



**St. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES**

**THE CHALLENGES AND PRACTICES OF SUCCESSION PLANNING AND MANAGEMENT:  
THE CASE IN COMMERCIAL BANK OF ETHIOPIA (I & II POOLS)**

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**The Challenges and practices of Succession Planning and  
Management: The Case in Commercial Bank of Ethiopia(CBE)**

**BY**

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**A thesis submitted to St. Mary's University School of Graduate Studies in  
partial fulfilment of the requirement for the Degree of Maters in Business  
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**Advisor: Wubshet Bekalu(PhD)**

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**DEDICATION**

This thesis work is dedicated to my beloved family, specially my brothers, Anteneh Simalehu & Berhanu Alebachew.

## **CERTIFICATION**

This is to certify that Tilahun Sintayehu has worked his thesis on the topic” The challenges and Practices of Succession Planning and Management in the case of The Commercial Bank of Ethiopia(CBE)” under my supervision. To my belief, this work is undertaken by Tilahun Sintayehu and it is original and qualifies for submission in partial fulfilment of the requirements for the award of Master’s Degree in Business Administration (HRM concentration)

## DECLARATION

I, the undersigned, declare that this project entitled” the challenges and practices of succession planning and management: the case of commercial bank of Ethiopia(CBE) is my original work. I have carried out this project independently with the guidance and support of my project advisor. This study hasn't been submitted to any Degree / Diploma in any institution and that all resources of materials used for the study have been duly acknowledged.

Tilahun sintayehu

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Name

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Date

## ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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Advisor's Name

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Signature

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Date

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## **List of Acronyms and Abbreviations**

BSC	Balanced Score Card
CBE	Commercial Bank of Ethiopia
HR	Human Resource
HRD	Human Resource Development
HRM	Human Resource Management
ROI	Return on Investment
SP&M	Succession Planning and Management
SPSS	Statistical Package for Social Science
IDP	Individual development plan

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## **Abstract**

*The purpose of this study is assessing the challenges and practices of succession planning and management in Commercial Bank of Ethiopia, which has been the pioneer to implement the program in the banking sector. The study used primary and secondary data. Cross sectional survey has been used to collect primary data from 92 employees at the management level in the first and second pool of candidates and interviews was conducted with 5 top managers from the Human Resource Division who are directly related in executing the program. Descriptive analysis has been done to assess the challenges and practices. The collected data was analyzed using SPSS version 20. The study identified that the succession planning and management program of the CBE has been entrapped by challenges like lack of identifying talent at the lower level, biases in the selection of candidates, inability to run computer programs meant to track progress and processes, information gaps, low visibility etc. Having these challenges, the CBE although struggling to spine the program considering SP&M strategic tool to achieve its business imperative, but the system still is hung up on the planning continuum of succession.*



# CHAPTER ONE

## INTRODUCTION

### 1.1. Back Ground of the Study

The success of an organization largely depends on the quality and the quantity of human resources that it able to attract and retain. Human resources are vital assets of the organization. It is the people who move the other resources to add values on the services and the productions of business organizations. Competitive advantages through which organizations excel up on their competitors are mostly attained through the workforce. It is the key element to surviving and thriving in the fourth coming economic climate.

With unprecedented change throughout the business environment, it is a must, for business organizations to look forward to cope up with these alterations. Hence, to hold those discrepancies, companies need ways to identify, develop and retain their talent. Unless competent employees are available at the right time, the right place and with the right number, organizations fail to achieve their corporate mission and objectives. But for this to happen, some situations are becoming quagmires pampered unto their ways pressurizing them to seek for the implementation of succession planning and management. These derives might be unexpected loss of key leaders, the need to evaluate top leaders, the difficulties in finding successful management candidates, improving companies bench strength in key competitive positions, identifying high potential talents early and devise strategies to retain talent and reducing costs of replacing employees. Moreover, the stiffness in the competitive labor market, potential skill shortages and internal competency gaps gear the potency of succession planning and management.

Traditionally, although succession planning is considered as a replacement plan, now days it entails further than that. According to William Roth well (2001), succession planning and management is a process that helps ensure the stability of tenure of personnel. It is an effort designed to ensure the continuous effective performance of an organization, division, department or work group by making provisions for the development, replacement and strategic application of key people over time. Moreover, replenishing an organization's HR at a broad and specific

level, identifying assessing and developing employee knowledge, skills and abilities to meet the current and future staffing needs of the organization and ensuring a continuous supply of talent by helping employees develop their potential, as a successor of key departmental positions. Succession planning and management will help to overcome the intricacies in the loss of experienced rich talent and changing trends in the talent market.

Therefore, in this stiff environment, whereby organizations are running to preserve their pool of talent, they should have to devise succession planning and management programs. Through effective succession planning and management companies enable to react quickly to change and endure difficult times. At its best, succession management allows a company to seamlessly merge its employment capabilities and career aspirations with the company's business strategy and talent needs. (High Impact succession, p.4). For organizations to excel in today's highly competitive market place, succession planning and management is highly imperative. In fact, organizations that build up intellectual capital by continuously cultivating the next generation of employees can experience a distinct business advantage. A comprehensive succession management process can increase employee engagement and retention, which facilitates organizational growth. An organization's corporate health depends on the effectiveness, breadth and depth of its succession effort, (PWC, 2014 succession & development).

As the search for talented employees in the banking sector has been pondering from time to time, banks are getting themselves ready to make further remedies. In this regard, being the leading commercial bank of Ethiopia; CBE has been a pioneer to formulate and implement succession planning and management programs. Spreading its services and commencing new branches globally, it built up a systematic and formal succession planning and management process to retain, develop and assess its talent in order to be competent worldwide and to stabilize its business continuity. The bank took an initiative to develop its talent pool in giving formal and informal trainings, in mentoring and coaching intended employees, giving different assignments and with other mechanisms (Byham, Smith and Paese, 2002).

Although with plausible system it started the succession planning and management system, it is not cultivating the program with liable time frame. As a pioneer it is entrapped by many challenges to bench mark its initial status. The challenges of succession planning and management arise either from the top managements initiative, the culture or the process itself.

Identifying those challenges and tracing practices which are helpful in overcoming those challenges is very helpful.

Therefore, the purpose of this study is to examine the very practices of succession planning and management across the Commercial Bank of Ethiopia and assessing the hovering challenges throughout implementing the succession planning and management system.

## **1.2. Statement of the problem**

In the banking industry of Ethiopia, the Commercial Bank of Ethiopia has been a pioneer in introducing the bank system. Stretched across the country with its 980 branches and introducing new technologies in the sector, it is highly developing from time to time. As it expands its services throughout the home land and abroad in different countries in addressing different customers with their altered interests, CBE needs highly talented, committed, loyal, able and experienced employees who really know the culture of their organization and its trends envisioned in satisfying the needs of those repertoire customers.

Today's environments are changing rapidly that organizations are facing serious unpredictability and uncertainty, which sometimes causes instability in the business operations. In this unstable environment, organizations need to rely on the most important assets: their people. Organizations need to strategize to motivate and connect their employees in order to create competitive advantage and achieving higher profitability. Organizations may consider methods like succession planning and management to promote their employees' knowledge, skills, talents, and capabilities to tackle problems created by the challenging environments.

Certainly, to keep on the pioneer pace, CBE needs a well-developed and highly skilled pool of talent. As an organization looking forward to expand and grow within and abroad, not only has to have an adequate number of employees to fill seats left vacant following the promotion, as well as the retirement, death, transfer or resignation, but also it has to provide a number of managers able to occupy new positions that could be created in the future.

Practically, it is difficult for organizations to find good leader from outside, even it is unexpected to find some to hire. Moreover, since developing employees within have tremendous benefits: like protection of the organization, retention of employees, better motivation of employees and

entailing high performance etc., it is underlined that leaders not only can be but must be developed from within.

Taking this in to account, CBE started a strategic human resource development program, including succession planning and management. It signed a contract agreement on Dec, 31 2010 with Frank Fort School of Finance and Economics to design the strategy. The strategy was finalized in June, 30, 2011 and submitted to the bank. Together with the FSFM, the bank started the implementation in October, 21, 2011.

Since then, the program has been spinning through different challenges. Although the program has been designed with experts who have thorough experiences, with a small survey it found that, lack of skilled professionals who will run the program software, lack of reliable assessment tools, lack of alignment among the SP&M practices and other HR practices, bias in selecting and developing candidates etc. become some impeding challenges. Having the profound system doesn't guarantee the success of the program: there has to be a skilled expert who will run the devised software, employee need to be informed from the time they are induced while joining the organization. There is an information gap between the employees and the management.

There is little evidence to show that Ethiopian organizations undertake formal succession planning and management programs. The Ethiopian is the only undertaking in starting formal succession planning and management program for years. Hence, there is lack of knowledge and practice throughout the country in the banking sector.

As the system is new to the sector, the challenges and the practices haven't been deeply studied. Therefore, this research tries to fill the gap highlighting the SP&M practices and challenges in CBE. Besides this, for there are no reliable external bench marks, it is decisive to make deep study to enlighten it to other organizations so that they can have a better benchmarking organization for the future.

Moreover, although the CBE is highly riding over the SP&M process, successors in the pools are resigning from time to time. Each year five employees leave the organization among the succession pools. This phenomenon is the core element which inspired the study.

Moreover, it is through implementation that the approaches and the practices are examined, whether they are fit to the specific context of the organization as well as the country. Since the study will help CBE as well as other interested organizations who will proceed in implementing succession planning and management, the study will make its contribution, in extracting the challenges and the practices of the program. With this intent, the study tries to answer the following research questions.

### **1.2.1. Research questions**

1. How is succession planning and management practice perceived in the CBE?
2. What are the underlining challenges of succession planning and management in CBE?
3. How are the challenges of succession planning and management overcome by the organization?

### **1.3. Objectives of the study**

#### **1.3.1. General Objective**

The overall objective of this study is to assess the assess the challenges and practices of succession planning and management in Commercial Bank of Ethiopia.

#### **1.3.2. Specific objectives**

Cascaded from the general objective the study has the following specific objectives to be addressed.

- To assess the perception of succession planning and management in the CBE.
- To identify the underlining challenges of succession planning and management.
- To forward strategies to overcome the succession challenges in the CBE

### **1.4. Significance of the study**

Succession planning and management with its tremendous benefits, helps organizations to assure the business and leadership continuity. Since this study addresses the contemporary challenges and practices of succession planning and management in CBE which is pioneer in the banking sector, it will benefit different stake holders.

- Primarily, the study will help the organization to look back and realize the implementation of succession planning and management practices and challenges exhibited.
- Other similar organizations in the banking sector might use it as a guideline and be aware of the challenges ahead before they start implementing succession planning and management and if they have similar liabilities they might extrapolate the study.
- Helps policy makers to look the succession planning and management from different perspective.
- Finally, it will serve as a reference for future researchers who have interest on the area.

### **1.5. Scope of the Study**

This study tries to assess the challenges and practices of succession planning and management. It is limited to figure out the challenges exhibited in the succession planning and management system of the organization and the way those challenges are tackled to enhance the effectiveness of the system. It is limited to the first and the second pool of the participants, those who success the vice president position and those who succeed the regional managers and directors, this is because the overall practice delineates on them. It traces all the branches and supportive offices where by the candidates in the first and second pools reside.

### **1.6. Limitation of the study**

Since the sampling contains the employees from throughout the country there has been a challenge in collecting the questionnaire. But with the help of the succession department the problem has been alleviated. As the study is limited to the first and second pools it might not cover all the challenges of the process of all pools.

### **1.7. Operational definitions**

Leadership crisis - An anticipated phenomenon characterized by an acute shortage of leaders in an organization mainly due to massive retirements of baby-boomers and the lack of an adequate supply of candidates prepared to replace the retirees (Mackey, 2008).

Replacement planning - Any effort that “focuses on the identification of replacements of the key positions, usually at the top two or three levels of an organization” (Berke, 2005, p. 1). Often, this process does not deliberately develop and prepare candidates for the earmarked

positions (Berke, 2005). Replacement planning is the simplest form of the succession process (Rothwell, 2005).

Succession plan chart- A tangible document, chart, or schedule that shows when leaders are expected to retire and which, when, and how groups of candidates should be developed for filling different key leadership positions (Sobol et al., 2007).

Succession planning and management (SPM) - “Any effort designed to ensure the continued effective performance of an organization, division, department, or workgroup by making provision for the development, replacement, and strategic application of key people over time” (Rothwell, 2005, p. 10). SPM is, in essence, a combination of succession planning and succession management. According to Rothwell (2005), the succession planning and management *effort* can be a formal or an informal process.

Talent management - is the process of and strategies for recruiting, retaining, and developing talent or high potentials, those employees who are viewed as strategically important for the future of an organization (Rothwell, 2005).

