

## **THE IMPACT OF SUCCESSION PLANNING FOR BUSINESS SURVIVAL: A CASE OF KWALITA BUSINESS CONSULTANTS, JOHANNESBURG (SOUTH AFRICA)**

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### **Abstract**

Succession planning is a subject that is not widely discussed in many organizations because of its sensitivity. Ignoring open discussions has been one of the biggest challenges facing contemporary organizations such as Kwalita Business Consultants. This study investigated succession planning practices at Kwalita Business Consultants. The significance of the study was that Kwalita Business Consultants management and employees were not aware of the importance of succession planning. This created awareness and motivation in all employees to take a keen interest in the subject.

**Key Words:** Succession, Planning, Business, Survival, Sensitivity, Challenges, Organizations, Employees, Awareness, Motivation

### **INTRODUCTION**

Development of succession planning policies enables continuity in the organisation should the current leadership/management leave the organisation for various reasons. Succession planning also ensures smooth handover of power, creation, sharing and retention of knowledge if experts leave the organisation. Succession planning is a key strategic tool for business survival and competitive advantage in the knowledge economy, which should be given due care by organisations. When succession planning policies are in place, employees' needs are balanced and suitable replacements are easily identified to fill in senior positions (Nel, Werner, Haasbroek, Poisat, Sono & Schultz, 2008:555). To understand the area under investigation, succession planning is defined as a "systematic organisational effort to ensure the entity's continued existence, to maintain and to develop new competencies, and to leverage its development, based on strategic view of what one expects of the future" (Rothwell, 2005:3). Leaders are appointed for specific periods of time in an organisation and sooner rather than later, it should be noted that the same leaders will leave the organisation through retirement, death, resignation or dismissal from work. Plans should be put in place to replace leaders in such eventualities to avoid plunging the organisation into leadership crises (Wolfred, 2008:3). Organisations can avoid crises by developing succession planning policies that help the organisation's experienced leaders to pass on knowledge to less experienced employees before the experienced employees leave the organisation.

### **AIM OF STUDY**

The aim of this study is to investigate the impact of succession planning in the survival of businesses, with specific focus on Kwalita Business Consultants, Johannesburg.

## **RESEARCH OBJECTIVES**

The objectives of the study are to:

- To establish the importance of succession planning in organisations.
- To determine factors inhibiting succession planning in organisations.
- To assess succession planning levels at Kwalita Business Consultants.
- To make recommendations to management to improve succession planning.

## **LITERATURE REVIEW**

### **DEFINING SUCCESSION PLANNING**

As discussed in chapter one, organisations put in place a system for identifying and developing employees for senior positions should those experienced employees leave the organisation (Noe, Hollenbeck, Gerhart and Wright, 2010:447). “Leaders do not remain in one organisation in perpetuity, therefore experienced and capable employees should be groomed and prepared to assume these roles as they become available” (Noe, Hollenbeck, Gerhart and Wright, 2010:447). Succession planning should address all aspects of the business and not only concentrate on leadership positions. In the next section, the importance of succession is described.

### **IMPORTANCE OF SUCCESSION PLANNING**

The trends in the global village such as technology, changing immigration laws and globalisation of production are changing the way organisations conduct their operations (Hill, 2010:275). The changing demographics of the global village, greater opportunities and deregulation of immigration rules are compounding the loss of key staff in organisations. When key staff resigns or retires, it becomes a challenge to replace the key staff if the organisation did not have contingency measures in place. These factors can affect companies such as Kwalita Business Consultants. There is no guarantee that being a family business, Kwalita Business Consultants will remain united as it is. One of the founding members can get an opportunity, and what then happens to the company? The same organisations are discovering that their middle managers are not ready to move into upper management positions due to lack of skills or the much needed experience. This creates the need for succession planning. Today a few factors such as the ability to identify and develop potential and prospective future leaders, are contributing to challenges faced by organisations when it comes to achieving and sustaining breakthrough operation results.

An interesting observation that has been noted by researchers and academics is that many of the chief executive officers in most developed nations will be retiring and these experienced individuals need replacements (Mattone, 2013:70). Not only is this peculiar to developing nations, even in developed nations senior executives retire, leave the organisation or die. Succession planning is therefore important to combat the loss of any key personnel. There are various ways that succession planning play in the effective and efficient management of an organisation (Noe, Hollenbeck, Gerhart and Wright, 2010:447) namely:

- Succession planning requires senior management to systematically review leadership talent in the company;
- Succession planning ensures that top level managerial talent is available;
- Succession planning provides a set of development experiences that managers must complete to be considered for top management positions;

- Succession planning ensures that organisations avoid premature promotion of managers who are not ready for upper management ranks; and
- Succession planning assists organisations to develop talent for current and future needs.

Organisations without succession plans have no choice but to react to the inevitable losses they encounter with panic and reactivity, which results in ineffective succession decisions. This could be a challenge at Kwalita Business Consultants. By conducting this study, it meant a gap has been identified and it should be addressed accordingly. When organisations' leadership think about succession planning, what often comes to mind are large corporations in the for-profit sector (Mattone, 2013:62)? The ideal situation would be to find and groom the executive's heir-apparent, who like a runner in a relay race seamlessly receives the leadership baton and carries it forward.

Succession planning, if standardised throughout the organisations, can ensure that the company becomes stronger and effective in making an impact in the communities it works with. Organisations often avoid training staff in an effort to prevent employees from leaving the company for greener pastures; however, developing staff skills is not a loss when employees resign; the entire network benefits as workers improve their abilities to respond to community needs efficiently and cost-effectively. There is need for organisations to incorporate succession planning, training staff to strengthen the humanitarian network to enhance the impact on the people and communities they serve. A description of succession planning in organisations is presented in the next section.

### **SUCCESSION PLANNING IN ORGANISATIONS**

With organisations losing upper-level managers due to retirement, resignations and organisational restructuring, the number of potential upper-level managers also reduces. Without proper succession planning process, organisations might find it difficult to move middle level managers into upper level management positions due to skill weaknesses or lack of needed experience (Hill, 2010:275). Succession planning approaches across business, government, and non-profit sectors, have their own similarities and differences.

#### **Succession planning in public institutions**

Succession planning programs between government and other entities have two key differences. The one difference is that some governmental entities have civil service systems that prohibit (by law) the naming of individuals to positions without competitive job searches (Rothwell, 2010:51). This approach means that identifying individual successors in advance may not be possible (Rothwell, 2010:52). The second difference has to do with who may be regarded as the key customers of the effort. In business, the CEO plays the single most important customer role, but in some governmental entities, the agency director is a political appointee who carries out the will of an elected official (Rothwell, 2010:52). It is evident that identifying successors in advance is not possible for government entities, as when one looks at South Africa, the President of the country appoints cabinet officials, to lead the different government departments. A minister and deputy minister are appointed; however, it does not mean that the deputy will automatically succeed the minister. Due to this challenge, government civil servants are seen as the most important owners of the succession planning process, as they do not change with every political election. But the situation is different when a new government is sworn into power; the new administration comes with new policies and strategies to diffuse the old system. In that case, succession planning is

overlooked. It therefore clearly shows that there are no proper succession plans in government departments.

