals with experience and in-depth knowledge of succession planning practices and challenges of the bank. The size of target population was 119 based on the judgmental sampling these are: 1 HRD director, 1 Career and successions manager, 5 HR specialists, 3 grade four branch manager, 2 grade three branch manager And interview with career and succession manager and 1 grade 4 and 1 grade 3 branch managers since they are the major stakeholders in implementing succession planning and Practice. Out of 119 total target population all 119 target population were participate for questionnaire and 3 participants were interviewed. The basis to select the above department and positions, because of the bank currently implemented its succession planning in those departments and positions.

3.5 Data Collection Method

The data for the study were collected using questionnaire and interview. The interview were conduct for career and succession manager, grade 4 and grade 3 branch manager of the selected branch of CBE. The interview were based on the structured interview guide with all the relevant

questions clearly written down before the commencement of the interview sessions. Questions that are not included in the interview guide but considered necessary were also asked during the interview session. The interview responses were write down and recorded by the researcher during the course of conducting the interview.

In addition, questionnaire consisting of mainly structured or close-ended questions were used to collect the primary data for the study from the selected samples in order to take the opinions of employees on succession planning practices and challenges of the bank. In all 119 questionnaires were distributed to the selected samples and the researcher personally was collected all completed questionnaires from the respondents at their respective head office and branches of CBE. Being a cross-sectional survey, the data was collected at just a point in time, however, within a period of one week.

Secondary sources of data were also review to obtain relevant information regard to succession planning practices and challenges of the bank. This include the bank's HR procedure, annual succession plan HR needs survey needs and result, past year succession performance report and consultants document on succession planning practices comments. In addition to this the researcher had tried to asses other related studies and online source on the subject matter.

3.6 Data Analysis and presentation

Quantitative procedures combined with some qualitative procedure were used to analyze the data collected for this study. The qualitative data obtained through the interview was analyzed qualitatively and presented in the form of a summary. On the other hand, the quantitative obtained through the questionnaires were analyzed in terms of frequencies and percentile values, mean and standard deviations and the results were presented in tables. The secondary data on the successions planning practices and challenges in CBE were also analyzed and the findings were presented in the form of narration in the summary part.

Then, the findings were interpreted and discussed in relation to the research questions, literature review and the theoretical framework regarding effective succession planning practices. Statistical Package for Social Sciences (SPSS) was used in data analysis.

3.7 Validity of Instruments

Validity is the ability of an instrument to measure the variable it is intended to measure. The process of validating instruments was done purposely to reduce errors in the measurement process. To test validity the instruments used for collecting the data for the study were pre-tested. Some questionnaires were administered some experts and colleagues in the human resource department and all items which seemed ambiguous were modified. Basically, the researcher made some changes to the instruments to incorporate their suggestions and opinions from pre-testing.

3.8 Reliability

The reliability measures to wish extent the instrument is without bias(error free) and offers measurement across time and across the various in the instrument (Cavana et.al.,(2001) the most popular test of inter item consistency reliability is the cornbach’s coefficient alpha, which is used for multipoint scaled items.

Several authors such as, alwadaei (2010),Filed (2005), and Kothari state that even though, there is no predetermined standard; an instrument that provides a reliability coefficient of .70 is usually considered as reliable instrument, hence, in this study the internal consistency for all items of the instrument was tested using Cranach’s alpha method.

Therefore, as indicated in table 3.1 below, the major dimension of succession planning at commercial bank of Ethiopia the Cranach’s alpha value are presented.

Table 3.2 Summary of Reliability Test

S.N	Variable of the study	No. of Respondent	No. of Items	Over all Cronbach Alpha
	Challenges of Succession Planning	91	7	.761
	positive factors influencing human resource succession planning	91	7	.833
	Strategies for Enhancing the Application of Human Resource Succession Planning	91	12	.860

Therefore; since. The cronbach's alpha score for all items the instruments are above the acceptable level of alpha (i.e .70), the instruments employed in this study were reliable.

3.9 Ethical consideration

Ethical issues are one of an important issue in any research. According to Hart (2005, p. 307) states that "ethics in research, as in everyday life, are a combination of socialization, instinct, discretion and been able to put yourself in the position of others to reflect on and see our actions as others may do". According to Flynn et al., (1995) defined that several ethical issues must be concerned while gathering data which includes confidentiality of data gained, the objective of the research, respect of the participant in all aspects, and ignorance of enforcing the respondents in case he or she takes time to respond.

