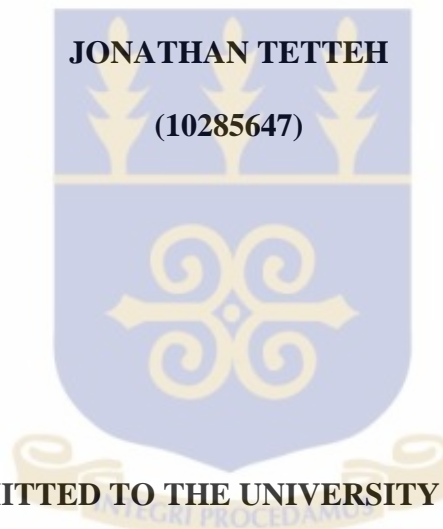


**SUCCESSION PLANNING, EMPLOYEE RETENTION AND ORGANISATIONAL
EFFECTIVENESS AMONG SOME SELECTED ORGANISATIONS IN GHANA.**

BY



**THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON IN
PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF
MPHIL INDUSTRIAL AND ORGANISATIONAL PSYCHOLOGY DEGREE**

JULY, 2015

DECLARATION

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

.....

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Date:/...../2015

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DEDICATION

I dedicate this work to the Almighty God, for the strength, wisdom and gift of life for putting together this thesis. I also dedicate this thesis to my parents, Mr. Jonathan Tetteh and Mrs. Sheila Tetteh for their immense support for my education and success in life. I appreciate the sacrifices you have to make to bring me this far. I love you Mr. and Mrs. Tetteh. To my uncles, Mr. E. K. Adjierteh, Mr. John Dromo, Mr. Victor Annan and Mr. John Darko for their advice and attention when I call on them. To my blessed sisters, Hellen Tetteh and Mary Quaye for supporting me during my difficult moments while preparing this thesis. Finally, I dedicate this thesis to my best friend, Carl Seyram Necku, for his good counsel, encouragement and generosity. God bless you all.



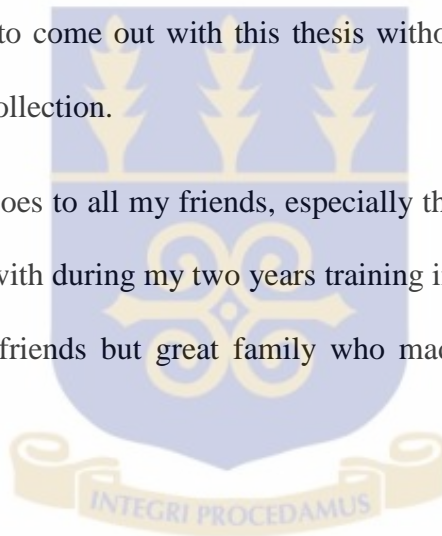
ACKNOWLEDGEMENTS

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

My heartfelt gratitude also to Dr. Maxwell Asumeng and Dr. Kingsley Nyarko, my supervisors and lecturers for their patience, time and guidance in supervising my thesis. Their constructive criticism and quick feedback made it possible to complete my thesis on time. They have brought the best out of me and I am forever grateful to them.

To the management and staff of Ghana Civil Aviation Authority, Cocoa Processing Company, Pioneer Food Cannery and Ecobank Tema, I say thank you. There would not have been any data to analyse to come out with this thesis without your approval to use your organisations in the data collection.

Finally, my appreciation goes to all my friends, especially the course mates I studied with and spent good moments with during my two years training in Industrial Psychology. They were not just interesting friends but great family who made my masters program very successful.



ABSTRACT

The study examined the relationship between succession planning, employee retention and organisational effectiveness among some selected organisations in Ghana. It further examined the effect of career development program on the relationship between succession planning and employee retention and also on the relationship between succession planning and organisational effectiveness. One hundred and eighty-eight (188) respondents were conveniently sampled from four organisations; two from the private and two from the public sector in the Greater Accra Region of Ghana. Using a quantitative design, all selected participants completed questionnaires on Succession Planning, Employee Retention, Organisational Effectiveness and Career Development Program. The Multiple Analysis of Variance and Hierarchical Multiple Regression were conducted on the data. The results indicated that, succession planning significantly predicted employee retention and organisational effectiveness. The result further indicated that, career development program significantly moderated the relationship between succession planning and employee retention. Career development program also significantly moderated the relationship between succession planning and organisational effectiveness. Based on the research findings, theoretical and practical implications are discussed as well as limitations and suggestions for future research also highlighted.

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LIST OF ABBREVIATION

APA	American Psychological Association
ASTHO	Association of State and Territorial Health Officials
CDP	Career Development Program
CEO	Chief Executive Officer
CO	Customer Orientation
CPL	Cocoa Processing Limited
ECH	Ethics Committee for Humanities
ER	Employee Retention
ES	Employee Satisfaction
FGP	Financial and Growth Performance
GCAA	Ghana Civil Aviation Authority
HR	Human Resources
HRM	Human Resources Manager
IBM	International Business Machines
IT	Information Technology
NGO	Non-Governmental Organisation
NHL	National Hockey League
OC	Organisational Commitment
OE	Organisational Effectiveness
PA	Performance Appraisal
PCA	Principal Component Analysis
PFC	Pioneer Food Cannery
RO	Requisite Organisation
SHRM	Society for Human Resources
SME	Small Medium Enterprise
SP	Succession Planning
UAE	United Arab Emirate

CHAPTER ONE

INTRODUCTION

1.0 Background of the Study

Organisations over the past few decades find themselves in a time in which the demand for services has increased, the expectation for quality service is high, and the accountability for results is exceptional. Organisations for that matter are now being results-driven, person-centered, and market-based. This is all in an effort to improve and drive organisations toward becoming high performing ones, thus, ensuring organisational effectiveness and efficiency. To become a high performing organisation therefore requires an investment in the people working in the organisation. Every organisation value its employees especially those with exceptional skills. It is generally agreed that the biggest contributors to organisational success and performance are the employees. Over the years, organisations, both public and private, have had issues with strengthening and retaining their workforce due to unforeseen challenges. According to Jarrell and Pewitt (2007), the public sector, for instance, is facing a host of new economic, social, and demographic issues, such as globalization, outsourcing, downsizing, hiring freezes, budget cuts, an aging population, and smaller size of the succeeding generation. This notwithstanding, simply recognizing this labor force dilemma is an important first step for public agencies (Kiyonaga, 2004). Furthermore, it is predicted by Carroll and Moss (2002) that by 2006 state governments could lose over 30% of their total workforces, leading to a significant erosion in institutional knowledge and expertise. Additionally, Kim (2003) also estimates that some government agencies will lose 40% to 50% of their workforces, resulting in the retention of personnel with fewer than 15 years of experience, as well as large numbers of employees slated to retire within 15 years. Instances and predictions such as these demand a good strategic planning in organisations.

Likewise, Ingram (2014) pronounced that, planning is a key management role in any organisation, whether a private business, a non-profit organisation, a corporate business or a government agency. Managers engage in different types of organisational planning to strategically steer their companies towards profitable and successful futures. Ingram (2014) further articulated that high-performance organisations do not develop by chance; rather, a competitive workforce is the result of years of effective planning and successful plan implementation. Thus, having a workforce (i.e., human capital) alone is not adequate for a firm to earn a competitive advantage. Rather a firm must utilize the workforce as a strategic resource to sustain a competitive advantage (Kutcher, Jones & Widener, 2009). One planning technique is to attempt to quantify uncertainties, such as demand fluctuations, leadership gap due to retirement, sickness, death and resignation, and equipment breakdowns by anticipating their likelihood and developing strategies to prevent or overcome these challenges (Negrea, 2008; Rothwell, 2005; Bisbee, 2005; Armstrong, 2003; Weisman & Vaughan, 2002).

Taylor (2002) identifies three types of planning that aim at achieving practical goals and objectives of organisations.

- Micro planning: deals with forecasting supply and demand for specific groups.
- Contingency planning: covers the situation where possible scenarios are examined and the implications assessed before major decisions are taken.
- Succession planning: is a third type that focuses on manpower planning activity such as recruitment and progression of employees in order to fill managerial and top positions.

The focus of this study is however on succession planning in organisations.

On Wednesday August 24, 2011, Steve Jobs announced his resignation after 14 years as CEO of Apple as well as co-founder of the company. His resignation letter as published by The Wall Street Journal online, read as follows: “I have always said if there ever came a day when I could no longer meet my duties and expectations as Apple’s CEO, I would be the first to let you know. Unfortunately, that day has come. I hereby resign as CEO of Apple. I would like to serve, if the Board sees fit, as Chairman of the Board, director and Apple employee. As far as my successor goes, I strongly recommend that we execute our succession plan and name Tim Cook as CEO of Apple. I believe Apple’s brightest and most innovative days are ahead of it. And I look forward to watching and contributing to its success in a new role. I have made some of the best friends of my life at Apple, and I thank you all for the many years of being able to work alongside you”.

Steve Jobs, in his letter, did not only remind the board, management and employees of what he had promised but also named his successor and assured all of his continued interest in Apple and his desire to remain a part of its future. Steve Jobs acknowledged the enormous value of succession planning noting that its presence makes the future “bright and innovative”, whereby, its absence could lead to the otherwise. Steve Jobs ensured that the business continued, identified a successor and pledged his readiness to provide support for the Company.

Regardless, different authors have defined succession planning in various ways. For instance, Sambrook (2005) defined succession planning as the attempt to plan for the right number and quality of managers and key-skilled employees to cover retirement, death, serious illness or promotion, and any new positions which may be created in future organisation plans. Hills (2009) also opined that, succession planning is about more than filling the top spots. According to him, it is a smart talent management strategy that can drive retention of talent throughout the organisation and make sure that the organisation has

the skills it needs in place, or on hand, to respond to the rapidly shifting sands that make up today's business environment. Additionally, Armstrong (2003) referred to succession planning as a process whereby an organisation ensures that employees are recruited and constantly developed to fill each key role within the company. But more interestingly, Michelson (2006) expressed that, succession planning requires putting the right people on the bus, getting the wrong people off the bus, and positioning the right people in the right seats. Meanwhile, others such as Conger and Fulmer (2003) and Rothwell (2005) also argued that succession planning is simply having the right people in the right place at the right time. Also, according to Sobol, Harkins and Conley (2007), the typical succession plan includes four phases:

- Understand the vision of the company's future and needs
- Analyse and select the best candidate
- Prepare a progression plan for the candidate
- Transition individuals into new position

It is however important to note that, although these basic steps summarize succession planning in four steps, each company's plan will be different in various degrees of complexities to minimize the impact of transition. Haldeman and Spitaels-Genser (2005) stated that succession plans are like fingerprints - no two are alike, and they leave an impression on everything they touch. Furthermore, for an effective succession planning to materialize there need to be full support from management. One of the biggest challenges of succession planning is the reluctance of top managers to train the junior staff. This is because, those trained are seen as a threat to the very existence of the senior management. As well, the support of the general staff is also needed in the efforts and the activities of succession planning. Staff who are unwilling to be trained to take up new and superior tasks are likely to endanger the efforts and spirit of succession planning in the organisation.

Besides, research in succession planning has also developed an abundant number of studies to understand the challenges that organisations (individuals and organisation) have with succession planning among which include career development of employees, intention to stay and in the long run effectiveness of the organisation (Chikumbi, 2011; Kataike, 2013; Miles and Dysart, 2008; Avanesh, 2011; Purcell, 2003).

Also, succession planning is a proactive attempt to ensure that leadership in an organisation will be continuous by identifying how these positions will be filled as both planned and unplanned departures occur (Schmalzried & Fallon, 2007). The process of succession planning ensures a smooth continuation of business (Negrea, 2008). The goal is to ascertain and prepare appropriate individuals to fill key positions when people retire, resign, die, transfer, or find new opportunities outside of an organisation. An important point brought forth by the Society for Human Resource Management (SHRM) is that succession planning is about preparation and not pre-selection (Klein & Salk, 2013). It should additionally be noted that succession planning is also about understanding that individuals will not be with an organisation forever.

This said and done, succession planning focuses on three main areas according to Ganu and Boateng (2012). First, it addresses the needs of the entity as senior leadership ages and retires. Second, it helps the entity prepare for an unexpected event such as the sudden illness or death of a person in a key leadership role in the organisation. Finally, succession planning ensures that an organisation has the right personnel in place to function at peak efficiency both presently and in the future. Thus, succession planning can serve as a means to take an organisational inventory of human capital and better identify existing or future gaps. Succession planning is both a strategic planning tool to address the issues created by individuals' departure as well as to bridge the knowledge gap created by a departure (Klein & Salk, 2013). According to Rothwell (2005), succession planning and employee retention

form part of HR planning which is concerned with staffing and both have a direct impact on reducing staff turnover or better still enhancing employee retention.

Today, retention of top talents in organisations continue to remain a prime concern for most organisations. Employee retention has been defined by Frank and Taylor (2004), as the efforts of the employer to keep its desirable employees and thereby reach company objectives. Furthermore, Griffeth and Hom (2001) also viewed that, employee retention involves taking measures to encourage employees to remain in the organisation for the maximum period of time. Additionally, Nzuve (2010) articulated that, employee retention relates to all management efforts desired to ensure employees do not leave the organisation. Its benefit to business is significant because retaining employees reduces costs spent in hiring and training new employees to substitute lost ones (Nzuve, 2010).

Employee retention in the changing and highly competitive business environment is on the decrease in most organisations in the world today (Sullivan, 2004). This has led to changes in mergers and acquisition volumes, workforce demographics, global competition and technology that call for the act of developing a pool of talent to take up leadership responsibilities and push businesses to the next level (Eshiteti, Okaka, Maragi & Akerele, 2013). For these reasons, organisations have therefore deemed it very necessary to put in place programs that will enhance the retention of their employees. A retention strategy is however much more than simply striving to decrease the “turnover percent” that is mostly calculated in HR annual reports. True retention strategy involves identifying top talent and creating attractive career paths to retain these employees (Parry & Rob, 2006). It has therefore become necessary for organisations to project their internal workforce changes, ascertain potential backup candidates, keep track of attrition (resignation, retirements, etc.) and retain the very best of their employees.

A retention plan according to Herman (2005) helps with avoiding unwanted loss of human and intellectual capital, thus reducing the cost of employee turnover and improves the workforce stability and engagement. Critical analysis of workforce trends, as stated by Rappaport, Bancroft and Okum (2003) points to an impending shortage of highly-skilled employees who possess the requisite knowledge and ability to perform at high levels, meaning that organisations failing to retain high performers will be left with an understaffed and less qualified workforce that ultimately hinders their ability to remain competitive. Human Resource practitioners, social scientists and organisations have for that matter taken a critical look at how the existence of succession planning in the organisation can enrich employee retention. In fact, Huselid (1995) found that HR policies play a strategic role in employee retention through stimulating skilled labour. Among the HR policies they identified as playing key role in employee retention include succession planning programmes. Also, a 2004 study by Hewitt Associates identified retaining key talent or skills and succession planning as the two most important workforce planning issues. Rosemary-Batt (2002) also acknowledged in her study that a successful succession planning strategy affects employees' decision to leave or stay in an organisation significantly. Though there is little study looking at the influence of succession planning on employee retention, available ones points to the fact that the presence of succession planning programs in organisations have a significant impact on employee retention (Eshiteti et al., 2013; Jiang & Klein, 2002; Sullivan, 2008; Steel, 1993). Organisations that thrive at recognizing and retaining top-tier talent are, therefore, mostly compensated with a sturdy and varied pool of capable internal candidates prepared to step up when executive or strategic positions are emptied. By executing the necessary due diligence of retention strategies such as succession planning, organisations gain the luxury of appointing the candidate that best fits the current and future strategic direction of the company.

While succession planning has been acknowledged to be of great importance to institutions, its effectiveness in terms of goal achievement in organisations can't be underestimated. Organisational effectiveness has been one of the most extensively researched issues since the early development of organisational theory (Rojas, 2000). It has become more prominent and switched to being a concept from the status of a construct (Henry, 2011). The concept, organisational effectiveness, is related to issues such as the ability of an organisation to access and absorb resources and consequently achieve its goals (Federman, 2006).

As well known, the expectation of most employers and perhaps employees is for their organisation to be effective so that they survive from year to year to match their competitors in every possible aspect. One way of meeting such expectation is to put in place good HR policies such as succession planning. Succession planning provides organisations with a method to address issues such as the close to retiring employees and organisational effectiveness (Rothwell, 2005). Organisations with effective leaders tend to innovate, respond to changes in markets and environments, creatively address challenges, and sustain high performance which can significantly lead to a high level of effectiveness (Vardiman, Houghston & Jinkerson, 2006). Highly successful organisations focus on creating a wide-ranging set of valuation and leadership progression practices that support the wide range of talents across the organisation (Groves, 2007; Charan, Drotter & Noel, 2001). A well prepared workforce, as a result of succession planning practices, is often viewed as the foundation for organisational effectiveness and growth (Kim, 2007). Antoncic and Hisrich (2001) for instance, observed four aspects of organisational effectiveness: employee satisfaction, organisational commitment, customer orientation, and financial and growth performance. He observed that these indicators of organisational effectiveness are high when good policies and programs are practiced in organisations.

In their study, Zenger and Folkman (2002) affirmed that there is a strong association between planning for the loss of key talent and organisational profitability. Businesses that have identified and trained successors seemed less probable to suffer a period of financial strain while a new employee in a key post becomes conversant with the organisation (Workforce Management, 2005; Barnett & Davis, 2008). Additionally, organisations have come to realise that achieving an effective organisation as well demands the preparation and implementation of programs and policies that specifically focus on employees' development as these employees form the backbone of the organisation (Avanesh, 2011). One such program that has been advocated for is career development program.

In recent years, career progression of employees have gained greater policy attention. In an environment where organisations and individuals need to make more complex career and life choices, career development programs, particularly within formal education and training contexts, have become more important (Kaya & Ceylan, 2014). Career development program have been described as a program utilized by organisations to provide opportunities for their employees towards enhancing their individual growth and development at all levels (Callahan, 2000; Kleiman, 2000; Kaya & Ceylan, 2014). It is intended to promote productive, efficient and effective job performance and to improve the overall level of individual job satisfaction. Career development encompasses various alternatives such as developing abilities, preserving current skills and getting ready for the future ahead of just receiving promotion.

Furthermore, career development can be viewed from two perspective: the individual level and the organisation level. The individual level involves the situation where the individual employee invests his or her own resources into the development of his or her career by way of formal education or training. At the organisational level, the organisation through laydown programs and policies invest resources towards sharpening the knowledge, skills

and abilities of its employees. This study will however focus career development at the organisational level. Jehanzeb and Bashir (2012) viewed that, a successful career development program can only be achieved when there is full support from the employees, managers and the organisation. According to Lingham (2000), employees decide what they want from their career, what their objective is and managers then identify their knowledge, skills and abilities so that they can train them accordingly and help them in identifying short term and long term goals. Organisations provide them time, benefits and funds according to their requirement, support them for their goals and use the knowledge, skills and abilities of each employee to achieve organisational goals (Nameroff, Garant and Albert, 2004). Also, Ko (2012) expressed that companies invest in career development programs for several motives, for example, developing employee performance, increasing manager improvement, revealing corporate culture for employees, increasing productivity, and helping employees in career improvement.

Additionally, in the face of technology and consumer demands that are changing speedily, an update in the employees' knowledge and skills is necessary. This is to help prevent a situation where the workforce of the organisation becomes highly obsolete. Career development programs, therefore, brings to bare these changes beforehand and provide the achievement of new skills. Kaya and Ceylan (2014) submitted that, if an organisation has an effective career development program in accordance with the employees' personal expectations, the employee will eventually wish to stay in the organisation. This consistency, according to them, will be reflected in the employees' performance through time.

Likewise, career development is said to be directly linked to the satisfaction of employees, such that, employees feel valued from their employers when given the opportunity to develop their career (O'Herron & Simonsen, 1995; Callahan, 2000; Gerbamn, 2000). Employees who feel satisfied with their job would never want to leave the organisation just

as the organisation would also want to retain its golden employees to achieve its objectives and long term corporate goals. It is for reasons such as these that Duggan and Horton (2004) advocates that organisation should have to invest in ongoing employee career development programs to make both employee as well as organisation successful.

Against this backdrop, the present study seeks to investigate the subject area of succession planning considering its relationship with employee retention and organisational effectiveness among some selected organisations in Ghana and how career development program moderates these relationships.

1.1 Statement of Problem

Employee retention and organisational effectiveness are desirable things which all organisations try to accomplish. Inability to accomplish these aims can be as a result of poor organisational policies and programs (Waleed, 2011), such as succession planning and career development programs which in the long run can affect organisational survival.

The implementation of succession planning may be limited in today's more flexible and rapidly changing organisations where intricate succession plans become obsolete as soon as they are made. Most organisations put a lot of focus on talent management and development processes forgetting that gifted and determined employees do not like to wait for long to secure management positions (Armstrong, 2003). Currently, majority of firms do not implement succession practices which are meant to help them create "a feeder system" of high prospective employees into management and supervisory positions. This makes them struggle to fill vacancies particularly at the management level and tends to lead into deep discontent among employees leading to poor performance and low retention of talented employees (Eshiteti et al, 2013).

Again, the issue of identifying and preparing the next generation of leadership talent is consistently cited by executives and boards as one of their most critical business priorities. Despite this, most organisations consistently rate their succession management or planning practices as less effective (Busine & Watt, 2005). In addition, the current economic climate highlights its importance even more as a strategy for organisational effectiveness and survival, let alone growth. For example, between 40% and 65% of companies around the world have a formal succession planning process in place (Garman & Glawe, 2008) which is to some extent woefully inadequate to say the least given its relevance in organisational development.

Succession planning is often viewed as a compliance issue rather than a genuine threat to business (Mammatt & Young, 2007). A major element of good corporate governance is apportioning sufficient resources to address succession planning. The visible succession planning at board and management level is a definite morale boosting factor throughout any organisation.