### **Succession planning in educational institutions**

Succession planning is not restricted to businesses making profits, even educational environments such as institutions of higher learning, colleges or schools deserve succession planning (Mattone, 2013:62). Succession plans for every educational institution should be developed to fit the needs of that particular institution. Succession plans for schools are done at district level where district education officers appoint deputy principals to act as understudy of the principal. For public universities, university councils play an important role in identifying and grooming possible candidates for takeover of the vice-chancellor's position. The councils make recommendations to the President of the republic as in the case of South Africa. Richards (2009:43) argues that the President of the Republic has the sole responsibility of setting the goals and direction of higher education institutions. This is not the case in South Africa because the President is the Chancellor for the University. University Councils have the mandate to appoint the Vice Chancellor, Principals and Executive Management of the University. It should be noted though that in South Africa, institutions of higher learning are managed by Councils, or Boards appointed for fixed term contracts. These institutions are headed by chancellor, and departments headed by Deans. Looking at this structure it is possible to put a process of succession planning in place as a Dean can be groomed to be the next vice-chancellor, in the same institution, therefore it cannot be true that this approach makes it difficult for one institution to justify expenditure on identifying and grooming talent for the future, since the beneficiaries of such efforts would most likely be other institutions (Rothwell, 2010:53).

### **Succession planning in non-profit organisations**

Whether succession planning is discussed from a profit making or non-profit making organisation perspective, business leaders need to take into cognisance the importance of the survival of businesses. Effective succession plans should be in place for any organisations. Non-profit making organisations possess the same traits as with private and public institutions and therefore a succession plan for a non-profit making organisation will most likely work in a government or private organisation. It should be noted however, as stated that the world is a big place and national cultural differences play a role in effective succession planning practice. South Africa is a multi-cultural society, with eleven official languages and diverse races. Succession plans should be developed in line with organisational cultures and not along individual cultural backgrounds (South African Constitution, 1996:2). One approach that worked in an organisation in one country might not necessarily bear fruit in another country. Succession planning in non-profit organisation might be a difficult topic. Some non-profit organisations were started by one person with a passion to look after his or her community. The leader then gets support from a few friends and family and an organisation is registered. There are some organisations or companies that are founded along family lines as is the case with Kwalita Business Consultants (Rothwell, 2010:53). If the founders fail to take cognisance of the fact that company serves a particular community, it then becomes difficult to talk succession planning to someone who had founded the organisation. It is therefore imperative for the leaders to start thinking about succession planning, ensuring that their vision and passion does not die if they become incapacitated or leave the organisation.

## **APPROACHES TO SUCCESSION PLANNING**

There are three main approaches to succession planning with distinct characteristics that promote strategic and proactive approach to ensuring organisations nurture, identify, and recruit leadership to succeed leaders who leave the organisation (Rothwell, 2010:53). These are approaches are:

### **Strategic leader development**

This is an on-going practice based on defining an agency's strategic vision, identifying the leadership and managerial skills necessary to carry out that vision, and recruiting and maintains talented individuals who have or who can develop those skills. The strategic leader development succession planning then creates professional development plans to assemble a pool of talented individuals within the staff who can meet the organisation's future leadership needs (Wolfred, 2008:6). Kwalita Business Consultants is exposed to vast amounts of information available on the internet, libraries, journals or books, which can assist in understanding how knowledge economy organisations craft and execute strategies to remain competitive. Business Schools such as School of Business Leadership (UNISA), Gordon Business School of Science (GIBS) and Wits Business School have designed programmes tailor-made to groom would-be future business leaders. Options are also available for organisations to send their managers and leaders to Harvard Business School or any other institution for leadership development. In-house leadership courses can also enhance skills and provide exposure to business practices.

Nel *et al.* (2013:275) state that:

*Creating plans for all positions on a management team involves several steps. First, the core skills required for each position should be clarified. Then each manager creates a skill-building plan to fill any identified gaps in his or her skill set, as well as professional development plans for any supervisors who have the potential to assume greater responsibilities over time.*

### **Emergency succession planning**

The other approach to succession planning is the emergency succession planning whose goal is to prepare an organisation for the unplanned departure of key managers (Nel *et al.*, 2013:295). Should either of the founding members at Kwalita decide to leave the organisation or any one of its key managers decide to quit, there should be continuity in the organisation. Appointing deputies or associates to key positions might be a good strategy to accomplish this approach, whereby the deputies are trained or shares some of the responsibilities with the key leaders. This approach will ensure that "key leadership and administrative functions, as well as agency services, can continue without disruption in the event of an unplanned, temporary absence of an administrator" (Wolfred, 2008:9). Because succession planning can be a sensitive topic, instead of calling the process emergency succession planning, the process can be called "emergency backup plan" or "emergency leadership plan. This might assist in securing the buy-in of key individuals, rather than looking at the process as a threat to their positions. It should be noted that appointing or grooming a successor in the event of a crisis is not recommended, and therefore it is advisable for organisations to have succession planning policies in place to avoid disruptions. Although this approach might assist in ensuring continuity when leaders leave the organisations, it might also, create some expectations to deputies or associates (Nel *et al.* (2013:277). The deputies and associates might assume that the position of leader when they leave is automatically theirs as they have been shadowing the leader and understands the business more. It is therefore important that the succession planning policies and process address this approach very precisely to avoid any future misunderstandings.

### **Departure-defined succession planning**

The goal of departure-defined succession planning is to build leadership strengths in an organisation so that it can reduce its dependency upon the skills, charisma and relationships of the incumbent, and stand strong without his or her presence. If properly planned, this approach will ensure that sufficient time is allocated for handover to the new identified successor (Nel *et al.* (2013:278). It might also allow time to identify and provide the newly identified successor with the skills relevant to achieving his or her responsibilities. An organisation should not get into a crisis if one key staff member leaves the organisation. Departure defined succession planning can help organisations identify successors. In the next section, a discussion on succession planning processes is presented.

### **CHALLENGES OF SUCCESSION PLANNING**

The idea of succession planning is always linked to large corporations in the for-profit sector, where the idea revolves around finding and grooming the executive heir-apparent to take over the leadership and carries it forward. It has been argued by Wolfred (2008:3) that succession planning faces challenges in many industries such as the following:

- Most community and public service agencies are relatively small and supporting one or more secondary leadership roles can concentrate too much weight and expense at the top. In large organisations executives may avoid the issue for fear of comprising their authority.
- Funders, who built trust and comfort with an agency through a particular leader, may pull back at any indication that an executive might soon depart.
- The identified successors might resign and leave the organisation, taking the organisation back to the process of identifying another potential candidate.
- Lack of support: One of the major drawbacks in establishing succession plan is lack of support from top company executives. If top managers are unwilling to support a system approach to succession planning, it cannot succeed.
- Corporate politics: Instead of promoting employees with the most potential or the best track record, top managers may use the corporate ladder to promote friends and allies, while punishing enemies, regardless of talent or qualifications. Corporate politics can supplant performance and potential as an advancement criterion.
- Quick-fix attitudes: With quick-fix attitudes, effectiveness is sacrificed to expediency. This can have far ranging consequences, because ill-chosen leaders can prompt higher-than normal turnover amount their followers, create employee morale problems and even bankrupt and otherwise sound business.
- Low visibility: Top level executives do not always see the fast, direct benefits of succession planning. The further they are removed from daily operations and numerous direct reports, the less valuable succession planning can seem to be to them.
- The rapid pace of organisational change: The rapid pace of organisational change has raised serious questions about the value of the traditional, fill-in-the box-on-the-organisation chart approach to replacement-orientated succession planning.