The truthfulness and honesty of the researchers is the most important aspect that needs to be focused ethically. (Carlos a. Primo Braga, 1995) explored that "various unethical problems in research, which need to be ignored include violating non-disclosure agreements, misrepresenting results, breaking respondent confidentiality deceiving people, and ignoring legal liability, invoicing irregularities. During the study strict compliance was ensured with regard to the guidelines stressing the need to define the objective of study and the advantage expected from participants, the rights of participants and how these were protected and kept confidential and getting the informed consent of participant during the process of interviews.

In addition, while conducting the study due respect and consideration were given respondents and professional opinions where a moral obligation between the researcher and the participants are to be all times honest and maintain privacy.

Therefore, in the study, in order to be sure that the basic and necessary aspects of ethical consideration were compiled and efforts were made to make respondents be ensured full confidentiality of their identity (organizational and personal) and the information provided

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Demographic Characteristics of Respondents

A total of 119 questionnaires were distributed to respondents and received 91 responses. And its response rate was 76.5%. This section presents general information of the respondents. It included age, gender marital status educational level work experience and department of the respondent.

Age of the respondents was considered to be important in assessing challenges facing human resource succession planning in Commercial Bank of Ethiopia. The study revealed that the age distribution of the respondents favored the group between 20-30 years which comprised 40 (44%) of the total respondents and 31-40 years which comprised 35(38.5%) takes the largest share age group in the bank, the research wanted to know sex distribution of respondents in order to ascertain their non-business of the sample. More than half comprising 53(58.2%) of respondents were males. This was the results of given socio - cultural issues in Ethiopia where males are dominant in employment and marital status was considered as an important element during this study. The findings revealed the following: - 31(34.1%) of total respondents were single. 56 (61.5%) were married respondents. Only 4 (4.4%) were divorced respondents. These figures reveal that there was a massive difference of marital status of different respondents during this study. Again education level was considered as an important attribute when assessing challenges facing human resource succession planning in Commercial Bank of Ethiopia. This was because, education was assumed to have a crucial role in enabling respondents to understand different questions on the challenges facing human resource succession planning in the bank. The study found that 7 (7.7%) of the respondents had qualifications of diploma. 57 (62.6%) of respondents were degree holders. 27 (29.7%) of

respondents had a master degree. Therefore, the statistics indicate that all categories of education were considered by the surveyed organizations during recruitment. However, more than half of the respondents had a bachelor degree. Therefore, this statistics implies that most of the bank preferred graduates employees and respondents were asked to state their work experience in the bank. The study statistics indicate that 8 (8.8%) worked with their respective organizations for the period of less than four years. 58 (63.7%) worked between five and ten years with the respective organizations. 11(12.1%) of the respondents worked with the respective organizations for the period between 11 and 14 years. 14 (15.4%) of the remaining respondents worked for their organizations for the period over 14 years. The statistics shows that there was a good combination of experienced and less experienced in the bank. However, the big number of the respondents was from the 5-10 years experienced employees which comprised more than half of total respondents. And the last element was department of the respondents in the bank were also important in understanding challenges facing them in conducting human resources succession plans. The aim of considering departments was due to the fact that even if the bank identify more critical role currently it implements mostly on the branches and it head office organ. The study revealed that 81 (89%) of the respondents were from the branches under Addis Ababa area District. 10 (11%) of the respondents were from the Human resource departments. Table 4.1 illustrates all the above statistical findings.

Table 4.1 Demographic Characteristics of Respondents

Characteristics		Frequency	Percent	Valid Percent	Cumulative Percent
Age	20-30 years	40	44.0	44.0	44.0
	31-40 years	35	38.5	38.5	82.4
	41-50 years	13	14.3	14.3	96.7
	51-60 years	3	3.3	3.3	100.0

	Total	91	100.0	100.0	
<i>Gender</i>	males	53	58.2	58.2	58.2
	females	38	41.8	41.8	100.0
	Total	91	100.0	100.0	
<i>Marital Status</i>	single	31	34.1	34.1	34.1
	married	56	61.5	61.5	95.6
	divorced	4	4.4	4.4	100.0
	Total	91	100.0	100.0	
<i>Educational Level</i>	diploma	7	7.7	7.7	
	graduate	57	62.6	62.6	
	master's degree	27	29.7	29.7	
	Total	91	100.0	100.0	
<i>Work Experience</i>	less than 4 years	8	8.8	8.8	8.8
	5-10 years	58	63.7	63.7	72.5
	11-14 years	11	12.1	12.1	84.6
	above 14 years	14	15.4	15.4	100.0
	Total	91	100.0	100.0	
<i>Department</i>	Branch	81	89.0	89.0	89.0
	HRD	10	11.0	11.0	100.0
	Total	91	100.0	100.0	