## **1.8. Organization of the Study**

The study is organized in to five sections. The first chapter introduces background of the study. In the second chapter, different related literatures are presented to create depth understanding towards the subject under study. Chapter three is concerned with the methodological part of the study.it identifies the description about the study area, the subjects under study, the data collecting and analyzing instruments. The analysis and discussions of major findings are indicated in the fourth chapter. In the fifth chapter, discussions about the findings are made, conclusions, recommendations and implications of the study are also discussed in brief. Lastly, the references and appendices sections are attached.

## CHAPTER TWO

### REVIEW OF RELATED LITRATURE

#### 2.1. Human Resource Management

Human resource management bears different meaning for different scholars. This is because it touches every aspect of an organization. As Beer, et al (1984), human resource management involves all management decisions and actions that that affect the nature of the relationship between the organization and the employees- its human resource. Whereas Stoney (1995) defines it as a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personal techniques. Moreover, Armstrong (2010), states that, the aim of human resource management is to increase organizational effectiveness and capacity of the organization to achieve its goals by making the best use of resources available to it.

Therefore, the human resource is the crucial asset in organizations which merely adds value to other organizational resources, in order to attain the corporate goals of the organization. Organizations with the competent, able, adaptable, and committed and trust worth employees effectively and efficiently address organizational goals and targets.

The management of human resource has been evolved from a very traditional clerical job to a complicated systematic and integrated practice. Strategically human resource management aligns the organizational goals with employees' goals; it integrates various functions together, and looks forward in meeting the aspiring intent of the unpredictable and uncertain future. Strategic human resource management can be regarded as a general approach to the strategic management of human resources in accordance with the intention of the organization in the future directions it wants to take. It is concerned with longer term people issues and macro concerns about structure, quality, culture, values, commitment and matching future need, (SingdaMalhintaAmty University, SHRM, module two). To attain those strategic dimensions, human resource management operates with different functions; human resource planning, performance



management, employee retention, reward and compensation, talent management etc. These different functions play different but intertwined roles in managing the human resource.

### **2.1.1 Human resource planning**

Human resource planning among the functions has been a core element, which picks up the issues that are the heart of the business, such as, acquisition, decentralization, empowerment, internationalization or technology, and investigates their human resource management implications. Therefore, it requires the strategic approach to recruitment, development, management and motivation of the people in the organization in the context of a process business issue. Hence, it is a systematic process of linking human resource practices with business demands in order to improve an organization's ability, Sparrow (1992, 253).

According to Stredwick, (2005, 47), human resource planning has the following four general objectives.

1. Continuity flow- to get the right people in the right place at the right time with the necessary skills. This involves policies in respect of recruitment, succession planning and training.
2. Maintenance- to retain the stability in the work force through pay and benefits, and individual career planning.
3. Response to change- to put into effect changes that comes about from major operational strategies. This can involve relocation, retraining or re deployment.
4. Control- to ensure that staff moves in the right direction through the establishment of standards, performance control system and build long- term employee relationships.

Accordingly, the above four major objectives of human resource planning can be met with different types of plans. Straight forward, strategically formulated succession planning and management can ensure the achievement of those stated objectives.

### **2.2. The driving forces of succession planning and management**

As Leybian, Breuer and Maki (1996, 20), and Robert, M. (2004, 8), today's dynamic environment filled with stiff competition and business discontinuities propels arena in which SP & M must

flourish The trends that affected business in this new economy are factors that necessitated SP & M. Barrette and Beeson (2002), identified a number of factors that have and will continue to shape the business environment and the role of leaders in the future.

Foremost, globalization has been the very driving force in the dynamics. Traditional barriers of time and distance are dissolved, presenting the employee and the organization with a new set of unfamiliar challenges. While companies are joining the global market expanding their operations internationally, they are also entrapped by hyper competitions. Since competition in today's environment is intense, often not very well ordered and competitive advantages fleeting, organizations therefore must devise new strategies. Moreover, technologies become the enabler that is increasingly fundamental to success. Organizations not only expected to use new technologies, but also have to innovate the ways they operate peculiarly.

Furthermore, the expectations of the boards and financial market are another deriving force. They expect their organizations to respond the challenging business environment in a better way that they can increase their return on investment and continuity of the business. And the other driving force has been demanding a paradigm shift towards the emphasis on the customer's relation. Since customers, these days, have ample choices, greater accesses and more control over products and prices, organizations should strive to satisfy their interests. More over operating over all the other driving forces, the employee's expectation lies among the driving forces. Employees these days constantly look for challenging and meaning full work, they are increasingly mobile, concerned more about the loyalty of their profession, prepared to be the owners of their career and development (Busine& et al, 2005). Boldly, these driving forces happen to push organization to come up with succession planning and management programs.

### **2.3. Evolution of Succession planning and management**

Succession planning and management has been evolved through different phases. According to Berke, (2005), succession processes along a continuum can have three categories. The first edge is replacement planning, which forces on the identification of replacement for key positions, usually at the top of three or two levels of an organization. As it is simply a forecast, it intentionally doesn't include the development and preparation of identified successors. Even if development occurs, it is perceived to be an ad-hoc, or perhaps a manager will coach and guide

the person he/she believes would be a good replacement. This assumes that the current manager is the model for the future manager. This is not considered as a wise assumption in the march through this volatile business environment.

At the other hand of the continuum lies succession management. The key feature of this is more elaborate, integrated and systematic approach include, the identification and development of key potentials so that when a vacancy occurs in a key position, the organization doesn't have just a list of potential candidates but a pool of better prepared candidates. A talent pool or leadership pipe line may be created at most or all management levels, Berke, (2005). On the other hand, Roth well (2001), entails that succession management focuses on continuing, daily efforts to build talent and may include the manager's role in coaching, giving feedback and otherwise helping individuals realize their potential. He further illustrates that; succession management assumes that a more dynamic environment in the capacity building of talent should occur in real time.

In the middle of the evolving continuum lies succession planning. As Rothwell (2003), "succession planning is a means of identifying critical management positions, starting at the level of project manager and supervisor and extending up to the highest position in the organization. It also describes management positions to provide maximum flexibility in lateral management moves and to ensure that as individuals achieve greater seniority, their management skills will broaden and become more generalized in relation to total organizational objectives rather than purely departmental objectives. Additionally, Berke, (2005), argues that succession planning shouldn't stand alone; it should be paired with succession management. This is because the shortcomings in both sides will be complemented one another. When an organization adapts specific procedures to ensure the identification, development and long term retention of the talented individual, it is applying succession planning and this will be emulated as a proactive intent foreseeing the volatility of the future. Cascading this to all positions in the organization propagating the embedded potential of employees for future use, succession management will complement, succession planning. Therefore, the parity of succession planning and management will help organizations address their current and future needs.

Compiling the planning and management aspects of succession, SP & M is a process that helps to stabilize the tenure of personnel. It is perhaps best understood as any effort designed to ensure

the continued performance of an organization, division, department, or work group by providing for the development, replacement, and strategic application of key people over time, Rothwell (2010). Overall, it is a deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital in the future and encourages individual advancement. However, succession planning and management in its scope, is not limited to management positions. It also addresses the need for critical backups, and individual development in the professional, technical and other ranks.

## **2.4 Theoretical considerations**

According to the critical review conducted by Giambatista et al., (2006), findings of past studies are illuminating but mixed in nature. This review reveals that some articles reported some kind of relationship between antecedent factors and succession. Also, some articles indicated some dependent variables that were affected by succession. However, the reviewers found that the theory in this field is characterized by fragmentation. Also, most quantitative methods applied had some weaknesses such as a lack of transparency regarding methodology used and insufficient highlights on the skewness and normality of the data collected. Moreover, most designs employed were archival field studies; and rarely were qualitative methods used to clarify gaps. Furthermore, the aspects of internal and external validity were not always adequately explained, and not all internal validity threats were controlled (Giambatista et al., 2006).

In the early 1960s, succession planning was understood in terms of three “theories” known as “common sense”, “vicious circle”, and “ritual scapegoating” (Giambatista et al., 2006; Rowe, Cannella, Rankin, & Gorman, 2005). Whereas common sense contended that the wise choice of a successor and replacement of a known failure could bring performance benefits, the vicious circle suggested that decline could impel succession, which in turn could disrupt regular procedures causing more decline and succession. Some researchers refuted the possibility of attaining post-succession organizational improvement, and hence described succession planning as a mere “ritual scapegoating process” (Giambatista et al., 2006, p. 964).

According to Giambatista et al., (2006), studies conducted before 1994 generated some indicative relationships, albeit mixed. For instance, succession was noted to be related to organizational size and leader-organization fit. Another finding was the connection between external successor and the change agency for low-performing firms as well as the association

between poor performance and high succession rates. Also, researchers found that the relationship between performance and choice of successors was moderated by social and political factors. Other findings were that successions tended to prompt change; the relationship between succession and performance was found to be mixed; and formal, planned successions were associated with firms' higher performances (Giambatista et al., 2006).

Moreover, Giambatista et al., (2006) believe that studies conducted between 1994 and 2004 were better than those before 1994 in terms of theorization and methodology, because the newer studies have provided additional insights for practitioners and researchers of the field. According to these reviewers, it is apparent that the leadership succession field has attained some maturity, but still needs improvement in terms of theorization and methodology, hence the need for more research.

According to Giambatista et al. (2006), the studies conducted between 1994 and 2004 have generated interesting but mixed results. They distinguished articles that treated succession as an antecedent from those articles that treated succession as a consequence. Where succession was an outcome, some of the antecedents examined were the board-related politics, company's performance, leader characteristics, company's characteristics, and succession planning variables. The consequences of succession studied include performance of sports organizations, performance of the business organizations, and strategy, restructuring, and other outcomes.

## **2.5 Models of SP&M**

Different scholars, who have conducted researches in the subject matter proposed different succession planning and management models. The following are among those models:

### **2.5.1. Relay succession model**

This is the first model which has been developed by Santorion, (2004). In this model he advocates that, the CEO of an organization should pass the baton to the successor over a long period of time. The CEO takes time to train and coach the successor. In Santorion's study, organizations which have used this model have benefited from this approach in contrast to those who don't. Since the successor is exposed to the challenges of leadership in the real context in the pre-succession phase, she/he will have the chance to test the reins of leadership and at the

same time gets training. On the other hand, for the successor has been tried and tested within the observed experience, the organization will be able to figure out his/her qualities. According to Santotion (2004), organizations who hire those internally developed successors get a higher return on investment.

### **2.5.2. Scharmer's theory U model**

The other well-known succession model is developed by Scarrmer. Scharmer (2007), in his model argues that top management should embrace and act in order to implement succession planning. This model views succession planning as a beginning from the immediate future and supports a concept of U process of five movements that can make change possible Scharmer, (2007). According to Scharmer the following are the entitled five movements:

1. Co-initiating – at this stage, organization establishes a common purpose with all stakeholders about a future event.
- 2 co-sensing- is a second stage in which an organization sees the need at hand collectively across boundaries. Here, new ideas and innovation occur through collective input.
3. Presencing- herby, the leadership of organization begins to see the future they envisage. This futuristic plan establishes a foundation for change, thereby spurs an organization to unexpected end. Future at this stage is observed that the leadership let go off unresolved past issues and forges ahead to more realistic future.
4. Co-creating- Scharrmer (2007) argues that at this stage leadership of the organization explores the future and prototypes what the future might look like. He argues further to suggest that leadership should make SP&M a long term concept rather than working on organizational immediate requirements. Kartz, (2006) argues further that there is a need to assess company's strategy and policy that highlights the required qualification of the successor in order to have a sustainable and dynamic SP&M in place.
5. Co-evolving- this can help the organization to embrace change and implement SP&M strategies in context of an emerging future Schamers,( 2007).

### 2.5.3. Roundabout succession model

In this model the critical concept, according to Federman. B (2009), development, revolves all over the organization and the organization's needs. Like the traffic, everyone is moving in the course; everyone is working, growing, developing, and moving in the same direction, while at the same time each individual has a different path and a different set of needs. Each employee might by moving at a different speed or focus on a different path, but everyone is growing and available for different opportunities. Some employees will close to get off the roundabout and take a road to another organization. If this is handled well, there won't be accident as employee exits. Employees should also have the opportunity to come back at latter time when there is a better match between their needs and the organization.

### 2.5.4. Succession management maturity model

Bersene, et al, developed the following well organized succession management based on the development and the maturity stage of the succession management process.

Figure 2.5.4. SP&M Maturity Model



Bersine, 2009

## **2.6. Benefits of succession planning and management**

It is important to understand the significance of this field before digging deeper in this review. The importance of succession planning and management has been echoed by several authors. In 2004, Rothwell (2005) conducted a study that involved over 500 Human Resources Management (HRM) professionals of different organizations. All respondents (100%) agreed that succession planning is important to their organizations. In another study, it was found that organizations with formal succession planning were 80% prepared or extremely prepared to immediately fill leadership positions (Fegley, 2006). Many authors affirm the worth of the succession planning (see Garman & Glawe, 2004; Giambatista et al., 2006; Rothwell, 2005).