Predicting succession over a three-to five year time frame, in era of constant change is fast becoming impossibility.

- Too much paperwork: Top managers in most organisations have a low tolerance for paper work, and succession planning approach may require substantial paperwork to assess present work requirements, appraise current individual performance, assess future work requirements and identify future career paths or career maps.
- Too many meetings: As a means, by which succession plans may be realized, meetings centred on training, education and development may demand considerable time. Attending meeting can require a significant time commitment from management employees at all levels.

A succession process encompasses certain conflicts such as the dilemma of transmitting power or “handing over the reins”, a process during which the incumbent is faced with uncertainty and doubt. Some questions may include: What is the best solution for this problem? Should the incumbent wait and die in office, or should the incumbent identify and choose a successor from within the organisation? The first issue to be managed in succession is the founder’s resistance to giving up power. The founder may face selection challenges, and may not know what is best for the organisation (Noe *et al*, 2013:286). It is argued that integrating succession planning with other business processes is a big challenge. Companies that embark on succession planning find it difficult to locate or create a pool of active and passive candidates and lack of interest from senior executives. This was the case at Kwalita Business Consultants before this study was undertaken. Kwalita Business Consultants did not have an adequate pool of active candidates who could be considered for succession planning programmes.

Another challenge is the lack of assessment tools compounded by lack of succession planning and career development tools in organisations. Many companies are of the view that investing in succession planning tools is not a worthwhile move. These concerns in succession planning pose a big challenge in human capital management that is, getting the talent needed and addressing the talent requirements for the future (Aberdeen Group, 2006:6). Notable challenges include lack of funding from the organisation’s top management. Succession plans fail due to lack of funding or financial resources. Leadership has to support succession plans and show a keen interest if these programmes are to succeed. The impact of succession planning is described in the next section.

#### **IMPACT OF SUCCESSION PLANNING**

Despite the challenges faced during succession planning, organisations that have put proper strategies tend to benefit in many ways. Rothwell (2010:21) states that succession planning has the following impact:

- Provides increased opportunities for high potential workers.
- Identifies replacement needs as a means of targeting necessary training, employee education and employee development.
- It increases the talent pool of promotable employees
- Contributes to implementing the organisations strategic business plans
- Helps individuals realize their career plans within the organisation
- Taps the potential for intellectual capital in the organisation
- Encourages the advancement of diverse groups
- Improves employees ability to respond to changing environmental demands
- Improves employee morale

- Copes with the effects of voluntary separation programs
- Copes with the effect of downsizing
- Reduces headcount to essential workers only.

Although succession planning may be a difficult subject for an executive director, staff, and board to face, experience suggests that it can turn an executive's exit from a difficult challenge into an occasion for organisational growth and maturation. Every organisation's plan will be different, of course. Smaller non-profits organisations may not have enough personnel to develop significant bench strength (Rothwell, 2010:90). Founder-leaders will face a set of challenges that are different from those that confront a third or fourth generation executive.

Succession planning helps organisations in several different ways. Senior managers should systematically review leadership talent in the organisation. In addition, succession planning provides a set of development experiences that managers must compete to be considered for top management positions; this avoids premature promotion of managers who are not ready for upper management ranks. Succession planning systems also help attract and retain managerial employees by providing them with development opportunities that they can complete if upper management is a career goal for them (Noe *et al.*, 2013:429). In the next section, the succession planning policy for the South African Qualifications Authority (SAQA) will be discussed to shed more light on the importance of the area being investigated.

#### **SUCCESSION PLANNING POLICY AT SOUTH AFRICAN QUALIFICATIONS AUTHORITY**

SAQA (2013:3) defines succession planning as an “on-going process of systematically identifying, assessing and developing talent and capacity to ensure continuity in specific positions in the organisations”. This definition concurs with the definition presented in section 2 of this chapter; thus confirming that organisations recognise the importance of succession planning. At SAQA, succession planning is owned by line management, driven by top management whilst the human resources department provides the support and guidance as to how the process is undertaken (SAQA, 2013:4). Succession planning has been designed to focus on long-term strategic and mission-critical requirements for the organisation. For instance, SAQA relies on technology for processing its transactions and the information communication technology department has been identified as one of the critical organisational requirements.

The process of identifying talent is conducted as an organisation-wide exercise to reduce bias and favouritism. Candidates are chosen on the basis that they have a view to developing their strategic leadership or technical job competences both current and future (SAQA, 2013:4). Leadership provides support in the selection of candidates to ensure that succession planning programmes are carried in line with the human resources development strategies (SAQA, 2013:5). The core purpose of succession planning at SAQA is to create competent continuity in identified areas. When succession planning programmes are undertaken, there is need to remind candidates that that is not an automatic guarantee of appointment to a position but should improve the likelihood of such appointment. Succession planning is one of the most important instruments that organisations such as Kwalita Business Consultants can use to develop talents and competences of its employees.

During the succession planning programme at SAQA, a suitable mentor/coach is assigned where appropriate to monitor and report on the progress of the plan in conjunction with the line manager. The objectives of the SAQA succession planning policy are:

- To plan and shape the progression of employees by aligning individual expectations and preferences for defined development against organisational imperatives and resourcing requirements up to the point of selection and placement (SAQA, 2013:5);
- Identifying scarce, critical and specialist posts and develop employees for those posts;
- Develop employees internally to address the competitive nature and uniqueness of SAQA's resourcing requirements and build potential development pool for the future (SAQA, 2013:5);
- Improve and positively impact upon retention, performance and motivation through a recognised and proven programme of succession planning (SAQA, 2013:5);
- Ensuring there is a return for the substantial investment to be made in learning and development activity (SAQA, 2013:5) and
- To use the existing staffing policy to enable selection decisions based on fair and objective criteria.

The succession planning policy involves the continual assessment of employees and how the employees match up against the requirements of scarce, critical and specialist skills. This policy helps management create and deliver developmental plans for employees who are identified as having the potential to fill the scarce, critical and specialist posts (SAQA, 2013:6). The succession planning policy highlights vertical promotion where employees aspiring for promotion into line management roles are provided with developmental plans. In addition the policy provides for lateral development for employees who do not have aspirations for promotion into line management roles, but would like to continue to have access to developmental opportunities as specialists.

#### **SUCCESSION PLANNING AT KWALITA BUSINESS CONSULTANTS**

The current organisational structure at Kwalita Business Consultants comprises the founders as directors, with a management team and employees. From the company's annual reports, the issue of succession planning has not been discussed in detail, thereby further motivating this study to unravel the intricacies of the subject. Wolfred (2008:19) states that "one critical opportunity succession planning offers lies in building diversity of an agency's talent pool". As positions at various levels within an agency open, the chance emerges to recruit staff that can best connect with the cultures and needs of organisation clients. To fulfil this statement, Kwalita Business Consultants can engage in the process of identifying suitable and capable candidates should the need arise. Those individuals identified for such assignments should then be allowed to attend senior management meetings, be exposed to formal development programmes.