Source: Questionnaire analysis, 2017

4.2 Results and Discussion

4.2.1 Practices of Succession Planning

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

Table: 4.2 Practices of Succession Planning

Characteristics		Frequency	Percent	Valid Percent	Cumulative Percent
Degree level of succession planning	strongly well done and satisfactory	25	27.5	27.5	27.5
	well done and satisfactory	39	42.9	42.9	70.3
	fairly done but not satisfactory	27	29.7	29.7	100
	Total	91	100	100	
Importance of succession planning	Very Important	69	75.8	75.8	75.8
	Important	21	23.1	23.1	98.9
	Not Important at all	1	1.1	1.1	100

	Total	91			
--	-------	----	--	--	--

Source: Questionnaire analysis, 2017

The respondents were asked to choose from the statements which sought to explore information on the degree level of succession planning in the bank. The study findings indicate that 25 (27.5%) of the respondents agreed that human resource succession planning in the bank were strongly well done and satisfactory. 39 (42.9%) of the respondents indicated that human resource succession planning in the bank were well done and satisfactory. 27 (29.7%) of the respondents indicated that human resource succession planning were fairly done and not satisfactory to the stakeholders. The statistics implies that Succession planning is well done and satisfactory by the bank. Regarding to the importance of succession planning to the bank, Respondents respondents were asked to rank if they thought succession planning to be very important, important or not important at all. The study findings revealed that 69 (75.8%) of the respondents agreed that succession planning is very important. 21(23.1%) of the respondents showed that succession planning was important for the bank to achieve its objectives. Only 1 (1.1%) of the respondents did not see any importance of succession planning. Therefore, the study finding implies that human resource succession planning played important role for the bank’s objective achievement. Hence, the bank should understand the paramount role played by human resource succession planning for their survival.

4.2.2 Findings on the challenges facing human resources succession planning in the Commercial Bank of Ethiopia

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

4.2.3 Challenges of Succession planning

In order to understand the challenges of succession planning at Commercial Bank of Ethiopia 7 items concerning with the overall challenges of succession planning were included in the questionnaire. As it is shown in table 4.3 below out of seven item the respondents on challenges

of succession planning which ranges maximum mean 1.8681, i.e ‘inactive periodical succession planning’ to minimum mean 1.6374 ‘inability to motivate and retaining key employees’

The overall response indicates that challenges of succession planning has mean =1.73 and SD=.76 to the seven items of challenges of succession planning have little effect on succession planning of the bank.

Table 4.3 Challenges of Succession planning

Challenges of SP	N	Minimum	Maximum	Mean	Std. Deviation
insufficient talent pipeline	91	1.00	3.00	1.7473	.76874
inability to motivate and retaining key employees	91	1.00	3.00	1.6374	.75302
unfocused roles and responsibilities across a carrier plan	91	1.00	3.00	1.6593	.70269
limited information about employees	91	1.00	3.00	1.7582	.76508
lack of effective company vision and failure to address future needs	91	1.00	3.00	1.6813	.77286
infective business practice	91	1.00	3.00	1.7912	.76763
inactive periodical succession plan	91	1.00	3.00	1.8681	.80566
Valid N (listwise)	91			1.73	.76

Total					
-------	--	--	--	--	--

Source: Questionnaire analysis, 2017

4.2.4 Positive Factors of succession planning

In order to understand the availability of positive factors influence on succession planning at Commercial Bank of Ethiopia 7 items concerning with the overall positive factors of succession planning were included in the questionnaire. As it is shown in table 4.4 below out of seven item the respondents on positive factors of succession planning which ranges maximum 1.9780, i.e ‘plenty of information about employees’ to minimum 1.5934 ‘sufficient talent pipeline.

The overall response indicates that the availability of positive factors influence on succession planning at Commercial Bank of Ethiopia has mean =1.83 and SD=.96 to the seven items which focus on the availability of positive factors influence on succession planning. A mean of 1.83 indicates that the availability positive factors of succession planning have strong influence in the bank’s succession planning.