One reason why succession planning and management is imperative is that it addresses the imminent leadership shortage. Several authors believe that succession planning is an answer to the impending leadership crisis (Binard Carlson, 2007; Heuer, 2003; Hull, 2005, Mackey, 2008, Rothwell, 2002). Berke (2005) states that “the purpose of succession-related practices is to ensure that there are ready replacements for key positions in an organization so that turnover will not negatively affect the organization’s performance” (p. vii). But succession planning is not only for immediate replacement of departing leaders, as it is also a very important strategy for the long-term sustainability and viability of the organizations (Mandi, 2008).

Another reason why succession planning and management is important is that retirement of senior officials drains the technical and cultural knowledge of the organization, because whenever senior leaders retire, a loss of experience, expertise, cultural insights, and organizational history occur (Merrill Lynch, 2006). Hence succession planning and management is the strategy that can prevent loss of the organizational knowledge and culture. Realizing the importance of this strategy, the American Council of Education (ACE) and the League for Innovation have been calling for “proactive measures” to be taken in order to tackle the impending leadership needs in institutions (Mackey, 2008).

Moreover, as mentioned earlier, there exists a link between succession planning and organizational performance (Rowe et al., 2005). In the business world, for instance, investors tend to value firms that have a known heir when a CEO leaves (Behn, Riley, & Yang, 2005). Despite the difficulty of measuring the return-on-investment for a succession planning and



management program in business, common sense indicates that the cost of the absence of a succession program might be higher than the cost of putting one in place (Rothwell, 2005). In addition to improved performance, companies with succession plans experience better leadership transition than firms that do not have any (Khumalo& Harris, 2008).

Similarly, Lambert (2006, 2003) found a link between school leadership capacity and succession practices. Thus, Fink and Brayman (2006) emphasize the need of incorporating succession planning in the overall school plans as a measure to enable organizations to tackle long term succession challenges and enhance their sustainability. Another important benefit of succession planning and management is related to the competitiveness of the organizations. The today's world is so competitive that it is imperative for organizations to find a means of attracting, developing, and retaining the workforce with required abilities (Krauss, 2007). Those organizations that successfully use succession planning and talent management for attracting and developing future leaders will be able to remain competitive (Mackey, 2008). In order to attain a competitive edge in the dynamic market-driven world, organizations must adopt well-designed succession plans (Krauss, 2007). Actually, organizations can confidently face the future if they create their own talent factories (Krauss, 2007). But, it is vital to stress here that it is the formal succession planning, not the informal, that enables entities to develop and monitor the performance of the high potentials (Fegley, 2006).

Additionally, succession planning and management is significant for several other reasons. In brief, succession planning and management: is the basis for continued survival of the organizations; ensures the pipeline of the future talent and candidates for key positions of the organizations; encourages diversity and multiculturalism in workplaces; and augments career paths, staff development plans, and other human resource mobility activities (Rothwell, 2005).

Moreover, Eliza A. (2007), Roth Well (2005), Yenosookin, (2010), discuss the following as the elaborated benefits of succession planning and management. Accordingly, succession planning enables:

- contribute to implementing the organizations strategic business plan.
- Protection of the organization from the very costly and risky “war for talent” and possible resignation.

- cope up with effects of downsizing and other staff reductions.
- help individuals realize their career plans with the organization.
- improve employees' morale.
- improve employees' ability to respond to changing environmental demand.
- reduce head counts to essential workers only.
- increase the talent pool of promoted employees.
- identify replacement needs as a means of targeting necessary training, employee education and employee development.
- decide what workers can be terminated without damage to the organization.
- Encourage the advancement of diverse groups, such as minorities or women- in future jobs within the organization.
- provide increased opportunity for "high potential" workers.
- untap the potential for intellectual capital in the organization.

Furthermore, succession is planning and management benefits can be seen from the two perspectives; the employee and the organization. SP & M reduces risks and ensures continuity for the organization and creates mobility for engaging high potential individuals. The organization on one side needs to ensure continuity and performance while minimizing risks. The individuals on the other side need to see career path, development and internal mobility. When all are addressed by SP & M, everyone wins, (Best Practice in SP & M, 5).

## **2.7. Disadvantages of succession planning and management**

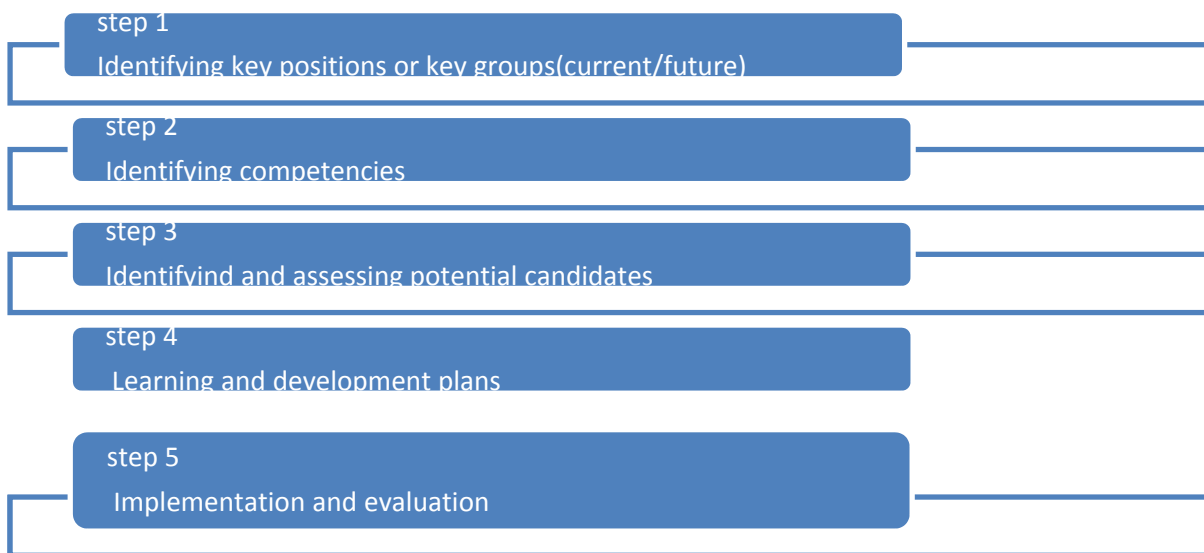
Although succession planning and management has tremendous benefits, it happens to be entrapped by some disadvantages. The disadvantages may arise from the ineffective utilization of the process or from the perception of the management and even the participating employees. These are the disadvantages of succession planning and management as stated by. (Hillary L, 2010).

- There can be a perception of favoritism with predetermined candidates.
- It requires effective planning by the managers at all levels and is not another HR plan.
- Potential employees who could be interested in another position can be overlooked.
- It requires buy-in by senior leaders.
- Requires implementation, follow through, assessment and measurement.

## 2.8. Succession planning and management process

It's acknowledged that different organizations tend to formulate different SP & M processes in accordance with their intent. This implies that succession planning should be flexible and adaptable in order to accommodate varying need within the organizations having different resources, different organizational designs and different attitudes (Conger & Naddler, 2004). Although this is the fact, most organizations SP & M processes rely on three basic issues; identifying the talent pool, developing and retaining it, ( Reid, 2005). According to the Guide of SP & M of Newfound Land and Labrador, the SP & M process has identified to have five elements.

Figure 2.8.1. SP&M Process type I



Newfound land and Labrador, 2008

In addition to this the, the Owens Community College identified six steps in the process (SP & M at Owens Community College, 2006)

Figure 2.8.2 SP&M Process II



The above two processes are very identical and practiced in many organizations. Apart from inculcating the third step i.e. communicating possible opportunities the second process is perhaps the same with the first. With such little variations, most process are inculcating the core elements; identifying, developing and retaining the talent pool as well as evaluating the overall program. The detail explanation of the basic elements of the process is discussed below.

#### Step1. Identifying key positions or key people

A key position or occupational group can be defined in many different ways, but the two important criteria are criticality and retention risk. A critical position is one that, if it were vacant, would have a significant impact on organization's ability to conduct normal business. The significance of the effort could be considered in terms of safety, operation of equipment, financial operation, efficiency etc. retention risk, whereas, refers to positions where the departure of an employee is expected e.g. (retiree) or likely (e.g. History of turn over). By examining these criteria on a low to high scale, an organization can determine what positions require short and long term planning. (SP&M guide,2008)

#### Step2. Identifying key competencies

All positions are a requisite set of knowledge, skills and abilities that are expected of employees who are filling that function. Thus, knowing competencies of a job is a mandatory component for recruiting, serving as a general baseline to measure against interested potential candidates. However, succession planning and management provides an opportunity to review the competencies traditionally associated with jobs, particularly with respect to current goals and objectives, (Antoniou, E. 2012).

### Step3. Identifying and assessing the potential candidates

The key purpose of identifying and assessing employees against core job competencies is to help focus their learning and development opportunities in order to prepare for them for future roles in the organization. This could be done transparently and accountably, starting from circulating an expression of interest to developing an inventory of employees' skills / competency and career interests.

### Step4. Learning and development plans

Once the relevant candidates have been identified, based on their interest and potential for success in key positions, the organization must ensure that these employees have access to focus learning and development opportunities. The learning and development plans should focus on removing the gap between expected competencies and the current KSAs, the plan should also go beyond filling vacancies, it should practically fill employees' potential and it should consider a wide range of learning and development opportunities. Due to a changing global environment, Foster (2000) notes that organizations will have to develop leaders with new and enhanced skills from those recognized today. The future will still need leaders with strong moral and ethical values, but these will be joined by a greater understanding for diversity (Foster, 2000, p. 3). Leaders must know how to network and build relationships to develop teams and have an expanded knowledge of information technology (Foster, 2000, p. 3).

Succession planning programs should include leadership development programs that address these needs. According to Rothwell (2001, p. 56) and Foster (2000, p. 2), professional development opportunities in succession plans can also include formal mentoring programs.

Bard and Moore (2000, p. 257) explain that mentoring is highly productive because it combines work experience with development opportunities by matching novices with senior staff members who serve as trusted advisors. Bard and Moore (2000, p. 257-258) acknowledge that mentor programs benefit the business, mentor and mentee. The business benefits by motivating old and new staff through a broader understanding of business issues. Likewise, such programs challenge and reward the mentor because they use their experiences to educate the newer employee and develop their own management skills. Finally, the mentee becomes more acquainted with senior staff and the vision of the organization, and is able to seek advice from the mentor on career paths.

#### Step5. Evaluation

Evaluating the SP & M effort help the organization to ensure the effectiveness of the implementation. The evaluation can be seen from the employee and the organizations perspectives. Evaluation goes to measuring the participants' satisfaction and progress and the achievement of the organizational results. In evaluation organizations might use instruments like, ROI, or further BSC in widening their perspective dimensions to more than the employee and the organization. Evaluation on the other hand helps to figure out the underlying problems and challenges (Rothwell and Kim 2005).

### **2.9. Effective succession planning and Management**

Organizations need an effective succession planning which is able to overcome those challenges. Perhaps, the effectiveness of SP &M program can be attained through different mechanisms. According to Roth Well(2005),the following are the characteristics of effective succession planning and management: top management participation and support (Gretty,1994),needs-driven with external benchmarking (Nowack,1994), focused attention, dedicated responsibility, extending SP&M to all levels (Schall, 1997), systematic approach, comparison of present performance with future potential, clarification of high level replacement needs, an obligation to prepare and identify successors, specific development programs established and conducted, high potentials work while developing, developmental programs establish familiarity with who, what, when, why and how development experiences encourage critical questioning(Gratton&Syrett 1990), succession should emphasize the qualities necessary to surpass movements to the next

higher level job, and should emphasize formal mentoring, Rothwell, (2001). In addition to this, Armstrong (2005, 403), identifies seven key elements of SP&M.

1. Business aligns strategy with individual preference.
2. HR defines positions, behavior, skills and knowledge.
3. Management identifies key talent risks and vulnerability.
4. Succession templates replicate across the organization
5. Senior and line management support adoption.
6. Technology unifies all major talent processes.
7. Initiative system enables everyone to participate.