Leaders are not the same as managers who can be cultivated easily and become indispensable. More time is required to groom leaders. As stated by Campbell (2009: 43) "support for succession planning programmes may come more easily in organisation with defined structures of hierarchy whereby governance and the final authority for decisions rest on the shoulders of senior leadership". The process of grooming leaders can be done through attending management and leadership programmes offered at various business schools. Any training offered should be applied back in the work environment (Wolfred, 2008:3). More experienced leaders will have the opportunity to evaluate or identify skills gaps. The absence

of succession planning at Kwalita Business Consultants is the reason for conducting this study and therefore it is imperative that organisations should consider succession planning as a key business decision.

### **LESSONS LEARNT FROM EMPIRICAL STUDIES**

The debates and discussions presented in the empirical studies show that organisations are cognisant of succession planning and would endeavour that businesses survive after the departure of experienced personnel. This is a big lesson to upcoming companies such as Kwalita Business Consultants. There is need to put in place mechanisms that ensure the survival of the company is guaranteed should any of the founding directors decide to leave the company. Another important lesson is that succession plans are driven from the top. The success of such plans should have top leadership back-up and financial support. In the cases that have been discussed, it was established that the involvement of top leaders was important.

It was also established that succession plans should follow a systematic process to ensure their successes. The commitment of resources to succession plans therefore demands that a chronological approach is adopted for the programmes to succeed. Haphazard implementation can defeat the purpose of the intentions. Managers are expected to develop a programme of action with monitoring and evaluation in place. This helps to detect and correct any challenges arising out of the programmes. The lessons presented in the study are a panacea to organisations, big or small that have not formally recognised the importance of succession planning.

### **RESEARCH METHODOLOGY**

#### **POPULATION AND SAMPLING**

The full set of cases from which a sample is taken is called the population (Saunders *et al.*, 2012:260). The researcher was exposed to all 12 employees at Kwalita Business Consultants (population) to consider for the study. Due to the size of the population, this research study included every employee. Kwalita Business Consultants has a staff complement of 12 who include two founding directors, managers and operations staff. The population (group of interest) in this study was small; therefore there was no need to choose a sample. In a qualitative research a sample of between 8-12 participants is recommended (Chigada, 2014:175), but for a quantitative studies the sample has to be larger than 100 participants to ensure representativeness. But for purposes of clarity, it was important to discuss the concepts of sampling and different sampling strategies available to researchers.

#### **LIMITATIONS OF THE STUDY**

When conducting this study some limitations were identified that include: the study was conducted at Kwalita Business Consultants, a small company with only twelve staff members. The participants participated in this study fully aware that the founding directors were also involved in the study; hence there was an element of fear. The feedback provided in the study could have been influenced by fear. The other limitation was that it was impossible to select a representative sample due to the size of the population. All employees were involved in the study. In addition, Kwalita does not have offices in other towns/cities; therefore the findings from the study may not show a clear picture of succession planning in bigger organisations.

## RESULTS, DISCUSSIONS AND INTERPRETATION OF FINDINGS

### RESEARCH FINDINGS

Qualitative data was derived from interviews conducted at Kwalita Business Consultants. Reviewing reports and other forms of documents was important to establish what action programmes were in place relating to succession planning. To determine the need for and role of succession planning one has to know what policies exist and bring out the gaps so as to find a solution that best fits the working environment of the organisation. The findings were as follows:

#### **Succession planning policy**

The use of the intranet exposed staff to regular information in order to acquire as much new information as possible. After reading Kwalita Business Consultants' 'bulletins and documents, it was not clear if management of Kwalita Business Consultants had formally considered succession planning as a strategic issue for the survival of the organisation. Kwalita Business Consultants' reports did not feature succession planning in their mission statements or core philosophies as well as in the annual reports. However, self-study of Kwalita Business Consultants' confidential emails shared and minutes of senior management for 2011 and 2012 revealed that succession planning had been discussed and was considered for adoption and implementation. From institutional documents readily available, it was found that succession planning was limited as there did not appear to be a documented inventory of Kwalita Business Consultants' skills base, or evident records of succession planning, even if the company's annual reports suggested that there were career development practices (Kwalita Business Consultants Annual Report 2012). In the discussion presented in section 2.10, Wolfred (2008:19) states that succession planning should be a management prerogative that should form part of the organisation's strategic plans. The assertions by Wolfred (2008:19) are corroborated by Campbell (2009: 43) "support for succession planning programmes may come more easily in organisation with defined structures of hierarchy whereby governance and the final authority for decisions rest on the shoulders of senior leadership". The process of grooming leaders can be done through attending management and leadership programmes offered at various business schools. Any training offered should be applied back in the work environment (Wolfred, 2008:3). This would have made it possible to anticipate remedial action if there was a threat of loss of staff and their tacit knowledge. Although recording of interviews provided exact responses and opinions of participants, it still entailed the researcher interpreting the recordings. Interview results were expressed as:

#### **Understanding of succession planning in the organisation**

The first question was asked to establish respondents' knowledge about the concept and views of succession planning at Kwalita Business Consultants. Respondents provided the following:

Interviewee A

*Succession planning is much broader than looking at the key leader only. In order to be ready for when the time comes, you need to have a culture already in place, and being institutionalised. Succession planning means looking at staff from below and having process of how you move them up.*

Interviewee B

*Succession planning is a useful approach that allows any organisation to be able to continue should there be any resignations, retirement or death. Employees who have been at Kwalita Business Consultants since inception have been critical for the program and it's not easy to have someone taking over without proper planning.*

Interviewee C

*This is a very important process for any organisation. Organisations need to know people's skills. As people might not just be good at what she/he is doing at the time. Communication to the individual is also important.*

Interviewee D

*Succession planning in any organisation is critical; it ensures that the organisation is not at risk when employees leave the organisation. Succession planning also serves as a motivation for staff, because if they know that there is a plan for promotion in the next 3-5 years then they are motivated to stay. Kwalita Business Consultants is not different at all.*

Interviewee E

*It is an important aspect. It should form part of the strategic planning, and the organisation should decide if they want the succession planning should be an open or closed process. In some organisations it is known in advance, for instance that should the director leave, there is someone already identified to take over. However, in other instances you might find that the decision makers are debating about who should be identified as a successor for any key positions, and in this instance, no names can be published or announced in terms of who the successor will be, and this is for sensitivity issues. Succession planning is also important in the organisation, and should not be viewed as a process for corporate organisations only. Succession planning looks at what stage is the organisation at. It's like planning for death, and I don't see why it should not be applicable to any organisation. In KBC we can't ignore it also.*

Interviewee F

*It is absolutely a critical process for the survival of and sustainability of the organisation. It is important that org have leadership and continuous leadership. Every leader should ensure that there are people who will be able to take over.*

Interviewee G

*It's an important process, and planning for succession should be done at inception, and there should be a policy on succession planning. Organisational leadership has the responsibility to ensure that succession planning is an organisation-wide philosophy that is known by all employees.*

Group Interview

*An important process for the survival of businesses. Process of identifying and nurturing future organisational leaders for continuity. Process of continuous improvement in the organisation.*

The interview results show that all the twelve interviewees understood the concept of succession planning. Interviewee E was very explicit and elaborated what succession planning entails. From a thematic analysis perspective, the research participants all pointed out a common understanding of succession planning as envisaged by Braun and Clarke (2006: 87) that a theme is guided by the research questions and captures something important in relation to the research question. Understanding succession planning at KBC was the right pointer for this study. Had participants shown lack of understanding of the subject, it would have been difficult to proceed with the interviews. When the pilot study was conducted, the purpose was to fine-tune the protocol to ensure the interview process would progress smoothly. As pointed in section 2.10 of chapter 2, the current organisational structure at Kwalita Business Consultants comprised the founders as directors, with a management team and employees. From the company's annual reports, the issue of succession planning has

been discussed briefly, which further concurs with the findings in this study, that participants understood the concept. The pilot study also enabled to clarify concepts and issues relating to succession planning, hence the interviewees were able to articulate the subject.