Table 4.4 Positive Factors of succession planning

Positive Factors of SP	N	Minimum	Maximum	Mean	Std. Deviation
sufficient talent pipeline	91	1.00	4.00	1.5934	.74503
ability to motivate and retain key employees	91	1.00	4.00	1.8462	.91801
effective business practices in the organization	91	1.00	4.00	1.8132	.99902
focusing on roles and responsibilities across a carrier plan	91	1.00	4.00	1.9451	1.05791
plenty of information about employees	91	1.00	4.00	1.9780	.99976
availability of effective company vision	91	1.00	4.00	1.7143	.93435

active periodical succession plan	91	1.00	4.00	1.9011	1.04408
Valid N (listwise)	91				
Total				1.83	.96

Source: Questionnaire analysis, 2017

4.2.5 Strategies of succession planning

In order to examine the strategies of succession planning influence on succession planning at Commercial Bank of Ethiopia 12 items concerning with the overall strategies of succession planning were included in the questionnaire. As it is shown in table 4.5 below out of se item the respondents on strategies of succession planning which ranges maximum mean 1.7143, i.e. ‘Organizational learning and development ‘to minimum mean 1.3407 ‘competence of the organization.

The overall response indicates that the strategies of succession planning influence on succession planning at Commercial Bank of Ethiopia has mean =1.56 and SD=.78 to the twelve items which focus on the availability of positive factors influence on succession planning. A mean of 1.56 indicates that the strategies of succession planning have strong influence in the bank’s succession planning.

Table 4.5 Strategies of Succession Planning

Strategies of SP	N	Minimum	Maximum	Mean	Std. Deviation
attracting and recruiting the potential employees	91	1.00	4.00	1.6703	.89511
rewarding and recognizing hard working employees	91	1.00	4.00	1.6703	.88261

effective leadership and management	91	1.00	4.00	1.6923	.87803
development					
staff engagement	91	1.00	4.00	1.6374	.86302
effective management and performance	91	1.00	4.00	1.6044	.84168
organizational learning and development	91	1.00	4.00	1.7143	.92238
setting enough budget for human resource development	91	1.00	4.00	1.6484	.86118
human resource policies	91	1.00	3.00	1.4176	.65091
committed management	91	1.00	3.00	1.3956	.61245
culture of the organization	91	1.00	3.00	1.4396	.67014
readiness of the organization	91	1.00	3.00	1.4615	.68812
competence of the organization	91	1.00	3.00	1.3407	.56213
Valid N (listwise)	91				
Total					

Source: Questionnaire analysis, 2017

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Research Findings

The study aimed in assessing succession planning practice and challenges at Commercial Bank of Ethiopia. The study considered all four Districts of Addis Ababa Area Branches and from the head office organ. The study indicates that majority of the respondents were from branches. The rationale behind this was thought to be Commercial Bank of Ethiopia currently implements succession planning on its branches and head office organ.

The questionnaire was adopted and distributed between management and employees in different branches and departments to evaluate how Commercial Bank of Ethiopia carries out its succession planning and practices. In this section of the dissertation, the attempt is made to discuss different findings from the results obtained by the survey questionnaire and interview.

Examining findings for Research interview Question 1, what are the major practices of succession planning in your bank? There are some activities like Identify strategic linkages, Identify target groups, roles and responsibility, conduct position need assessment like identify leadership competencies skills and abilities the bank also developed talent pool and development needs which are good practices for effective practices of succession planning. But the bank has limitation in identifying and create talent development goals which are used to enhance knowledge, skills, attitude and abilities. Which include job rotations, stretch assignments, coaching, mentoring and classes. The bank uses individualized development plan which is Job

Assignment (70%), Bosses, Coaches, Mentors (20%), Courses (10%) but all this plan are not properly implemented and there is also a lack of conducting a formal program of evaluation to ensure components meet bank's needs.

The second finding answered research question what are the challenges of succession planning practices in the bank? As it is presented in table 4.3 and the interview question: There is limited information about employees of the bank, Ineffective business practice with regarding its aggressive branch expansion has its own challenge on the succession planning, Questionable and outdated data, Dashed expectations, Losing top performers, Limited HR Credibility and the bank's succession planning is not well communicated to its branch managers are the major challenges of succession planning in the bank. Interestingly, the findings demonstrated there is support from top management in implementing succession planning. Management's participation and support follows their realization of the importance of succession planning in the bank and the costs of hiring someone from outside the organization. Organizational success depends on having the right employees ready to take over with the right competencies at the right time (Kowalewski *et al.*, 2011; Lewis, 2009). Also hiring someone from outside the organization would take long time to understand the inner workings of the company. Companies realize that to be effective, individuals have to know the business and know the players. In a fast changing, competitive world, time cannot be sacrificed (Flander, 2008).

The third findings provided answers to research questions what are the positive factors of succession planning in the bank. As it is shown in table 4.4 the availability of positive factors of succession planning have strong influence in the bank's succession planning. A critical analysis of the findings shows that Commercial Bank of Ethiopia faces some limitation in applying of positive factors of succession planning. Some of these are lack of plenty of information about employees, there is lack of ability to motivated and retain key employees there is no practice to provide opportunity for on-going feedback for successor, there is also lack of focus on roles and responsibilities across a carrier plan.