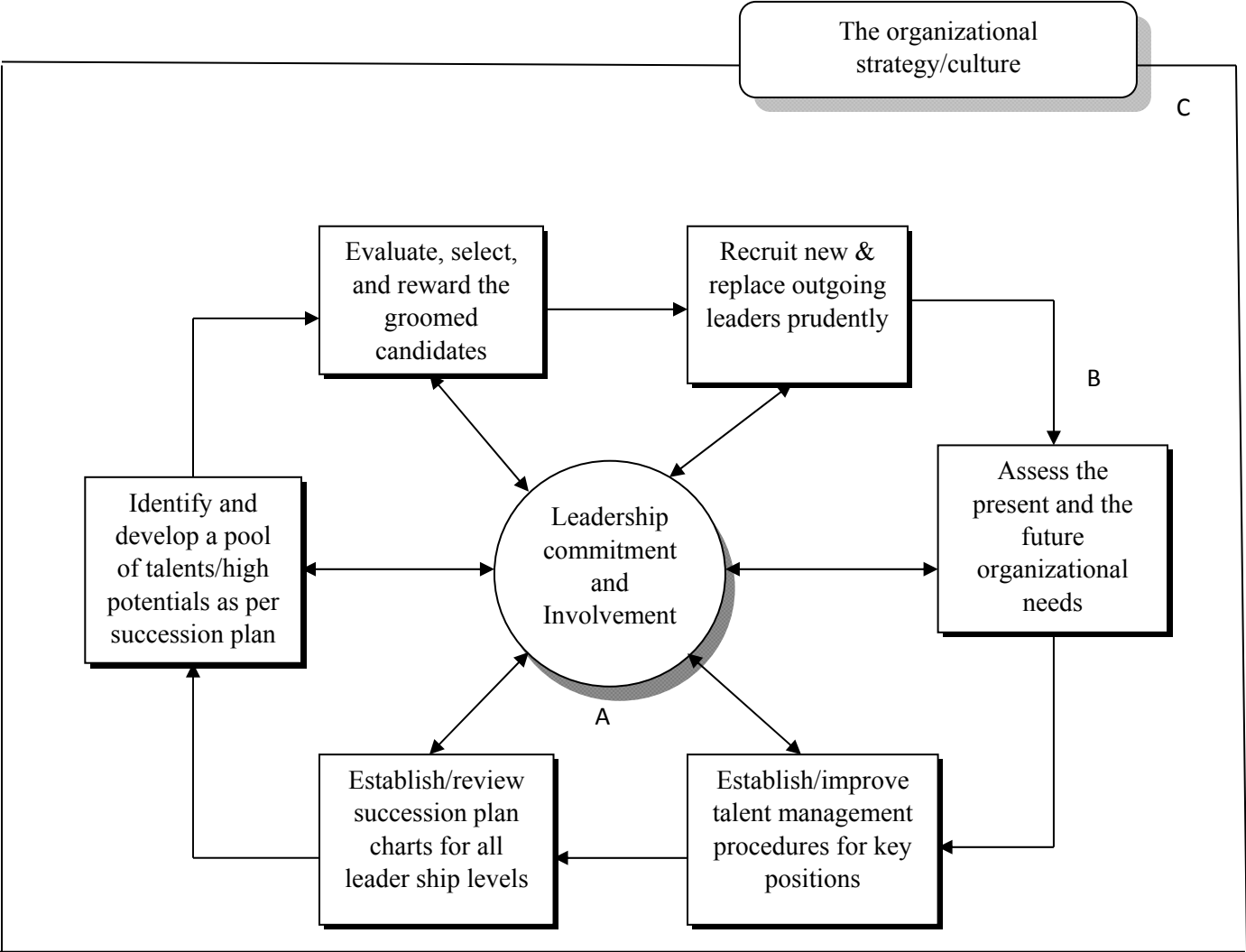
several authors suggest that succession planning, especially for large organizations, cannot effectively operate in isolation. It has to be integrated into the overall organizational strategy, strategic plan, or culture (Harmon, 2007; Rothwell, 2005; Stephens, 2006). For that matter, succession planning must always stick to an organization's definition of the critical leadership capability as well as be aligned to the necessary organizational behaviors (Harrison, McKinnon, & Terry, 2006). Since most organizations strive to be perpetual, succession planning should be an ongoing process that is constantly linked to organizational learning capacity (Hunte-Cox, 2004). Once integrated into an organization, succession planning will continuously guide the assessment of candidates' competencies and guide the process of developing each individual candidate. Since managing succession processes is a vast work, it is advisable to have a competent person, committee, or section in an organization that will be responsible for coordinating all succession endeavors (Huang, 1999, Hunte-Cox, 2004; Rothwell, 2005).

In summary, different approaches to succession planning and management exist. Some approaches exhibit common aspects, but others depict distinct aspects of succession planning and management. Based on the analysis of several approaches, this study proposes a new conceptual framework, as displayed in Figure , consisting of three main components: (1) component A, leadership commitment and involvement in SPM, is at the core of this

framework; (2) component B entails six basic SPM practices, which are numbered 1-6 according to this model; and (3) component C, the organizational culture or strategy, depicts the context within which succession planning processes can be continually promoted. These components are distinguishable, but they are not necessarily separable because some elements under different components tend to overlap, which also indicates the interactive nature of the succession processes. In fact, even the six practices outlined under component B are, to certain degree, interactive. According to this framework, while component A expresses the role of leadership in SPM, component B exhibits the mechanism and technicalities of the SPM process. Component C, on the other hand, underscores the significance of SPM processes to be a part of the organizational culture. To achieve this the literature suggests that succession planning and management practices should have the following features which pertain the major processes. The study assumed this model to assess the practice of succession planning and management in the CBE.



**Table.2.9.1 Conceptual framework for succession planning and management**



Source: Peter. E(2010)

### **2.9.1 Succession Planning and Management versus Organizational Culture**

One important aspect of succession planning and management is that it must be an integral part of the organizational culture (Rothwell, 2005). Effective succession planning cannot occur in isolation; it has to be linked to organizational behaviors and be integrated into the overall

organizational strategic planning (Cantor, 2005; Lockwood, 2006; Rothwell, 2005; Stephens, 2006). Accordingly, some suggest that planning for retirement of the CEO and his/her subsequent replacement in a private and family business should start at least ten years before the anticipated retirement date (Harmon, 2007). This long-term planning of succession is only possible when succession planning is treated as a part of organizational culture. According to Fulmer (2004), “Best-practice organizations make succession planning an integral corporate process by exhibiting a link between succession planning and overall business strategy” (cited in Rothwell, 2005, p. 31).

Once integrated into the organization, succession planning will continuously guide the assessment of candidates’ competencies and guide the process of developing each individual candidate. Actually, succession planning ought to be an ongoing process linked to organizational learning capacity (Hunte-Cox, 2004). Since succession-related responsibilities are enormous, there is a need for organizations to have a unit that can coordinate all succession activities. This unit can be a committee, a section under a human resources department, or a competent official (Huang, 1999; Rothwell, 2005).

### **2.9.2 Top Leadership Commitment to Succession Processes**

Leadership is the heart of any organization (Kouzes & Posner, 2007). First of all, it is important to mention that some studies have depicted some relationship between the leadership capacity and succession planning. Fink and Brayman (2006), for example, posit that the absence of succession planning in schools is due to inadequate autonomy given to leaders, which leads to insufficient leadership capacity to run organizational affairs. Moreover, Hargreaves (2005) outlines how leadership problems impact leadership succession in America Institutions. Lambert (2006, 2003) observes that it is those institutions with high leadership capacity that have the ability to prepare future leaders. Similarly, Thompsen and Smith (2006) observe a relationship between development, deployment, and retaining of crucial talent and organizational capacity, which is highly influenced

by the leadership capacity of an organization.

On the other hand, the implementation of succession planning and management programs is effective when it is activated and supported by the top leadership (Harrison et al.,2006; Krauss, 2007, Roddy, 2004; Rothwell, 2005). In fact, succession programs require the commitment and involvement of both the top executives and heads of human resource departments (Krauss, 2007; Lockwood, 2006; Rothwell, 2005). The bottom line is: since succession planning and talent management are strategic approaches, they need to be handled by the strategic level of the organizational leadership. The next few sections will discuss succession aspects on which the organizational leadership has to focus and be involved.

### **2.9.3 Assessment of Organizational Leadership Needs**

According to Rothwell (2005), in order to implement a succession planning process, organizations must assess both the present and future work, staff, and leadership requirements. Since the aim is to align people with the organizational roles, both the appraisal of the current performance and assessment of the future individual potential must take place in relation to the organizational requirements (Rothwell, 2005). A careful assessment of individual employees helps not only to identify those who are able and desiring to advance upwards, but also helps to delineate their developmental gaps (Rothwell, 2005). The assessment procedure must be based on a set of competencies that the organization has specified. For this purpose, some organizations use core competence modeling as an approach for selection and development of new talents to keep an organization competitive (Grigoryev, 2006). A competency model is a set of competencies needed for excellent job performance within the framework of job roles and responsibilities (Rothwell, 2005). Grigoryev (2006) provides several steps for core competence modeling (see chapter 1). Also, in order to have a fair assessment, it is recommended to utilize a qualified expert from outside the organization (Krauss, 2007; Rothwell, 2001, 2005).

Furthermore, individuals' abilities for job change or upward movement have to be evaluated through a systematic process of individual potential assessment (Rothwell, 2005). It is through these kinds of evaluation processes that workers' skills, values, strengths, interests, behaviors, education, goals, and weaknesses can be uncovered (Gaffney, 2005). Moreover, an appropriate evaluation of employees includes an assessment tool that benchmarks workers against organizational requirements, expectations, and culture; this is crucial for the detection and selection of the talent (Gay & Sims, 2006). Eventually, the identified talent and high potentials have to be developed and retained in order to fill the future key/leadership positions as vacancies are created. This is why a talent management strategy is an important component of any succession planning and management process.

### **2.9.4 Talent Management Strategy in Succession Processes**

Talent management entails efforts made by organizations to identify, develop, and move employees and leaders upward to increase retention of the key talent (Gay & Sims, 2006; Lockwood, 2006).

Talent management is a key component in succession planning and management. The study conducted by the Society for Human Resource Management revealed that 76% of the study participants considered talent management as a top priority of today's organizational strategies (Fegley, 2006).

Since employers will increasingly face shortages of talent and will find it hard to retain the existing stock, they will need to adopt policies and procedures for earlier identification and retention of high-potential talent (Rothwell, 2005). Massive retirements of the baby boomers, potential workforce turnover due to various reasons, and competitive retention schemes by different organizations will aggravate talent shortage, and hence compel employers to consider ways of effectively retaining their own talent (Krauss, 2007). In addition, talent management is driven by a desire to gain competitive advantage and as a strategy to address the looming global skills shortage (Lockwood, 2006). The Mercer Snapshot Survey (2005) concluded that cultivating talent from within should be a primary focus of organizations; and in fact most firms are increasingly becoming engaged in this matter (Lockwood, 2006).

However, attracting and retaining the appropriate talent constitutes a big challenge for most organizations (Krauss, 2007). According to Loftus (2007), successful talent management strategies require four critical organizational capabilities: (1) aligning the workforce with the organizational strategy, (2) attracting, developing, and retaining key talent, (3) minimizing the loss of vital skills, and (4) challenging the process of the organization to enhance its flexibility. Moreover, talent pools have to be organized for each key job position as each has specific requirements (Rothwell, 2005), which underscores the fact that each leadership level or position actually needs its own succession plan chart (Sobol et al., 2007).

### **2.9.5 Application of Succession Plan Charts**

One of the central features of succession planning and management is that it targets every leadership level of the organization (Berke, 2005, Rothwell, 2005). Thus, for each leadership position, a succession plan chart has to be developed (Sobol et al., 2007; Rothwell, 2005). Whereas Sobol et al. (2007) use the term *succession plan chart*, Rothwell (2005) calls it a *replacement chart*. A limited body of literature is available that provides details on how to prepare those succession plan charts needed for every leadership level. The bottom line, though, is that while succession planning is the

process, a succession plan chart is a kind of a blueprint or a map that guides different tasks associated with the process of identifying, assessing, developing, and selecting potential candidates for a given key position (Sobol et al.,2007; Rothwell, 2005).

### **2.9.6 Identification and Development of High Potentials**

Development of high potentials is the heart of any succession planning and management strategy (Berke, 2005, Rothwell, 2005); but development cannot take place without adequate identification of high potentials. A high potential is a current exemplary performer who is capable of advancing some levels beyond the current position; and is highly rated for current and future performance (Rothwell, 2005).

Identifying and systematizing leadership high potentials as well as enhancing their visibility constitute an integral part of leadership development and succession planning (Groves, 2007). Identification and development of high potentials is the basis for internal growth of leadership successors (Rothwell, 2005). Unfortunately, as the study conducted by the Center for Creative Leadership (CCL) in 2007 reveals, most organizations suffer not only from an absence of explicit succession plans, but also from talent shortage and lack of talent development strategies. Grooming leadership talents enables entities to obtain high potentials that can be prepared to assume leadership responsibilities.

As mentioned earlier, a competency model is often used to identify the high potentials. However, identifying a high potential is not an easy task, because IQ and past performance are not always sufficient criteria (Berke, 2005). Besides the other criteria, the key distinction between those who are high potentials and who are not lies in their learning agility (Lombardo &Eichinger, 2000). Learning agility is the ability of a worker to learn from experience, exhibited by individual's capacity to gain new skills in new situations (Lombardo &Eichinger, 2000).