The absence of succession planning programs in organisations comes with a great loss while its presence also comes with benefits both to the organisation and the individual employee. According to Erasmus (2009), leaving succession planning until a key player such as a CEO or chairman has left will result in a dip in confidence from stakeholders and investors and also have serious repercussions on the company's reputation. Also, the costs and pain associated with not having a succession planning strategy in place is real. For instance, in the absence of proper succession planning programme, organisations go through a stress of scrambling to find replacements when key contributors in the organisation walk out. Further, the absence of it tends to have serious financial impact on the organisation as a result of hiring "fresh hands" (Steel, 1993). Also, according to Enterprise Insight Series (2008), most companies also end up reactively going external (using head-hunters) to substitute a key

contributor, which is clearly an expensive mission when fees can range from 20-40% of the placed employees annual salary. According to the Association of State and Territorial Health Officials ASTHO (2008), the presence of succession planning programs in organisations saves the company time and cost. Mammatt and Young (2007) again expressed that, the failure to plan for succession particularly at board level is one of the most frequent causes of the rapid demise of organisations.

Furthermore, Denton and Tromp (1991) wrote that formal succession planning does not just contribute to organisational survival but the identification of manpower shortages/needs, promotability indices, development needs, career path planning as well as promotion blocks. To the individual employee, succession planning programs in the organisation prepares them for promotion hence gives them the hope that they can occupy a higher position in the future in the event a vacancy is created. This tend to influence their decision to embark on employee development with their own resource or that of the organisation which goes a long way to benefit the organisation as well. According to Weiss and Kolberg (2003) and Bain (1995) succession planning seeks development opportunities for people and ensures that the right cover is in place and that the right growth plans prepare people in the right way. This in itself serves as a source of motivation for them. The views expressed by Weiss and Kolberg (2003) and Bain (1995) find ample support in a study conducted by Aberdeen Group (2007). In that study, it was revealed that succession planning accelerates the transition of qualified employees from individual contributors to managers and leaders. Additionally, this can enhance their level of commitment to the organisation which tend to influence positively, their decision to remain in the organisation and could actually lead to a reduction in staff turnover (Workforce Management, 2005).

In further agreement to other views expressed by other scholars on the essence of succession planning practices, a survey conducted by Non-profit HR Solutions (2013) found that over

two-thirds (69%) of non-profit organisations surveyed indicated that they do not have a formal succession plan for senior leadership. When asked what keeps them from developing a succession plan, survey respondents indicated that it simply was not a top priority at the moment for their organisation while others expressed that they believe their organisation is too small to require succession planning. However, in their report, those organisations that have invested in succession planning, realized some key advantages including the ability to understand leadership needs now and in the future, the ability to proactively identify and develop top talent within their organisations, and most importantly, the ability to retain such talent, who without intentional investment on the part of their organisations, might otherwise leave to pursue career opportunities elsewhere including outside of the sector.

Besides, although employee retention and organisational effectiveness have been found to significantly relate to succession planning the strength of the relationships established in the previous studies (Eshiteti et al., 2013; Jiang & Klein, 2002; Malhotra K. Raj, 2011) has not been critically investigated. The moderating role of career development program has also not been adequately assessed to determine how it would influence the relationships between succession planning and employee retention and also between succession planning and organisational effectiveness in the study. Even though several studies (Stavrou, Brewster & Charalambous, 2004; Oribabor, 2000) have found career development to be an essential component of employee retention and organisational effectiveness, it is important that we ascertain the strength and direction of these relationships, hence the study.

1.2 Aims and Objectives of Study

The main aim of this study is to investigate the relationship between succession planning, employee retention, organisational effectiveness and how career development program moderates the relationship between succession planning and employee retention as well as

the relationship between succession planning and organisational effectiveness. Specifically the following objectives are proposed:

- To determine the relationships between succession planning, employee retention and organisational effectiveness.
- To further examine the moderating role of career development program in the relationship between succession planning and organisational effectiveness.
- To additionally establish the moderating role career development program plays in the relationship between succession planning and employee retention.

1.3 Relevance of the Study

People serve as the most vital resource for many industries. Their actions, therefore, have the potential to affect the survival of the organisation. As a result, employees leaving an organisation due to reasons such as ill-health, death, retirement, resignation and accidents can cause organisations a great deal. This research will, therefore, enhance theoretical and practical managerial discussion.

Theoretically, the study will add to the existing body of knowledge on the general subject of succession planning, employee retention, organisational effectiveness and career development program. This is because it will aid in its further generalization to a collectivistic culture (Eg. Ghana) as Ghana as most studies in this area have been in individualistic cultures like Britain and the United States of America. Additionally, the test of moderation that will be conducted on the relationships between succession planning and employee retention, as well as the test of moderation that will be conducted on the relationships between succession planning organisational effectiveness will ascertain if the strength or otherwise of this relationship will be influenced by the intended moderator, career development program. The intended moderation therefore makes the study very

significant, such that, the analysis helps to determine under which conditions this relationship will be strongest or weakest. Furthermore, in the organisational effectiveness literature, there is not a single model of organisational effectiveness to fit all organisations. As stated earlier by Balduck and Buelens (2008), the issue of effectiveness in organisations revolves around four main approaches: the system resource approach, the strategic constituency approach, the internal process approach and the goal approach. These are effective and efficient approaches which are contingent upon the type of situation to arise due to the disagreement in determining what organisational effectiveness entails. This study was, however, limited to goal achievement as a form of organisational effectiveness to give a more direct and focused view.

Practically, the study will be of significant value to managers of various organisations, human resource practitioners and individuals in leadership roles or who wish to be in one. For the managerial implications, it will inform management about the potential effect of the succession planning practice in the organisational environment. This is to the extent that, with full knowledge on the consequences of the presence or absence of succession planning programs, management will be reinvigorated to put in place proper succession planning programs and do good monitoring of its progress. This will avoid the pressure put on organisations when employees had to go on retirement, fall sick, die, resign, just to mention a few. This, when taken a critical look at will always make available a pool of talents to make up for such unannounced situations. This is more so given the fact that activities organisations engage in influences the behaviour of the employees which can have a direct implications on the individual employee and the organisation itself in terms of retention and productivity, thus, enhancing organisational effectiveness.

For employees the study would help them to understand the dynamics of their own career development and how they would attain a career progression. This is by expounding the consequences of career development on the employee's wellbeing.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The current study proposed as indicated from the previous chapter is to find out the relationship between succession planning, employee retention and organisational effectiveness and how career development program moderates the relationship between succession planning and employee retention. It also looked at how career development program moderate the relationship between succession planning and organisational effectiveness. This chapter presents the theoretical framework upon which the study was based on. It further reviews various studies that are related and relevant to the present study. The literature has been reviewed from journals, reference books, working papers and reports. It also presents the rationale for the study, statement of hypotheses, the hypothesized model of the relationships between the various variables and ends with operational definition of terms employed in the study.

2.1 Theoretical Framework

The current study proposed as indicated from the previous chapter is to find out the relationship between succession planning, employee retention and organisational effectiveness and how career development moderates these relationships. The chapter presents the theoretical framework upon which the study was based on, specifically, review of the theories on organisational effectiveness, employee retention, career development and succession planning and empirical research essential to the current study. It further reviews various studies that are related and relevant to the present study. The literature has been reviewed from journals, reference books, working papers and reports. It also presents the rationale for the study, statement of hypotheses, the hypothesized model of the relationships

between the various variables and ends with operational definition of terms employed in the study.

2.1.1. Requisite Organisation Theory

The development of the Requisite Organisational (RO) theory started with Dr. Elliott Jaques in the 1950's. It has been widely accepted by managers as well as practitioners and researchers over the years (Shepherd and Zacharakis, 2000). It is an all-encompassing systems theory focused on designing, staffing, and managing work in organisations.

According to Shepard (2008), RO theory is a science-based management theory that traces organisational dysfunction to poor structure and systems rather than underperforming employees. The theory further explains that, an employee's prospective aptitude is the key factor in identifying talent within a succession management strategy and is measured in the unit of time-horizon. An individual's time-horizon is the length of time into the future that he or she can plan and work. According to Abdillea (2013), making plans and carrying them out in the future requires an increasing amount of complex mental processing the further the distance into the future. It follows that ability to handle complexity of mental processing is proportional to potential capability. From this angle, Shepherd and Zacharakis (2000) agreed that one's ability to plan into the future or time-horizon is the unit by which potential capability is measured. The theory further explains that, when it comes to improving organisational effectiveness and solving human problems such as turnover within organisations the right approach is not to act on the psychology of individual employees in order to improve the organisation, like traditional thinking on organisations dictates (Abdillea, 2013). The right thing to do, according to the theory, is to change systems in the requisite way (the way required by the nature of things), and the self-same individuals will change their behaviour dramatically overnight. With RO theory, therefore, organisations identify critical talent within a succession management strategy by plotting employees' age

and time-horizon on a Potential Progression Data Sheet. This data sheet allows organisations to visualize the career trajectory of employees and select succession candidates accordingly (Bird, Welsch, Astrachan, & Pistrui, 2002). Additionally, the theory as a levels-based approach to organisation design and management creates significant increases in employee satisfaction, customer satisfaction, and financial results (Shepard, 2008). According to Shepard (2008), it involves three main steps: getting the right structure; getting the right people in the right roles; and holding all managers accountable for using the right managerial practices.

On the contrary, various authors have embraced an opposing stance on the work of Jaques and the ideas and methodology imbedded in RO theory (MacKinnon 1999; Timo 2001). According to Godfrey (1997), RO is a deeply defective masterpiece that comprises some insights of general application, which risk being buried or discredited by an association with a mass of dogma based on a Taylorist command and control world view and also an obsession that human affairs should be reduced to scientific principles.

Furthermore, Timo (2000) believes that, Jaques rejects collective bargaining which has been described as collusive and over time devalues the worth of employee's labour. Hearn MacKinnon (1999) additionally opined that, RO has lost most of its democratic features. According to him, all that remains is a model based around justifying and upholding managerial prerogative.

This notwithstanding, Shepard (2008) held the view that the RO theory is very relevant and solid in helping transform the fortunes of organisation. Shepard in defense of the RO theory listed many first-in-class organisations who have been successful as a result of adopting the RO theory. Among the organisations he listed include Bank of Montreal, Canadian Tire Acceptance Ltd., Imperial Oil, Inco, Inglis, Ontario Hydro, Roche Canada, Suncor, Chapters Indigo, and Tembec, among others.

2.1.2. Job Embeddedness Theory

Over the past decades, several organisational attachment theories and constructs have been developed to understand employee retention and turnover, such as job satisfaction (Lee & Way, 2010; Kim & Jogaratnam, 2010), perceived organisational support (Cho, Johanson & Guchait, 2009), and leader-member exchange (Jansson & Van Yperen, 2004; Wayne, Shore, Bommer & Tetrick, 2002). Nevertheless, a high degree of employee turnover is still considered one of the biggest challenges facing both public and private sectors. Much research on employee retention has centred on understanding the varied reasons behind employees' decisions to leave organisations, as well as the processes by which people make such choices. For instance, Porter and Steers (1973) cited five dimensions from their model explaining why employees stay. These include *extrinsic rewards* (e.g. pay, benefits); *advancement opportunities* which are related to staying because employees are sensitive to receiving fair rewards for their efforts and thus may leave when opportunities to receive greater rewards exist elsewhere; *constituent attachments*, in the form of effective supervision and positive peer group relations; *longer tenure with the organisation*. By understanding why people leave, organisations can also gain a better idea of why people stay and can learn how to influence these decisions. Some recent studies have examined the ways in which employees become *embedded* in their jobs.

To further contribute to epistemology of voluntary turnover, Mitchell, Holtom, Lee, Sablinski and Erez, (2001) developed the construct called *Job Embeddedness*, which measures the extent to which employees feel stuck, connected, attached or embedded in their jobs. Job Embeddedness encompasses the complex nature of modern lives and a broad array of influences on retention, by including both on-the-job and off-the-job dimensions, in organisational and community domains. Mitchell et al., (2001) developed a 2 x 3 matrix of these dimensions namely; links, fit and sacrifice. These dimensions apply to the

organisational (on-the-job) and community (off-the-job) perspectives (Ng and Feldman, 2010; Lee et al. 2004; Tanova & Holtom 2008; Holtom & Inderrieden, 2006).

In the present study, however, the examination will be limited to the organisational dimension. This is because many researchers have found that the organisational dimension better predicts employee retention than the community dimension does (Allen 2006; Halbesleben & Wheeler 2008; Lee, Mitchell, Sablinski, Burton, & Holtom, 2004). Mitchell et al., argue that the stronger the links, fit and sacrifice are, the more an employee will feel professionally and personally embedded in their organisation.

According to Mitchell et al., (2001), the *Links* are connections with other people, groups, or organisations. Examples include relationships with co-workers, work groups, superiors so forth. Employees with numerous links to others in their organisation and community are more embedded and would find it more difficult to leave. The *Fit* on the other hand, represents the extent to which employees see themselves as compatible with their job, organisation, and community. *Sacrifice* represents forms of value a person would have to give up if he or she left a job (i.e. to break the links and fit). Sacrifices include financial rewards based on tenure, a positive work environment, promotional opportunities, career development opportunities, and so forth. Employees who would have to sacrifice more are more embedded and therefore more likely to stay.

Recent studies have validated the Job Embeddedness construct and further explored its application in conjunction with traditional attachment theories to factors influencing intention to stay (Cunningham, Fink & Sagas, 2005; Holtom & Inderrieden, 2006; Mitchell & Lee, 2001). Mitchell et al. (2001) tested the embeddedness construct among employees in the grocery and hospital industries in the U.S. The analysis supports that Job Embeddedness scale is a significant predictor of employee retention, beyond traditional

variables of job satisfaction, organisational commitment, perceived alternatives and job search.

2.1.3. Goal Theory

Mostly, it is unclear what scholars mean when they refer to organisational effectiveness and this has resulted in ambiguities in interpreting the results of their work (Cameron, 1978). Regrettably, it has made the study of organisational effectiveness difficult given the fact that the construct has been defined from different angles. Among the models include the system resource model, strategic-constituency model, internal processes model and the goal model. Seashore and Yuchtman (1967) for instance viewed effectiveness as the ability of the organisation to exploit the environment in the acquisition of critical resources whiles Price (1968), defined effectiveness as the degree of goal achievement.

The system resource approach explains organisational effectiveness from the point of view of the ability to obtain necessary resources from the environments outside the organisation and can be effective if a clear relation exists between the resources which an organisation receives and the goods or services it produces (Schermerhorn, Hunt, Osborn & Osborn, 2004). It looks at various variables such as: relations with the environment to guarantee continued delivery of inputs and favourable acceptance of outputs; flexibility of response to environmental modifications; the efficacy with which the organisation transforms inputs to outputs; precision of internal communications, as well as, extent of conflicts among groups (Robbins, 1990). There is however a problem with how “means” are measured with regards to the system resource approach. For instance, a higher amount of obtained resources is not going to promise effective usage. In addition, it is tough to define an ideal degree of resource acquisition across distinct organizations (Robbins, 1990). Robbins (1990) further criticizes that measuring specific goals may be easy compared with trying to measure process

variables such as “precision of internal communications”. Thus, the development of valid and reliable measures may not be possible (Robbins, 1990).

The strategic constituency approach on the other hand, deals with the effect of the organisation on the main stakeholders and their interests such that, effectiveness here refers to the minimal satisfaction of all the stakeholders, also referred to as strategic constituency of the organisation (Schermerhorn et. al., 2004) in its environment. Strategic constituency involves all the individuals that are somehow connected to the organisation. These individuals may have different roles such as the users of the services or products of the organisation, the resource providers, and the facilitators of the organisation’s output, the main supporters and the dependents of the organisation (Cameron, 1978). These constituents have different degrees of power, each trying to satisfy its demands. According to Robbin (1990) however, this approach seeks to satisfy only those in the environment who can threaten the organisation's survival. Effectiveness here is therefore looked at in terms of the degree to which the needs and expectations of the strategic constituencies are met by the organisation. Additionally the organisation is assumed to pursue specific goals which are representations of particular interest groups that control the resources necessary for the organisation to survive. Therefore, as the environment rapidly changes, what was a critical goal today may not be so tomorrow (Cameron & Quinn, 1981). Measuring goals/effectiveness from this perspective therefore becomes difficult problematic. The reason being that different constituents are likely to rate an organisation in different ways. Thus, separate constituents may develop vastly different ratings of an organisation’s effectiveness.

Furthermore, the internal process approach pays attention to the transformation process in the organisation and the extent to which the resources are officially used to give services or produce goods (Schermerhorn et. al., 2004). Therefore, by effectiveness, it is meant that the

organisation is internally healthy and efficient and the internal processes and procedures in that place are quite well-oiled such that, there is no trace of stress and strain. Its limitation however makes it unfavorable in the measure of organisational effectiveness in this study. This is because with the internal process approach, total output and the organization's relationship with the external environment are not evaluated (Robbin, 1990). Also, evaluations of internal health and functioning are often subjective, because many aspects of inputs and internal processes are not quantifiable (Bisig, Tresch & Seiler, 2007).

The goal approach is therefore adopted in measuring organisational effectiveness in this study. It is the first extensively used organisational effectiveness approach. According to this approach, organisational effectiveness relates to the accomplishment of organisational goals (Scott, 1977). This is consistent with the position taken by the researcher, in that, this theory measures the effectiveness of an organisation in terms of goal accomplishment or realization (Pratt & Eitzen, 1989). The goal focus of the goal approach is on the output, to figure out the essential operating objectives like profit, innovation and finally product quality (Schermerhorn et al., 2004). Consequently, an organisation's effectiveness is appraised in terms of the accomplishment of ends rather than means such as performance. Typical goal-attainment criteria include profit, customer satisfaction, growth and productivity maximisation. Every organisation exists for a purpose and organisations that accomplish its mission are said to be effective organisations. The goal attainment theory of organisational effectiveness has been acknowledged as the most logical theory to study organisational effectiveness (Chelladurai & Haggerty, 1991). Goal accomplishment is typical of every organisation irrespective of its sector of operation.

Nevertheless, the use of goals implies other assumptions that must be valid if goal accomplishment is to be a viable measure. One of such assumptions include the point that there should be a general agreement on the specific goals and the people involved should

feel committed to fulfilling them. The next assumption is that the number of goals is limited and achieving them requires certain indispensable resources (Robbins, 2003). Idiosyncratically it is assumed that an organisation should have: ultimate goals; have identifiable and defined goals; manageable goals; a general consensus or agreement on its goals; and the ability to measure its goals (Love & Skitmore, 1996).

Though relevant in organisational effectiveness studies, this theory is not without some limitations. One of such limitation is when organisational goals are unclear, unstable and conflicting, it becomes difficult to assess organisational effectiveness using the goal criteria (Chelladurai & Haggerty, 1991). Also, according to scholars, organisations have several goals some of which may conflict, and that organisational goal especially short-time operative goals may shift over time (Weese, 1997; Pratt & Eitzen, 1989). Seashore and Yutchman (1967) has criticized that, the goal model may be appropriate for describing organisational constraints but of limited value when attempting to produce evaluative conclusions about the organisation. These notwithstanding, the goal attainment theory still remains convenient as a measure of organisational effectiveness. Banerjee (1995) outlined several reasons why the goal attainment model is convenient as a measure of organisational effectiveness. Among the reasons include:

1. It is the most natural and logical approach as organisations are brought into being to achieve certain objectives. They are run, managed, improved and expanded for the same purpose too.
2. The very purpose of decision-making, which constitutes the core of management is related to goals. The causes of action are determined by the nature of goals. Strategic planning which is now of great importance to all progressive organisations is directed to goal attainment.

3. Goals are generally well defined and well understood by members of the organisation. They are mostly measurable, too. So the goal attainment model is the most realistic. It frees the task of appraisal from the biases of the appraiser.

The researcher therefore decided on the use of the goal attainment model in this study for reasons such as those espoused by Banerjee (1995) and other reasons as stated earlier.

2.2 Review of Related Studies

Apart from the theories expounded above, this section deliberates on the various studies and findings that best supported the researcher in explaining the likely effects of the variables considered for this study as well as helping formulate hypotheses for the study.

Succession planning and employee retention

Employee retention in this fluctuating and extremely competitive business setting is on the decrease in most organisations in the world today as a result of factors such as changes in workforce demographics, global competition, mergers and acquisition volumes, and technology that call for the act of developing a pool of talent to take up leadership responsibilities and drive the businesses to the next and appropriate destination (Siebert & Nikolay, 2009). Various organisations do not have any form of formal preparation drivers to create “a fill-in scheme” of high potential employees into management and supervision positions. With the unavailability of a “fill-in scheme” like succession planning, some firms struggle to fill vacancies particularly at the management level and even supervision level. This situation tends to lead into profound displeasure among employees and the result is decreased performance and retention rates among high performers. Given this problem, research on determinants of turnover over the years has increased (Jiang & Klein, 2002). Nevertheless, not much is known about employee retention in the context of succession

planning in Ghana particularly. However, a few studies have established a relationship between employee retention and succession planning.

In the survey conducted by Bernthal and Wellins (2001), they looked at “Retaining talent: A benchmarking study”. The survey involved 118 organisations comprising 2,766 leaders and 2,969 associates from these organisations. In their survey, 67% were multinationals and majority (35%) were involved in manufacturing as the remaining 65 percent were involved in agriculture, mining, transportation, wholesale trade, retail trade, finance, services, government and multiple industries. A majority (57%) of participating organisations were located in the United States and the rest in Australia, Asia, Europe and Latin America. The survey found that two-third of employees indicated that they would rather grow inside their present organisation than leave. The study also revealed that the ultimate reason for employees to leave an organisation is that they are not being developed and/or they do not have meaningful work. Therefore, this is evident that effective succession planning improves the organisation’s chances of retaining key personnel according to the survey. Looking at their survey, it is clear that in an attempt to establish a relationship between succession planning and employee retention (which relationship was positive in their survey), Africa was “selectively” excluded from their study as majority of its respondents were based in the United States. The current researcher will therefore like to examine if a similar finding will be found in Ghana, an African country. Hence, the current study will look at the relationship between succession planning and employee retention among some selected institutions in Ghana.