### **Succession planning practices at Kwalita Business Consultants**

The following responses shared the patterns of succession planning practices at Kwalita Business Consultants. The responses for this question were as follows:

Interviewee A

*There is no evidence of succession planning at KBC. If it's happening, I am not aware of it. KBC is not an organisation that promotes people; very rarely do they promote people. We look at positions as positions and how we fill them up, rather than looking at how we can promote people to those positions. KBC is a small organisation, with few employees, with two people at the top. Also people who are occupying the top positions do not leave the organisation easily, therefore there is no space to move people to the top, and because of this it becomes difficult to implement proper succession.*

Interviewee B

*The resignation of the managing director any one of the founding directors can be kept as secret and most staff may not know it till the company starts sinking down. It seems that succession planning is not a common practice in small or family owned business and that is why I think we need it the most. If you look at our leaders, they are the people who have started the organisation and you just wondering if there is someone being developed to take over.*

Interviewee C

*There is no succession planning at KBC. However there have been talks around the subject but nothing meaningful has materialised from that. In essence there is nothing to write home about.*

Interviewee D

*This is done by supervisors, who will submit a motivation to the founding directors. This is not something that happens often at KBC because the organisation is so small and the room for promotion is very limited.*

Interviewee E

*We are building people for succession. We do look at people and who are we building. For example, we are in a transition phase and KBC has a number of experts, so we identify who those experts are training to take over in five years' time. To identify the staff, we look at a number of issues, we look at local employees, we look at people who understand the business and we look at the culture fit. Yes, we are conducting succession planning in KBC, and I believe I am a product of succession planning. I have been made aware, by my supervisor for years. I believe I was exposed during my developmental phase, where I have been taken off my comfort zone as finance person and be introduced to the technical part of Quality auditing. I was provided with a number of opportunities.*

Interviewee F

*There is no plan or policy in place for succession planning, however, there are some form of processes taking place, although I think they started a bit late with this.*

Group Interview

*There are no clear processes or policies suggesting succession planning. Being a family business, it is difficult for staff to challenge leadership of suggest any*

*succession planning. Leadership has not been open enough to discuss the subject with all employees.*

Several responses were provided in this question, where interviewee E was very explicit and stated that there was succession planning at KBC. Other interviewees stated that there was no succession planning at the company, whilst interviewees C and F were of the view that there was succession planning at KBC although at a very minimal level. The general consensus in this question was that there was succession planning; however the challenge is that the implementation of succession planning is not evident as there is no clear structure or process of how it should be done. The fact that there are no policies guiding the process make it difficult to evidence that there is succession planning at KBC. This is collaborated by the discussion presented in section 2.8.1 of the literature review chapter which stated that management at Kwalita Business Consultants, being a small company, has not seen the importance of succession planning. The emerging theme is that there is succession planning. Both the literature review and interviews concur the absence of such policies.

#### **Identifying key positions for succession planning at Kwalita Business Consultants**

Interviewees were asked to provide responses on how succession planning was planned for key positions at KBC and the responses were as follows:

Interviewee A

*The key positions are that of the Managing Director, Chief Executive Officer, Quality Auditor and financial manager. These positions are occupied by the founding directors and relatives of the founders of the company. The positions would be difficult to fill.*

Interviewee B

*Chief Executive Officer, Managing Director, Quality Auditor and Financial manager are the key positions in the company.*

Interviewee C

*I believe all positions in the company are key. If the positions were not key, then why is the company hiring new staff?*

Interviewee D

*Key positions that are given special attention at KBC are those of senior management, those who attend the meetings and make decisions. I don't think there is a set procedure that is followed; I think this is done at the discretion of managers. For example, my manager had a discussion with me during my performance appraisal and told me he has identified me as the next successor, and he wanted to start working with me on a plan. He even submitted his motivation to the director and HR department. The only thing that I think he has not done is to communicate to my colleagues in the contract department.*

Interviewee E

*Looking at the current program, we define key positions as those people who have been identified as key personnel on the programme. Although we shouldn't be looking at that, as I personally don't believe that's how it should be. We have to understand that everybody is key, and our positions should not be driven by the revenue generated by the company.*

Interviewee F

*Every position at KBC is key hence the company continues to hire more staff.*

Interviewee G

*Key positions are for CEO and MD respectively.*

Group Interview

*The key positions are determined by the founding directors. Individual perceptions can state some positions as key, yet the founders do not regard the positions as key. Every position at KBC is key.*

The results showed that power play (that is people in positions of authority) and whom you know (nepotism) syndrome are at the centre of how key positions are identified for succession planning. The respondents showed that KBC does not have clear policies on how key positions are considered for succession planning and how the individual employees can be groomed for future leadership positions. In the literature review chapter, it was pointed out that the challenges at KBC were the absence of succession planning. That challenge is created ripple effects on the employees who prophesied ignorance of what positions were and were not key. It was pointed in section 2.9 of chapter 2, at SAQA, succession planning is owned by line management, driven by top management whilst the human resources department provides the support and guidance as to how the process is undertaken (SAQA, 2013:4). Succession planning has been designed to focus on long-term strategic and mission-critical requirements for the organisation. Mixed responses showed that the succession subject was not really discussed openly at KBC; hence there was no indication of which positions would suffer the most of incumbents left the organisation. There was consensus that every position at KBC was key hence the company was hiring people to fill key positions.

**Identifying successors for key positions at Kwalita Business Consultants**

As with the preceding question, respondents were asked to state the process of identifying individual employees for key positions at KBC.