As discussed earlier, assessment processes will reveal developmental gaps of each identified talent or high potential. These gaps must be bridged through different types of development programs that are adequately designed for equipping each selected potential with requisite leadership and behavioral skills (Krauss, 2007, Rothwell, 2005). Since development of the high potentials is the heart of the succession planning and management system (Berke, 2005), organizations have to establish well-designed leadership development programs.

Besides specific programs, potential leaders can be groomed using a combination of different strategies such as action learning, special training, mentoring, coaching, job rotation, and application

of a 360-degree staff appraisal system (Krauss, 2007; Rothwell, 2005).

Especially important is the role played by leaders in mentoring their direct subordinates (Groves, 2007). The caution, however, is that regardless of the grooming strategy utilized, it is vital for an organization to develop and carry out an individual development plan (IDP) for each identified high potential (Rothwell (2005). An IDP is a result of a comparative assessment of “individual strengths and weaknesses on the current job and individual potential for advancement” to future specific leadership positions (Rothwell, 2005, p. 235).

Moreover, some of these leadership training strategies can be carried out within the workplace site as well as away from it. For example, mentoring and coaching offer the workforce on-the-job training opportunities leading to professional and personal development (Rothwell, 2001). These training methods are also effective for retention of employees, because they are designed to focus on individuals (Krauss, 2007). Actually, organizations gain benefits when they take care of their workers. One of the benefits is that workers tend to stay longer in organizations if they obtain professional and personal development (Gaffney, 2005).

Yet, some companies avoid training their employees; instead, these companies rely on sourcing workers from outside with a belief that it is easier to do so (Krauss, 2007). Depending on outsourcing might be problematic, because the pool of qualified workers outside organizations is shrinking and may not be available in the near future as a result of the fight for talent (Hughes & Rog, 2008). Therefore, organizations are advised to consider instituting a formal succession planning and management effort not as an accidental event, but rather, as a well- informed long-term strategy (Le Breton-Miller, Miller, &Steier, 2004).

According to Rothwell (2005), a succession planning and management program is the best strategy to promote the development and retention of organizational knowledge and talent from within. Organizations have to learn that acquiring talent from outside is merely a short term strategy, it is a kind of a quick fix; but what can pay off in long run is to grow talent from within (Cunningham, 2007).

### **2.9.7 Selection, Evaluation, and Rewarding the Groomed Candidates**

Out of the identified and trained high potentials, candidates for key positions have to be selected

based on evaluation results. These will serve as bench strength for the organizations' key positions (Rothwell, 2005). Bench strength is described as "the organization's ability to fill vacancies from within" (Rothwell, 2005, p. 228). Adequate rewards, incentives, and suitable working environments help groomed candidates to remain in their organizations. In her study, Krauss (2007) found that most employees view their respective management as uncaring about employees' job satisfaction. Also, apart from 22% of the workforce that would depart within five years due to age-related retirements, Krauss noted that even more workers would consider changing their employer in search for advancement opportunities and for a better career path.

Moreover, most workers leave their jobs due to the feeling that their employers do not provide adequate promotion opportunities within the organizations (Krauss, 2007). Actually, Towers and Perrin (2005) found that not only good payment packages, but also career development possibilities serve as incentives for attracting workers to remain with their organizations. Hence succession planning and management emphasizes regular evaluation and rewarding of the internally groomed candidates for leadership positions

### **2.9.8 Prudent Replacement of the Outgoing Leaders**

Replacement of departing leaders is not always easy. For instance, Moser (2008) reveals how difficult it is to replace retiring community college presidents in California. According to the author, the state of California has been struggling to recruit, retain, and fill the vacancies of the outgoing college presidents. One of the reasons for this problem is the lack of leader training from within, while the pool of external quality applicants has shrunk. California could be one of several states facing similar challenges. Through succession planning and management programs, organizations can identify and prepare a group of high potential candidates for each leadership position of an institution.

To attain a smooth transition, some experts recommend that the heir have ample time to work with the incumbent leader before the successor takes the office (Vancil, 1987). This kind of practice is especially seen in a relay succession approach, which requires the incumbent, before his/her departure, to work together with the incoming, internally groomed successor for a while to enable the latter to build his/her corporate knowledge base and forthcoming working team (Khumalo& Harris, 2008; Vancil, 1987). In some cases of the relay succession approach, as soon as the new successor assumes office, a new heir is identified and a new process of development begins (Berke,



2005; Vancil, 1987). Zhang and Rajagopalan (2004) found that relay successions triggered better company performance than non-relay inside succession and outside succession. This relatively better performance by a relay successor is mainly due enough time the outgoing leader works with the successor. In brief, an entity practicing succession planning tends to have more successful leadership transition than entities without succession planning (Khumalo& Harris, 2008).

## **2.10. Challenges of succession planning and management**

Succession planning and management is not an isolated program. It has to be linked to other organizational activities. This perhaps happens to be the big challenge of SP & M. Moreover, inability to locate or create a pool of active and passive candidates and lack of interest from the top management, lack of assessment tools, lack of SP & M tools and career development tools among the challenges identified by as core challenges.

Karaveli and et al, (2003), further identified that lack of fit with organizational culture has been the big impediment. Trying to implement a formal system with a lot of preparation and paperwork in an informal culture would likely be met with resistance, if not outright hostility. Introducing an informal system into a highly structured and formal organization may result in the initiative not being taken seriously. There should be some degree of fit between succession management formality and the organization's culture; however, it should be noted that a succession management system can be used as part of a comprehensive organizational change initiative to move the culture from formal to informal or from informal to formal. In addition, over-embedding the initiative in a single champion: Having a champion, especially at top levels, is an important driver for success; however, if the initiative becomes too heavily associated with any one person—no matter how high-ranking—this could lead to follow-through problems if that champion derails or leaves the organization.

Moreover, not connecting with strategic business imperatives is a big quagmire. Development for development's sake might be a generally good thing; however, it is not helpful for long-term support. It is easy to lose sight of what specifically needed to be developed and why. If the target of development activities is supposed to be leadership competencies, then there should be a visible and widely agreed upon competency model that is grounded in the organization's strategic business plan. But there is some risk associated with leadership competency models because they require organizations to be able to accurately predict the future. More over Rose Well, (2005), incorporates

the following as the core challenges of SP & M

1. Lack of support from the top management- if the top management is not willing to support a systematic approach to SP&M, the program cannot succeed, because it won't create an initiative to the other employees.
2. Corporate politics-managers may tend to bias in promoting low performers on the expense of best ones.
3. Quick fix attitudes- there should be ample time to develop effective leaders; quick chose of leaders might lead to the devastating of the whole organization.
4. Low visibility-unless managers are familiar with the day to day activity of the program and its impacts, they might only see the long benefits of SP &M.
5. The rapid pace of organizational change-it might be very difficult to predict the succession demand for 3 to 5 years with this dramatically changing business environment.
6. Too much paper work, too many meeting demotivating participants.
7. The inability to make use of technologies in supporting the program.

It is deduced that these challenges are derived from some dimensions; either from the process, the top management, the participants, or the technology. Therefore, the effectiveness of the succession planning and management program merely depends on the ability to withstand and tackle those challenges in collaboration.



## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

This chapter presents the study areas description, research philosophy, design and strategies, data sources, data collection instruments, sampling design and sample size, data processing procedures, data analysis tools and ethical considerations of the study.

#### **3.1 Description of the Study Area /organizational profile**

The Commercial Bank of Ethiopia had maintained its continued excellence in its business growth and profitability. As a result, the gross profit of the Bank reached this unprecedented level of profit is registered owing to the robust macroeconomic performance of the Ethiopian economy and seizing the opportunity it provided. The leading bank in Ethiopia, Commercial Bank established in 1942 and currently operating more than 945 branches stretched across the country. It is the leading African bank with assets of 276.3 billion Birr as on April 30th 2015 and Plays a catalytic role in the economic progress & development of the country. The bank has more than 10.1 million account holders as of March 31, 2015. It has strong correspondent relationship with more than 50 renowned foreign banks like Commerz Bank A.G., Royal Bank of Canada, City Bank, HSBC Bank. CBE combines a wide capital base with more than 22,000 talented and committed employees.

Achieving service excellence and high business growth remained to be the key objectives of the CBE in the year under review. To this end, the CBE has continued to implement two major projects crucial for transforming its service delivery and overall performance. These are Information Technology (IT) and Human Resources Development (HRD) projects. Implementation of the Human Resource Development Strategy is underway. The recommendations are being implemented under five action areas: provision of technical assistance to implement the strategy; putting succession planning system in place; improving engagement and retention; introducing performance management system; and training and system development. While some of the recommendations have been finalized which include restructuring HRM; provision of developmental training for top management and Board of Directors(BOD); and engagement and retention survey, others such as staffing; succession

planning scheme; and employee performance management system are underway. The implementations of the HRD activities that are underway will be hastened and finalized.

While some of the components of the strategic actions have been carried out, others are underway and will continue to be implemented. In addition, the CBE has continued its efforts towards strengthening its human capacity by providing various on-the-job and off-the-job training, recruiting additional new and trained employees as well as retaining existing staff through devising different incentives and benefit packages. Accordingly, more than 13,912 employees were provided technical and developmental training programs by both in house and external trainers and formal and informal. Similarly, the bank continued to give special emphasis on recruiting qualified professionals.

All this success has achieved through a vibrant management commitments and the visionary leadership they provided and the employees of the Bank for their continued commitment and dedication. The bank would continue loyalty of its esteemed customers, visionary leadership from BOD and staff commitment to achieve far better results, it continues to be people's chosen bank in the forthcoming years and realize its vision of becoming a world-class commercial bank by year 2025.

### **3.2. Research Design and Strategy**

To collect data, the researchers used survey research design. This is because the survey design is preferable to conduct research employing large number of people questioning about their attitudes and opinions towards the specific issue, events or phenomena (Marczyk&Dematteo, 2005). It also enables the researchers to effectively administer and manage the tasks when the data collection takes place. The study applied cross-sectional survey since the data were collected at one point in time from the respondent population.

With regard to research strategies, the study employed both qualitative and quantitative ones. Now a day mixed method is considered as a tool to triangulate the result of single approach through multiple methods (Johnston, 2010). Mixed methods research combines qualitative and quantitative techniques in collecting and analyzing data. The application of both qualitative and quantitative methods in a single study increases the overall strength of the study more than using either of the two methods alone (Creswell, 2009; Fraenkel&Wallen, 2008). Moreover, utilization

of this approach broadens the understanding of the issue being studied, which partly explains why there has recently been an increasing interest in the mixed methods research inquiry (Creswell, 2009). A quantitative method was selected because it is viewed as an effective to gather large data and comprehensive issues at a specified period of time (Ngwenya, 2010). While the qualitative method was selected based on the assumption that it enables the researchers generate meanings and phenomena within the real context of the research participants and to fill the gap left by the quantitative one (Kothari, 2004). Therefore, mixed method was adopted in order to make the study more reliable through triangulation.

Source: Adapted from Creswell (2008) with own modifications

### **3.3. Data Types and Sources**

As indicated in the previous section, the study employed both qualitative and quantitative data. Since, using both types of data is vital to offset the limitations inherent with one method with the strength of other method (Creswell, 2003).

The quantitative component entailed application of the survey method to collect participants' views about succession planning efforts at the Commercial Bank of Ethiopia. The purpose of the survey method was to understand and describe the opinions of a large group of people about the given topic according to different variables (Fraenkel&Wallen, 2008). Hence, the survey method was suitable in this study because opinions of participants were needed to identify areas of strength and weakness in SPM efforts or practices at the subject bank. Different statistical methods were used to gain understanding and the opinions of different groups of participants regarding SPM practices at the subject bank.

For the qualitative component, two data sources were utilized: interview transcripts and policy documents. Regarding the interview method, data were collected from five purposefully selected participants through semi-structured interviews. The purpose of interviewing participants was to discover topic-specific information, feelings, and experiences they have accumulated (Fraenkel&Wallen, 2008). The sample of participants included five Human Resource Managers working on succession management.

The second qualitative data collection method was policy documents review. This method helped the researcher obtain information that complemented and substantiated data from other

sources. Another advantage of the documents review was that the researcher could scrutinize the information without any researcher-participant mutual influences (Fraenkel&Wallen, 2008). Also, documents review was logistically simple, economical, and easily replicable than it was with interviews and surveys (Fraenkel&Wallen, 2008). However, this method has one major disadvantage: it is only limited to recorded information (Fraenkel&Wallen, 2008); that is why it was used in tandem with other methods.

### **3.4. Data Collection Instruments**

To increase the breadth of information obtained from the respondents in relation to Succession Planning, Practices and challenges in CBE this study used two types of data collection instruments.

Questionnaires: in this study structured questionnaire prepared in the form of Likert scale will be used to collect the required data in relation to the practices, administration, and awareness of employees and challenges of Succession practice from the sample respondents. Such data collection instrument will be developed in order to gather large data and avoid pressure on the respondents (Creswell, 2003). Questionnaires were distributed in person and through E-Mail using the banks port.