Additionally, Chew (2005) did a comparative study on achieving organisational prosperity through employee motivation and retention at Malaysian Institutions. He used five leading companies of the Malaysian personal care industry that have distinguished themselves in world markets. His respondents include senior managers of the five companies. His study

found that while focus on competitive pay packages to attract and retain talented cadres is clearly effective in manifesting job motivation, complimentary strategic HR practices are profoundly important in reducing staff turnover. The results also showed that there is a growing recognition of the importance of the employee-organisational link. This institutional feature according to Chew (2005) is facilitated by a common set of HRM activities to achieve organisational prosperity. Each HR activity represents the various creative approaches undertaken by the study companies to motivate and retain talented cadres. Among the HRM activities he identified are recruitment and selection, salary and compensation, fringe benefits, training and development; and performance appraisal (PA) systems, as well as promotion and career advancement. Chew's (2005) study was limited to the private sector, specifically, personal care industry. Hence, the finding can only be said to be characteristic of the personal care industry in the private sector. This limitation makes it difficult to generalize the findings of his study to other sectors even in the private sector not to mention those in the public sector which was not considered at all. The current study will however consider both public and private sector including both manufacturing and service industries to make the finding more generalized. Also, while Chew (2005) found that HR practices is linked to reducing staff turnover hence increased retention, his study did not factor in succession planning, also an HR practice, and how it also affects employee retention. This study for that matter will contribute to the work of Chew (2005) by looking at how succession planning also relates to employee retention while also examining how career development (training and development) moderates the relationship.

Furthermore, the Aberdeen Group (2005) continuing with its study of workforce management and the business processes involved in the employee lifecycle conducted a survey looking at retention and succession planning in the corporate workplace. It used

senior executives in human capital management across North America as its population with a total of 170 HR professionals and executives who are members of the Aberdeen Group and Human Capital Institute's global online communities, as well as interviews with executives in human capital management across North America. The survey was a mixed method in nature. In the survey, they found that a clear correlation exists between executive retention and companies with formalized retention and succession programs. More specifically, the survey revealed that strong majority of companies that reported 1% to 5% average turnover rates had a formal retention (89%) and succession program respectively (84%). According to them, less than 5% turnover of mid-level managers is attained when formal succession plans are in place in the corporation. Their survey also established that 90% of organisations they studied plan to position succession planning as a key retention strategy.

Also, Chikumbi (2011) investigated talent management and staff retention at the bank of Zambia using 40 middle management as their respondents. He concluded from his study that, employees felt motivated by realistic objective setting, continuous learning opportunities, valued ideas and encouraging creativity which largely contributed to their retention. The study more interestingly revealed that 22.5% of the respondents agree that talent management has a high priority in the Bank of Zambia (BoZ) strategic plan, 17% agree that BoZ regularly analyses talent needs, 22.5% agree that BoZ has a clear talent management strategy, 7.5% agree that BoZ has a succession plan for all management posts, 22.5% agree that the BoZ web site has supportive information to create interest with qualified candidates whiles 57.5% of the respondents agree that BoZ primarily sources talent from outside the organisation. This study has limited external validity because all the participants of the study were from one institution and they are all middle managers. Hence, the finding can be a characteristic of the middle management of a single bank. The current

study however involved employees from diverse work roles in different departments of the selected institutions.

According Greiner, Cummings & Bhambri (2002), bringing in an outsider for a middle management position, instead of cultivating an insider, could lead to more employee turnover and lower morale. They explained that building talent within a firm might be a better choice than recruiting outsider for management positions because outside successions are usually accompanied by frustration and resistance from inside executives (Greiner, Cummings & Bhambri, 2002). Further, outside successions also lead to a higher level of senior executive turnover than inside successions, according to Friedman & Saul (1991)

Additionally, Eshiteti et al. (2013) conducted a qualitative study to establish the effects of succession planning programs on staff retention in the sugar companies of Western Province, Kenya. The study respondents consisted of 90 management staff members of three sugar companies. The respondents were assessed with a semi-structured questionnaire constituting of a five - point Likert scale. Using descriptive statistics to analyse their data, they established that more employees had high job satisfaction because of going through the succession planning process with the hope of being next in line of management. This according to them had a positive effect on the retention of staff in the sugar firm. The companies they chose for their study were however private companies and one cannot tell if their result will be same when done in a public institution. Also among all the departments in the organisation, they “selectively” chose only six departments. The current study will conversely include the public sector institutions to make the findings more generalized and also include all departments in the various institutions to be involved in the study.

Furthermore, Kataike (2013) in a recent study examined the relationship between talent management and employee retention in commercial banks in Kenya. Her target population included the 43 Commercial Banks operating in Kenya. A total of 25 human resource

officers filled and returned the questionnaires out of the 43 distributed. Using Pearson's correlation analysis, it was found that there is a strong positive relationship between talent management and employee retention. He therefore, recommended that management must give more attention to talented staff in order to retain their services in the long term. Tunje (2014) in his study identified talent management as a form of succession planning practice. But just as Kataike (2013) has found a positive relationship between talent management and employee retention, this study will go a step further to find the direct relationship between succession planning and employee retention. In the study of Kataike (2013), the sample size was very small. Tabachnick and Fidell (2007) made it clear that, for the purpose of generalization, the sample size should not be less than 58 as expressed in their formula, $N > 50 + 8M$ where N is the sample size and M the number of independent variables used. However, Kataike's study fell short of Tabachnick and Fidell's sample size requirement. This study will use a much bigger sample size exceeding the limited requirement of Tabachnick and Fidell (2007). Also, this study will include all other employees from other departments without limiting it to only one department or one category of employees. This is intended to make the findings for this study more generalised.

More recently, another study by Tunje (2014) looked at succession planning practices and employee retention in large media houses in Kenya. Her study adopted a descriptive survey design. Primary data for her study was obtained using self-administered semi structured questionnaire which was the main data collection instrument. The questionnaire was administered in two ways, drop and pick and electronic mail for those who were far. The study targeted 3,000 permanent employees working in the media houses. She analysed the data using descriptive statistics and analysis of variances. From the study, the findings reveal that there is a positive relationship between succession planning practices and employee retention. Additionally, the findings suggest that succession planning practices are evidently

implemented in the media houses though only for key positions and not all positions. The findings further revealed that there are no clear career paths and if they exist, they are too narrow hence employees decision to leave not only in search of better benefits and pay but for career progression. In using e-mail in administering the question, it can possibly lead to less reliable data as the researcher was far away clarify and probe questions where necessary. Also her work was limited to only the media, specifically the large ones. This study will contrary, include other institutions from different sectors to see if the findings will be in line with that of Tunje (2014) and also to make the findings more generalized. This study will further go the extra mile to examine how career development tends to moderate the relationship between succession planning and employee retention.

Likewise, M'Cathy (2013) opined that companies that do it right as measured by bottom-line results seem to follow all if not most of the following ten best practices in implementation of succession planning: commitment and involvement of the CEO and Board, regular talent reviews, identifying viable successors for key positions, taking a "pipeline" approach to development, holding the executive team accountable, aligning the succession plan with business strategy, managing the irrational, political, and emotional dynamics of succession, assessing performance of potential successors, integrating succession planning with performance management, recruitment, selection, development and rewards and making a serious commitment to development in terms of time and resources. In this regard, the simplest way to retain employees is to increase satisfaction levels of employees (Denisi and Griffin, 2008) through succession planning.

Succession planning is a necessary component of a company's effort to improve quality, meet challenges of global competition, social change and incorporate technology advances. Rothwell (2005) examined succession planning as a staffing responsibility that relates to promotions, terminations and retirement. Organisations investment in their staff and

improvement through succession planning programs contributes to a pool of talent, which benefits the whole organisation through retention. In other words, succession planning has a direct impact on reducing staff turnover.

Succession planning and organisational effectiveness

The ultimate goal of succession planning is to improve organisational performance and for that matter ensure continuity and organisational effectiveness. In the words of Charan, Drotter and Noel (2001), succession planning is seen as management pipeline that accelerates management and for that matter organisational effectiveness over a period of time.

Additionally, Huang (2001) studied succession management systems and human resource outcomes. The purpose of his study was to investigate whether firms with a more sophisticated succession plan or practice achieved more favourable human resource outcomes than those with less sophisticated plans. The participants in this research were human resource managers of 100 U.S. owned companies, 150 Japanese-owned companies, and 400 local companies in Taiwan. The companies were randomly selected. Huang developed a questionnaire that included 10 factors for determining the degree of sophistication of succession planning and a 5-point indicator of human resource outcome, which included staff morale, organisational climate, staff turnover rate, organisational commitment, and employee satisfaction. The study concludes that there is no empirical evidence to support that firms with succession management system have better HR outcomes than those who do not. The data collected for Huang (2001)'s study also suggests that the mere implementation of a succession management plan does not make a significant difference to reported business outcomes. However, he argued that there is an important relationship between the level of sophistication with which succession plans were carried out and human resource outcomes. In addition, he found out that the credibility of succession

planning affected the performance of human resources. The implication, according to them is that, by adopting a succession plan a firm does not automatically improve its HR performance; that to be successful, succession planners must devote considerable attention to design, commitment of top-level managers, the credibility of planning staff, and effective resource allocation. The limitation of the reported research was that no cause-and-effect relationships or direction of casualty of variables existed. Also, a limitation arose from using only one informant to report organisation-level construct. Further, it can be said that the HR managers will be biased in determining the level of sophistication of their succession plan to make their organisation look good. It was therefore necessary to have included other levels of employee to make the response more reflective of the firms. This limitation makes generalization of their finding very difficult. The current study however involved employees from diverse work roles in different departments of different selected institutions in Ghana specifically.

Furthermore, Michaels, Handfield-Jones and Axelrod (2001) released the now celebrated book, “The War for Talent”, in which they argued that during both good and bad economic times talent is critical to the success of an organisation. Their study is fortified by five years of in-depth research on how companies manage leadership talent including surveys of 13,000 executives at more than 120 companies and case studies of 27 leading companies. Through the extensive research involving these hundreds of companies and thousands of executives, they concluded that companies that do a better job of attracting, developing, and retaining highly talented managers had higher returns for shareholders.

Also, Rowe, Cannella, Rankin and Gorman (2005) confirmed the relationship between succession and performance. Their study examined the impact of leader succession on organisational performance. They used organisational learning theory and the concept of time compression diseconomies to frame their conceptual arguments. Their sample include

the major league hockey teams from the National Hockey League (NHL) observed continually from the 1942–1943 season through the 2001–2002 season, thus, over a period of 60 years. In their study, these researchers found that leader succession does impact an organisation's performance. Also, they noted that in order to maximize the lasting benefits of succession, both the timing of succession execution and the duration of the successor's organisational learning are crucial. In fact, the longer the successor learns and institutionalizes knowledge and skills the better the performance of the organisation (Rowe et al., 2005). Their study and its associated findings only addressed leader succession in the context of NHL teams. Therefore, the generalizability to the leadership of large corporations and other industrial organisations is limited. The current study therefore included different corporations from different sectors so that generalizability can be enhanced.

First, Miles and Dysart (2008) in their study identified that succession planning is an activity that most companies would be quick to say it is in place. However, and unfortunately so, they identified that succession planning efforts are all too often woefully underdeveloped, unevenly executed, and sometimes simply ignored which contributes negatively to performance. The level of seriousness companies give to the practice of succession planning has equally, to some extent, undermined its level of performance as most literature on succession planning have clearly specified. For instance, Khumalo and Harris (2008) reported that 67% of companies do not have a succession plan and 45% have no executive development plan in place which has created crises in terms of organisational success. They further argued that the crisis could be alleviated by implementing succession training programmes. Organisations with effective leaders tend to innovate, respond to changes in markets and environments, creatively address challenges, and sustain high performance (Vardiman, Houghston & Jinkerson, 2006) including improved financial performance leading to a high organisational effectiveness.

In another comprehensive industry study, Lamoureux, Campbell and Smith (2009) set out to determine how succession planning and management (when done well) helps improve business growth performance. Their study was a quantitative survey involving 345 respondents including 25 senior business leaders, 220 talent managers and 100 business leaders. The leaders provided their perceptions on the overall effectiveness of their companies' succession management strategies. The survey found out that good succession management is clearly correlated to business success and by effect organisational effectiveness.

Also, Avanes (2011) in his study revealed that, there is a positive relationship between succession planning and organisational effectiveness through performance. Using a sample size of 50 respondents in IT consultancy groups and IT product groups, Avanes (2011) measured the process of succession planning and its impact on organisational performance in Indian IT sector and made specific recommendations for improving the quality of succession planning and organisational performance. The study found that the overall mean percentage of Succession Planning Performance of IT Consultancy firms (72.4%) is found to be higher than that of IT Product/ Research firms (70.4%). Organisational Performance of IT Consultancy firms (79.6%) are higher than that of the IT Product/ Research firms (76.7%). The relationship between practice of succession planning and organisational performance was found to be positive in IT Consultancy Groups and IT Product/Research Groups.

Meanwhile, Maalu, McCormick, K'Obonyo and Machuki (2013) also researched on the succession strategy and performance of small and medium family businesses in Nairobi, Kenya. Their data was obtained from 249 SMEs through a structured questionnaire and interviews. Their research aimed at determining the nature of business succession strategies, the factors that influence succession and relationship between succession and firm

performance among the family owned SMEs in Nairobi. The results indicate that family owned SMEs in Nairobi did not explicitly document their succession strategy. However contrary to expectations regarding the nature of succession, it was evident that they make significant unwritten plans for trans-generational succession. While the study did not indicate a strong and significant relationship between succession and firm performance, it emerged from the case studies that firms that went through smooth succession also recorded significant growth post transition. The sampling frame in their study was limited to family owned SMEs in Nairobi which were mostly private organisations. Therefore, there is limitation on the extent to which their results could be generalized across non-family owned businesses and public sector organisations. The current study considered public sector institutions as well in order to generalise and enhance their findings.

Additionally, Kamande and Gachunga (2014) did a case study to evaluate the influence of Human Resource Planning on the performance of International Organisation for Migration in Kenya. The components of human resource planning in their study included employee resourcing, career planning, succession planning and human resource development. The population for the study was 87 senior employees drawn from the various units at the International Organisation for Migration in Regional office for Eastern and Southern Africa, Kenya and Somali Missions. The sample size for the study was 48 respondents with a response rate of 85.4%. The findings of the study showed that human resource planning: employee resourcing, career planning, succession planning and human resource development were statistically significant in influencing performance. Specifically, the study concludes that succession planning influences employees productivity positively. It continued to conclude that succession planning has protected human resource needs and guaranteed stability and achievement of organisations goals. From their study, even though the response rate is good, the sample size is quite small. Also the study was limited to only

senior employees neglecting the non-senior ones whose contribution will add significantly to the result. These limits the study from being generalized. The current study will include a bigger sample size while it also considers employees with different job roles from departments and with different organisations from different sectors as well. This will further make the findings more generalized.

According to Cappelli and Keller (2014), the loss of an individual employee in an important role results in an upsurge of undesirable repercussions for a team or organisation. These 'strategic positions' are the important roles defined as jobs in which investments in selection, evaluation, and development have the greatest potential to generate a significant return through increasing revenue or decreasing costs (Cappelli & Keller, 2014). Cappelli and Keller (2014) therefore expressed that putting in place a succession planning program has a positive effect on the effectiveness of an organisation. However, measurement of what constitute effectiveness has never been agreed on. This current study however measured organisational effectiveness from the point of view of goal achievement.

More so, Odhiambo, Njanja & Zakayo (2014) did a study assessing the effects of succession planning practices on organisational performance among Non-Governmental Organisations (NGOs) in Kenya. The focus was to: establish the extent to which succession planning influences the realization of stakeholder's expectation, explore the role of succession planning on internal business process and determine the extent to which succession planning contributes to the growth of NGOs in Kenya. The research design was descriptive and quantitative in nature. A total of 270 NGOs based in Nairobi participated in the study. The main instrument for collecting primary data was a questionnaire. Each participating organisation filled one questionnaire. The findings through tests of hypothesis revealed that succession planning has significant effects on internal business as an aspect of organisation performance. It further revealed that succession planning significantly contributes to

institutional growth of NGOs based on teamwork where work teams frequently review and evaluate processes, incidents, decisions and innovations to derive as much learning as they can from both success and failure through performance appraisal and promoting commitment to the organisation for growth and development as well as career development within the organisation. However, findings revealed that succession planning have no influence on realization of stakeholder's expectations. It is the view of the current researcher that giving each organisation a questionnaire to fill is inadequate and not representative enough. The study fell short of indicating who particularly in those organisations filled the questionnaire. The current study included more employees from different organisations to make the findings more representative.

Also, in another study conducted by Daraei, Hashemi and Amal (2015) looking at how succession planning influences organisational commitment, they randomly selected managers, supervisors, operational staff managers and HR department heads from some organisations in South Pars, Cochran. Their finding revealed a significant relationship between the elements of succession planning and organisational commitment. Looking at the relationship between succession planning and the sub-dimensions of organisational commitment separately, they established that the relationship is stronger with normative commitment ($B= 9.85, p < 0.5$) than continuance ($B= 3.63, p < 0.5$) and effective commitment ($B= 8.91, p < 0.5$). They therefore suggested that, in order to successfully implement an integrated management plan for succession planning, organisations need to promote motivation and organisational loyalty as well as dynamic inter-organisational and occupational mobility of human resources.

Moderating effect of career development program on the relationship between succession planning and employee retention.

Career development program and succession planning are strategic approach to developing employees that embraces creating and managing talent pipelines for higher level positions. Viewing career development program in conjunction with succession planning provides the organisation and the individual with what is needed and wanted by both employer and employee.

According to Heathfield (2010), to have a successful succession planning program, one must identify the organisation's long term goal and by so doing identify and understand the developmental needs of your employees and also by ensuring that all key employees understand their career paths and the roles they are being developed to fill. In other words, there is a significant relationship between succession planning and career development. Career development is a major instrument for attracting, motivating and retaining good quality employees. According to Purcell (2003) providing career opportunities is one of the surest ways to a successful succession planning program. According to him, providing a succession planning program without considering the development of the employees is meaningless.

Bowes (2008) opined that training is an investment in employees' productivity and retention by providing for career progression and employees job satisfaction over a long time. They further explained that it can be considered as a strategy for organisations to motivate their employee. In affirmation to this view, Hutchings, Zhu, Brain, Cooper, Zhang and Shao (2009) in their study also expressed that the best way to increase motivation of employees and retain skilled workers within organisations is by training and development.

Furthermore, Cedefop (2008) in their report suggested that employers who have more skilful employees as a result of career development can expect them to navigate their internal labour markets more effectively which can reduce the problems associated with succession. According to Cedefop (2008), organisations need to realise that positive career development for their workforce is a way of helping to attract and retain the best people, thus, by recognising and responding to the needs of individual employees they will get the best out of them. Cedefop (2008) further went on to explain that responding to the needs of individual employees will not only bring out the best in them but contributes to their intention to stay in such organisation.

Likewise, Kataike (2013) researched the relationship between talent management and employee retention. The objective of the study was to determine the relationship between talent management and employee retention in the Kenyan commercial banking industry. The target population was the 43 Commercial Banks operating in Kenya. The primary data was collected using self-administered questionnaires completed by the Human Resource Officers. A total of 25 respondents filled and returned the questionnaires out of the 43 distributed. She concluded that talent management cannot be separated from employee retention. In her study, training opportunities emerged as one of the factors which affected retention of employees of which management had neglected. Acknowledging the limitation of her study, she suggested that the research could be replicated in a different sector to find out whether the conclusions are similar. The current study will therefore move away from and look at other industries from different sectors of the company and to also use career development as a moderator in the relationship between succession planning and employee retention.

According to Lee (2000), organisations that invest in career management and development through training are more likely to decrease employee's job turnover. It is expected to find

negative links between absence of career management and development help and undesirable behaviours such as absenteeism and voluntary turnover (Sturges et al., 2005).

Also, Beyond.com (2008) in outlining guidelines for preparing a succession plan emphasized among others that, organisations should offer specialized training to employees with the view of developing their career as it is important for key employees that they will be looking to promote, as well as struggling employees who would benefit from additional job-related knowledge. They went on to express that when struggling employees benefit from such additional job-related knowledge they feel loved by the organisation hence influences them to be with the organisation. Cross-training is especially helpful if there is an unexpected departure within the organisation, so other employees will have an understanding of what the position entails and can easily close the gap (Beyond.com, 2008)

In a study among I.T workers in the United States conducted by Liu (2004), it was found that the provision and availability of development opportunities as an HR supportive tool enhances loyalty among the workers and by effect improves employee retention. In other words, the availability of career development programs according to Liu's (2004) study reduces the intention of employees to look for other alternatives.

Additionally, Alnaqbi (2011) did an exploratory study on the relationship between human resource practices and employee retention in public organisations at the United Arab Emirates and established that lack of empowerment and management style are factors that influenced the retention of employees in UAE public organisations. The limitation of this research is that it is not representative of all UAE employees. The entire sample, for instance, was drawn from the government sector in Sharjah. This means that the results may not be transferable to employees in the private sector. The current study however will include both public and private sector institutions in Ghana.

Further, Ghazali *et al* (2010) conducted a study on HR practices and employees' intention to stay in the Kuala Lumpur hotel industry. All of the seven human resource practices variables such as recruitment and selection, training, compensation system, performance appraisal, job security, employee empowerment, and communication had a significant relationship with intention to stay. This suggests that the more satisfied the employees are with the HR practices implemented, the higher is their intention to stay with the organisation.

Interestingly, Mapelu and Jumah (2013) conducted a study on the effect of training and development on employee turnover. The research design they used was survey. A target of 24 medium size hotels in Kisumu City comprising a population of 350 employees was used. They chose the purposive sampling technique to select the hotels, while stratified sampling method was used to select departments and simple random sampling was used to select the respondents from the departments. Overall, they used a sample size of six hotels comprising 187 employees and 24 management staff for the study. Their findings indicated that employee development significantly affected employee turnover. They further argued that although training plays a major role in this process, organisations need to look at additional strategies and practices that can enhance commitment. This is because training alone, according to them, may offer many benefits but a much greater impact will be found when using a strategy to human resources that entails many different organisational practices and policies.

Recently, Kwenin (2013) in his study looked at the relationship between work environment, career development opportunities and employee retention in Vodafone Ghana Limited. The study used 142 employees, representing 10% of the target population of 1,420. They collected their data primarily through semi-structured questionnaire. The paper adopted descriptive research survey, specifically cross sectional. The outcome of his study was that work environment and career development opportunities had a positive relationship with

employee retention and thus affect employees' decision to stay in the organisation. He implied that management of Vodafone Ghana Limited should provide advancement opportunities to increase employees' career growth to help retain employees.