With implementation of succession planning, many employers now have well-conceived training and development programs to be certain to have qualified employees ready to fill key positions

(Kowalewski *et al.*, 2011). The involvement of employees at all levels in formulation and implementing succession planning creates an environment of trust and enhances collaborative skills. The employees are highly satisfied with their involvement in succession planning activities. This finding is consistent with previous research by Kim (2006).

Regarding to findings on strategies of succession planning in the bank as it is presented in table 4.5 and information obtained by interview: there is no clear human resource policy and procedure communicated to employees, there is lack of committed management at all level of the bank in implementing succession planning, Succession planning is new to the bank there is less organizational culture regarding to this and there is also a knowledge gap on the performers. The current practice of the bank's performance management system did not support its succession planning.

5.2 Conclusions

The objective of this study was to examine the major succession planning practice in the bank, to assess the extent to which human resources succession planning carried out as per the principles indicated in relevant theories, to examine the challenges facing human resources succession planning, to assess the positive factors and strategies in the Commercial Bank of Ethiopia.

In order to examine the above objectives the researcher were used mixed approach (quantitative and qualitative) were applied in order to affirm the data collected from HR officials and branch managers and employees using questionnaire. Data regarding the succession planning practices and challenges were also used interview with selected officials and branch manager. Moreover, document analysis or documentary was used to conduct the succession planning practices and challenges of the bank. The sources of secondary data were HR procedure, career and succession management plan, list of activities performed regarding succession planning in the past years and a review of consultant's document.

Based on this, the major findings the study were succession planning is new to the bank because of this there is a knowledge and information gap especially with line managers and employee is in the succession pool. There is also a performance management system but it is not strong

enough and it is not sported by the system due to this, it does not serve for succession planning in the bank. Furthermore, there is also a lack of committed management at all level of the bank in implementing succession planning. The bank provides various types technical and leadership training and did not asses its impact and provide ongoing feedback and to its succession pool employees.

Succession planning has been used to describe a wide variety of activities that involve planning for key transitions in leadership within organizations (Garman and Glawe, 2004). The term succession planning has traditionally referred to planning for leadership continuity at the CEO level, but today succession planning provides for leadership continuity at all levels (Cooke, 1995). As with any program, a succession plan should have a project planner assigned to oversee it and ensure that the plan stays current and covers all levels in an organization. Without full coverage to all levels it is likely that the program will not be sustainable. In order to have a successful succession planning for any organization the focus should be on preparing staff for assuming a higher leadership level” or career path, rather than on preparing staff for a specific position.

5.3 Recommendations

To improve its practice in succession planning the bank should consider and consistently work with the success factors such as Senior leaders should personally involve, Senior leaders should hold themselves accountable for growing leaders, Employees should committed to their own self-development. In addition to this, the bank should encourage its staff in the succession pool On-the-job training/cross training / participation in projects; Participation on teams, task forces, or committees; Computer-based training and course work from external providers; Attending work-related conferences; Membership affiliation with industry specific associations and societies; Working with a mentor, coaching or consulting others; and Leadership development programs and training courses.

Regarding to lack of information and knowledge gap the Banks management should do whatever possible to disseminate information to the employees on the meaning and benefits from the human resource succession planning. This is due to the fact that information received from key informants in the departments and branch managers of human resource management and

administration of the surveyed revealed that succession planning of the human resource was a new to many of them. Furthermore, the banks hierarchies at all level should commit themselves in implementing human resources succession planning since by so doing will contribute to the organization growth. Also, other employees will have a chance to learn from their seniors on the matters pertaining to human resource succession planning in their organizations

The bank also use the succession planning as part of an integrated human resources plan: which means use the plan to communicate career paths to high potential employees and discretion should be used to ensure that employees not being considered as part of the succession plan are not frustrated or de-motivated, use the plan to guide training and development plans and strategies for key positions, individuals or key areas, use the plan to strategically promote upwards or laterally, use the plan to effectively recruit new staff that will meet the requirements of the succession plan, rather than only the immediate technical requirements of a position and ensure that those new employees can grow the business and be a value-added part of the workforce.