Interview: is an adaptable way of finding things out. The human language is very useful in opening of what lies behind peoples' action (Zikgmund, 1994). Interview allows person-to-person discussion that can lead to increase insights in to respondents' thoughts, feelings and behavior on important issues of Succession practices. Another advantage that can be derived from the interview is its flexibility in expressing different viewpoints on the subject under study. Thus, key informants (Human resource and Training and Development Heads) were interviewed in depth using semi-structured questions during the working hours. The participants will be selected through judgmental method because of their closeness to execute the issues.

### **3.5. Sampling Design Procedures and Sample Size Determination**

The study used all the participants in the first and second pool of succession candidates as a population. This is because they have passed through all the process of succession management and they are assessed under 360-degree feedback. On the other hand, they are the ones who are

prepared and trained in consideration of their leadership realms. The first pool contains 38 candidates from the district managers and directors to assume the positions of vice presidents and the second pool contains 130 candidates from grade III and grade IV branch managers to assume the position of directors and district managers. Therefore, a total of 168 participants from both pools are taken as populations of the study. In the determination of sample size, the three criteria were very important to gather the required data from sample respondents. These included the level of precision, the level of confidence or risk and the degree of variability in the attributes being measured that enable the researchers to determine appropriate sample size (Miauou& Michener, 1976). Therefore, by considering these issues sample size to collect data through questionnaire for this research was determined by using Yamane's (1967) formula.

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

Where:

n = the sample size

N=the study population

e = the level of precision

1 = designates the probability of the event occurring Therefore:

$$n = \frac{N}{1 + 168(0.07)^2}$$

Therefore, 92 respondents were used as sample, selected conveniently for this study to gather data through questionnaire. On the other hand, 5 HR managers related in executing the program are purposefully selected for the interview.

### **3.6. Data Collection Procedures**

To gather the required data in relation to the challenges and practices of succession planning and management preliminary visits were made in CBE, Addis Ababa Branches. During this time, secondary data sources pertaining to the subject under study have been reviewed and discussions were also held with the respective staff on how and when to make discussions with the respondents, to the interview questions. On the other hand, at the same time, the questionnaires have been administered in the selected CBE branches during working hours (Monday to



Saturday) through a pre planned schedule in person and via E-MAIL through CBE's port. This is because the respondents are available only during working days in morning and afternoon.

### **3.7. Data Processing and Analyzing**

Following the completion of data collection data processing has been conducted through filtering inaccuracy, inconsistency; incompleteness and illegibility of the raw data to make analysis very easy. To solve such problems manual editing, coding, data entry, and consistency checking has been done. To analyze data both quantitative and qualitative techniques have been employed. The data collected from questionnaire will be analyzed through quantitative descriptive statistical tools such as percentages and frequencies, mean and standard deviations using SPSS version 20.0 computer software, while qualitative data obtained through interviews has been analyzed narratively together with the quantitative data. Finally, the results have been discussed and interpreted to draw important conclusions and recommendations.

### **3.8. Ethical Considerations of the Study**

The researchers followed logical procedures in every stage of data collection processes. Accordingly, the respondents were introduced about the purpose of the study then informed consent from the respondents and responsible officials of the Bank covered by the study was obtained to discuss with and interview them about the subject under study. Therefore, on the basis of these ethical principles, efforts were made and confidentiality would be assured and kept throughout the process of this research work.

### **3.9 Reliability and validity**

#### **3.9.1 Reliability**

The reliability test is an important instrument to measure the degree of consistency of an attribute which is supposed to be measured. As stated by Mahon and Yarcheski (2002), the less variation of the instruments produces in repeated measurements of an attribute the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a measuring tool. Cronbach's alpha is one of the most commonly accepted measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which the items in a questionnaire are related to each other. It also indicates that whether a scale is one-dimensional

or multidimensional. The normal range of Cronbach's coefficient alpha value ranges between 0-1 and the higher values reflects a higher degree of internal consistency. Different authors accept different values of this test in order to achieve internal reliability, but the most commonly accepted value is 0.70 as it should be equal to or higher than to reach internal reliability (Hair et al., 2003).

**Table 4.2: Cronbach's Alpha for each field of the questionnaire**

<b>constructs</b>	<b>Number of Items</b>	<b>N</b>	<b>Cronbach's Alpha test</b>
Assessment of leadership needs	4	55	0.771
Talent management process	3	55	0.797
Application of SP&M charts	2	55	0.760
Identification and development of leadership potentials	3	55	0.839
Selection, evaluation and rewarding of groomed candidates	4	55	0.845
Top management attribute to SPM program	3	55	0.847
Integration of the SP&M practices in the organizational culture	3	55	0.834
Challenges of succession planning and management	11	55	0.98
	<b>(entire)</b>	<b>55</b>	<b>0.859</b>

Source: Own computation (2016)

The Cronbach's coefficient alpha was calculated for each field of the questionnaire. The table 4.2 above, depicts that the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. As it can be seen from the Table, for each field value of Cronbach's Alpha is in the range between 0.771-0.849. This range is considered as high; the result ensures the

Reliability of each field of the questionnaire. Cronbach's Alpha equals 0.849 for the entire questionnaire which indicates very good reliability. so, based on the test the results are reliable.

### **3.9.2. VALIDITY**

Succession planning and management practices and challenges have been identified from different literatures. The validity of this instrument went further in addressing those issues raised by different literatures. Each question has been supported by different literatures so as to attain its construct validity. Moreover, the instruments have been checked and revised by the principal advisor as well as expertise working on the subject under study, especially from the succession planning and management division of the CBE.

## CHAPTER FOUR

### DATA ANALYSIS AND PRESENTATION

In this chapter the collected data are analyzed and discussed in line with the stated specific objectives that lead to draw conclusions and recommendations.

#### 4.1 Demographic characteristics of the respondents

**Table 4.1: Demographic Characteristics of the Respondents**

Respondents' characteristics	Categories	Frequency	Percent
Sex	Male	78	84.8
	Female	14	15.2
	Total	92	100
Age	18-25	0	0
	26-30	10	10.86
	31-40	70	76.08
	41 & above	12	13.04
	Total	92	100
Marital status	Single	8	8.69
	Married	77	83.69
	Divorced	4	4.35
	Widow/er	3	3.26
	Total	92	100
Educational level	Diploma	0	0
	Degree	74	80.43
	Masters & above	18	19.56
	Total	92	100
Work experience	Below 1 year	0	0
	1-5	3	3.26
	6-10	70	76.08
	11 & above	19	20.65
	Total	92	100

Source: Field survey (2016)

From the Table 4.3 above, it is possible to deduce the following facts. The overwhelming majority of the respondents were 78 (84.8%) males and the rest 14(15.2%) were females. This

implies that the men's place in leadership positions are very high where as women have been given few places in leadership position. This hints the inclination of the SPM program towards the male. This could be one of the drawbacks of the system since SP&M meant to address problems of diversity.

Another description pointed out in the Table 4.3 above, is that the age interval of the respondents. In this regard, the majority 70 (76.06 %) of the respondents in the pool were found in the age interval of 31-40 years which signifies that the bank has mature and well experienced staffs who have productive and potential prospects. Following 12(13.04%) of the respondents were found above the age of 40 and above and the rest 10(5.8%) of the respondents were fall under the age category ranging between 18-29 years. Generally, the majority of the respondents of the bank in the pools was middle aged by taking ILO (2013) as a reference implying that they could have good productive prospects. With regard to marital status, as it is indicated in the Table above, the majority of the respondents 77 (83.69%) were married, single 8(8.69%), divorced 4(4.35%), and the rest 3(3.26) were widow/er. This has an implication that if the employees are married turnover could be slightly reduced as result of settled life and those people are assumed to take responsibilities to developed themselves in the career path.

Educational background of the employees is an important factor in undertaking their respective responsibilities and to make critical decisions in their working division. Considering the respondents level of education, the majority of the respondents 74(80.43%) were degree holders and the other 18(19.56%) were second & third degree holders. This implies that the potential successors in the pool have aspiring educational readiness. Hence if they are given with the proper leadership development trainings they are expected to success.

Table 4.3, also depicts that the work experience of the respondents. The majority 70(76.08%) of the respondents have 6-10 years of experience in the bank, the other 19(20.65%) of the respondents worked in the bank for more than 11 years. Whereas 3(3.26%) of the respondents in the pool have been serving the bank for 1-5 years. Hence, on can deduce that the majority of the respondents in the pool have been serving for longer years and this will help the deeply understand the culture of the bank and the environment of the sector as a whole. On the other hand, people with few years' service with outstanding talents have been joined the pool. This incase gets the experienced ones move away from leniency.

In general, the results of the demographic characteristics of the respondents indicate that they can clearly understand and respond to the questions provided to them to gather the primary data.

#### 4.2. Response Rate on Questionnaire

For this study, a total of 92 questionnaires were distributed to the employees currently working in the CBE who are participating in the first and second pool of the succession planning and management program. Questionnaire is distributed to assess the challenges and practices of succession planning and management. All distributed questionnaires were filled up and returned with response rate of 100%. To supplement data collected through questionnaire interview was administered by the researcher with key informants from the HRD department.

**Table 4.1: Response rate**

<b>Bureaus</b>	<b>Questionnaire distributed</b>	<b>Questionnaire returned</b>	<b>Response rate</b>
CSB	92	92	100 percent
<b>Total</b>	<b>92</b>	<b>92</b>	<b>100 percent</b>

Source: Own computation (2016)

The practices of succession planning and management has been analyzed using the new model according to the configured variables, although CBE has the following six step proto process, according to the interviewee i.e. organizing the succession effort, identifying and prioritizing succession problems, identifying critical competencies for key and hard to fill positions, identifying and evaluating applicant pools, implementing strategies and programs for succession and the last one is evaluating the program.

### 4.3 Assessment of organizational leadership needs

**Table 4.3: Assessment of organizational leadership needs**

Items	N	Mean	Std. Deviation
Defined critical roles	92	4.54	0.686
Regular assessment of the present work and competency requirements	92	4.29	0.719
Assessment of future requirements for work and competency	92	4.15	0.678
Assessment of individual's leadership potential for future usage	92	4.08	0.715
AVERAGE		4.265	0.6995

Source: Field survey (2016)

Among the features of the practices of SP&M assessment or organizational leadership positions is very critical. To assess this four questions are forwarded to 92 respondents in the first and second pool. Respondents were asked to depict the existence of defined critical roles throughout the organization. As table 4.3 depicts the respondents strongly agree with this sub construct within a scored mean of 4.5 implying that the CBE already defined critical roles for critical leadership positions.

As table 4.3 portrays, the CBE is working well in assessing the present work and competency requirements through making critical job analysis, this sub construct constituted a scored mean value of 4.29 and STD 0.719, implying that respondents highly agreed upon the exercise of the sub construct. On can deduce that the respondents unanimously agreed up on the availability of assessment of present work and competency requirements,

The CBE also makes assessment of future requirements of work and competency, which enables the organization its future targets. As of table4.3 the respondents answered the sub construct with a mean value 4.15 and std 0.678. it implies that they harmoniously agreed upon the application of assessment of future requirements of work and competencies.

The CBE not only makes assessment of present and future work and competency requirements, but also assesses individuals' leadership potentials for future usage. As table 4.4 this sub construct has got a scored mean of 4.08 and std of 0.715. this implies that the CBE is intensively working on the practice of assessment of individuals' leadership potential for future usage.

Generally, with average scored mean value of 4.265 and std 0.6995, the CBE's assessment of organizational leadership needs is achieved with strong commitment. According to Rothwell (2005), in order to implement SP&M programs organizations must assess both the present and future work and leadership requirements. Since the aim of this is to align people with the organizational roles, both the appraisal of current performance and future individual potential must take place in relation to organizational requirements.

The first practice in the SP&M is the assessment of current and future organizational leadership requirements. This practice entails the assessment of both the current and the future requirements of work and competency of the key positions of an entity (Grigoryev, 2006; Rothwell, 2005; Rubin, Powers, & Illia, 2007). The aim of this practice is to identify existing gaps between the actual situation and the desired work and competency needs for leadership positions (Rothwell, 2005). Actually, in order to know how to prepare future leaders, skills and competencies for each leadership level and position need to be identified (Rubin et al., 2007). Moreover, it is vital to compare the current and the expected future performance of individual workers, because such assessment helps to uncover their hidden potentials for future application in key positions (Rothwell, 2005).