Moderating effect of career development program on the relationship between succession planning and organisational effectiveness.

Career development has been observed as part of human development. In fact, in the start of the twenty-first century Human Resource Managers have opined that one of the main challenges that threaten them, involved issues related to employee career development (Stavrou, Brewster & Charalambous, 2004). Furthermore, Oribabor (2000) submitted that career development is aimed at developing competences such as technical, human, conceptual and managerial for the furtherance of individual and organisation growth and effectiveness. Oguntimehin (2001) identified the functions of career development as follows: increase productivity, improves the quality of work; improves skills, knowledge, understanding and attitude; enhance the use of tools and machine; reduces waste, accidents, turnover, and eliminates obsolescence in skills, technologies, methods, products, capital management etc. Additionally, scholars, experts, social scientist and HR practitioners now recognize the fact that training and development is obviously indispensable not only in the development of the individuals but also in the facilitation of the productive capacity of the workers.

For instance, Adeniyi (1995) in his study observed that career development is a work activity that can have a very substantial influence to the general effectiveness and profitability of an organisation. The effectiveness and success of an organisation therefore lies on the people who form and work within the organisation according to him. It follows therefore that employees in an organisation to be able to perform their duties and make meaningful contributions to the success of the organisational goals need to acquire the relevant skills

and knowledge (Adeniyi, 1995) hence the need for career development through training and development of the employees.

Additionally, Collins and Holton (2004) in their evaluation of 83 studies from 1982 to 2001, including education, government, medical, and military organisations, came to a similar conclusion as Adeniyi (1995) did. According to Collins and Holton (2004), even a moderately effective training program can have a substantial effect. They further assert that training program for 65 bank supervisors was found to cost \$50,500, but the utility to the organisation was over \$34,600 in the first year, \$108,600 by the third year, and more than \$148,000 by the fifth year.

Furthermore, a study carried out by Okotoni and Erero (2005), on the topic titled “Manpower Training and Development in the Nigerian Public Service” aimed at identifying the experience of Nigerian public services on manpower training and development with view to understanding the problems being faced. The researchers found out that training and development help to ensure that organisational members possess the knowledge and skills they needed to perform their job effectively, taking on new responsibilities, and adapt to changing conditions. They also found that the experience of manpower training and development in the Nigerian public service has been more of ruse and waste. They recommended that the government should avoid the use of quack consultants in training the public servants.

Furthermore, empirical study on HRM practices by Lee and Lee (2007) uncovered six underlying HRM practices on business performance namely training and development, teamwork, compensation/incentives, HR planning, performance appraisal, and employee security. These according to them help improve firms’ business performance including employee’s productivity, product quality and firm’s flexibility. This study reveals that three items of HRM practices influence business performance: training and development,

compensation/incentives, and HR planning. However, some other researches also show that certain HRM practices have significant relationship with operational (employee's productivity and firm's flexibility) and quality performance outcomes (Chang & Chen, 2002; Ahmad & Schroeder, 2003; Sang, 2005). These research evidence show that effective HRM practices can have positive impact on business performance.

More so, Babaita (2010) in a study titled "Productivity as a driving force for investment in training and management development in the banking industry" sought to determine if productivity is a driving force for investment in training and management development in the banking industry in Nigeria. The population was made up of 320 old and new generation banks. Simple random sampling techniques were used. The study relied on both qualitative and quantitative analysis of data. Babaita found that productivity is really one of the driving forces for investment in training and management development. He recommended that it is vital that managers, senior executive, as well as all employees receive training.

In a case study conducted by Olumuyiwa, Adelaja and Chukwuemeka (2012) looking at training and development as a vital tool for organisational effectiveness among 100 employees of the Sterling Bank, Nigeria, they concluded that staff training and development has a significant effect on organisational effectiveness and that staff training and development has enhanced employees performance in Sterling bank, Nigeria. Their study therefore recommended and concludes that career development through training and development is a vital tool to achieve organisational effectiveness and that management training, leadership skills, language and technical skills training, should be the interest of organisations. The study's sample framework was predominantly males (76%) and this could present constrains in an attempt to generalize the research findings to a female population. This is because research has generally found gender to moderate the relationship

between employee reactions of organisation processes or procedures and their work outcomes (Aryee, Budhwar & Chen, 2002).

Again, Obi-Anike and Ekwe (2014) did a study on the impact of training and development on organisational effectiveness in public sector in Nigeria. The study sought to determine the nature of the relationship between training/development and organisational effectiveness. Fifty-five (55) questionnaires were duly completed and returned while 11 were not returned. The data generated from the field were presented and analysed with descriptive statistic while the corresponding hypotheses were tested with the chi-square, Pearson's Correlation and linear regression. The finding indicated that there is positive relationship between training/development and organisational effectiveness. The study concluded that effective training is an investment in the human resources of an organisation, with both immediate and long term returns.

However, a very recent study conducted by Anlesinya, Bukari and Eshun (2014), looking at the effect of employee development on organisational performance in Ghana's public sector, using the experience of Controller and Accountants General's Department (CAGD) found that employee development has a significant negative effect on organisational performance. Their research finding contrast the overwhelming significant positive effect found by previous empirical studies in the area. The explanation for the finding was that employees of the organisation are developed in areas that do not significantly add value to overall performance of the organisation. They further argued that in the short-run, cost of development could account for the current turn of events. This is because if the organisation views the cost of developing their employees as high, they will not show any commitment towards the employees' career development. But in the long term, they suggested, this might not be so. This is because some initiatives of such employees can take a long time to benefit

the organisation. Thus, lack of required resources and leadership support can make a highly developed employee contribute less to the organisation.

2.3 Rationale of the Study

To every organisation, human resource is highly recognized as the backbone of organisational effectiveness and by extension organisational survival. Organisations will not forever have their employees to themselves due to unforeseen circumstances. Among such unforeseen circumstances include sickness, resignations, industrial accident, retirement, death and so forth. This can cause organisations to lose great talents. Worse yet is the knowledge that there are no internal candidates in the talent pipeline to replace them in the event that the outlined tragedies happen which may lead to a distasteful costly external search. In Ghana for instance, organisations are just merely filling up vacancies without proper planning. The lack of talent with leadership skills is a major issue in Ghana. This explains why there are people who passed their retirement age but working on a contract basis because organisations could not find the right person to lead. As such, proper succession planning programs are vital to ensure that the right people are in the right roles at the right time to deliver the organisational strategy now and in the future.

Also, literature on succession planning has overly, focused on just CEO and Management succession disregarding the role of other important employees whose absence can affect the organisation a great deal. This is in sharp contradiction to Sambrook's (2005) definition of succession planning as stated earlier which emphasized that succession planning should not be limited to CEOs or just Management of an organisation. Indeed, an effective succession planning and management effort should also address the needs for critical backups and individual development in any job category-including key people in the professional, technical, sales, clerical, and production ranks (Rothwell, 2005). This study therefore seeks to move away from the overly researched CEO succession with more focus on ordinary but

essential employees such as supervisors, team leaders, employees with special skills etc., as their presence or absence can significantly affect the organisation in terms of productivity and for that matter organisational effectiveness and survival.

Furthermore, the concept of succession planning has long been a subject of study in the private sector, but not in the public sector given the significant role the public sector plays in the economy. It is a well-known knowledge that the public sector in most countries hires a high number of employees (Mandi, 2008; & Vigoda, 2000). In Ghana, the public sector employs the highest number of employees in the formal sector and contributes so much to the economy of the country (Boachie- Danquah, 2003). Not only that but a lump of the national revenue is spent to pay public sector workers just like in the case of Ghana as reports from the Fair Wages and Salary Commission points to the fact that, approximately 70% of national revenue is used to pay public sector workers alone leaving about 30% for other development project due to the introduction of the Single Spine Salary Policy (Mensah, 2013). This notwithstanding, succession planning is increasingly discussed in the public sector, and the dangers of not having adequate succession plans and mechanisms in place are becoming more obvious (Cipolla, 1993). Given this background, it is necessary to look at the impact of succession planning in the public sector as well. This study will, for that matter, investigate the consequence of succession planning in both private and public sector organisations in Ghana to make the finding more general.

Besides, literature on succession planning has shown little on how different factors are interrelated in the subject area of succession planning such as the role of career development program as a moderator in the relationship between succession planning and employee retention and also between succession planning and organisational effectiveness. Although employee retention and organisational effectiveness have been found to significantly relate to succession planning, the strength of the relationships established in the previous studies

(Eshiteti et al., 2013; Jiang & Klein, 2002; Malhotra, 2011) have not been critically investigated. The moderating role of career development program has also not been adequately assessed to determine how it would influence the relationship between the predictor and criterion in the study even though several studies (Stavrou, Brewster & Charalambous, 2004; Oribabor 2000) have found career development program to be an essential component of employee retention and organisational effectiveness. It is, therefore, important that we ascertain the strength and direction of these relationships, hence the introduction of career development program to fill this gap.

Additionally, qualitative and exploratory methods have usually been adopted in succession planning study, this has been very beneficial. It has empowered social scientists to derive meaning, describe and possibly explained succession planning in an open system where conditions continuously develop and interact with each other. Nonetheless, the use of qualitative design has made it difficult to study very large samples and thus made generalization to the larger population rather challenging. The current study, however, will utilize the quantitative method of data collection. Its strength is that it provides data that are easily quantifiable and based on reasonably objective evidence that lends itself to rigorous analysis. Moreover, results can be reduced to numerical statistics and interpreted in short statements (Saunders, Lewis & Thornhill, 2003). It also allows for a wider generalisation of the results because a bigger sample size is used in a quantitative study.

In brief, succession planning and its consequences is a critical but neglected aspect of organisational development (Barker, 2006) particularly in Ghana hence the need to thoroughly explore it.

2.4 Statement of Hypotheses

In the light of the literature discussed, the following hypotheses are proposed;

1. Succession planning will have a significant effect on employee retention and organisational effectiveness such that the effect will be greater on organisational effectiveness than employee retention.
2. Career development program will moderate the relationship between succession planning and employee retention such that the introduction of career development program will strengthen the relationship.
3. Career development program will moderate the relationship between succession planning and organisational effectiveness such that the introduction of career development program will strengthen the relationship.

2.5 Conceptual Model

A well-managed succession planning programme is supposed to lead to an effective organisation and have the ability to influence employee retention at the workplace. In some instances, however, the strength of such relationships depend on other factors among which include career development program which is part of the focus of the study. Figure 2.0 below shows a conceptual model of the study.

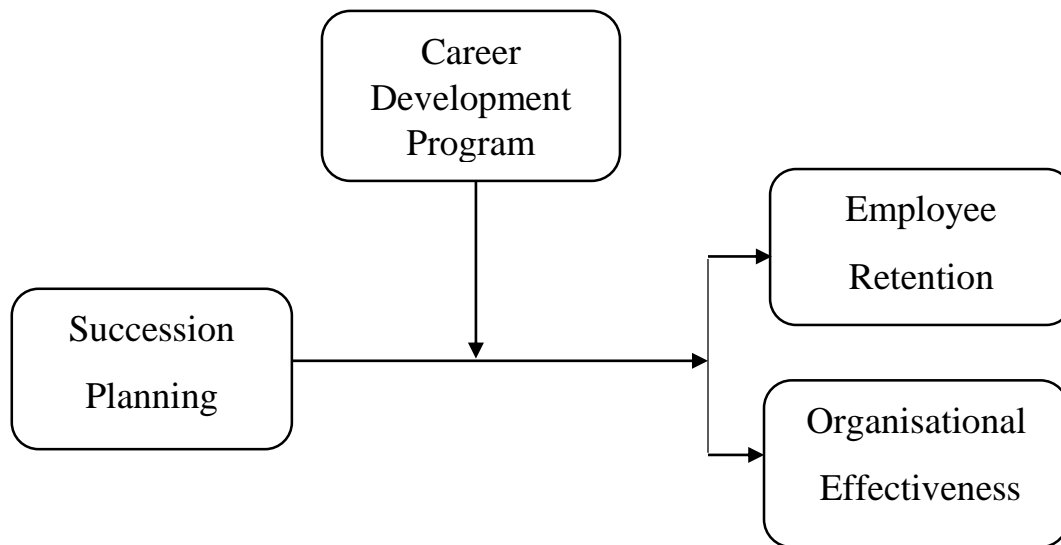


Figure 2.0: Summary of hypothesized relationship between study variables.

The proposed conceptual model indicates that succession planning will significantly predict employee retention and organisational effectiveness. Career development program is proposed to moderate the relationship between succession planning and employee retention as well as the relationship between succession planning and organisational effectiveness.

2.6 Definition of Terms

Succession planning: involves an “elaborate, integrated, and systematic approach” for identifying and developing high potentials or talent pools intended for enabling the organisations to have a list of adequately prepared candidates to fill key positions in the organisation whenever vacancies occur (Berke, 2005), as measured in the succession planning scale (see Appendix III).

Employee Retention: Employee retention refers to the various policies and practices which let the employees stick to an organisation for a longer period of time (Sandhya and Kumar, 2011) as measured in the employee retention scale (see Appendix III).

Organisational Effectiveness: the attainment of organisational goals and objectives in organisations as measured in the organisational effectiveness scale (see Appendix III).

Career Development Program: an organized, formalized and planned effort to train employees to achieve the workforce requirements of an organisation (Lips-Wiersma & Hall, 2007), as measured in the career development program scale (see Appendix III).

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methodology ideal for the study. Under this section, the description of the target population, sample, sampling techniques, and research design used in the research are discussed. The chapter describes the instruments used for data collection and the scoring of the data, how the questionnaires in the study were piloted and psychometric properties of the scales used reported. Finally, it describes the data collection procedures in the study.

3.1 Population

The population for this study was selected from the Greater Accra Region. It is the industrial hub of Ghana and also hosts the seat of government. Accra is the second most populated city in Ghana, with many inhabitants from different parts of the country working in various organisations. For this reason it was prudent to select a sample from this population. This study used both public and private organisations in the Accra and Tema Metropolis. Similarly, the Greater Accra Region was appropriate for this research because most of the public and private organisations are concentrated in Accra and Tema than in the other regions in Ghana. Other factors such as cost, feasibility and considering that the research was time bound, made the research more convenient to be conducted in Accra and Tema. Four main organisations were selected based on their proximity, accessibility and their willingness to take part in the study. The four main organisations used for the study include two public sector organisations (Cocoa Processing Company & Ghana Civil Aviation Authority) and another two from the private sector (Pioneer Food Cannery & Ecobank Ghana Limited, Tema). Ghana Civil Aviation Authority and Cocoa Processing Company were specifically chosen because of their history of change of leadership with every change

of government and the high political influence in their recruitment exercise. These change of leadership subsequently comes with changes in policies which normally creates uncertainty among employees affecting their behaviour. Pioneer Food Cannery and Ecobank Ghana Limited were also selected as the population of interest in view of the fact that, they are vibrant on the job market and very competitive. Finally, these companies will be selected because they serve a large market in Ghana. The participants for the study were spread in different organisations with varying employee strength. As suggested by Hofstede, Neuijen, Ohayv and Sanders (1990), instead of one corporation in many countries, we should study many different organisations in one and the same country. To obtain a better reliability and validity of the data, the study uses a sample from different sectors on one hand and samples from different organisations on the other hand (Yuorpor, 2013). All permanent employees with at least a Higher National Diploma and not less than six months working experience with the above mentioned institutions were the target participants in the study. The profile of these organisations demonstrates their pedigree in their areas of operation in Ghana.

3.2 Sample Size and Sampling Technique

For this study, sampling was done in two stages; the selection of the organisations appropriate for the study and the selection of participants within the selected organisations. Non-probability sampling technique was used in selecting the organisations and participants, specifically, convenience sampling technique. The organisations used in this study were selected based on the convenience sampling technique. This is because, this technique is not only cost effective but can produce large samples relatively faster. In view of this, those organisations where approval could be easily acquired and who gave their consent to partake in the research were used. Likewise, participants were selected using the convenience sampling technique, since this was a more practicable technique to use. Ideally, the simple randomization technique is more appropriate to use to give all employees an equal chance

of being selected. However, not all employees were willing to participate in the study. For this reason, employees who consented to take part in the study and had tenure of at least six months in the organisation were used. This was to make sure that at least the employees have acquired some knowledge about policies and programs in the organisation (Example, succession planning).

A total number of two hundred and twenty (220) questionnaires were distributed to employees who consented to take part in the research from the selected organisations. That is, fifty-five (55) questionnaires were given to each of the four organisation. This sample comprised employees of different demographic background such as employees of different job positions, tenure, education, age and gender. Out of total number of questionnaires administered, one hundred and ninety-seven (197) were completed and returned. However, out of the questionnaires that were returned, only one hundred and eighty-eight (188) were used in the analysis, resulting in a response rate of 85.45%. Nine (9) questionnaires were excluded from the data analysis because response to some questions in those questionnaires were left blank. For an answered questionnaire to be meaningful and useful for data analysis, all the sections were supposed to be filled.

The total number of one hundred and eighty-eight (188) responses for the study is adequate for regression analysis because as recommended by Tabachnick and Fidell (2007), for regression analysis, the minimum sample size (N) should be $N > 50 + 8M$; where M = the number of independent variables to be used and N is the sample size in the research. This study has one independent variable, which means that a sample size of not less than 58 would be required. Table 2.0 below represents a summary of respondent's demographic characteristics.

Table 3.0: Summary of Demographic Characteristics of Respondents

Demographics	Frequency	
Percentages		
Gender		
Male	99	52.7%
Female	89	47.3%
Position		
Management	24	12.8%
Senior Staff	73	38.8%
Junior Staff	91	48.4%
Tenure		
0-2 years	50	26.6%
3-5 years	41	21.8%
6-10 years	45	23.9%
11 years above	52	27.7%
Education		
Masters Degree	50	26.6%
Undergraduate Degree	100	53.2%
HND	38	20.2%
Age		
20-29 years	59	31.4%
30-39 years	45	23.9%
40-49 years	52	27.7%
50 years and above	32	17.0%

From Table 1, out of the 188 respondents used, the analysis indicated that 99 respondents were males (52.7%) and 89 were females (47.3%). Also, with respect to the respondent's positions in their organisations, 24 were in management (12.8%), 73 were senior staff (38.8%) and 91 were junior staff (48.4%). Furthermore, of these participants, 50 had been employed between 0-2 years (26.6%), 41 had been employed between 3-5 years (21.8%), 45 had been employed from 6-10 years (23.9%) and 52 had been employed for 11 years and above representing 27.7%. In terms of respondents' age, 59 respondents were between 20 to 29 years (31.4%) whereas 45 respondents were between 30-39 years (23.9%), 52 respondents were between 40-49 years (27.7%) whereas 32 were 50 years and above representing 17.0%.

3.3 Research Setting

The study was conducted in the Greater Accra Region of Ghana. Basically, emphasis was on both manufacturing and service sectors of public and private sector organisations. The reason being that, great majority of studies in Ghana concentrated on just the manufacturing sector and mostly in private organisations notwithstanding the significant role the service sector and again public organisations contribute to the development of Ghana. Specifically, organisations like CPC, GCAA, PFC and Ecobank were considered for the study. These sectors are important source of employment for the Ghanaian people. Thus, investigating the relationship between succession planning, employee retention, organisational effectiveness and how career development program moderate these relationships will serve relevant theoretical and organisational purpose in Ghana.

3.4 Research Design

A cross-sectional survey design was used for this study because participants in the study were drawn from varying backgrounds, different organisations, job positions, departments, experience, age, tenure, sex, etc. (Yuorpor, 2013) at one point in time. The study also

investigates the moderation effect of career development program using multiple regression analysis. Also, the study made use of questionnaires as the main tool for data collection. Precisely, data was collected on the following variables; succession planning (main independent variable), career development program (moderating variable), employee retention and organisational effectiveness (dependent variables).

3.5 Measures

The instrument for the collection of data in this study was a set of questionnaires categorized into four sections namely, A, B, C, D and E. Section A gathered data on demographic variable such as age, job position, organisational tenure, sex and level of education; Section B collected data on succession planning; Section C collected data on employee retention; Section D gathered data on organisational effectiveness and Section E finally gathered data on career development program. These measures were used because they had demonstrated reliabilities which exceed the 0.70 minimum acceptable levels for alpha (Price, 1997). The various sections are described below:

Section A: Demographic Data

The first section of the questionnaire gathered information on personal details of the respondents. This section consisted of items which investigated demographic characteristics such as level in the organisation, length of service, level of education, age and gender. The demographic information was necessary since it enabled the researcher give some description of the sample used (see Table 3.0)

Section B: Succession planning

A 25-item scale by Salaman (2014) was used to measure succession planning. It was used in her study titled, “Relationship between succession planning practices and employee retention in large media houses in Kenya.” Responses were scored from 1 to 5 (1 = Strongly

Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree). Examples of the items include: *“In my organisation, succession planning puts into consideration all key positions”* and *“In my organisation, employees are internally offered internship opportunities so as to assist them advance their careers”*. Scoring pattern was through simple addition, thus, the scores ranged from a minimum of twenty-five (25) to a maximum of one hundred and twenty-five (125) with a mean score of seventy-five (75). Scores above the mean score of the scale means the organisation has a high succession planning practice while scores below the mean score of the scale means the organisation has a low succession planning practice. The coefficient alpha internal consistency reliability estimate for the scale was .82.

Section C: Employee retention

Employee retention was measured using Employee Retention Scale developed by Kyndt, Dochy, Michielsen and Moeyaert (2009). It is an 11-item scale used in their study of IT workers titled, Employee Retention: Organisational and Personal Perspectives. To measure intention to stay, they used three items: *“I intend to change job within this firm in the foreseeable future”*, *“I intend to seek IT related work at another firm in the foreseeable future”*, and *“I intend to seek work in a profession other than IT in the foreseeable future”*. They adjusted these items for their study. The items were based on the operationalization’s used in previous research (e.g., Arnold 2005; Hytter 2007; Kassim 2006; Lindsey and Kleiner 2005; Stone and Liyanearachchi 2006; Whitt 2006). Examples of the items included: *“I foresee a future for myself within this company”* or *“It doesn’t matter if I work for this company or another, as long as I have work”*. Responses were scored from 1 to 5 (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree). The scores ranged from a minimum of eleven (11) to a maximum of fifty-five (55) with a mean score of thirty-three (33). Scores above the mean score of the scale indicate that employees have

high intention to stay in the organisation while scores below the mean score of the scale means employees have low intention to stay in the organisation. The coefficient alpha internal consistency reliability estimate for the overall scale was .91.