Interviewee A

*No evidence of the succession program, where it outlines clearly, that this are the skills needed for the position, this is the person we have been mentoring through the years. Although some believe the Managing Director was groomed as the next successor, there is no evidence of what she was assessed against, and there was no plan of indicating the skills that are needed for the position against what she has. People get jobs because of natural leadership qualities and experience or because it is a family business.*

Interviewee B

*There is no process to identify key successors at KBC.*

Interviewee C

*These are topics for senior management and as a result, it is difficult to groom and mentor an employee as top management were scared that staff might ask questions. As mentioned before, this is based on hierarchy, and in most cases only those staff at senior positions is identified. My point is that if they had a system of identifying successors in advance, or even assessing skills, they would have been able to identify this person long ago, groomed her/him for any future openings relating to succession planning.*

Interviewee D

*In the finance department, from my observation and discussions with my colleagues, the manager is not mentoring anyone, the manager is actually holding on to the important tasks. Also, there was a time that the manager was booked off sick and the finance department came to a standstill. With quality auditing we keep on hearing*

*that there are no suitable candidates to be employed to deputise the manager. The director there always employs very junior staff and does not do anything to groom them to move up to the level that director wants. I can tell you now that no one knows what is happening in that department.*

Interviewee E

*This is done haphazardly by immediate supervisors. A motivation is just given at senior management meetings. It is not documented anywhere how the motivation is supported, for instance, to see if the identified successor has the necessary skills or not, and if not, how KBC is going to assist in ensuring that he/she achieves those skills. Without that inventory of skills, there is no way you will be able to identify successors properly.*

Interviewee F

*No there was no formal plan; however, I believe that there was a lot of coaching and guidance from the supervisor. Making the transition from finance to organisational leadership was a big step. I was aware of all the guidance that I got. I was not given a portfolio that did not change; I was given a portfolio where i could learn a lot of extra things. I knew that I could rely on my supervisor and other managers that also assisted in guiding and sharing knowledge with me.*

Interviewee G

*Management is the one that identifies the successors, however it is not clear what criteria is followed as we don't have any policies around succession planning.*

Group interview

*There is no policy of identifying successors. This responsibility is in the hands of the founders of KBC. Suggestions have been deposited in the suggestion box at the main reception area, but nothing positive has been forthcoming.*

The participants concurred that the identification of individuals for key positions was a prerogative of top management and there was no employee engagement or consultation in the process. As pointed by interviewees A, B, F and G. Management used their discretion to identify employees for senior positions. Literature review concurs that individuals can be identified for specific jobs; however, the process should ensure that development of the incumbent is in place. This confirms that KBC has to consider putting into place clear strategies and process for succession planning to incorporate development of staff. The emerging theme was that succession planning was the prerogative of senior management. Employees were not consulted, which is contrary to the discussions presented in chapter two of this study.

### **A system of assessing job performances to inform succession planning**

Another objective of the study was to determine how KBC used system of assessing job performance as part of succession planning. Interviewees gave the following responses:

Interviewee A:

*KBC does have systems for job performance assessment, however, they are not systematised. They are very opening ended and leave a lot of space. I don't associate our job performance system with any type of succession planning. We do job performance for the purpose of evaluating a person for that job, we don't do job performance for career progression. We only want to make sure that the person is performing in his/her current job, not necessarily mentoring to progress to the next*

*level. We are not concerned about the future or moving people to the next level. We only look at whether the person is performing well in the current position. Our processes are not forward looking or backward looking, so again it's not about career progression. We don't even have a system of investing in high potential employees.*

Interviewee B

*I think it is critical, for the purpose for the leadership to know that when you come into that position, there are people under you, and as part of you being a supervisor, it is your responsibility to groom them.*

Interviewee C

*Though KBC has a good system for performance appraisals; however I think this is done purely for filing and record keeping. It's more like a tick to say I have done this and have done this. I am saying this because some of the aspirations that I had recorded for myself have never been followed by my supervisor.*

Interviewee D

*I know that job performances are assessed as we undergo performance appraisals every year, but how they link to succession planning, I have no idea.*

Interviewee E

*This process should not be separated from other functions and HR should know the strategic function of the organisation. HR should do an inventory of the intellectual capacity of what we have is what is needed, so that if there is a skills shortage somewhere, we are well informed, we are not caught off guard. This will also ensure that our recruitment process our strategic and address the skills shortage as identified by the process. We should be able to tag a talent (diverse in skills).*

*Currently, I am not seeing this in KBC. Appraisals are done and the supervisors take the lead without involving the HR, therefore HR is not able in collating the skills available within the organisations. We do have a good performance management system, however we are not utilising it as a source. Performance management should not be an event, it should be well documented and the information derived from this process should not be filed, and it should be used for decision making.*

Interviewee F

*Potential can be spotted a mile away and it is management's responsibility to observe and to spot this potential. For me it's not about how people perform in their areas of responsibility. When you look at potential leaders, there are so many things that you look for, for example, how well are they performing in their current work, and what is their appetite towards additional responsibility. You continue talking about the responsibilities which can often be based on people's egos', people saying I am doing this for myself. For me you need to bring along people to achieve any success.*

Interviewee G

*This according to my knowledge is not done at all. It is always through a motivation from supervisors, although this happens very seldom because KBC is a small organisation.*

Group Interview

*Same as employees, they should be able to understand first their potential and remain true to themselves for them to be successful. In that way, it becomes easy to identify those potential skills. Management observes staff and are able to spot potential a mile away. Through the performance appraisals we also look at how people perform within their area of work. Identifying potential is not a one person responsibility; it is part of a bigger team.*

The findings showed that there was a performance appraisal process/system at Kwalita Business Consultants but the performance appraisal was not used as part of the succession planning process as pointed out by the interviewees. Interviewee F suggested otherwise and stated that performance appraisals were relevant for the organisations because leaders use these appraisals as strategic tools to identify skills gaps or for promotion or bonus purposes. The performance of an employee can be a good source of motivation for promotion. As part of succession planning efforts, organisations are utilising job rotation and promotion to train, develop and retain employees. Lateral transfers enable managers to ascertain and assess employees' capabilities and core competences, thus the beginning of promotion efforts. This is achieved through the use of performance appraisals (Swanepoel, Erasmus, van Wyk and Schenk, 2008:47). Managers will be better positioned to understand their subordinates weaknesses or strengths, whilst employees will have an opportunity to understand their managers' expectations. In section 2.7 of chapter 2, it was pointed out that there are various challenges confronting succession planning and management should take cognisance of such challenges (Wplfred, 2008:3).

#### **Determining the impact of succession planning**

Another objective of the study was to determine the impact of succession planning at KBC and the following responses were provided:

Interviewee A:

*KBC does not have succession planning policies or plans at present; therefore it will be difficult to ascertain the impact of something that does not exist. This succession planning is a topical issue which has not been addressed as far as I remember.*

Interviewee B

*There is no succession planning at KBC at present, hence one cannot give definite responses to this question. However, my view is that the founding directors would be in the process of grooming someone without employees' knowledge.*

Interviewee C

*Though KBC has a good system for performance appraisals; however I think this is done purely for filing and record keeping. Good performance systems cannot be the same as succession planning in my view. My point is that we cannot measure the impact of effects of something that is yet to be implemented and this is the situation prevailing at KBC.*

Interviewee D

*I cannot give a clear answer to that because there are no succession plans in place as we speak. This is a very sensitive issue that has not been properly addressed; therefore my answer is limited. No succession planning no impact.*

Interviewee E

*This process has not been clearly spelt out or articulated for the benefit of everyone in the organisation. As far as I can recall, there is no formal programme in place that can be aligned to succession planning. The current processes are merely concerned with training and development of individuals. The individuals receiving additional training are not earmarked for promotion but just to improve their performance.*

Interviewee F

*I have not come across anyone who can claim to have been identified for succession planning at KBC. The absence of such programmes inevitably means that the impact*

*of the same cannot be measured. Efforts are needed to make this process visible and transparent to all employees.*

Interviewee G

*This according to my knowledge is not done at all. It is always through a motivation from supervisors, although this happens very seldom because KBC is a small organisation. There is no succession planning; hence I cannot say there has been any impact. No.*

Group Interview

*There is no succession planning at KBC and it would be lying for one to say there is some impact of such initiatives. Actually employees are not happy with how the issue is being avoided at KBC. Employees are demoralised by lack transparency from management. A high degree of mistrust is brewing between employees and management about this succession planning issue.*

The responses showed that there was no succession planning at KBC and all responses concurred that it was difficult to measure or evaluate the impact of something that did not exist. From the findings, it was established that the debate on succession planning was demotivating employees as there was a perception that management was not truthful in dealing with the issue. It was highlighted in the literature review chapter that Kwalita Business Consultants has discussed the issue but no action has been taken to address the issue. From the documents/reports that were analysed, there was no evidence of the issue being prioritised in the company's strategy formulation process. Though there were no succession plans at KBC, this does not mean that succession planning is ineffective wherever it is implemented. Rothwell (2010:21) states that succession planning provides increased opportunities for high potential workers and contributes to implementing the organisations strategic business plans. There are other issues that have been raised by Rothwell (2010:21) in section 2.8 of this study.