#### 4.4 Talent management process

**Table 4.4: Talent management process**

Items	N	Mean	Std. Deviation
Available stated minimum eligibility criteria	92	4.78	0.44
Efforts to internally identify talent from existing staff for future leadership utilization	92	4.51	0.734
Incentive schemes for retaining the existing staff and leaders with notable talent	92	1.97	0.687
AVERAGE		3.7533	0.620



Source: Field survey (2016)

The other construct which is very decisive in SP&M practice is talent management process. Talent management process entails the effort to identify, develop and make employees and leaders upward to increase retention of the talent. (Gay & Sims, 2006; Lock wood, 2006) as of table 4.4 respondents answered the availability of minimum criteria towards entering in the groomed pool of talents with scored mean value of 4.78 and std 0.44 though varied the harmony, respondents strongly agreed minimum eligible criteria are identified throughout the organization. Likely, when they respondents are asked about the effort made to identify talent from the existing staff for future leadership positions using those minimal criteria with man vale 4.51 and std 0.734: they strongly agreed that the CBE makes high effort in this regard. Though CBE's effort in identifying talent among the existing staff is pondering, its effort in providing incentives to those potential talents is very weak. The mean score vale for the sub construct of providing incentives to potential talents with mean score vale of 1.97 and std of 0.687 depicts this reality.

It is also identified through the interview that there are no incentive mechanisms which targeted the potential talents. Rather the interviewees added that apart from the incentives they get due to their positions and the overall performance of the bank potential successors in the pools do not get any package as an incentive. They added that this will have a discouraging effect up on other potentials which are to join the respective pools. Talent management procedures for key positions, is about the identification of the talent from within or outside, talent which is vital for different important positions in the organization (Gay & Sims, 2006; Hughes & Rog, 2008; Loftus, 2007; Rothwell, 2005). Moreover, this practice depicts the need for an organization to have continuous and explicit procedures for assessing individuals' talent for different future applications with the aim of executing retention schemes and developing each talent (Gay & Sims, 2006; Rothwell, 2005). Eventually the organization has to create talent pools, groups of workers who are prepared for horizontal or vertical career advancement, (Rothwell, 2005; Sobol et al., 2007).

#### 4.5 Application of succession plan charts

**Table 4.6: Application of succession planning chart**

Items	N	Mean	Std. Deviation
Available succession plan charts	92	2.21	0.88
Staff members involved in discussing succession plan charts	92	2.05	0.75
AVERAGE		2.13	0.815

Source: Field survey (2016)

One of the central features of SP&M process is the succession plan chart that targets each position of leadership level of the organization, (Berk, 2005; Rothwell, 2005). Contrarily as table 4.6 depicts succession planning charts are neglected practices in the CBE. According to the respondents this sub construct has mean score value of 2.21 and std 0.88. with unanimity, the respondents agreed that there are no succession planning charts.

On the other hand, although pools indicate to which position the potential talents move into, staff is not given chances to discuss about the overall movement. This sub construct has mean score values of 2.05 and std 0.75, implying that there is no discussion over who is going to succeed who in the long run and in the short run. Overall, as the result of the survey matches with the responses of the interviewee, the succession plan chart indicating who succeeds who in the short and long run is not clearly outlined and discussed with the staff.

The third practice comprises the actual exercise of establishing or reviewing succession plan charts based on the available key positions and the available talent to be groomed into future candidates. These charts consist of the name of the leadership position and the names of possible candidates who can replace the incumbent (Sobol et al.,2007). The succession charts guide responsible administrators in monitoring progresses made by the identified high potentials who are being groomed for the anticipated leadership positions (Rothwell, 2005; Sobol et al.,2007). It should be noted that two different terms are used to mean the same thing. Whereas Rothwell (2005) calls them replacement charts, Sobol, Harkins, and Conley (2007) use a term succession plan charts. Management meetings of an organization can be used for reviewing succession charts and discussing the progress of the high potentials being groomed according to the charts

(Sobol et al.,2007). Most important is that the individual development plans of high potentials, which are reflected in the succession charts, should be based on the individual development needs (Rothwell, 2005).

#### 4.6 Identification and development of leadership potentials

**Table 4.6: Identification and development of leadership potentials**

<b>Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
There is a practice of identifying a pool of individuals with high leadership potentials for each leadership position	92	4.30	0.659
Potential successors develop their own individual development plan	92	4.73	0.641
Identified potential successors take part in leadership development programs based on their competency needs	92	4.43	0.599
<b>AVERAGE</b>		<b>4.4866</b>	<b>0.635</b>

Source: Field survey (2016)

Table 4.6 depicts that the identification and development of leadership potentials. Here by the identification of pool of individuals with high leadership potentials for each leadership position, development of individual development plans by potential successors and the participation of potential talents in leadership development programs based on their competency needs is addressed with respective of their mean scored vales and std as follows. Identifying pool of individuals, Mean score 4.30 std 0.659, development of IDP mean score 4.736 and std 0.64 and participation of potential talent in development programs with mean score 4.43 and std 0.599.

As on can deduce, the respondents unanimously agreed that CBE’s effort in identifying and developing high leadership potential is outstanding. As development with identification of high potentials is the heart of any SP&M strategy, it will be benefited in sustaining its bench strength with talents prepared to assume future leadership positions, (Berk,2005; Rothwell, 2005)

Regarding the development of IDP, the interviewees claimed that pool members have been given trainings with experts on how to develop their own IDP. However, the developed IPDs have been nominal. Trainings and other developmental opportunities are not offered as the developed plans of the individuals.

The next practice entails the process of identifying and developing groups or pools of high potentials in the organization. High potentials are individuals identified as capable of becoming leaders for specific key positions (Rothwell, 2005). Identification and development of high potentials or future leaders is the heart of succession planning (Berke, 2005; Rothwell, 2005). Due to variation of competency needs that each individual high potential might have, capacity building should be customized to individual development plans (Krauss, 2007; Rothwell, 2005). Krauss asserts that a combination of leadership development strategies can be used. In fact, as a part of development strategy, incumbent leaders have to take part in mentoring or coaching those who appear to be potential candidates (Groves, 2007; Rothwell, 2005; Sobol et al.,2007). Identification and development of future leaders has to be guided by the philosophy of promoting internal leadership growth (Rothwell, 2005). Therefore, bearing this in mind the following table depicts how far the identification and development of leadership potentials takes place in the CBE.

#### 4.7. Selection, evaluation and rewarding of groomed candidates

**Table 4.7: Selection, Evaluation and Rewarding of groomed candidates**

Items	N	Mean	Std. Deviation
Practice of selecting successors candidates out of pool of developed potential leaders	92	4.40	0.636
Internally developed candidates are regularly evaluated and assessed through 360- degree feedback	92	4.63	0.549
The aggregate result of the 360-degree feedback is reliable in showing successors hidden strength and weaknesses	92	2.00	0.677

Usually successors are recruited from a group of internally groomed candidates	92	4.33	0.866
AVERAGE		3.84	0.682

Source: Field survey (2016)

From the table above, it's possible to draw the following facts. As it is clearly illustrated in the table, the scored mean value of the sub construct i.e. the practice of selecting successor candidates out of the pool of developed potential leaders, regular assessment of candidates with 360 feedback and evaluation and usual recruitment from the group of internally groomed candidates ranges from 4.33-4.63. this implies that the majority of the respondents strongly agreed with the application of the practice. But on sub construct which is the reliability of the 360-degree feedback is in big question. it has a mean score vale of 2.00 and std 0.677.

It is deduced that the 360-degree evaluation mechanism, though according to the interviewed personnel is conducted from different perspectives i.e. with 2 colleagues, 2 subordinates, and 2 top managers, it is unable to measure what it is intended to measure. Therefore, if the evaluation is not reliable; hence it will distort the bench strength of the organization in keeping critical positions. Thus this in turn will lead to high corporate politics. The interviewees have their anxieties upon the assessment mechanism that although the assessments are made regularly within six months' time it is up on the final moments personnel run to collect information rather than following up in its day to day paces.

Selection, evaluation, and adequate rewarding of groomed candidates is the other crucial practice of SP&M. Not all people in a pool of high potentials might be considered for leadership candidacy. Thus, it is vital to conduct proper assessments of performance and leadership readiness of the high potentials (Rothwell, 2005; Sobol et al.,2007). Eventually, a few capable candidates have to be selected from the pool for further preparation that will enable them take key positions when opportunities arise. However, potential candidates have to be adequately motivated through adequate rewards and incentives so as to mitigate attrition (Krauss, 2007; Towers & Perrin, 2005). Workers are more interested in instant rewards for job well done (Rothwell, 2005).

#### 4.8 Top management attribute to SP&M

**Table 4.8: Top management attribute to succession planning and management practices**

Items	N	Mean	Std. Deviation
Top management supports leaders who promote internal leadership development	92	1.76	0.732
The president and the top management explicitly promote SP&M policies and strategies	92	4.55	0.581
At least one top management official is actively involved in succession issues	92	4.53	0.502
AVERAGE		3.613	0.605

Source: Field survey (2016)

As table 4.8 shows that the majority of the respondents disagreed that the support of the top management towards leaders who promote internal leadership development with mean scored value of 1.76 and 0.73. This implies that the top managements' commitment in inspiring the leaders who are striving to promote internal development is very less.

On the other hand, the explicit promotion of SPM policies and strategies by the top management has a mean score value of 4.55 and std 058, implying that top management is highly committed in the formulation and promotion of SP&M Policies and strategies. As documents and interview respondents revealed, top management is the one that necessitated the formulation of the succession strategies and policies.

Moreover, as table 4.8 depicts, the sub construct, at least one top management has official actively participates in the succession planning and management program issues, has had scored mean value of 4.53 and std 0.502, implying that there is a strong agreement among the respondents in the availability of one assigned top manager, who strictly follows up the program. This goes hand in hand with the interview results; the HRD general manager being responsible with the SP&M issues has a manager of Career Development and SPM subordinate to him.

This component is considered as the heart of any succession planning and management effort, which is why it is placed at the center of the model. Top organizational leadership has to play a vital role in succession matters (Gandossy&Verma, 2006; Rothwell, 2005). In fact, top leaders should support managers who promote internal leadership growing, promote behaviors that encourage attracting and retaining talent, devise and foster succession planning policies, and create a position or a section that will administer succession management matters (Rothwell, 2005).

As of interviewee the top management participated in the formulation of the definition of SP&M. It unanimously found that there has been a precise definition in the succession planning and management guideline document although every employee is not aware of this. According to the interviewee and the guideline, succession planning and management is a systematic process to identify key and hard to recruit positions, identify the critical competencies that employees in those positions possess, and prepare for their replacement to ensure the continued ability of the organization to meet its strategic goals and supporting objectives. Here on can deduce that, although the definition put for the succession planning and management has been profound it merely hung up on the succession planning continuum. This definition does not include the management essence in the continuum. to have the overall meaning of SP&M the definition should make sure that all the employees should be addressed, ( Berke, 2005).

#### 4.9 Integration of SP&M in the organizational culture

**Table 4.9: Integration of SP&M practices in the organization’s culture**

<b>Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
The current leaders are active in mentoring/coaching their potential successors		1.86	0.83
Developing and promoting leaders from within constitute a part of accepted policy		4.63	0.507
SP&M activities form a substantive component of the CBE’s strategy		4.66	0.616
Institutional culture encourages the practice of recruiting, developing and retaining potential leadership talent		4.15	0.937

The use of computerized system to track and plan progress	4.29	0.749
AVERAGE	3.918	0.7278

Source: Field survey (2016)

As table 4.9 depicts the respondents unanimously agreed in the sub construct i.e. developing leaders from within is an accepted policy, SPM has been part of the CBE's strategy, culture encourages the practice of recruiting, grooming and retaining potentials and having computerized systems to track and plan progresses with a mean score value ranging from 4.015-4.63. This implies that the CBE's culture is good enough to enhance the succession planning and management practices. But in on sub construct in this regard i.e. in mentoring and coaching of of the participants by leaders the scored mean value gets lower being 1.86 and std 0.83. Here CBE has got big problem.

In accordance with interview respondents, CBE tries a little bit coaching practices, mentoring is totally absent in the organization. This matches with the survey respondents. Having an overall average 3.8 for the construct of integrating succession planning and management practices in the organizational culture implies that CBE needs hard work although it seems good.

The other very crucial practice is the integration of succession planning and management processes in the overall organizational culture or strategy (Rothwell, 2005; Stephens, 2006). This kind of integration is critical since it provides the context within which succession processes will remain continuous (Cantor, 2005; Hunte-Cox, 2004; Stephen, 2006). If an organization wants to maintain a lasting improvement and organizational vitality, the practices of attracting, grooming internally, retaining talent, and growing leaders from within should be embedded in its organizational policies and strategies (Rothwell, 2005).



#### 4.10 Challenges of succession planning and management

There have been too many challenges which overwhelm the practice of succession planning and management. These challenges arise from the perception of the people, the processes and using technologies.