Section D: Organisational effectiveness

Organisational effectiveness was measured using the scale by Antoncic and Hisrich (2001). It is a 29-item scale with four subscales namely; employee satisfaction (8-items), organisational commitment (4-items), customer orientation (9-items) and financial and growth performance (8-items). All the four subscales had acceptable reliability values. Specifically, employee satisfaction ($\alpha=0.99$), customer orientation ($\alpha=0.90$), organisational commitment ($\alpha=0.99$), and financial and growth performance ($\alpha=0.93$).

The reliability value for the overall organisational effectiveness scale was 0.95. Sample items on employee satisfaction dimension are *“Our company values are consistent with my personal values”* and *“I am paid fairly, given my responsibility and performance”*. Sample items on the organisational commitment dimension are *“I would be willing to change companies if the new job offered a 25% pay increase”*, *“I would be willing to change companies if the new job offered more status”*. Sample items on customer orientation dimension are *“We have routine or regular measures of customer service”*, *“we know our competitors well”*. Some items on the financial and growth performance dimension include *“return on equity”*, *“return on assets/pre-tax”*. Responses were scored from 1 to 5 (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree). The minimum and maximum scores on the scale ranged from twenty-nine (29) to one hundred and forty-five (145) respectively with a mean score of eighty-seven (87). Scores above the mean score of the scale means high organisational effectiveness while scores below the mean score of the scale means low organisational effectiveness.

Section E: Career development program

Career development program was measured using a career development scale developed by Ameer and Hanif (2013) to fit the context in which the researcher wants to measure career development program. Ameer and Hanif (2013) used this scale in their study looking at the impact of organisational training on employee's development and performance in the hotel industry of Lahore in Pakistan. They used the scale to measure the level of career development program (training and development) offered to the employees by the organisation. The scale contained 12 items. Respondents were asked to report how much they agreed with the items on a scale from 1 (strongly disagree) to 5 (strongly agree). Examples of items on the scale include, *"Our organisation conducts extensive training programs for its employees in all aspects of quality"* and *"There are formal training programs to teach new employees the skills they need to perform their jobs"*. The scale has an alpha value of 0.73. Based on the number of items used in this study, the minimum and maximum scores ranged between twelve (12) and sixty (60) respectively with a mean score of thirty-six (36). Scores above the mean score means a good career development program and scores below the mean score of the scale means a poor career development program.

3.6 Pilot Study

A pilot study is the pre-testing or "trying out" of a particular research instrument (Baker, 1994). Pre-testing refers to the testing of the questionnaire on a small sample of respondents in order to identify and eliminate potential problem. Also, Teijlingen, Rennie, Hundley and Graham (2001) emphasize that, one of the advantages of conducting a pilot study is that, it might give advance warning about where the main research project could fail, where research protocols may not be followed, or whether proposed methods or instruments are inappropriate or too complicated. A pilot study can reveal deficiencies in the design of a proposed experiment or procedure and this can then be addressed before time and resources

are expended on large scale studies. Nonetheless, Polit, Beck and Hungler (2001) theorize pilot studies to be feasibility studies which are small scale types or trial runs, done in preparation for a major study. Pilot study helps to establish the procedures and parameters, clarify instructions, determine the appropriate levels of the independent variable, and also determine the reliability and validity of the variables. In view of the aforesaid reasons, an initial pilot test was conducted before the main data collection. A pilot study was also conducted to assess the appropriateness of the various measures on a Ghanaian population so as to address any cross-cultural validity of the measures if the need be since all the scales were used outside Ghana, mostly, in the western parts of the world with different cultural viewpoints. The scales that were piloted included: succession planning, employee retention, organisational effectiveness and career development program. In conducting a pilot study to pre-test the scale, two organisations were used: one public and the other private. The organisations were conveniently sampled and used for this pilot study. In all 30 participants were used for the piloting: 15 from Ghana Civil Aviation Authority (public) and another 15 from Pioneer Food Cannery (private). The sample included males, females and employees of different job positions and tenure. In all participants did not express difficulty in responding to the items on all the scales though some respondents reported that, the items were too many.

Table 3.1: Summary of the Reliability Statistics Obtained for the Scales in Pilot Study

Scale	Number of Items	Cronbach
Alpha		
Succession Planning	25	.841
Employee Retention	11	.658
Organisational Effectiveness	29	.877
<u>Organisational Effectiveness Sub-scales</u>		
Employee satisfaction	8	.849
Organisational commitment	4	.616
Customer orientation	9	.912
Financial and growth performance	8	.605
Career Development Program	12	.875

3.7 Main Study / Data Collection Procedure

The following steps were taken by the researcher in order to ensure a satisfactory response rate to the survey. Initially, a verbal pre-survey consent was sought from the Human Resource Department of the selected organisations to announce the intention of using their organisation for the study and ask for their assistance and cooperation. A letter seeking permission to conduct the study was obtained from the Department of Psychology and taken to the Ethics Committee for Humanities (ECH) including the research proposal and other relevant documents for approval before data collection begun. A certificate of ethical clearance endorsed by the Chairman of the Board was then issued (see Appendix I) after which an introductory letter to the organisations of study was requested and granted from the Psychology Department. A copy of the certificate for ethical clearance, introductory letter, consent form and sample of questionnaire were sent to the selected organisations that

consented to take part in the study, purposely to seek formal consent to use their organisation for the study. After permission had been granted, the researcher, with the help of the human resource officers, progressed to identify prospective participants who could and would answer the questionnaires. After prospective participants had been identified as being suitable for the study, their permission was sought to participate in the study and those who consented were given the self-report questionnaires to respond to. Participants were drawn from different ranks and departments of the organisations. The questionnaires were on succession planning, employee retention, organisational effectiveness and career development program (see Appendix IV). There was also a section for demographic data. The questionnaires contained clear details on how to fill them correctly. Nevertheless, the researcher clarified more on the instructions before handing over the questionnaires to the respondents. Though the explanation of the objectives of the research to participants may influence the responses of the participants, it is necessary because, researchers have to be honest (Babbie, 1998). The respondents were assured of confidentiality. Respondents were told not to write their names anywhere on the questionnaire or envelopes that they were provided with since that information was not needed. In anticipation that the workers may be busy at the time the researcher gets to their organisation, participants were given about two weeks to respond to the questionnaires and submit them to the Human Resource Officers at the Human Resources Department after which the researcher went to collect them. The time needed to respond fully to a questionnaire was however about fifteen to twenty minutes. The duration for the data collection was about a month. Data collection started in the second week of April, 2015 and ended in the second week of May, 2015. After data had been collected, it was then scored and coded for statistical analysis.

3.8 Ethical Consideration

In accordance with the American Psychological Association (APA, 2002) Ethical Code, certain ethical considerations were deemed necessary and therefore included in this study in accordance with the ethical principles governing the use of human participants for research purpose. A research study though feasible or practical may remain unacceptable due to its ethical implications. It is important that a researcher investigates these implications prior to embarking on a research work. Moreover, organisational research must take into consideration the ethical conduct of the research and this process must start at the research planning stage through the recruitment and selection of research participants (Aguinis & Henle, 2002). The Ethical Code as stipulated by APA is intended to provide specific standards to cover most situations encountered by psychologists. The main purpose of the Ethical Code is the welfare and protection of individuals and groups with whom psychologists work and the education of students, members, and the public regarding ethical standards of the discipline. In consonance with the APA guidelines, certain steps were taken in this research to ensure that these principles were followed.

The first step taken in this research to ensure that these principles were followed was a formal request to the Department of Psychology by the researcher to be given a letter seeking permission to conduct the study which was taken to the ECH including the research proposal and other relevant documents for approval before data collection begun. The ECH's mandate is to oversee and regulate the ethical conduct of research within the disciplines in the humanities at the University of Ghana.

Furthermore, in every organisation used in this research, permission was sought from the human resource department and their assistance also sought in administering the questionnaires. Also, the purpose of the study was explained to participants, both in words and in writing and their consent was sought (see Appendix III). Specific instructions

regarding the purpose of the study and voluntary participation in the research were clearly spelt out on the questionnaire. Likewise, it was explained to participants that there was no foreseen risk, discomfort or adverse effect should they participate or decline to participate in the research. Also, nobody was induced to participate in the study. To ensure confidentiality and anonymity of responses, participants were instructed not to write their names on the questionnaires or mark the questionnaire in ways that would reveal their identity. Additionally, participants were advised that they were not in any way obliged to partake in the study and could also pull out at any point in the study. Finally, contacts (email addresses and phone numbers) were made available to participants so that they could contact the researcher in case they wanted to seek any clarification(s) about the research.

CHAPTER FOUR

RESULTS

4.0 Introduction

This chapter presents the results of the computation of means, standard deviation, reliability test and normality test, as well as the test of the hypotheses. The objective of data analysis in this chapter is to establish the reliable and valid empirical results that explain the relationship between succession planning, employee retention and organisational effectiveness. It was also to establish the moderating role of career development program in the relationship between succession planning and employee retention as well as the moderating role of career development program in the relationship between succession planning and organisational effectiveness.

Four hypotheses were stated and tested using parametric statistical tests which include Multiple Analysis of Variance (MANOVA) and the Hierarchical Multiple Regression. Data was analysed using the Statistical Package of Social Sciences (SPSS) version 22.0. The analyses were in two parts. The first part involved the preliminary analysis while the second part involved test of hypotheses in the study.

4.1 Preliminary Analysis

The preliminary analysis in this study was conducted in five steps. They include analysis of normal distribution of the variables, factor analysis of all the scales utilized in the study, reliability analysis, descriptive analysis, and a correlation matrix using Pearson's Product Moment correlation coefficient among the core variables of the study.

4.1.1 Analysis of the Normal Distribution of Variables

A test of normality was done on the scores obtained from the participants in the study by assessing the skewness and kurtosis of the scores obtained for the variables under study. This involved ascertaining that the data for the study was normally distributed; this is

because according to Pallart (2001) it is essential that the dependent variable is normally distributed.

The skewness of the data ranges between -.404 to -.828 while the kurtosis for the same data ranges from -.149 to 1.286 (See Table 4.4). According to Tabachnick and Fidell (2007), data is said to be normal when the skewness and kurtosis values fall within 2 and -2. The result therefore shows that all the skewness and kurtosis values were within the 2 and -2 range hence the data is said to be normally distributed. Therefore, appropriate parametric statistical analysis could be utilised in the study.

4.1.2 Factor Analysis

To begin with, the researcher did a principal component factor analysis of the items in the scales. This assisted the researcher to establish whether the items that make up the scales would yield factor loadings that shows that they could be considered to be part of a single construct (Field, 2005). This was done to ensure that the scales have construct validity. Thus, to ensure that the scales measure what they are intended to measure (Tabachnick & Fidell, 2007) in the Ghanaian organisational context.

The influence of the factors on each construct was measured by means of their factor loadings. The value of each of the factor loadings showed the strength of the influence of the factor on the variable. For a factor loading to make a significant contribution to the variable of study it had to be greater than .3 (Field, 2005). Tables 4.0 to 4.3 show the result of the principal component analysis of the items of the scales used in the study.

Succession Planning Scale

The twenty-five items on the succession planning scale were subjected to principal components analysis (PCA) using SPSS. Prior to performing PCA the suitability of the data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence

of many coefficients above .3. The Kaiser-Meyer-Okin measure of sampling adequacy was .87, meeting the commonly recommended value of .6 and above (Kaiser, 1974). The Bartlett's Test of Sphericity ($p = .000$) was also significant (Bartlett, 1954) thus supporting the factorability of the correlation matrix. Principal components analysis revealed the presence of components with eigenvalues exceeding 1, explaining for a cumulative variance of 57.18%. The coefficients of the items ranged from .79 to .42, with the factor loadings making significant contributions to the variable; a varimax method of rotation was employed which revealed the presence of a simple structure of the factor loadings of the items.

Table 4.0: Factor loadings based on a principal component analysis of the twenty-five items on the Succession Planning Scale (N=188).

Item	Factor loading
1. In my organisation, succession planning puts into consideration all key positions.	.57
2. In my organisation, performance appraisals are always conducted annually.	.54
3. Job rotation is well implemented across all departments in my organisation.	.60
4. In my organisation, rewards are given to all employees without any form of discrimination.	.62
5. Bonuses and incentives are benefits given to all employees in my organisation based on their performance.	.70
6. In my organisation, management supports employees who wish to advance in their careers through the Education Policy and sponsorships for training.	.71
7. In my organisation, employee career paths are clearly defined and are available from the HR Department.	.64
8. In my organisation, every year employees are always given feedback about their talent Reviews.	.58
9. In my organisation, training and development opportunities are available to all employees.	.53
10. In my organisation, it is evident that managers and supervisors have effective management and leadership skills.	.59
11. In my organisation, occasionally employees are allowed to define their own rewards.	.67
12. In my organisation, mentoring and coaching is well practiced by most managers and supervisors.	.58
13. In my organisation, talented employees are always considered for sponsorships.	.52
14. In my organisation, there are opportunities for employees to continuously improve their skills	.57
15. In my organisation, the pay and grading structures allow employees to defined their own remunerations.	.79
16. In my organisation, succession planning is strictly considered for top level management.	.67
17. In my organisation, employees are usually recruited from diverse demographic backgrounds.	.42
18. In my organisation, the succession plan encourages promotion from within strictly based on merit	.65
19. In my organisation, rewards are always given to talented employees.	.65
20. In my organisation, any changes in HR policies are communicated to all employees.	.54
21. Talented employees are always attracted to join my organisation due to its good reputation in retaining talent.	.67
22. In my organisation, diversity management policy disregards any form of discrimination against gender, religion and sex.	.51
23. In my organisation, there are flexible rewards and benefits that cater for family and individual needs/preferences.	.61
24. In my organisation, we have an “open door policy” which enables smooth communication between management and employees.	.61
25. In my organisation, employees are internally offered internship opportunities so as to assist them advance their careers.	.69

Extraction method: Principal Component Analysis

Employee Retention Scale

The eleven items on the succession planning scale were subjected to principal components analysis (PCA) using SPSS. Prior to performing PCA the suitability of the data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients above .3. The Kaiser-Meyer-Okin measure of sampling adequacy was .76, meeting the commonly recommended value of .6 and above (Kaiser, 1974). The Bartlett's Test of Sphericity ($p=.000$) was also significant (Bartlett, 1954) thus supporting the factorability of the correlation matrix. Principal components analysis revealed the presence of components with eigenvalues exceeding 1, explaining for a cumulative variance of 57.35%. The coefficients of the items ranged from .79 to .39, with the factor loadings making significant contributions to the variable; a varimax method of rotation was employed which revealed the presence of a simple structure of the factor loadings of the items.

Table 4.1: Factor loadings based on a principal component analysis of the eleven items on the Employee Retention Scale (N=188).

Item	Factor loading
1. I'm planning on working for another company within a period of three years.	.73
2. Within this company my work gives me satisfaction.	.61
3. If I wanted to do another job or function, I would look first at the possibilities within this company	.68
4. I see a future for myself within this company.	.70
5. It doesn't matter if I'm working for this company or another, as long as I have work.	.48
6. If it were up to me, I will definitely be working for this company for the next five years.	.68
7. If I could start over again, I would choose to work for another company.	.79
8. If I received an attractive job offer from another company, I would take the job.	.39
9. The work I'm doing is very important to me.	.69
10. I love working for this company.	.75
11. I have checked out a job in another company previously.	.45

Extraction method: Principal Component Analysis

Organisational Effectiveness Scale

The twenty-nine items on the Organisational Effectiveness scale were subjected to principal components analysis (PCA). Prior to performing PCA, the suitability of data for factor analysis was assessed. The Kaiser-Meyer-Okin measure of sampling adequacy was .835, meeting the commonly recommended value of .6 and above and also the Bartlett Test of Sphericity reached statistical significance, ($\chi^2 (406) = 2283.361, p = .000$). Finally, the communalities were all above .3 further confirming that each item shared some common variance with other items.

Given these overall indicators, factor analysis was deemed to be suitable with all the items. Principal components analysis was used. The principal components analysis revealed the presence of four components with eigenvalues exceeding 1, explaining 28.19%, 9.41%, 6.74% and 4.82% of the variance respectively. An inspection of the screen plot revealed a clear break only after the fifth component, but since the scale is made up of four components, it was decided to retain the five components for further investigation. All the components had eigenvalues exceeding one. To aid in the interpretation of these three components, Varimax rotation was performed since the factors are assumed to measure different dimensions of the construct. The rotated solution revealed the presence of simple structure, with components showing a strong loadings, and all variables loading on one or more component.

Table 4.2: Factor loadings based on a principal component analysis of the twenty-nine items on the Organisational Effectiveness (N=188).

Item	Component 1 ES	Component 2 OC	Component 3 CO	Component 4 FGP
Q1ES	.54			
Q2ES	.51			
Q3ES	.55			
Q4ES	.47			
Q5ES	.47			
Q6ES	.46			
Q7ES	.53			
Q8ES	.58			
Q9OC		.50		
Q10OC		.70		
Q11OC		.54		
Q12OC		.58		
Q13CO			.60	
Q14CO			.58	
Q15CO			.61	
Q16CO			.47	
Q17CO			.62	
Q18CO			.49	
Q19CO			.46	
Q20CO			.53	
Q21CO			.64	
Q22FGP			.62	
Q23FGP			.54	
Q24FGP			.60	
Q25FGP			.51	
Q26FGP			.64	
Q27FGP			.69	
Q28FGP			.61	
Q29FGP			.65	

Extraction method: Principal Component Analysis

Career Development Program Scale

The twelve items on the succession planning scale were subjected to principal components analysis (PCA) using SPSS. Prior to performing PCA the suitability of the data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients of .3 and above. The Kaiser-Meyer-Okin measure of sampling adequacy was .91, meeting the commonly recommended value of .6 and above (Kaiser, 1974). The Bartlett Test of Sphericity ($p=.000$) was also significant (Bartlett, 1954) thus supporting the factorability of the correlation matrix. The PCA reflected that, there was one eigenvalue that was above one, this explained 47% of variance. The coefficients of the items ranged from .75 to .59, with the factor loadings making significant contributions to the variable; a varimax method of rotation was employed which revealed the presence of a simple structure of the factor loadings of the items.

Table 4.3: Factor loadings based on a principal component analysis of the twelve items on the Career Development Program (N=188).

Item	Factor loading
1. Our organisation conducts extensive training programs for its employees in all aspects of quality.	.72
2. Employees in each job will normally go through training programs every year.	.63
3. Training needs are identified through a formal performance appraisal mechanism.	.68
4. There are formal training programs to teach new employees the skills they need to perform their jobs.	.73
5. I believe social circle in the firm is expanding due to participation in the training program.	.68
6. I believe my promotion is a result of induction of the training program.	.59
7. I believe that my set targets and objective are attained and identified by the firm through training programs.	.73
8. I believe that my pay scale has increased as a result of participation in appropriate training program or skill upgrade.	.65
9. I believe that more career paths will emerge and more opportunities will come my way after participating in any training program.	.62
10. Training has helped me in improving my overall required skills for work.	.74
11. In our organisation, Training motivates employees to be more committed towards organisational goals	.75
12. My career path is more in shape due to my participation in training program.	.68

Extraction method: Principal Component Analysis

4.1.3 Reliability Analysis of the Scales

The coefficient of internal consistency (Cronbach's alpha) was computed to establish reliability of the measures used in the study. The Cronbach's alpha values observed are as follows: succession planning (number of items = 25, $\alpha = .859$), employee retention (number of items = 11, $\alpha = .634$); organisational effectiveness (number of items = 29, $\alpha = .897$); career development program (number of items = 12, $\alpha = .895$) (See Appendix I for details).

According to Brewerton and Millward (2001), acceptable level of internal scale reliability has been varied among different researchers but it normally ranges between 0.6 and 0.7 as absolute minimum. As observed, all the scales used in this analysis yielded acceptable results of Cronbach's alpha coefficients, hence the scales are reliable.

4.1.4 Descriptive Analysis

The next step involved the computation of descriptive statistics of the data, which comprised summarizing the raw data obtained by finding means and standard deviations. Results from this analysis can be obtained from Table 4.4 below.

Table 4.4: Summary of Descriptive Statistics of Variables in the Study

Variable	Mean	SD	Min.	Max.	Skewness	Kurtosis	Alpha
SP	85.734	12.615	46	112	-.732	.402	.859
ER	40.128	5.230	20	55	-.404	1.286	.634
OE	110.745	11.562	78	131	-.577	-.149	.897
CDP	47.468	6.757	21	59	-.828	.895	.895

From table 4.4, the mean and standard deviation of the study sample on succession planning is 85.734 and 12.615 respectively with minimum and maximum scores of 46 and 112 respectively. The mean of the study sample on succession planning is higher than that of the

developers' (M= 75) hence the sample is said to have been high on succession planning. Also, employee retention reported a mean and standard deviation of 40.128 and of 5.230 respectfully with minimum and maximum scores of 20 and 55 respectively. The mean of the study sample on employee retention is higher than that of the developers' (M= 33) hence this sample is said to have been high on employee retention. Furthermore, organisational effectiveness had a mean and standard deviation of 110.745 and 11.562 respectively with minimum and maximum scores of 78 and 131 respectively. The mean of this sample on organisational effectiveness is higher than that of the developers' (M= 87) hence this sample is said to have been high on organisational effectiveness. Additionally, the mean and standard deviation of the study sample on career development program is 47.468 and 6.757 respectively with minimum and maximum scores of 21 and 59 respectively. The mean of this sample on career development program is higher than that of the developers' (M= 36) hence this sample is said to have been high on the career development program.

4.1.5 Pearson Correlations among Study Variables

The preliminary analysis had its concluding step by computing a correlation matrix using the Person Product Moment Correlation to establish the relationship between the variables.

The summary of the outcome is presented in Table 4.5 below.