### **Effectiveness of Succession planning at Kwalita Business Consultants**

Questions were posed to interviewees to determine the impact of succession planning at KBC, and the responses were as follows:

Interviewee A

*I don't think there is a negative. Being stable does not mean you shouldn't be doing succession planning, and performance reviews. Because we are so small, there is no fear of senior managers leaving their positions, or losing their positions.*

Interviewee B

*I think we have a good stable structure, and although not properly documented, mentoring of potential successors is done at the discretion of managers. The impact of succession planning can be improved if we improve systems by ensuring that mentoring is linked to developmental plans and is done across the board at all levels.*

Interviewee C

*In the finance department, from my observation and discussions with my colleagues, the manager is not mentoring anyone, she is actually holding on to the important tasks. Also, there was a time that she was booked off sick and the finance department came to a standstill. The process is neither effective nor ineffective because it does not exist.*

Interviewee D

*I believe the key personnel and management structure as it stands, is a primary example of great learned staff. It is difficult to say because in the first place, the succession planning process is non-existent.*

Interviewee E

*The way we are structured now, and how we have integrated our departments has a huge impact on how we implement succession planning. We have looked at the values and culture of our organisation, values of staff and what is it that we want to achieve, and succession plan has to come out of that. I believe that with this structure we have ensured that there is always someone next who can take the departments and the organisation forward.*

Interviewee F

*KBC has a stable structure, although not having good succession planning processes will have a very huge negative impact on the organisation, for example the finance and marketing departments. Should either of the managers leave, KBC could be in a serious predicament that could otherwise have been prevented if they had succession plan.*

Group Interview

*It is difficult to say because the succession planning process does not exist.*

The interviewees unanimously concurred that the current organisational structure was ideal for succession planning at KBC. Participants stated that it was the responsibility of management to ensure that succession planning was strategically aligned to the organogram to create fairness. The emerging theme/finding was that succession planning was non-existent at KBC. As discussed in section 2.7 of chapter two, the challenges of succession planning are compounded when leadership does not recognise its importance to the survival of the organisation. This assertion concurs with the interview findings presented. Wolfred (2008:3) opines that succession planning is confronted by many challenges such as lack of support: One of the major drawbacks in establishing succession plan is lack of support from top company executives. If top managers are unwilling to support a system approach to succession planning, it cannot succeed.

### **Succession planning challenges at KBC**

The research study was poised to determine if there are any succession planning challenges at KBC as discussed in section 2.8.1 of Chapter Two and the interviewees stated that:

Interviewee A

*The issue is not debated publicly; therefore staffs have developed mistrust on the leadership of the company.*

Interviewee B

*It seems no one is taking the responsibility of ensuring that this happens, not even the founding directors. Succession planning should be everybody's responsibility especially supervisors.*

Interviewee C

*KBC does not look across the board to identify key performing employees. I am not sure, but I think this is restricted based on the organogram. And because KBC is a small organisation, there is no room for promotion as such. Yes, I think the big challenge is funding. The other challenge at KBC is change in leadership, where the new leader might have the same vision.*

Interviewee D

*No budget for developing staff which makes it difficult to implement the development plans.*

Interviewee E

*For succession planning to work, you should be looking at organisational needs first. I believe any succession plan need to be based and grounded on reality.*

Interviewee F

*I think there is some individual self-serving. People want to protect their jobs. I also think the biggest challenge is that management is not taking the process serious.*

Interviewee G

*The disagreements amongst management in reaching a consensus of who can be identified as the successor and whether to inform the person and the staff. This has resulted in senior staff keeping most of their intentions about staff development a secret. I think the biggest challenge at KBC will be the actual drawing of the succession plan and the strategies on how to monitor the plan and who will doing the monitoring of the plan.*

Group Interview

*The challenges are attributable to lack of leadership involvement in succession planning initiatives. There is an element that shows lack of knowledge on the part of leadership, therefore it would be difficult to implement such noble initiatives. Management does not have a clear policy on succession planning. Lack of budget to fund such plans is one noticeable challenge.*

From the above responses it is clear that there is succession planning challenges at KBC. All the interviewees concurred with the findings in the literature review that leadership, lack of organising and recognising the importance of succession planning, lack of succession planning policies and plans, lack of budget for such programmes were major challenges faced by companies. In section 2.7 of chapter two, it was pointed out that organisational leadership is at the core of most of the challenges that face an organisation. The findings from this question concur with assertions highlighted in the literature review chapter. Wolfred (2008:3) highlights various challenges: Corporate politics: Instead of promoting employees with the most potential or the best track record, top managers may use the corporate ladder to promote friends and allies, while punishing enemies, regardless of talent or qualifications. Corporate politics can supplant performance and potential as an advancement criterion. Too many meetings: As a means, by which succession plans may be realized, meetings centred on training, education and development may demand considerable time (Wolfred, 2008:3).

### **Respondents' suggestions/recommendations to management of KBC**

At the end of the interview protocol the respondents were asked to make some suggestions, recommendations or comments regarding succession planning. A summary of respondents' suggestions is hereby presented:

- Give performance appraisals meaning and tie the results to the milestones of an employee
- Formalise the succession planning process, and develop a system. Ensure they link the performance appraisals to succession planning.
- Identified successors should not be kept a secret; it should be communicated to everyone to avoid any future resistance from others. Transparency is key on succession planning.
- Identifying successors should not be restricted to organogram.

- That succession planning process should be documented and clearly communicated to everyone.
- KBC should improve by establishing a documented succession plan that can be utilized continuously. Policies should be applied consistently to alleviate any unnecessary disputes.
- Mentoring of employees should be a part of the succession planning process.
- Development of mentoring plans with clear milestones should be put in place, and should be monitored and evaluated to ensure that in future it's easy for KBC to identify, describe or clarify requirements of key positions
- Get someone or a committee to spear head the process and formalise succession plan.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **SUMMARY OF FINDINGS FROM THE STUDY**

By carrying out the study, the researcher was exposed to new information and knowledge relating to succession planning. During the study, it was established that succession planning was crucial to the survival of organisations. Unfortunately Kwalita Business Consultants does not have succession planning in place.

#### **Summary of findings from literature review**

The concept of succession planning was investigated and it emerged that successful organisations had succession planning policies and programmes in place. Sources of information that were consulted include books, magazines and other scholarship that has investigated the area of succession planning. Succession planning increases the availability of experienced and capable employees that are prepared to assume senior or strategic roles as they become available (Noe, Hollenbeck, Gerhart and Wright, 2010:447).