Regarding to findings on strategies of succession planning it is new to the bank and the bank is expected to work closely with line managers and employees by providing clear procedure and polices to all the concerned employees. In addition to this, collaboration among key players and buy-in from stakeholders, including middle management and operational levels paly a great role for effective succession planning practices in the bank further more planning must extend to all levels of the organization rather than remaining limited to senior positions. The bank also be aware of that all employee in the bank has good information about the succession planning practices and this can be addressed by using various types of banks communication medias such as by frequently posting information on the banks portal, use employees company email and line managers must engaged in coaching their employees about the bank's succession planning and practices.

The current practice of the bank's performance management system did not support its succession planning therefore bank should have effective Performance management system since it has a positive influence on the succession planning. Furthermore, the bank should conduct

succession planning of human resources on regular basis. They should consider human resource succession planning to be part of their daily routines in their bank.

The final step in the succession planning process is to monitor and evaluate the strategies implemented to close identified and prioritized talent gap(s). As it is presented in table 4.5 it is important to regularly evaluate the succession planning process to ensure effectiveness. It is recommended that the succession planning efforts be measured and monitored: the relationship between inputs, activities, outputs, and outcomes; and impact of the process based on stated goals and objectives. Additional measures may focus on the framework functional strengths and weaknesses, and assessing gaps in developing succession candidates. The bank may also establish metrics that can measure succession planning, these metrics can be measured on a quarterly and/or annual basis. Some of these question are used to evaluative and to help establish outcome metrics that the succession planning team may want to consider: Are succession candidates performing well in their new roles? , What is the impact of learning and development efforts? , Is the “*talent pool*” diverse and reflective of the labor market? And the bank may use both Quarterly metrics and annual metrics Quarterly Metrics: How well are individuals progressing through their development assignments? , Progress toward development goals and career development plans, Percent of candidates in a rotational position with a formal action plan. Percent of candidates in cross-functional assignments, Annual Metrics Number of successful promotions into key leadership positions, Percent of open positions filled, percent of turnover, diversity demographics of “*talent pool*” and percent of talent pool candidates that are “ready now.

Regarding to motivate and retain key employees there is a practice to provide various types of financial and non-financial rewards in the bank. But most of the time they didn't consider the competition and the living condition of the country. It is necessary to work both on financial and non-financial rewards which should be updated and consider the living condition of the country .Financial rewards such as the **base rate** is the amount of pay (the fixed salary or wage) that constitutes the rate for the job. It may be varied according to the grade of the job or, for shop floor workers, the level of skill required. **Contingent pay**: Additional financial rewards may be provided that are related to performance, competence, contribution, skill or experience. **Employee benefits** include pensions, sick pay, insurance cover, company cars and a number of other ‘perks’. They consist of elements of remuneration additional to the various forms of cash

pay and also include provisions for employees that are not strictly remuneration, such as annual holidays. *Allowances*: are paid in addition to basic pay for special circumstances (eg living in remote areas) or features of employment (eg working in holidays). They may be determined unilaterally by the bank but they are often the subject of negotiation. And *Non-financial* rewards do not involve any direct payments and often arise from the work itself, for example achievement, autonomy, recognition, scope to use and develop skills, training, career development opportunities and high-quality leadership.

5.4 Areas for further study

Succession planning is a very wide topic that needs to be researched in depth. Future studies can be done on succession planning in relation to performance of commercial banks. And the findings of this study did not exhaust all technicalities of human resources succession planning. The study explored only practices and challenges which faced human resource succession planning in the Commercial Bank of Ethiopia. Therefore, other researchers should conduct study in other banks, including those located up country. Also further study should aim to explore advantages which the organizations reap from succession planning.

Reference

Armstrong, M. (2003). *A Handbook of Human Resource Management Practice*. Vol. 9. Kogan Page Publishers.

Armstrong, M. (2009). *A Handbook of Human Resource Management Practice*. Vol. 10. Kogan Page Publishers.

Arthur, M. B., & Rousseau, D. M. (Eds.). (1996). *The boundaryless career: A new Employment principle for a new organizational era*. Oxford: Oxford University Press.

Belcourt, M. and K. McBey (2007) *Strategic Human Resource Planning*, Thompson Nelson, Fourth Edition.

Beitler, M (2005) *Succession Planning*. Also available at

Blaskey, M.S. (2002). Succession planning with a business living will, *Journal of Accountancy*, 193(5), 22-23.

Brown, J and Gilbert L. Johnson, G.L (2004) “Workforce Planning Not a Common Practice, IPMA-HR Study Finds.” *Public Personnel Management*.

Cascio WF (2006). *Managing human resources: Productivity, quality of work life, profits*. McGraw–Hill, New York.

Clieaf, S.M (1995). Executive development: new roles, new models, *American Journal of Management Development*, Volume 1, Number 2.