Table 4.5: Summary of Pearson Correlation Matrix of the Relationships between Study Variables

Variables	1	2	3	4
1. Succession Planning	-	-	-	-
2. Employee Retention	.377**	-	-	-
3. Organisational Effectiveness	.690**	.492**	-	-
4. Career Development Program	.681**	.445**	.656**	-

** . Correlation is significant at the 0.01 level (1-tailed).

From Table 4.5 above, result shows that succession planning had a positive significant relationship with employee retention ($r = .38, p < .01$), meaning employee retention increases with an increase in succession planning practice. Also, the result indicated a positive significant relationship between succession planning and organisational effectiveness ($r = .69, p < .01$), meaning organisational effectiveness increases with a higher succession planning practice. The result further indicates a positive significant relationship between succession planning and career development program ($r = .68, p < .01$). The result also indicated a positive significant relationship between career development program and employee retention ($r = .46, p < .01$), meaning an increase in career development program will increase employee retention. Additionally, the result established a significant positive relationship between career development program and organisational effectiveness ($r = .66, p < .01$), meaning an increase in career development program leads to an increase in the effectiveness of the organisation.

4.2 Hypotheses Testing

In this study, based on the objectives that were generated, four hypotheses were proposed and tested. The Multiple Analysis of Variance (MANOVA) was used to test for hypothesis 1 and 2. Also, the hierarchical multiple regression analysis was used to test for hypotheses 3 and 4.

Hypothesis One and Two

The first hypothesis examined whether succession planning will significantly predict employee retention while the second hypothesis examined whether succession planning will significantly predict organisational effectiveness. The MANOVA was used in analysing these hypotheses because one independent variable (succession planning) is being compared on two dependent variables (employee retention and organisational effectiveness), being measured at least on an interval scale. Also, one other assumption underlying the use of

MANOVA is that the independent variable must be categorical. However, succession planning in this study is continuous variable. Hence the researcher categorized it into high succession planning and low succession planning to make it a categorical variable.

Table 4.6: Summary of MANOVA Results

	Wilks' L	F	df	p	Partial η^2
Succession Planning	.764	28.581	2,185	.000	.236

**p < .05

A one-way between groups multivariate analysis of variance was performed to investigate the differences that exist between levels of succession planning and organisational effectiveness and employee retention in some selected organisations. Preliminary assumption testing was conducted to check for normality, linearity, univariate and multivariate, with no serious violations noted. There was a statistically significant difference between high succession planning and low succession planning on the combined dependent variables (organisational effectiveness and employee retention), [$F_{(2,185)} = 28.581, p < .05$], and an effect size of $\eta^2 = .256$. Given the significance of the overall tests, the univariate main effects were examined and displayed below

Table 4.7: Summary of Between Subject Effects

Variable	SP	Mean	SD	df	F	p	η^2
ER	Low SP	37.03	3.78	1,186	14.49	.000	.072
	High SP	40.76	5.27				
OE	Low SP	98.41	9.66		57.09	.000	.235
	High SP	113.28	10.23				

From table 4.7, when results for the dependent variable was considered separately, succession planning had a significant effect on employee retention [$F_{(1,186)} = 14.49, \rho < .05$], with an effect size of $\eta^2 = .072$. An inspection of the mean scores indicate that high succession planning organisations experienced high employee retention ($M = 40.76, SD = 5.27$) than low succession planning organisations ($M = 37.03, SD = 3.78$). Also, succession planning had a significant effect on organisational effectiveness [$F_{(1,186)} = 57.09, \rho < .05$], with an effect size of $\eta^2 = .235$. An inspection of the mean scores indicate that high succession planning organisations experienced high organisational effectiveness ($M = 113.28, SD = 10.23$) than low succession planning organisations ($M = 98.41, SD = 9.66$). Comparing the effect size, therefore, it was observed that succession planning has a greater effect on organisational effectiveness ($\eta^2 = .235$) than employee retention ($\eta^2 = .072$). Hence the hypothesis that succession planning will have a significant effect on employee retention and organisational effectiveness such that the effect will be greater on organisational effectiveness than employee retention was confirmed.

Testing for Moderation Effect

Hypothesis three and four are moderating hypotheses. Hypothesis three for instance investigated if career development program will moderate the relationship between succession planning and employee retention while hypothesis four examined if career development program will moderate the relationship between succession planning and organisational effectiveness. Therefore to test these hypotheses, moderation analysis was done.

According to Baron and Kenny (1986), the direction and the strength of a relationship between variables can be accounted for by a moderator variable. In other words, they opined that moderation occurs when the relationship between two variables depends on a third variable called moderator variable. It is a prerequisite to establish a relationship between the

independent and dependent variables in which the moderation effect is going to be tested in order to carry out a moderation analysis. This prerequisite, therefore, was satisfied as indicated in Table 4.5.

In addition, Baron and Kenny (1986) assert that, in order to test for moderation; four different stages must be followed;

1. Standardization of the variables involves a transformational linear method, which attempts to cleanse the data of the effect of multicollinearity. In order to carry this out, the mean value of a variable is subtracted from each score of the same variable (Lingard & Francis, 2006).
2. The standardized values are used to calculate the interaction effect (predictor X moderator)
3. The outcome variable is then regressed, this is done by first entering the predictor variable in the first block. Subsequently, the moderator is entered into the second block and finally the interaction effect is entered into the third block.
4. The dependent variable is then regressed on the predictor, moderator and the interaction between the two. A significance of the interaction goes to prove that a moderation effect exists. On the contrary, if the interaction turns out not to be significant, it will mean there was no record of a moderation effect. Therefore, in order to test the third and fourth hypotheses, Baron and Kenny's (1986) procedure was adopted.

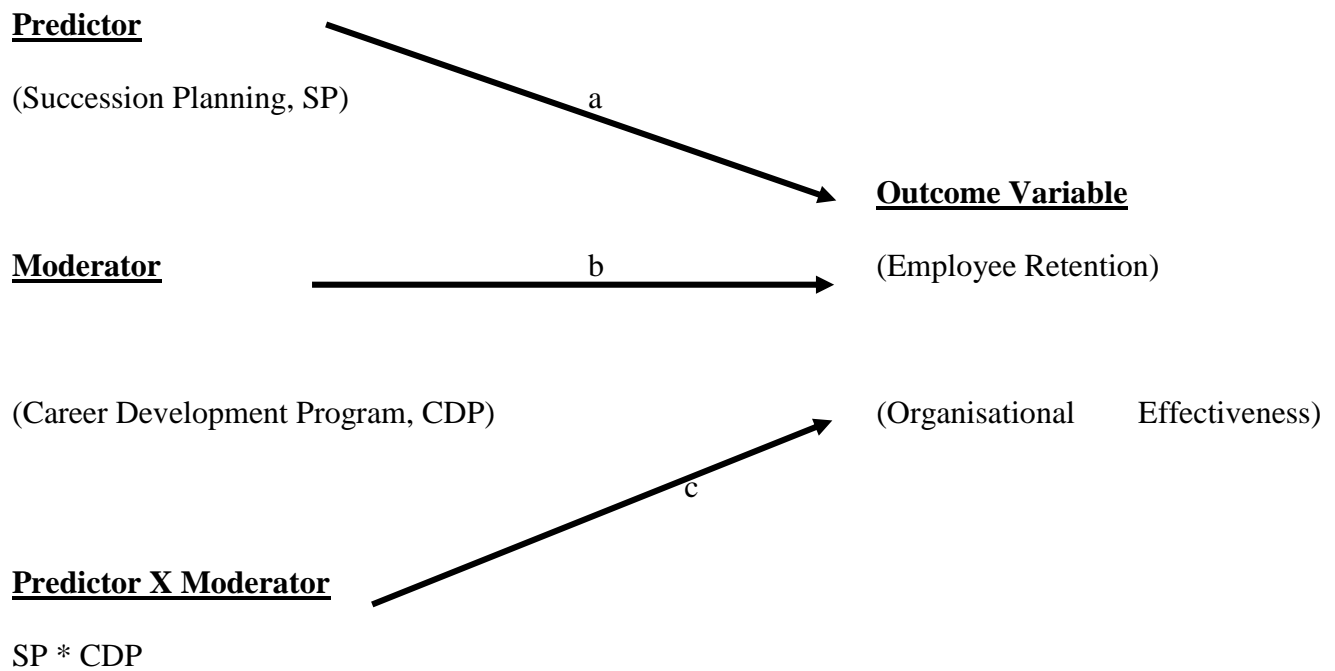


Figure 4.0: Path diagram of the moderating model (Baron & Kenny, 1986)

Figure 4.0 above has three paths that are causal that relate to the outcome variable (employee retention and organisational effectiveness). The influence of succession planning is a predictor that fall along the first path (a). The second path (b) has the influence of career development program as a moderator. Finally, the third path (c) has the interaction of the predictor (succession planning) and the moderator on the outcome variable. On the basis of this model, the moderation hypotheses are supported if the interaction that is path c is significant.

Hypothesis Three

The third hypothesis stated that, career development program will moderate the relationship between succession planning and employee retention. The hierarchical multiple regression analysis was used to test this hypothesis, since the prerequisite significant correlation was established between succession planning and employee retention. The result is presented in Table 4.10 below.

Table 4.8: Summary of the Hierarchical Multiple Regression for Career Development Program on the Relationship between Succession Planning and Employee Retention.

Model	<i>B</i>	<i>SEB</i>	β	F	<i>p</i>
Step 1: Constant	29.952	2.599			.000
SP	.115	.029	.278	15.636	.000
Step 2: Constant	23.075	3.061			.000
SP	.069	.030	.167	16.053	.025
CDP	.227	.058	.288		.000
Step 3: Constant	35.492	4.547			.000
SP	-.109	-.057	-.264		.060
CDP	-.010	.086	-.013	15.723	.909
SP * CDP	.003	.001	.657		.000

$R^2 = .078, .148$ and $.204$ for steps 1, 2 and 3 respectively. $\Delta R^2 = .073, .139$ and $.191$ for steps 1, 2 and 3 respectively $**p < .01$

From table 4.10, the analysis indicated that the model in step one was significant accounting for a (7.8%) variance in explaining employee retention [$F_{(2,185)} = 15.636, p < .01, R^2 = .078$]. Thus, succession planning significantly predicted employee retention ($\beta = .278, p < .01$). At step two of the model, career development program made a significant contribution (13.9%) in explaining the variance in employee retention, [$F_{(2, 185)} = 16.053, p < .01, \Delta R^2 = .139$]. Thus, career development program significantly predicted employee retention ($\beta = .288, p < .01$). The third step revealed that the model accounted for (19.1%) variance in employee retention [$F_{(3, 184)} = 15.723, p < .01, \Delta R^2 = .191$]. Hence, in line with the prediction made, the interaction between succession planning and career development program was significant ($\beta = .657, p < .01$). Thus, the hypothesis that career development program will moderate the relationship between succession planning and employee retention was supported.

According to Aiken and West (1991), for an appropriate interpretation of an interaction effect, a simple slope analysis should be conducted. Therefore, since an interaction effect was established in this moderation analysis, and in line with the view of Aiken and West (1991), a simple slope analysis was conducted (see Figure 4.1).

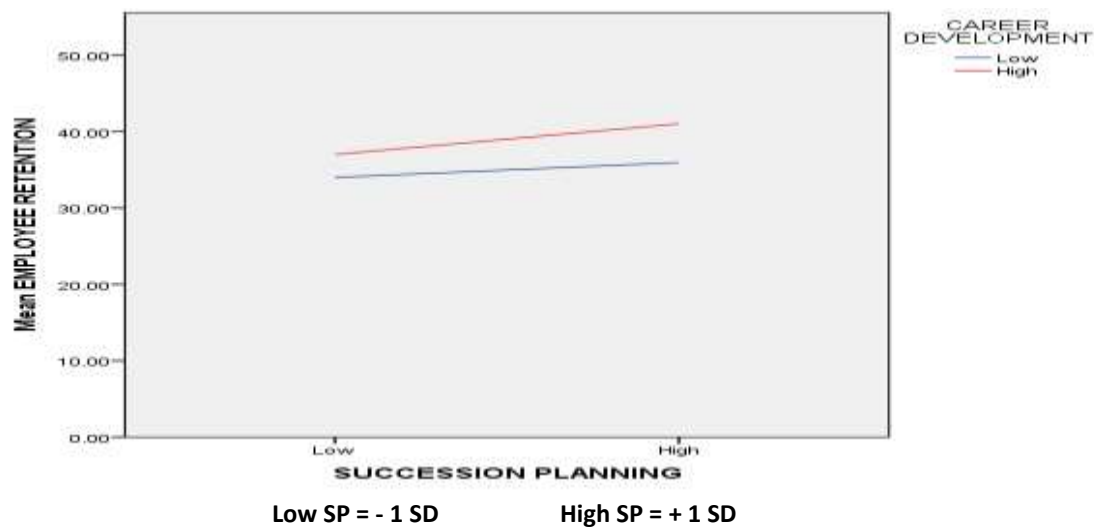


Figure 4.1: Summary of simple slope graph

Tests of simple slope indicated that succession planning had a significant positive effect on employee retention. Furthermore, upon inspection of the graph, the interaction results indicated that the influence of succession planning on employee retention was moderated by career development program, such that, the higher the level of career development program, the greater the effect of succession planning on employee retention. However, as career development program reduces, the effect of succession planning on employee retention also reduced.

Hypothesis Four

The hierarchical multiple regression analysis was used to test the fourth hypothesis, which stated that career development program will moderate the relationship between succession planning and organisational effectiveness. This is because, a significant correlation was

identified to exist between succession planning and organisational effectiveness. The result is presented in Table 4.11 below.

Table 4.9: Hierarchical Multiple Regression for Career Development Program on the Relationship between Succession Planning and Organisational Effectiveness.

Model	<i>B</i>	<i>SEB</i>	β	F	<i>p</i>
Step 1: Constant	72.821	5.283			.000
SP	.427	.059	.469	52.574	.000
Step 2: Constant	49.498	5.746			.000
SP	.272	.057	.298		.000
CDP	.769	.109	.441	58.132	.000
Step 3: Constant	84.916	8.130			.000
SP	-.234	.102	-.257		.023
CDP	.094	.155	.054		.544
SP*CDP	.010	.002	.848	56.483	.000

$R^2 = .220, .386$ and $.479$ for steps 1, 2 and 3 respectively. $\Delta R^2 = .216, .379$ and $.471$ for steps 1, 2 and 3 respectively $**p < .01$

From table 4.11, the analysis indicate that the model in step one was significant accounting for a 22% variance in organisational effectiveness [$F_{(1, 186)} = 52.574, p < .01, R^2 = .220$]. Thus, succession planning significantly predicted organisational effectiveness ($\beta = .469, p < .01$). At step two of the model, career development program did make a significant contribution (37.9%) in explaining the variance in organisational effectiveness, [$F_{(2, 185)} = 58.132, p < .01, \Delta R^2 = .379$]. Thus, career development program significantly predicted organisational effectiveness ($\beta = .441, p < .01$). The third step revealed that the model accounted for (47.1%) variance in explaining organisational effectiveness [$F_{(3, 184)} = 56.483, p < .01, \Delta R^2 = .471$]. Hence, in line with the prediction made, the interaction between succession planning and career development program was statistically significant ($\beta = .848,$

$\rho < .01$). Thus, the hypothesis that career development program will moderate the relationship between succession planning and organisational effectiveness was supported.

According to Aiken and West (1991), for an appropriate interpretation of an interaction effect, a simple slope analysis should be conducted. Therefore, since an interaction effect was established in this moderation analysis, and in line with the view of Aiken and West (1991), a simple slope analysis was conducted (see Figure 4.2).

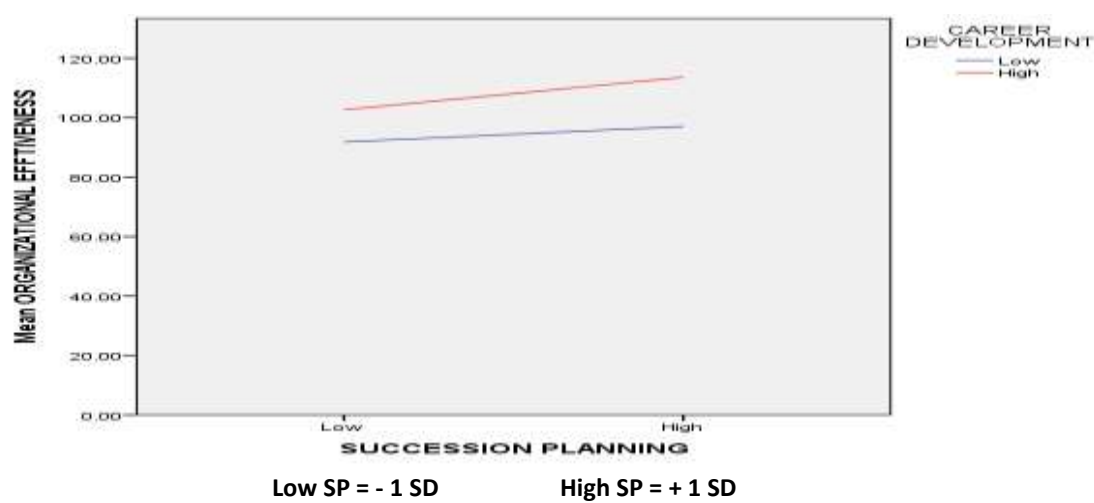


Figure 4.2: Summary of simple slope graph

Tests of simple slope indicated that succession planning had a significant positive effect on organisational effectiveness. Upon a further inspection of the graph, the interaction results indicated that the influence of succession planning on organisational effectiveness was moderated by career development program, such that, a high level of career development program led to a high effect of succession planning on organisational effectiveness. On the other hand, as career development program reduces, the effect of succession planning on organisational effectiveness also reduced.

4.3. Summary of Findings

In all four hypotheses were tested and all four hypotheses were confirmed. The following findings were consistent with the prediction in the study;

- Succession planning significantly had an effect on employee retention and organisational effectiveness, such that, the effect was greater on organisational effectiveness than employee retention (hypothesis 1)
- Career development program moderated the relationship between succession planning and employee retention by strengthening the relationship (hypothesis 2)
- Career development program moderated the relationship between succession planning and organisational effectiveness by strengthening the relationship (hypothesis 3)

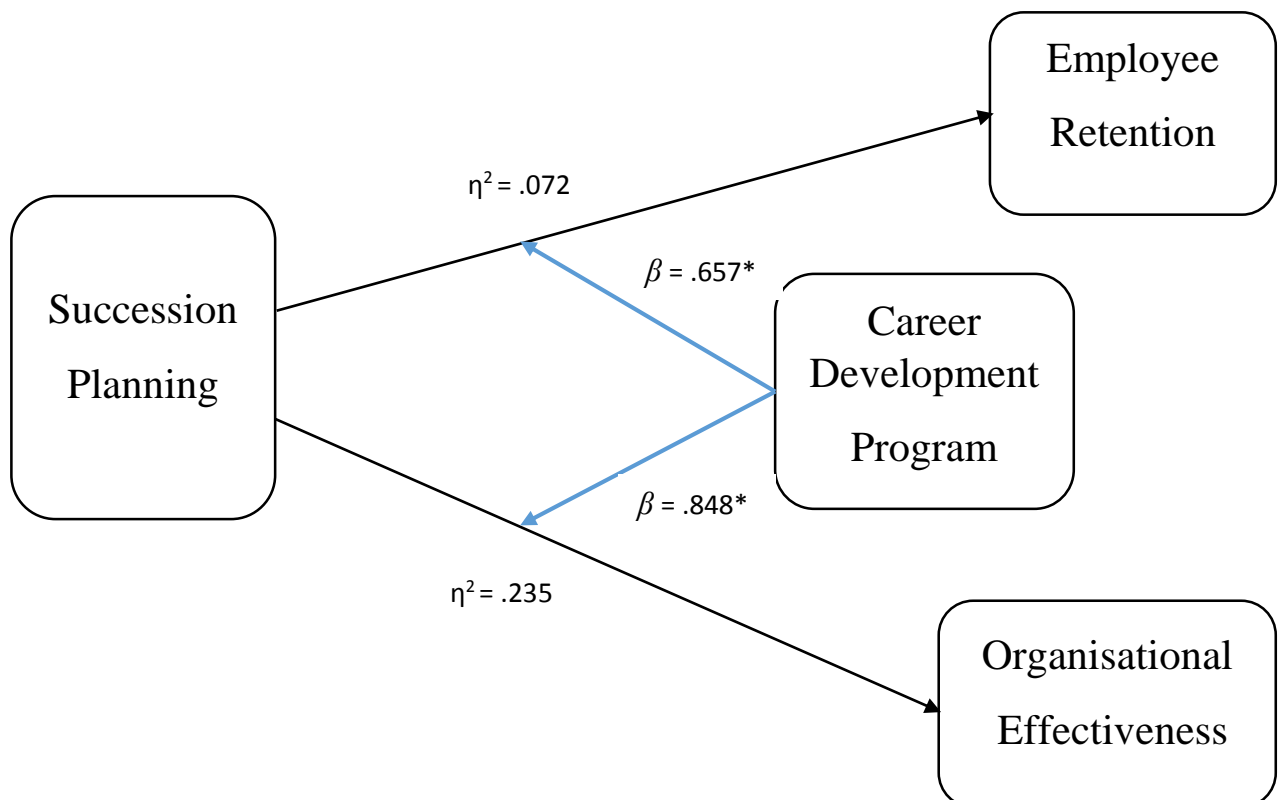


Figure 4.3: A summary of the observed relationships among study variables

Figure 4.3 is the final conceptual framework showing the significant relationships between the variables used in this study. Findings reveal that a succession planning significantly has an effect on employee retention ($\eta^2 = .072$). The finding also revealed that succession planning significant has an effect on organisational effectiveness ($\eta^2 = .235$). However, it was observed that the effect of succession planning is greater on organisational effectiveness than on employee retention. Furthermore, career development program moderated the relationship between succession planning and employee retention ($\beta = .657$), such that, the presence of career development program significantly strengthened the relationship. Also, career development program moderated the relationship between succession planning and organisational effectiveness ($\beta = .848$), such that, the introduction of career development strengthened the relationship.

CHAPTER FIVE

DISCUSSION

5.0 Introduction

This study was aimed at examining the relationships that exist between succession planning, employee retention and organisational effectiveness. Specifically, it explored the relationship between succession planning and employee retention and also the relationship between succession planning and organisational effectiveness. It further examined the moderating role of career development program in the relationship between succession planning and employee retention as well as the role of career development program as a moderator in the relationship between succession planning and organisational effectiveness. The purpose of investigating the moderating effect was to better understand the conditions under which succession planning would most strongly relate to employee retention and organisational effectiveness. This chapter undertakes a discussion of the findings of this research, in light of the guiding theoretical framework and previous literature. Additionally, the implications of these findings on theory and practice as well as its limitations and recommendations for future research will be discussed.