**Table 4.10: challenges of succession planning and management**

<b>Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Lack of support from the top management	92	1.71	0.66
Bias in the selection of potential successors	92	3.59	0.99
Low visibility-looking the long range benefits only	92	4.17	0.68
Rapid pace of organizational change	92	1.47	0.68
Inability to make use of technologies	92	4.36	0.66
Lack of fit of the program with the organizational culture	92	1.92	0.72
Not connected with the strategic business imperative	92	2.01	0.74
Poor communication and information gap	92	4.26	0.88
Lack of alignment between SP&M and other HR practices	92	3.94	0.80
Lack of assessment and career development tools	92	2.21	0.92
Neglecting talent at lower levels	92	4.33	0.66

Source: Field survey (2016)

As of table 4.10, different challenges of succession planning and management practices have been identified by different literatures. from the identified challenges of SP&M out of different literatures the following with their respective mean score values outshine in impeding the practice. with an exceeding mean score value inability to make use of technologies and computerized models is a big challenge. this challenge has a mean score value of 4.36. as it is identified by the interviewees, there are technologies and models developed by the school which prepared the overall succession planning and management program. But the problem is there are no skilled people who will run the software programs.

Poor communication and information gap has been the other challenge having a mean value of 4.26. since the communication is mostly top down and the potential leaders haven't had opportunities to discuss succession issues, the employees interest towards the practice is deteriorating.as identified by the interview, so long as the information disseminated goes within the proximity of individuals, there has been a gap created among potential successors.

The other challenge with 4.17 means score value is low visibility. This is the SPM program has been considered as only a long term plan and the short term benefits of the practice has been neglected. As Rothwell, (2005), this has been a big challenge which will lead organizations go in search of outsiders in case of some unexpected events.

The other very hampering challenge constituting a mean value of 3.94 is lack of alignment between the succession planning and management practices. Adding to this the interviewees, pointed out that it is mostly the training and development that is very aligned to the SP&M program. The other HR practices especially, compensation and reward in the intent to retain those high potentials and groomed pools of talent has been poorly aligned the SP&M practice. The potentials in the pools don't have special treatments, that is why 5 people in the pools under study have been resigned in time of the study. The program is not also aligned with recruitment and selection in the first case. As talent is neglected in the lower levels, employees' talent is not assessed considering the future requirements during the selection and recruitment time.

Moreover, with loosened effect bias in the selection of potential successors having a score mean of 3.59, is the other challenge. One can deduce that the practice of selecting employees has been twisted in side by some people. As of the interview respondents, bias exists in the selection process, regarding proximity and closeness of the potential successors to the top leaders & government officials.

With this hint, interviewees have been asked to forward some strategies to tackle the challenges of the SP&M program. They strongly suggested that the assessment and feedback mechanisms should be made reliable in assessing the real potentials of the candidates. They also called for assessing talent in the lower level in case of recruitment and selection. They also called for capable and trained software expertise who will help in running models which are helpful in

integrating the overall process so that everyone can get information about the pool right on its table. They also suggested that potential successors IDPs should be given high concerns so that they can attain their career aspiration in short period of time through their own way.

## **CHAPTER FIVE**

### **SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1. Summary of major findings**

The findings of the study have shown that succession planning and management has been one of the strategic tools of the organization which enables it achieve its business goals. It is identified that the CBE has traced its definition of succession planning and management. But it is found in the study that the definition is hung over the second stage in SP&M continuum i.e. succession planning.

It is likely identified by the study that, the CBE has been applying a six stage succession planning process which are namely, organizing the succession effort, identifying and prioritizing succession problems, identifying critical competencies for key and hard to fill positions, identifying and evaluating applicant pools, implementing strategies and programs for succession and the last one is evaluating the program. As the effectiveness of this process analyzed in relation to the different literatures, CBE has been at assessment of organizational needs, identification and selection of leadership potentials. But there have been some draw backs in the formulation and use of succession planning charts. Rewarding and retaining potential successors too. In embracing the processes, the top management participation has been profound and likely the culture supports the program.

According to the findings of the research the following challenges of the SP&M program have been exhibited: bias in the selection of candidates due to proximity and relativity to the leaders and government officials, looking at the long range benefits of SP&M and neglecting the short term benefits, inability to make use of technology: this has been the big challenge because there is no personnel who will operate the software programs. There is also poor communication flowing only down to the employees and this perpetuated information gap. There is also lack of alignment between some HR practices like, compensation and reward, recruitment and selection

and training and development with SP&M. And the very most challenge is neglecting talent at the lower level. This is very much related to the recruitment and selection in the early stages even.

According to the findings, the challenges of SP&M can be handled by preparing reliable assessment tools which are regularly conducted throughout the organization. Likely, trainings should be given based on the IDP of the employees and, either employee should be trained so as to run the software programs or an expert should be hired to address the challenge of tracking progress in one's table. Looking at the talent everywhere in the organization from the novice employees to the experienced ones should be a culture.

The study found that succession planning and management process is mostly aligned with the training and development aspect of HRM. Candidates get ample training though they are denied their need implied in their IDPs. Recruitment and selection is linked with the candidates in the pools in time of vacant positions, but novices who have the talent denied the chance. While compensation gets along with the program, reward is denied for candidates in the pool. This has been a reason for some to leave the pools and the organization.

Lastly the study found that, the organization hasn't been doing much to relate individual's career aspirations within that of the organization. Though there is a sink of light in this regard in promoting the successors in the pool towards the target position, employees are not satisfied because they are denied their interests indicated in their IDPs. If the individual developments were applied to this end, the employees' career aspirations and the organizational pools will be aligned for better success.

## 5.2. Conclusions

According to the findings of the study the following conclusions are made

Although the succession planning management practice has been formulated with experts the underlined view in the organization has hung up on the planning aspect of the succession continuum.

The six step succession planning and management process in the CBE has weaknesses, for it doesn't include succession planning and management charts, in its mechanisms in rewarding and retaining the groomed candidates to succeed the outgoing leaders. More over the practice denies mentoring practice while the outgoing leaders leave the organization. Neglecting the successors individual development plans become another drawback of the practice.

Top management support, is less in promoting leaders who inspire internal development. But from the formulation of the policies to assigning accountable officials top management has done good. Likely, the cultural context is aspiring in case of flourishing succession planning and management. But it lacks integrating the SPM with some human resource activities like, recruitment and selection, reward and performance appraisal

The following challenges are the main challenges hampering the SP&M process in the CBE:

- bias in the selection of candidates
- low visibility
- inability to make use of technology in supporting the program
- poor communication
- like of alignment with HR practices
- neglecting talent at lower levels

The above challenges can be handled by preparing the reliable tools for assessment and conducting the at daily basis, giving trainings and development opportunities with the IDPs of employees, hiring experts or training employees to run the software programs meant to integrate the SPM practices, looking at talent everywhere every time.

### **5.3 Recommendations**

Based on the findings of the study the following recommendations are forwarded

- First and foremost, the view of the SP&M program should be clearly speculated to be in upper continuum. It should clearly identify the overall continuum. It doesn't have to hang up on the second continuum rather it should include the management aspect that it will include talent at all levels.
- The succession planning and management process should inculcate the succession planning charts and they have to be discussed with all employees who are aspiring to join the pools.
- Potential successors in the pools should be rewarded in by their achievements so as to inspire others apply to the potential talent pool.
- Employees should be trained in order to run the computer programs meant to gear the SP&M or as an alternative CBE should hire an expert to run the program and further train other employees. Moreover, the computer system should unify all units so as to track progress and facilitate the program.
- The CBE should create a reliable assessment tool to identify potential successors' blind spots and strengths. This should also be done in timely fashion with strict follow ups. With this it can minimize bias due to proximity and relativity.

- Moreover, talent should be identified early in the induction stage of recruitment and selection of novice employees and all employees in the organization lower levels.  
This will help the CBE to have a formidable bench strength
- Employees' individual development plans should be given due attention because this will inspire them to stay in the organization and exert their efforts in achieving excellence to march in the same dream with the organization.
- Intrinsic mechanism to motivate employees should be considered in retaining successors in the pools.



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# Appendix A

## QUESTIONNAIRE



### St. Mary's University School of Graduate Studies

#### **Survey Questionnaire to be filled by Employees of CBE**

This questionnaire is designed to gather data about succession planning and management practices and challenges in commercial bank of Ethiopia. The information will be used as primary data in my case study I am conducting as a partial fulfillment of Master's Degree in Business Administration concentrating HR at St Mary's University. The data you provide are believed to have a great value for the success of this research. I confirm you that all data will be used for academic purpose and analyzed anonymously through the authorization of the university. As a result, you are not exposed to any harm because of the information you provide. Finally, this research is to be evaluated in terms of its contribution to our insight about succession planning and management practices and challenges in Commercial Bank of Ethiopia in particular and the country at large.

Dear Respondents, I would like to express my deepest appreciation for your generous time, honest and prompt responses. Thank you in advance for your honest cooperation!!

#### **General Instructions**

- ❖ No need of writing your name
- ❖ In all cases where answer options are available please tick (√) in the box provided
- ❖ For scale type questions, please circle tick (√) your preferred level of agreement

#### **Part I: Demographic Information**

Put a thick mark on your demographic category.

1. Gender:      Male       Female

2. Age: \_\_\_\_\_

3. Marital status: Single  Married  Divorced  Widow/er

4. Education level: Certificate  Diploma  Degree  MA/SC and above

5. Work experience (in years): 1 and below  2-6  6-10  11 and above

## PART II: OPINION SURVEY ON SUCCESSION PLANNING AND MANAGEMENT PRACTICES

Please state your level of opinion as how strongly you agree that the following practices are available in your organization! For each given statement use tick (✓) mark or circle your preferred level of agreement from the following scales: **1= strongly disagree** **2= disagree** **3= neutral** **4= agree** **5= strongly agree**

1	There are already defined critical roles in CBE	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
2	The present work and competency requirements of different leadership positions are regularly assessed.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
3	Systems exist to assess future requirements for work and competency of different leadership positions at the bank.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
4	Individuals' leadership potential for future usage is regularly assessed.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
5	CBE has clearly stated the minimum eligible criteria for potential successors' identification and selection	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
6	Efforts exist to internally identify talent from existing staff for future leadership utilization.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
7	There are incentive schemes for retaining the existing staff and leaders with notable talent.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
8	There exists some kind of succession plan chart that guides the succession process for each leadership position.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)



9	Staff members are involved in discussing/reviewing succession plan charts.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
10	There is a practice of identifying a pool of individuals with high leadership potential for each leadership position.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
11	There is a practice of selecting successor candidates out of a pool of groomed potential leaders.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
12	Internally groomed candidates are regularly evaluated and assessed through 360-degree feedback.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
13	The aggregate result of the 360 degree-feedback is reliable in showing the potential successor's hidden strength and blind spot (weaknesses).	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
14	Potential successors develop their own Individual Development Plan based on their weaknesses identified through the 360- degree assessment report.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
15	Identified potential successors take part in leadership development programs based on their competency needs.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
16	The current leaders are active in mentoring/coaching their potential subordinates.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
17	Usually successors are recruited from a group of internally groomed candidates.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
18	Top management supports leaders who promote internal leadership grooming.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
29	The president and the Top management explicitly promote succession planning policies and strategies.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
20	At least one top management official leader is actively involved in succession planning issues.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
21	Grooming and promoting leaders from within constitute a part of accepted policy/philosophy of CBE.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
22	Succession planning activities form a substantive component of CBE's strategy/strategic plan.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)

23	Institutional culture encourages the practice of recruiting, grooming, and retaining potential leadership talent.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
24	The SP&M program make use of computerized systems to track/plan progress.	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)

### III. CHALLENGES OF SUCCESSION PLANNING AND MANAGEMENT

**State how strongly you agree on the existence of the following challenges of succession planning and management in CBE.**

Challenges of SP&M		Agreement scales				
1	Lack of support from the top management	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)
2	Corporate politics or bias in the selection of potential successors	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)
3	Low visibility(looking only the long benefits)	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)
4	Rapid pace of organizational change	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)
5	Inability to make use of technologies	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)
6	Lack of fit of program with the organizational culture	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)
7	Not connected with the strategic business imperative	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)
8	Poor communication and information gap	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)
9	Lack of integration between SP&M and other HR practices	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)
10	Lack of assessment and career development tools	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)
11	Neglecting talent at the lower levels	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	3 (Agree)	4 (Strongly Agree)

## Appendix B

### Questions for interview

1. How is succession planning and management defined throughout the organization?
2. What are the reasons for the formulation and implementation of succession planning and management in CBE?
3. Who do you think are the players in succession planning and management program in the organization?
4. How is succession planning and management program linked to the business strategic plan?
5. How does succession planning and management linked to other HR practices like;
  - ❖ Recruitment and selection
  - ❖ Training and development
  - ❖ Reward and compensation
6. How do you evaluate the SP&M system in terms of identifying critical posts, competencies, communication opportunities, identifying high potential employees and evaluating the succession planning and management processes?
7. How do you evaluate the prudent succession of the outgoing leader?
8. What are the main challenges in practicing succession planning and management?
9. What strategies should be done to overcome the prevailing challenges?
10. How does the SP&M align the career aspiration of employees and organizational goals?