- Daryani1, A.M; Samizadeh, M, and Tajeddin, M (2010) Family factors and the creation of family businesses in developing countries: A case study of Iran's oil and textile industries, *African Journal of Business Management*,
- Diamond A (2006). Finding success through succession planning. *Sec. Manage.*, 50(2): 36–39. Vol.4 (10), pp. 2140-2149.
- Erasmus, E (2009). The Effectiveness Of Succession Planning in SARS Enforcement Port Elizabeth, Unpublished Dissertation of Masters in Business Administration(MBA) at the Nelson Mandela Metropolitan University, SA.
- Farashah, D.A; Nasehifar, V and Karahrudi, S.A (2011). Succession planning and its effects on employee career attitudes: Study of Iranian governmental organizations, *African Journal of Business Management* Vol.5 (9), pp. 3605-3613, 4 May 2011
- Greer CR, Virick M (2008). Diverse Succession Planning: Lessons Learned from the industry leaders. *Hum. Res. Manage.*, 47(2): 351 –367.
- Groves, K. S (2007). Integrating leadership development and succession planning best practices. *Journal of Management Development*, 26(3): 239 – 260.
- Hall, D. T (2002). *Career in and out of organizations*. Sage Publications, California.
- Hills,A(2009). *Succession planning – or smart talent management?* BlessingWhite, Inc. Princeton, NJ
- Karaevli A and Hall D. T (2003). Growing Leaders for Turbulent Times: Is Succession Planning up to the Challenge? *Organ. Dyn*, 32: 62 – 79.
- Ibarra P (2005). Succession Planning: An idea whose time has come. *Journal of Public Management*, 87(1): 18 – 24
- Issa H.H. F (2007). *Reforming Human Resource Development in Tanzania –Issues, Challenges and Lessons*, Public Service Management, Tanzania.

- Jackson, E. S and Schuler, S.R (1990) Human Resource Planning: Challenges for Industrial/Organizational Psychologists, New York University.
- Johnson, L.G and Brown, J (2004) Workforce Planning Not A Common Practice, IPIMA-HR Study Finds, *Journal Public Personnel Management*, Volume 33 No. 4.
- Kumar, N and Garg, P (2010). Impact of Online Recruitment on Recruitment Performance, *Asian Journal of Management Research*, Online Open Access publishing platform for Management Research, Punjab.
- Naris N. S, Ukpere W (2010) Developing a retention strategy for qualified staff at the Polytechnic of Namibia, *African Journal of Business Management*, 4(6): 1078–1084.
- Narayan, R (2010). Human resource accounting: A new paradigm in the era of globalization, *Asian Journal of Management Research*, Online Open Access publishing platform for Management Research.
- Novak, J.M (2007) Competency-based Succession Planning: A Strategic Approach to Addressing Human Capital Challenges, E-Gov. Institute Knowledge Management Conference, Washington, DC.
- Richardson, M. A (2006). Recruitment Strategy Managing/Effecting the Recruitment Process, Government of the Republic of Trinidad and Tobago
- Rothwell, W. J (1994) Effective Succession Planning: Ensuring Leadership Continuity and Building Talent from Within. New York: AMACOM.
- Rothwell, W. J (2000). Effective succession planning: Ensuring leadership continuity and building talent from within (2nded.). New York: AMACOM
- Rothwell, W.J. (2002). Putting success into your succession planning. *Journal of Business Strategy*, 23(3), 32-38.
- Rothwell, W.J. (2002). Putting success into your succession planning. *Journal of Business Strategy*,

- Rothwell W. J (2010). *Effective Succession Planning, Ensuring Leadership Continuity and Building Talent from Within*. 4th edition, American Management Association, New York.
- Stinchcomb, J.B., McCampbell, S.W., and Leip. L (2009). *The Future is Now: Recruiting, Retaining, and developing the 21st Century Workforce*. Washington, DC: U.S. Department of Justice, Bureau of Justice Assistance.
- Stinchcomb, J; Mancini, C; and McCampbell, S (2010). *National Jail Succession Planning and Leadership Development Project: Identifying Core Competencies for Jail Leaders: Methods and Outcomes*, Results of Advisory Committee Meeting, Ft. Lauderdale, Florida
- Steele, P (2006) *Succession Planning, White Paper (Revised)*, Regis Learning Solutions.
- Tracey, W. R. (2003). *The Human Resources Glossary, Third Edition: The Complete Desk Reference for HR Executives, Managers, and Practitioners*. CRC Pres
- Vikström, A. and Westerberg, M. (2010) ‘Success with succession: an empirical study of small Swedish family firms’, *International Journal of Entrepreneurship and Small Business*, Vol. X, No. 1
- Wennberg, K; Nordqvist, M; Bau, M and Hellerstedt, K (2010). *Succession in Private Firms as an Entrepreneurial Process: Succession in private firms as an entrepreneurial process*, Stockholm, Sweden.
- Zafar, J; Shaukat, M; Mat, Z (2010). *An Analysis of E-Human Resource Management Practices: A Case Study of State Bank of Pakistan*, *European Journal of Social Sciences* – Volume 15, Number 1