5.1. Discussion of findings

5.1.1. Succession planning, employee retention and organisational effectiveness.

The first hypothesis sought to investigate whether succession planning will significantly have any effect on employee retention and organisational effectiveness. The results as expected indicated a significant positive effect of succession planning on employee retention and organisational effectiveness with a greater effect on organisational effectiveness than employee retention. This notwithstanding, the discussion will be done separately. Thus discussing the effect of succession planning on employee retention separately from that of organisational effectiveness.

Succession planning and employee retention

From the results, it was observed that, succession planning had a significant effect on employee retention. The correlation matrix between the variables also indicated a significant positive relationship between succession planning and employee retention. This means that, the higher the practice of succession planning in organisations, the higher the rate of employee retention. This further means that if the organisation put in place proper succession planning program, it will affect employees' decision to stay with the organisation positively because they will feel they have a future with the organisation hence an increase in the retention rate of the organisation. Succession planning also leads to the promotion of some employees and the employees see such "move" as a kind of motivation hence their decision to stay.

The Job Embeddedness theory suggests that, employee retention or the extent to which employees feel stuck, connected, attached or embedded in their jobs or organisation, according to Mitchell et al., (2001), is based on the extent to which employees are connected with other people and groups within the organisation or organisation itself which is referred to as *links*; the extent to which employees see themselves as compatible with their job and organisation which is referred to as *fit*; and the value employees would have to give up if they left a job (i.e. to break the links and fit) which is referred to as *sacrifice*. Sacrifices here include financial rewards, a positive work environment, promotional opportunities, career progression opportunities, increase in wages and so forth. Employees who would have to sacrifice more are more embedded and therefore more likely to stay. According to Michelson (2006), succession planning involves putting the right people at the right place at the right time. Michelson further explain that to ensure effective implementation of succession planning both needs of the employees and that of the organisation should be at congruence with each other. What this means is that if the employee feels that his needs and values are

in agreement with that of the organisation, according to Mitchell et al. (2001) explanation, they will be embedded with the organisation hence influence their decision to stay. In other words, when employees understand what the organisation's needs are and how their own personal career aspirations and values fit into the overall plan of the organisation, as a result of companies sharing their corporate vision with them beyond plaques on the wall and internal business companions, a level of commitment and attachment are generated which tends to influence their decision to stay. Just as organisations know where they need strong players, employees are realistically aware of how they fit into the corporations' bench strength requirements as well.

Further, the Aberdeen Group (2005) postulated that, succession planning meets the career development needs of existing employees, improves support to employees throughout their employment, prepares current employees to undertake key roles, and accelerates the transition of qualified employees from individual contributors to managers and leaders in the form of promotion and by effect leads to an increase in their pay and other benefits. Feldman and Bolino (1998) argues that benefits, such as those enumerated by Aberdeen Group as a result of succession planning, influences the decision of the employees to stay with the organisation. The job Embeddedness theory explains that the benefits employees would have to sacrifice if they leave such organisations make them embedded to the organisation, hence increases employee retention in the organisation.

Additionally, the finding of this present study is consistent with the findings of many other studies (Bernthal and Wellins, 2001; Aberdeen Group, 2005; Chikumbi, 2011; Eshiteti et al., 2013; Kataike, 2013) which found succession planning to have a significant positive effect on employee retention. In the case of the study of Bernthal and Wellins (2001) for instance, their study covered the United States, Asia, Europe and Latin America and they explained that people will prefer to stay and grow in their current organisation than leave

due to the presence of human resource policies such as succession planning. Bernthal and Wellins (2001) further in their study revealed that the ultimate reason for employees to leave an organisation is that they are not being progressed in their career and/or they do not have meaningful work. Succession planning is one major tool through which potentials and talents in the organisation are prepared for future benefits, thus, to fill in gaps that may be created during the timely or untimely departure of an employee in an organisation. Therefore, it is evident that effective succession planning improves the organisation's chances of retaining key personnel according to their survey. Additional studies showed that the way employees are informed about the succession planning that is taking place in their organisation has an impact on their behavioural outcomes including all other variables which includes retaining and leaving the organisation.

The finding of this study further finds ample support in a very recent study conducted by Tunje (2014) which also investigated the influence of succession planning practices on employee retention. Succession planning as a policy and practice takes care of employee's career paths (Tunje, 2014). According to Chikumbi (2011) and Denisi and Griffin (2008), employees feel satisfied and motivated by realistic objective setting and continuous learning opportunities hence influences their decision to stay with such organisations. Organisations' investment in their staff through succession planning programs contribute to a pool of talent, which benefits the whole organisation through reduction in turnover rate. Therefore, employees' decision to leave an organisation is not only just in search of better benefits and pay but for career progression as a result of succession planning practices.

A formal succession planning program, therefore, help in the retention of valuable workers as well as act as a tool to attract other potential employees. It has emerged as a strong factor influencing staff retention. Organisations that properly manage talent, through succession

planning, often have the most success at keeping their employees loyal, which inevitably leads to lower turnover rate, that is, higher retention rate.

Succession planning and organisational effectiveness

Also, the result indicated a significant positive effect of succession planning and organisational effectiveness. This means that putting in place a good succession planning practice in an organisation will enhance the effectiveness of the organisation.

This finding can be explained by the fact that, according to the RO theory, when it comes to improving organisational effectiveness and solving human problems within organisations the right approach is not to act on the psychology of individuals employees in order to improve the organisation, like traditional thinking on organisations dictates (Abdillea, 2013), but to change systems in the requisite way (the way required by the nature of things), and the self-same individuals will change their behaviour dramatically overnight. Therefore, putting in place proper policies and programs such as succession planning, a critical long-term viability of an organisation, which identify and analyse key positions, assesses candidates against job and personnel requirements, and creates individual progression plans for potential successors ensures continuity of an organisation's leadership by identifying and developing potential candidates for key positions. This influences the competitiveness, effectiveness and growth of the organisation. The theory further explains that an employee's prospective aptitude is the key factor in identifying talent within a succession planning strategy and is measured in the unit of time-horizon. An individual's time-horizon is the length of time into the future that he or she can plan and work, according to the RO theory. Abdillea (2013) explains that making plans and carrying them out in the future enhances the potential capability of the both employee and employer and by effect enhances the overall effectiveness of the workforce and the organisation at large.

This finding is also consistent with findings by other researchers such as Huang (2001), Miles and Dysart (2008), Lamoureux, Campbell and Smith (2009), Avanes (2011), Odhiambo, Njanja and Zakayo (2014).

In his study, Huang (2001) sought to investigate whether firms with a more sophisticated succession plan or practice achieved more favourable human resource outcomes such as organisational commitment, employee satisfaction, staff morale and organisational climate than those with less sophisticated plans. Even though his study revealed that mere implementation of a succession management plan does not make a significant difference to reported business effectiveness, there is an important relationship between the level of sophistication with which succession plans were carried out and human resource outcomes such as performance and employee satisfaction. He further found out that the credibility of succession planning affected the performance of human resources and by extension the effectiveness of the organisation.

Additionally, the Journal for Quality and Participation in 2005 argued strongly on the essence of succession planning in the general performance and effectiveness of institutions. In one of their studies, they reported that 67% of companies do not have a succession plan and 45% have no executive development plan in place which has created crises in terms of organisational success. According to Vardiman, Houghston & Jinkerson (2006), organisations that practice effective succession planning tend to produce effective talent pool which also tend to innovate, respond to changes in markets and environments, creatively address challenges, and sustain high employee and customer satisfaction and performance in the organisation including improved financial performance leading to a high organisational effectiveness.

Furthermore, the finding of this study is consistent with a very recent one done by Odhiambo, Njanja and Zakayo (2014) among NGOs in Kenya. Their focus was to establish

the extent to which succession planning influences the realization of stakeholder's expectation, explore the role of succession planning on internal business process and determine the extent to which succession planning contributes to the growth of NGOs in Kenya. Their findings suggests that succession planning have significant effect on internal business as an aspect of organisation performance. It further revealed that succession planning significantly contributes to institutional growth of NGOs based on teamwork where work teams frequently review and evaluate processes, incidents, decisions and innovations to derive as much learning as they can from both success and failure through performance appraisal and promoting commitment to the organisation for growth as a key component of organisational effectiveness, and development as well as career progression within the organisation.

Also, Cappelli and Keller (2014) postulated that the loss of an individual employee in an important role results in an upsurge of undesirable repercussions for a team or organisation. In other words, strategic positions, according to them, are the important roles defined as "jobs in which investments in selection, evaluation, and development have the greatest potential to generate a significant return through increasing revenue or decreasing costs". They therefore agreed that, putting in place a succession planning program in an organisation has a positive effect on the overall performance and by effect effectiveness of the organisation.

5.1.2. Career development program as a moderator in the relationship between succession planning and employee retention.

The fourth hypothesis of this research was to establish if the variable career development program has a moderating effect on the relationship between succession planning and employee retention. Specifically, it was hypothesized that, career development program will moderate the relationship between succession planning and employee retention. Consistent

with this prediction, the results from the study indicated that career development program moderates the relationship between succession planning and employee retention, accounting for 19.1% of variance in employee retention. What this means is that, the relationship between succession planning and employee retention is positively strengthened by the introduction of career development program in the organisation such that, a higher level of career development program increases the relationship between succession planning and employee retention as well as a reduction in the relationship when career development program is low.

During the review of the literature, no empirical study of the moderating role of career development program on the relationship between succession planning and employee retention was found. However, the moderation hypothesis was anticipated based on the premise that career development program according to the literature has a positive effect on employee retention and also after the empirical studies have establish a relationship between succession planning and employee retention. With this rationale, support was found for the moderating role of career development program on the succession planning-employee retention relationship in the current study.

The result of this study is in line with results of previous studies conducted as reviewed in the literature. Kataike (2013) in his study, for instance, looked at the relationship between talent management and employee retention among commercial banks in Kenya. In her study, her results revealed that even though succession planning cannot be separated from employee retention, career development program in terms of training and development opportunities emerged as one of the factors which affected turnover of which management had neglected. According to Kataike's study when employees are given these training and development opportunities, both internally and externally, the employees see them as a way of motivating them and also empowering them with knowledge, skills and abilities. For this

reason employees who benefit from such opportunities tend to stay with the organisation for a long time.

Furthermore, Liu (2004) in a study among I.T workers in the United States found that the provision and availability of development opportunities as an HR supportive tool enhances loyalty among the workers and by effect improves employee retention. In other words, the availability of career development programs according to Liu's (2004) study reduces the intention of employees to look for other alternatives. In support, Lee (2000) observed that organisations that invest in career management and development through training are more likely to decrease employee's job turnover. According to Sturges et al. (2005), this is expected to find negative links between absence of career management and development help and also undesirable behaviours such as absenteeism and voluntary turnover.

The finding of this study is however contradictory to that of Mapelu and Jumah (2013). They conducted a study on the effect of training and development on employee turnover. The finding of their study indicated that employee development significantly affected employee turnover such that, employee development rather increased turnover. They argued that, when employees are developed, rather than being appreciative and using the skills acquired for the benefit of the organisation, they see it as a tool for better opportunities in other organisations. Mapelu and Jumah (2013) associated this problem to low level of commitment of the employees. They, therefore, argued that although training plays a major role in employee retention given the overwhelming empirical evidence from other studies, organisations need to look at additional strategies and practices that can enhance commitment. This is because training alone, according to them, may offer many benefits but a much greater impact will be found when using a strategy to human resources that entails many different organisational practices and policies.

This notwithstanding, investment in employees through career development programs in the form of training and development is considered important factor in employee retention. Training and development, according to Purcell (2003), is not just a sign of organisation's commitment to employees but also a major instrument for attracting, motivating, retaining good quality employees and also satisfying the career progression needs of the employees. These therefore influences the decision of the employee to stay with the organisation.

Additionally, to have a successful succession planning, organisations must identify their long term goal and by so doing also identify and understand the developmental needs of their employees. These developmental needs should influence the kind of policies and programs that are designed to satisfy both needs of the organisation and the employees. When the needs of the employees are satisfied through such programs, for instance, the employees have no reason to leave for greener pastures in other organisations. The current study has shown that career development program indeed is major instrument for attracting, motivating and retaining good quality employees. According to Purcell (2003), providing career development opportunities is one of the surest ways to a successful succession planning program and as such, providing a succession planning program without considering the development of the employees is meaningless.

5.1.3. Career development program as a moderator in the relationship between succession planning and organisational effectiveness.

The last hypothesis of this study was to determine if the variable, career development program, has a moderating effect on the relationship between succession planning and organisational effectiveness. Specifically, it was hypothesized that, career development program will moderate the relationship between succession planning and organisational effectiveness. This prediction was supported by the results in the present study ($\beta = .076, p < .01$). The results showed a clear effect of career development program on this relationship.

Further, the result revealed that the level of training and development given to an employee through career development programs affect the relationship between succession planning practice in the organisation and the organisation's effectiveness in terms of goal achievement such as employee satisfaction, customer orientation, organizational commitment and financial and growth performance by strengthening the relationship. This means, the development of employee's career by the organisations had a significant effect on the succession planning-organisational effectiveness relationship.

Again, during the review of the literature, no empirical studies of the moderating role of career development on the relationship between succession planning and organisational effectiveness were found. However, the moderation hypothesis was anticipated based on the premise that career development according to the literature has a positive effect on organisational effectiveness and also a positive relationship has been established between succession planning and organisational effectiveness. Furtherance with this rationale, support was found for the moderating role of career development program on the succession planning-organisational effectiveness relationship in the current study. The interaction between succession planning and career development program explained a 47.1% variance in explaining organisational effectiveness. This is a positive variance. In other words, the positive effect of succession planning on organisational effectiveness is stronger for organisations that practice and invest in the career development of their employees. This is therefore consistent with research that have proven a positive influence of career development programs on the effectiveness of the organisation.

Adeniyi (1995) observed in his study that career development can have a very substantial influence on the general effectiveness and profitability of an organisation. Collins and Holton (2004) also opined that even a moderately effective training and development program can have a substantial effect on the effectiveness of the organisation. Adeniyi

(1995) further observed that, the effectiveness and growth of the organisation therefore depends on the workforce which forms the organisation. It will therefore not be wrong for one to argue that, for employees in an organisation to be able to perform their duties and make meaningful contributions to the success of the organisation in terms of the achievement of organisational goals, they will need to acquire the relevant training and development needed for such contribution, hence the need for career development program.

Also, in a qualitative study by Oguntimehin (2001), he identified the functions of career development as follows: increase productivity, improves the quality of work; improves skills, knowledge, understanding and attitude; enhance the use of tools and machine; reduces waste, accidents, turnover, and eliminates obsolescence in skills, technologies, methods, products and capital management. In their contribution, Thang and Buyens (2008), after reviewing 66 studies conducted in different countries, concluded that training and development leads to improved knowledge, skills, abilities, attitudes, and behaviour of employees that ultimately enhance excellent financial and non-financial performance of the organisations.

Even though this finding is consistent with a number of related studies, it is in sharp contradiction to Anlesinya, Bukari and Eshun (2014)'s study on the effect of employee development on organisational performance in Ghana's public sector. Their finding showed that there is a significant negative correlation between career development program and organisational performance ($r = -0.326$, $p < 0.05$). They argued that employees of the organisation are developed in areas that do not significantly add value to overall performance of the organisation and that in the short-run, cost of development could account for the current turn of events. For this reason the organisation might show little or no commitment towards the employees' career development. But in the long term, they suggested, this might not be so. This is because some initiatives (career development

programs) on such employees can take a long time to benefit the organisation. They concluded that, lack of required resources and leadership support can make a highly developed employee contribute less to the organisation hence poor organisational performance and by extension a high level of ineffectiveness.

By this reason, the current researcher argues that the establishment of a clear effect of career development program on the relationship between succession planning and organisational effectiveness is as a result of the organisation developing its employees in areas that significantly add value to overall performance of the organisation leading to a significant level of effectiveness in the organisation and also placing more value on the future benefit of their investment in their employee's development than the cost involved in such development. The final conclusion of Anlesinya, Bukari and Eshun (2014) on their study confirms the finding of the current study as they state that, adequate investment of resources and management support can make a highly developed employee contribute significantly to the performance and by effect, the effectiveness of the organisation.

Additionally, the level of competition among institutions in the current unstable global economy has challenged most institutions to leave nothing to chance. Organisations are therefore riding on the back of their employees to achieve their set target of becoming high performing organisations and by extension sustaining growth and survival. Every organisation for that matter cherish its employees especially those with exceptional skills. The loss of an employee to his or her employer through resignation, retirement, accidents among others is of great concern to the employer. Most of them have for that matter put in place strategies such as succession planning policies and practices to cushion such losses such that a pool of talent is created to fill any vacancy that may be created as a result of the departure of an employee. The process of succession planning ensures a smooth continuation of business. It has therefore become necessary for organisations to develop their employees

through training ahead of such “lacunas” when they occur. A career development program does not only develop employee’s skills but contributes to the company’s profitability and growth leading to an enhanced organisational effectiveness as this current study has established. It is therefore necessary that succession planning is viewed in conjunction with a well-designed career development program to provide the individual and organisation with what is needed and wanted by both employee and employer. This will provide a reciprocal and equal victory for both parties.

5.2. Limitation of the study

The present study like all previous studies conducted is not without limitations. The limitations of the current study range from limited time and resources, the choice of design and choice of scales. These limitations are deliberated comprehensively below.

First, due to limited time and resources, the researcher’s efforts towards obtaining more responses were significantly hampered, coupled with the tall list of items on the questionnaire which is likely to have resulted in not achieving a 100% response rate. The findings, for that matter, could have improved if more responses were obtained for analysis. This notwithstanding, based on the recommendations of Tabachnick and Fidell (2007), the sample size used was enough to get a reliable equation.

Secondly, scales used in this study were developed in Western cultures. The use of scales developed in the Western culture poses a limitation to the findings of the study. Although the researcher conducted a pilot study to improve respondent’s general comprehension of the items, developing a Ghanaian based scale would offer a true image of the state of research on succession planning for instance in Ghana by taking into account the actual components of succession planning in the Ghanaian context. As stated by Haldeman and Spitaels-Genser (2005), “succession plans are like fingerprints, no two are alike”, in that, the components of succession planning in England will be different from that of Ghana

hence the need to contextualise it in the Ghanaian culture as well to provide a true reflection of research in that field in Ghana.

Furthermore, the research utilized the cross sectional design in the current study which limited its ability to draw cause-effect relationships. Although associations were observed among the study variables, the design was not robust enough to establish a direct cause-effect relationship, between the variables but rather a predictive relationship. This therefore potentially affects the generalizability of the findings. However, a moderating hypotheses according Field (2005) help to establish a relationship close to a cause effect relationship. This is because, the moderation helps to identify the conditions under which the relationship between the predictor and outcome variables can be strengthened or weekend. This therefore enhances the ability to better predict (Baron & Kenny, 1986). Hence the test of moderation in the current study helps to reduce to some extent the defects that come about as a result of the inability to draw cause – effect relationship. Field (1995) further added that experiments which determine a cause-effect relationship could not be used in the workplace setting because it creates a non-natural environment and may inconvenience both employers and employees. Nevertheless, a study incorporating the use of longitudinal design could improve the ability to make stronger causal statements than were found in this current study.

5.3. Implications for practice

First, findings from the study have both theoretical and practical/managerial implications. Theoretically, findings of this study add on to the existing body of knowledge on the general subject of succession planning, employee retention, organisational effectiveness and career development program in Ghana. Since there is inadequate literature on succession planning practice in Ghana, findings of the study provide benchmark data which can be used for future research.

Also, findings of this study revealed that succession planning significantly predicted employee retention and organisational effectiveness. This should inform management of both private and public sector organisations to take succession planning programs and practice with all the seriousness it demands more especially when most companies now view the business world as a war for talent where companies now poach employees from different institutions to switch to their camp to enhance their performance and for that matter their effectiveness. The survival and growth of organisations in this turbulent business world largely depend on their level of effectiveness in terms of goal achievement and the availability of a committed workforce who are ready to stay with them to fight on. Therefore, if succession planning, as this study have proved, can influence these conditions then it is about time policy makers in our organisations take a second look at their succession planning practice. Furthermore, employees as it is well known, form the backbone to the success of these companies and their success affects the organisation's effectiveness positively. For organisations to keep their scarce employees and even produce a pool of best talents, management need to view succession planning as a strategic part of an organisation's policy to prepare employees for any future exit, which the employees themselves see as a form of promotion in waiting. This will motivate them and for that matter influence their decision to stay with their organisation.

Additionally, it has also become very important for organisations and its managers to attach more importance to the development of their employees. This is because, this study has also revealed that indeed career development of employees strengthen the relationship between succession planning and organisational effectiveness as other related studies have. One thing every employee wishes for in life is to have a career progression. This explains why so many workers today are pursuing higher learning and more difficult training programs to fulfil their wishes. If such employees find themselves in organisations that considers the

development of its employees as part of its policy by way of regular training and development to meet knowledge and skills gap they face, they will be more willing to take advantage of such opportunities. Taking advantage of such an opportunity means that more knowledge, skills and abilities (KSAs) will be acquired which they will in return transfer back to the organisation to enhance effectiveness. Therefore, the need for a strategic innovation of career development program to train and develop employees in our institutions cannot be underestimated by managers of our institutions if they want to stay competitive, grow and survive in this turbulent business world.

5.4. Recommendation for future research

First, in this current study, the researcher largely employed the use of regression in testing the various hypotheses establishing the relationships between and among various variables. The research took this decision with the assumption that the relationships were linear. However, it will not be farfetched that a possible non-linear relationships could exist between and among the variables and therefore testing their relationships adopting non-linear regression models is likely to lead to different results. As a result, further research is required that will exploit the use of non-linear regression models as well as different operationalization of the variables such as organisational effectiveness and career development program that will also allow for use of other analytical techniques to test the hypothesized relationships for this study.