Furthermore the literature review also discussed the various types of succession planning in government departments, institutions of higher learning and non-profit making organisations taking into cognisance the various approaches to succession planning such as strategic leader development, emergency succession and departure-defined succession planning. The various succession planning processes and steps were also discussed in the literature review. Wolfred (2008:4) identified succession planning challenges which were corroborated by Rothwell (2009:45) as discussed in section 2.6 of the literature review chapter. Other issues that were discussed in the literature section include; the impact of succession planning, succession planning at and challenges of succession planning at KBC. All the issues discussed above were considered in the formulation of the research strategy and design of the interview protocol.

#### ***Objective: To establish the importance of succession planning in organisations***

Through the analysis of data collected, it was established that participants at KBC understood the concept of succession planning, the importance and the feasibility of implementing succession planning within the company, but there were no succession planning policies or strategies in place at KBC. Although some of the interviewees argued the existence of succession policies, documents reviewed showed that there were no policies in place at KBC. The study established that succession planning was paramount to the survival of businesses; hence there was need for leadership to put in place such plans. Succession planning enabled organisations to continue operating after the departure of key personnel because successors would have been groomed.

***Objective: To determine the factors inhibiting succession planning in organisations***

The second objective of the study was to determine the factors inhibiting succession planning in organisations. From data analysed and reviewed it was evident that leadership, organisational structure and general organisational policies were the major problems that inhibited succession planning, by not ensuring proper policies and procedures were available on the succession planning processes. The results from the interviews concurred that KBC faced succession planning problems because of the way and manner in which individuals were appointed into senior positions. In view of the findings, it was clear that management faced succession planning problems. If workmates do not appreciate or accept change, it becomes difficult for management to implement programmes in place. The objective was achieved through the evidence presented during interviews and literature review time. In addition it was noted that lack of funding for succession planning contributed to lack of succession planning.

***Objective: To assess the succession planning levels at KBC***

The other objective of the study was to assess the succession planning levels at Kwalita Business Consultants. The literature review indicated that organisations that do not have succession planning in place, collapse soon after the departure of the top leadership. During data collection it emerged that there was no succession planning at KBC and this was a worrisome issue because employees were becoming uneasy and developing mistrust in the company's management.

***Objective: To make recommendations to management on how succession planning policies can be improved***

The last objective of the study was to make recommendations to KBC management on how to implement structured and planned succession planning policies in the organisation. From the interviews, the critical recommendation cited by staff is that management should take full responsibility of crafting policies and strategies for the organisation's succession planning and ensure implementation of such policies are applied consistently across all employees. Furthermore, management should ensure that the processes of succession planning are formalised and communicated to all staff.

**CONCLUSIONS FROM THE STUDY**

The research study enabled the researcher to analyse the subject of succession planning. The analysis included the general overview of succession planning, importance, impact, processes and steps of succession planning and how KBC managers dealt with succession planning. The findings further revealed that although KBC did not have succession planning policies in place, there was some level of succession planning strategy put in place by the founding directors. The impact of succession was highlighted as the ultimate collapse or lack of continuity of the organisation where there are no plans to succeed key departmental staff, for example, the Marketing, Quality Auditing and Finance departments are sighted as the departments that are of great concern to staff.

**Recommendations**

The findings from the study indicated that Kwalita Business Consultants had challenges and the following recommendations will be made to management:

**Succession planning policies**

The results of the interviews clearly points out that KBC does not have succession planning policies in place. With the challenges presented by interviewees, it is recommended that KBC leadership should start engaging external consultants on the subject of succession planning and develop policies and strategies that will ensure the survival and continuity of the

organisation. A succession policy will mitigate the leadership crisis in the event that key staff leaves the organisation.

#### **Anticipating and planning for change**

It is imperative that strategic planning is done according to the organisation's mission, vision, goals and objectives. As highlighted in both literature and primary study, organisations should expect change at any given time; therefore leadership must anticipate and plan for change. During the interviews, it emerged that KBC experienced succession planning challenges which adversely affected the daily operations of the organisation. Anticipating and planning for new leadership should not be a preserve of top management as it has emerged that even general employees do play a vital role in the implementation of succession planning. Succession planning will help a company to ascertain its preparedness to fight competition, devise strategies to venture to remain competitive.

#### **Consultation**

The challenges that occur at the organisation indicated an organisation that was in dire need of re-engineering. This study recommends that management should involve employees and consults widely before making wrong and inappropriate decisions that would affect the survival of the organisation.

#### **Training and development**

The lack of succession policies and effective strategic leadership at KBC showed that senior managers are not properly trained to run successful organisations. This study recommends that senior executives should attend leadership development programmes offered at business schools in South Africa and globally. Leadership development programmes expose senior managers to new ideas, information, and knowledge and create opportunities for networking.

#### **Motivating employees**

Motivation is not premised by salary or monetary rewards but, relates to the creation of a conducive working environment where respect between management and employees exist. Employee empowerment and engagement create opportunities for synergy, trust and accountability. Leadership that recognises and rewards outstanding performance is regarded as visionary and values its human resources. This study recommends that KBC management should develop strategies for motivating its workforce; such as promoting from within the organisation and matching market salaries.

#### **Utilizing the performance appraisals results to improve skills gaps.**

One of the processes that KBC is implementing that might have a greater influence in succession planning is their performance appraisal system. From data collected, appraisals are performed at Pact, but no one utilizes the results for identifying high performers, developing plans, or for bridging the skills gaps identified. Performance appraisals are relevant for the organisations because leaders use these appraisals as strategic tools to identify skills gaps or for promotion or bonus purposes. Swanepoel, Erasmus, van Wyk and Schenk (2008:47) state that performance appraisals (PA) play an important role when an organisation contemplates on promoting employees. The performance of an employee can be a good source of motivation for promotion. As part of succession planning efforts, organisations are utilising job rotation and promotion to train, develop and retain employees. Lateral transfers enable managers to ascertain and assess employees' capabilities and core competences, thus the beginning of promotion efforts. This is achieved through the use of performance appraisals (Swanepoel, Erasmus, van Wyk and Schenk, 2008:47). Performance appraisal enables both employee and manager creates synergy and understanding. Managers will be better positioned to understand their subordinates' weaknesses or strengths, whilst employees will have an opportunity to understand their managers' expectations.

### **Recommendations for further research**

The sample used to conduct this study was drawn from all employees in a small company and, thus the views from the population could have been influenced due to fear. It is therefore recommended that similar studies be conducted with other organisations involving junior employees to ascertain the succession planning practices, what strategies and policies have been put in place. It is further recommended that succession planning studies be conducted with international organisations to have a better understanding of how the subject is practised.

### **CONCLUSION**

The aim of the study was to investigate the role of succession planning in the survival of Kwalita Business Consultants. This chapter provided an overview of the research findings, where deductions and recommendations have been formulated as an attempt to suggest ways that would enable organisations anticipate and plan for succession planning. It was established that succession planning is an important process that should be incorporated into the organisation's strategy formulation and planning process. Organisations, big or small need to prepare for the future by investing in training and development of employees to succeed key staffs that leave the organisation.

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