Appendix : Questionnaire

Addis Ababa University

School of Commerce Post Graduate Studies

MA – Human Resource Management

Questionnaire for Employees of Commercial Bank of Ethiopia

Introduction

Dear Sir/Madam

I am a student at Addis Ababa University School of Commerce, pursuing MA in Human Resource Management. In order to fulfill the requirements of my degree I am doing a research on the Succession planning practice and Challenges of Commercial Bank of Ethiopia. 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 ticking the appropriate box that accurately represents your views. You have been selected as one of the respondents in this survey. Your answers will make great contributions in my data collection. All information provided will be used only for academic purposes and will be treated confidentially.

Part One: Personal information

1. Name of the Organization-----

2. Your age (*please tick the appropriate answer*)

a. 20-30 years ()

b. 31-40 years ()

c. 41-50 years ()

d. 51-60 years ()

e. 60 + ()

3. Gender (*please circle whichever is relevant*)

a. Male ()

b. Female ()

4. Marital Status (*please circle whichever is relevant*)

a. Single b. Married c. Divorced d. Widow/ widower

5. Academic qualifications (*circle the relevant answer*)

a. Certificate ()

b. Diploma ()

c. Graduate ()

d. Master's degree ()

e. Any other (specify).....

6. How long have been working at this organization? (*circle the relevant answer*)

a. Less than 4 years ()

b. 5-10 years ()

c. 11- 14 years ()

d. Above 14 years ()

7. Department working with -----

Part Two: The Extent of Human Resources Succession Planning

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

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

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

a. Strongly well done and satisfactory by the company

b. Well done and satisfactory by the company

c. Fairly done but not satisfactory by the management

d. Not done all by the company

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

a. Every day

b. At least once a week

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

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

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

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

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

Part Three: Challenges Facing Human Resources Succession Planning

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

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

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

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

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

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

<i>S/N</i>	<i>Items</i>	<i>Ranking</i>
1	Insufficient talent pipeline	1 2 3
2	Inability to motivate and retaining key employees	1 2 3
3	Ineffective business practices	1 2 3
4	Unfocused roles and responsibilities across a carrier plan	1 2 3
5	Limited information about employees	1 2 3
6	Lack of effective company vision and failure to address future needs	1 2 3
7	Inactive periodical succession plan	1 2 3

Part Four: Positive Factors Influencing Human Resources Succession Planning

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

- i. -----
- ii. -----
- iii. -----

- iv. -----
- v. -----
- vi. -----
- vii. -----

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

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

<i>S/N</i>	<i>Items</i>	<i>Ranking</i>
1	Sufficient talent pipeline in the organization	1 2 3 4
2	Ability to motivate and retain key employees	1 2 3 4
3	Effective business practices in the organization	1 2 3 4
4	Focusing on roles and responsibilities across a carrier plan	1 2 3 4
5	Plenty of information about employees	1 2 3 4
6	Availability of effective company vision and addressing future needs of the organization	1 2 3 4
7	Active periodical succession plan	1 2 3 4

Part Five: Strategies for Enhancing the Application of Human Resource Succession Planning.

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

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

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

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

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

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

<i>S/N</i>	<i>Items</i>	<i>Ranking</i>
1	Attracting and recruiting the potential employees	1 2 3 4
2	Rewarding and recognizing hard working employees	1 2 3 4
3	Effective leadership and management development	1 2 3 4
4	Staff engagement	1 2 3 4
5	Effective management and performance	1 2 3 4
6	Organizational learning and development	1 2 3 4
7	Setting enough budget for human resource development	1 2 3 4

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

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

<i>S/N</i>	<i>Determinants of SP</i>	<i>Ranking</i>
------------	---------------------------	----------------

1	Human resource policies	1	2	3
2	Committed management	1	2	3
3	Culture of the organization	1	2	3
4	Readiness of the organization	1	2	3
5	Competence of the organization management	1	2	3

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

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

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

- a) I Strongly agree
- b) I agree
- c) I disagree
- d) I strongly disagree

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

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

v.

Thanks for your cooperation