5.5. Conclusion

In conclusion, the focus of the present study was to investigate the relationship between succession planning, employee retention and organisational effectiveness. The moderating role of career development program in the relationship between succession planning and employee retention and also the moderating role of career development program in the relationship between succession planning and organisational effectiveness were also

explored. The participants of the study involved 188 employees from two public institutions (GCAA and CPC) and two private institutions (PFC and Ecobank). Data collected were analysed by the use of both inferential and descriptive statistics. Using multiple analysis of variance (MANOVA) and multiple regression, all four (4) hypotheses were confirmed. Results from the statistical analysis revealed that succession planning has an effect on employee retention and organisational effectiveness. The result also provided empirical evidence that career development program moderates the relationship between succession planning and employee retention, such that, it strengthens the relationship. The proposed moderation effect of career development program in the relationship between succession planning and organisational effectiveness was also observed, such that, it strengthened the relationship.

This study is additionally consistent with other studies on the fact that, certain organisational policies such as succession planning, if well implemented and practiced, influences the behaviour of employees such as their intention to leave or stay with the organisation. It is also consistent with the overwhelming findings from other studies that good organisational policies such as succession planning not only improves the performance of the organisation but the overall effectiveness of the organisation as well. The current study is further in agreement with empirical evidence on the essence of career development program for the individual employee and the organisation itself. Hence, investment in employee development to enhance their career progression cannot be any longer delayed.

Management therefore needs to extend their full support in terms of resource allocation to ensure an effective succession planning to materialize since one of the biggest challenges of succession planning is the reluctance of top managers to develop their staff in terms of training with the reason that those trained will serve as a threat to their very existence. As well, the support of the general staff is also needed in the efforts and the activities of

succession planning because staff who are unwilling to be trained to take up new and superior tasks are likely to endanger the targets of succession planning in the organisation such as employee retention and effectiveness of the organisation in terms of goal achievement.

Finally, the hope of the researcher is that observations made in this study will not only be useful to the succession planning literature but will travel the full length in serving as a guide for organisations and governments interested in the growth and survival of their institutions to put in place proper and realistic succession plans such that the right talents will always be available and ready to fill in gaps created as a result of the exit of an employee.

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APPENDIX I

ETHICAL CLEARANCE



UNIVERSITY OF GHANA
ETHICS COMMITTEE FOR THE HUMANITIES (ECH)
P. O. Box LG 74, Legon, Accra, Ghana

My Ref. No.....

17th March, 2015

Mr. Jonathan Tetteh
 Department of Psychology
 University of Ghana
 Legon

Dear Mr. Tetteh,

ECH 057/14-15: SUCCESSION PLANNING, EMPLOYEE RETENTION AND ORGANIZATIONAL EFFECTIVENESS AMONG SOME SELECTED PUBLIC AND PRIVATE SECTOR INSTITUTIONS IN GHANA

This is to advise you that the above reference study has been presented to the Ethics Committee for the Humanities for a full board review and the following actions taken subject to the conditions and explanation provided below:

Expiry Date:	3/09/15
On Agenda for:	Initial Submission
Date of Submission::	17/02/15
ECH Action:	Approved
Reporting:	Quarterly

Please accept my congratulations.

Yours Sincerely,



Rev. Prof. J. O. Y. Mante
 ECH Chair

CC: Prof. C. C Mate- Kole, Dept of Psychology



APPENDIX II

APPROVAL LETTERS FROM STUDY INSTITUTION



Our ref: **GCAA/HR/GEN**

Your ref:

Mr. Jonathan Tetteh
University of Ghana
Post office Box LG 84
Legon

24th April, 2015

Attention: Professor Mate-Cole

Dear Sir,

RE: LETTER OF INTRODUCTION

We acknowledge receipt of your letter No. PSYC 2/33/02 on the above-mentioned subject dated 1st April, 2015.

Management is pleased to inform you that approval has been granted for (Mr. Jonathan Tetteh) a student of your Institution pursuing MPHIL in Industrial & Organizational Psychology to collect data and administer questionnaires at GCAA on the topic "**Succession Planning, Employee Retention and Organizational Effectiveness among some Selected Public and Private Sector Institutions in Ghana**"

The student is kindly requested to contact our **Human Resource Department** for the necessary assistance.

You can always count on our cooperation.

Yours faithfully,

**ANGELA TWUM-BARIMA
HUMAN RESOURCES MANAGER
(For: AG. DIRECTOR-GENERAL)**

cc: Director of Human Resources

**COCOA PROCESSING COMPANY LTD.**

A FREE ZONE ENTERPRISE
Private Post Bag, Tema - Ghana Tel: 233 - 303 - 202926 / 202914 / 206375 / 212153 Fax: 233 - 303 - 206657 / 204411 / 212154
E-mail: info@goldentreeghana.com

Your Ref:

Date: 14th April, 2015

Our Ref: ADM/CPC/HRM/5

Mr. Jonathan Tetteh
University of Ghana
Post Office Box LG 84
Legon

Attention: Prof. C. C. Mate-Kole

Dear Sir,

RE: LETTER OF INTRODUCTION

We acknowledge receipt of your letter No. PSYC 2/33/02 on the above-mentioned subject dated 1st April, 2015.

Management is pleased to inform you that approval has been granted for (Mr. Jonathan Tetteh) a student of your Institute pursuing MPhil in Industrial & Organizational Psychology to write his thesis at Cocoa Processing Company on the topic "***Succession Planning, Employee Retention and Organizational Effectiveness among some Selected Public and Private Sector Institutions of Ghana.***"

Kindly be informed that Management of the Company will expect a copy of the report on the study.

The student is kindly requested to contact our **Human Resource/Training and Development Officer** for the necessary assistance.

You can always count on our cooperation.

Yours faithfully,

J. EKOW RHULE
AG. HUMAN RESOURCE MANAGER
For: DEPUTY MANAGING DIRECTOR (F&A)

cc: Deputy Managing Director (F&A)
Public Relations Manager
Human Resource/Training & Dev. Officer
Mr. Jonathan Tetteh



UNIVERSITY OF GHANA
DEPARTMENT OF PSYCHOLOGY

Tel.: (233-0302) 500381 Ext. 3754/3310 P. O. Box LG 84, Legon - Ghana E-mail: psychology@ug.edu.gh
 028 955 04 63

Our Ref. No. **PSYC 2/33/02**

1st April, 2015

Pioneer Food Cannery
 P.O. Box 40
 Fishing Harbour
 Tema



Dear Sir/Madam,

LETTER OF INTRODUCTION
MR. JONATHAN TETTEH

The above-named is an M.Phil Industrial & Organizational Psychology Student at the University of Ghana, Legon.

In partial fulfillment of the requirement for the award of the M.Phil degree Mr. Jonathan Tetteh has to write and submit an original thesis.

He has selected the topic: "Succession Planning, Employee Retention and Organizational Effectiveness Among Some Selected Public and Private Sector Institutions in Ghana."

To enable him collect data for his work he would need to administer questionnaires and /or conduct interviews. He has selected your institution as suitable for his data collection.

Attached is his institutional approval/clearance to enable him carry on with his research work.

Any assistance you may give him would be greatly appreciated.

Yours faithfully,

(Prof. C. C. Mate-Kole)
HEAD OF DEPARTMENT

Alex
 MIA
 V. A. J.
 to him

0245991761

6/12/2015

Gmail - Automatic reply: QUESTIONNAIRE

Jonathan Tetteh <joetee145@gmail.com>

Automatic reply: QUESTIONNAIRE

BOATENG Daniel <DBOATENG@ecobank.com>
To: Jonathan Tetteh <joetee145@gmail.com>

Wed, Jun 10, 2015 at 3:07 PM

Dear Jonathan,

Your request has been approved.

Please proceed with the questionnaire.

Regards

Daniel

Daniel Kwabi Boateng**Branch Manager**

Tema Main Branch



Tel: +233 303 205287

+233 263 001540

Cell: +233 244 404143

Email: dboateng@ecobank.com

Tema Main Branch

ECOBANK GH. LTD Town Centre, Plot No. Tc/Mkt/A, 76,
P.O. Box CO 3207, Community One,
Tema

CONSENT FORM

UNIVERSITY OF GHANA



Official Use only Protocol number

OFFICE OF RESEARCH, INNOVATION AND DEVELOPMENT
Ethics Committee for Humanities (ECH)

PROTOCOL CONSENTFORM

Section A- BACKGROUND INFORMATION

Title of Study:	Succession Planning, Employee Retention and Organisational Effectiveness Among Some Selected Public and Private Sector Institutions in Ghana
Principal Investigator:	Jonathan Tetteh
Certified Protocol Number	10285647

Section B- CONSENT TO PARTICIPATE IN RESEARCH

General Information about Research

The purpose of the study is to find the relationship between succession planning, employee retention and organisational effectiveness among some selected public and private sector institutions in Ghana and to also examine how career development moderates these relationships. Your permission is greatly being sought to participate in this study. You will be required to fill out a questionnaire on succession planning, employee retention, organisational effectiveness and career development. Completion of questionnaire will take 20 minutes to 30 minutes. You are encouraged to call the attention of the researcher if help is needed

Possible Risks and Discomfort

I understand you may experience tiredness or fatigue while responding to the questionnaire. Please be assured that, you are allowed to take periodic breaks to minimize tiredness. Some of the questions may make you feel uncomfortable. Please, you are free to stop or pause if any such feelings are experienced. You also have the right to choose not to answer specific questions or to stop participating at any time.

Possible Benefits

This study was not designed for any direct benefit. However, findings from this study would help influence Human Resource policy to enhance organisational survival.

Confidentiality

Please be assured that information given would be treated with privacy at all times. You will not be required to write your name in this study and there is no wrong or right answer so please feel free to answer questions honestly. Information provided will be handled only by the principal investigator. Data collected will be used exclusively for academic purposes only.

Compensation

Please, no compensation package in any form will be offered.

Withdrawal from Study

Please be informed that, your participation in this study is completely voluntary. You have the right to withdraw and discontinue participation at any time without penalty. If you refuse to participate, no one will be informed.

Contact for Additional Information

In case of any doubt or/and for any further information on this study, you may contact the Principal Investigator; Jonathan Tetteh, University of Ghana, Department of Psychology, Legon

E-mail: jonitet143@yahoo.com or **Telephone:** 0245991761

Dr. Kingsley Nyarko

University of Ghana

Department of Psychology

Legon.

Tel: 0548006675.

OR

Dr. Maxwell Assumeng

University of Ghana

Department of Psychology

Legon.

Tel: 0248674405

Section C-VOLUNTEER AGREEMENT

"I have read or have had someone read all of the above, asked questions, received answers regarding participation in this study, and am willing to give consent for me, my child/ward to participate in this study. I will not have waived any of my rights by signing this consent form. Upon signing this consent form, I will receive a copy for my personal records."

Name of Volunteer

Signature or mark of volunteer

Date

If volunteers cannot read the form themselves, a witness must sign here:

I was present while the benefits, risks and procedures were read to the volunteer. All questions were answered and the volunteer has agreed to take part in the research.

Name of witness

Signature of witness

Date

I certify that the nature and purpose, the potential benefits, and possible risks associated with participating in this research have been explained to the above individual.

Name of Person who Obtained Consent

Signature of Person Who Obtained Consent

Date

APPENDIX III

QUESTIONNAIRE

This is a survey to find out your personal views on issues related to succession planning, employee retention, organisational effectiveness and career development. It will take about 15 minutes to fill. Your name is not required and the information you give will be treated as strictly confidential and used for academic analysis only. It is therefore hoped that you will be honest as possible in your response to the question that follows.

Section A: Demographic Information

Please tick (✓) the information that represents your particular circumstance.

1. Level in the organisation: Management Senior Staff Junior Staff
2. Length of service in the organisation.
0 - 2 years 3 -5 years 6 -10 years 11 years and above
3. Level of education: Master's Degree Undergraduate degree HND Diploma
4. Age: 20 – 29 years 30- 39 years 40 – 49 years 50 years and above
5. Gender: Male Female

Section B: Succession Planning

Please indicate the extent to which you agree or disagree with the following statements which measures succession planning in your organisation. Answer by ticking (✓) only one answer in each case.

1 = *strongly disagree*, 2 = *disagree*, 3 = *neutral*, 4 = *agree*, 5 = *strongly agree*

	Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	In my organisation, succession planning puts into consideration all key positions					
2	In my organisation, performance appraisals are always conducted annually					
3	Job rotation is well implemented across all departments in my organisation					
4	In my organisation, rewards are given to all employees without any form of discrimination					
5	Bonuses and incentives are benefits given to all employees in my organisation based on their performance					
6	In my organisation, management supports employees who wish to advance in their careers through the Education Policy and sponsorships for training					
7	In my organisation, employee career paths are clearly defined and are available from the HR Department					
8	In my organisation, every year employees are always given feedback about their talent reviews					
9	In my organisation, training and development opportunities are available to all employees					
10	In my organisation, it is evident that managers and supervisors have effective management and leadership skills					
11	In my organisation, occasionally employees are allowed to define their own rewards					
12	In my organisation, mentoring and coaching is well practiced by most managers and supervisors					
13	In my organisation, talented employees are always considered for sponsorships					
14	In my organisation, there are opportunities for employees to continuously improve their skills					
15	In my organisation, the pay and grading structures allow employees to define their own remunerations					
16	In my organisation, succession planning is strictly considered for top level management					
17	In my organisation, employees are usually recruited from diverse demographic backgrounds					
18	In my organisation, the succession plan encourages promotion from within strictly based on merit					
19	In my organisation, rewards are always given to talented employees					
20	In my organisation, any changes in HR policies are communicated to all employees					

21	Talented employees are always attracted to join my organisation due to its good reputation in retaining talent					
22	In my organisation, diversity management policy disregards any form of discrimination against gender, religion and sex					
23	In my organisation, there are flexible rewards and benefits that cater for family and individual needs/preferences					
24	In my organisation, we have an “open door policy” which enables smooth communication between management and employees					
25	In my organisation, employees are internally offered internship opportunities so as to assist them advance their careers					

Sectional C: Employee Retention

Please indicate the extent to which you agree or disagree with the following statements which measures your view on staying or leaving the organisation. Answer by ticking (√) only one answer in each case.

1 = *strongly disagree*, 2 = *disagree*, 3 = *neutral*, 4 = *agree*, 5 = *strongly agree*

Statement		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	I'm planning on working for another company within a period of three years.					
2	Within this company my work gives me satisfaction.					
3	If I wanted to do another job or function, I would look first at the possibilities within this company					
4	I see a future for myself within this company.					
5	It doesn't matter if I'm working for this company or another, as long as I have work.					
6	If it were up to me, I will definitely be working for this company for the next five years					
7	If I could start over again, I would choose to work for another company.					
8	If I received an attractive job offer from another company, I would take the job.					
9	The work I'm doing is very important to me.					
10	I love working for this company					
11	I have checked out a job in another company previously.					

Sectional D: Organisational Effectiveness

Please indicate the extent to which you agree or disagree with the following statements which measures how you view your organisation's effectiveness. Answer by ticking (√) only one answer in each case.

1 = *strongly disagree*, 2 = *disagree*, 3 = *neutral*, 4 = *agree*, 5 = *strongly agree*

Statement		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	I expect to remain working here for at least the next two years, assuming I continue to meet performance expectations					
2	I would recommend our organisation to friends as a good place to work					
3	Our company values are consistent with my personal values					
4	There are no processes or organisational barriers to my doing a good job					
5	The work that I do makes a difference to this organisation					
6	Our leadership team has the capabilities and commitment to address the challenges our organisation faces					
7	I am trusted to make meaningful decisions in my day to day activities					
8	I am paid fairly, given my responsibility and performance					
Organisational Commitment						
9	I would be willing to change companies if the new job offered a 25% pay increase					
10	I would be willing to change companies if the new job offered more creative freedom					
11	I would be willing to change companies if the new job offered more status					
12	I would be willing to change companies if the new job was with people who were more friendly					
Customer Orientation						
13	We have routine or regular measures of customer service					
14	Our product and service development is based on good market and customer information					
15	We know our competitors well					
16	We have a good sense of how our customers value our products and services					
17	We are more customer focused than our competitors					
18	We compete primarily based on product or service differentiation					

19	The customers interest should always come first ahead of the owners					
20	Our products or services are the best in the business					
21	I believe this business exists primarily to serve customers					
Financial and Growth Performance						
Compare the below items according to your rivals considering the last year						
22	Return on equity					
23	Return on assets/pre-tax					
24	Net profit margin from main activities					
25	Revenue from new products					
26	Overall business performance					
27	Relative growth in market share					
28	Overall competitive position					
29	General profitability					

Sectional E: Career Development

Please indicate the extent to which you agree or disagree with the following statements which measures your view on career development in your organisation. Answer by ticking (√) only one answer in each case.

1 = *strongly disagree*, 2 = *disagree*, 3 = *neutral*, 4 = *agree*, 5 = *strongly agree*

	Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Our organisation conducts extensive training programs for its employees in all aspects of quality					
2	Employees in each job will normally go through training programs every year					
3	Training needs are identified through a formal performance appraisal mechanism					
4	There are formal training programs to teach new employees the skills they need to perform their jobs					
5	I believe social circle in the firm is expanding due to participation in the training program					
6	I believe my promotion is a result of induction of the training program					
7	I believe that my set targets and objective are attained and identified by the firm through training programs					
8	I believe that my pay scale has increased as a result of participation in appropriate training program or skill upgrade					

9	I believe that more career paths will emerge and more opportunities will come my way after participating in any training program					
10	Training has helped me in improving my overall required skills for work					
11	In our organisation, Training motivates employees to be more committed towards organisational goals					
12	My career path is more in shape due to my participation in training program					

APPENDIX IV
RELIABILITY OF STUDY VARIABLES

Scale: Succession Planning

Case Processing Summary

		N	%
Cases	Valid	188	100.0
	Excluded ^a	0	.0
	Total	188	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.859	25

Scale: Employee Retention

Case Processing Summary

		N	%
Cases	Valid	188	100.0
	Excluded ^a	0	.0
	Total	188	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.634	11

Scale: Organisational Effectiveness**Case Processing Summary**

		N	%
Cases	Valid	188	100.0
	Excluded ^a	0	.0
	Total	188	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.897	29

Scale: Career Development Program**Case Processing Summary**

		N	%
Cases	Valid	188	100.0
	Excluded ^a	0	.0
	Total	188	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.895	12

APPENDIX V

CORRELATION TABLE AND DISCRIPTIVES OF STUDY VARIABLES

		SP	ER	OE	CDP
SP	Pearson Correlation	1	.377**	.690**	.681**
	Sig. (2-tailed)		.000	.000	.000
	N	188	188	188	188
ER	Pearson Correlation	.377**	1	.492**	.445**
	Sig. (2-tailed)	.000		.000	.000
	N	188	188	188	188
OE	Pearson Correlation	.690**	.492**	1	.656**
	Sig. (2-tailed)	.000	.000		.000
	N	188	188	188	188
CDP	Pearson Correlation	.681**	.445**	.656**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	188	188	188	188

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

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis		
							Std. Error	Statistic	Std. Error
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
SP	188	46.00	112.00	85.7340	12.61497	-.732	.177	.402	.353
ER	188	20.00	55.00	40.1277	5.22997	-.404	.177	1.286	.353
OE	188	78.00	131.00	110.7447	11.56237	-.577	.177	-.149	.353
CDP	188	21.00	59.00	47.4681	6.75737	-.828	.177	.625	.353
Valid N (listwise)	188								

APPENDIX VII

REGRESSION OUTPUT

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.278 ^a	.078	.073	5.03659
2	.385 ^b	.148	.139	4.85382
3	.452 ^c	.204	.191	4.70388

a. Predictors: (Constant), SUCPLAN

b. Predictors: (Constant), SUCPLAN, CarDev

c. Predictors: (Constant), SUCPLAN, CarDev, SP_CD1

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	396.631	1	396.631	15.636	.000 ^b
	Residual	4718.305	186	25.367		
	Total	5114.936	187			
2	Regression	756.413	2	378.206	16.053	.000 ^c
	Residual	4358.523	185	23.560		
	Total	5114.936	187			
3	Regression	1043.667	3	347.889	15.723	.000 ^d
	Residual	4071.269	184	22.126		
	Total	5114.936	187			

a. Dependent Variable: EmpRent

b. Predictors: (Constant), SUCPLAN

c. Predictors: (Constant), SUCPLAN, CarDev

d. Predictors: (Constant), SUCPLAN, CarDev, SP_CD1

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	29.952	2.599		11.522	.000
	SUCPLAN	.115	.029	.278	3.954	.000
2	(Constant)	23.075	3.061		7.538	.000
	SUCPLAN	.069	.030	.167	2.267	.025
	CarDevt	.227	.058	.288	3.908	.000
3	(Constant)	35.492	4.547		7.805	.000
	SUCPLAN	-.109	.057	-.264	-1.894	.060
	CarDevt	-.010	.086	-.013	-.115	.909
	SP_CD1	.003	.001	.657	3.603	.000

a. Dependent Variable: EmpRent

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.469 ^a	.220	.216	10.23662
2	.621 ^b	.386	.379	9.10948
3	.692 ^c	.479	.471	8.41016

a. Predictors: (Constant), SUCPLAN

b. Predictors: (Constant), SUCPLAN, CarDevt

c. Predictors: (Constant), SUCPLAN, CarDevt, SP_CD1

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5509.108	1	5509.108	52.574	.000 ^b
	Residual	19490.637	186	104.788		
	Total	24999.745	187			
2	Regression	9647.947	2	4823.973	58.132	.000 ^c
	Residual	15351.798	185	82.983		
	Total	24999.745	187			
3	Regression	11985.280	3	3995.093	56.483	.000 ^d
	Residual	13014.465	184	70.731		
	Total	24999.745	187			

- a. Dependent Variable: ORGEFT
 b. Predictors: (Constant), SUCPLAN
 c. Predictors: (Constant), SUCPLAN, CarDev
 d. Predictors: (Constant), SUCPLAN, CarDev, SP_CD1

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	72.821	5.283		13.783	.000
	SUCPLAN	.427	.059	.469	7.251	.000
2	(Constant)	49.498	5.746		8.615	.000
	SUCPLAN	.272	.057	.298	4.772	.000
	CarDev	.769	.109	.441	7.062	.000
3	(Constant)	84.916	8.130		10.445	.000
	SUCPLAN	-.234	.102	-.257	-2.285	.023
	CarDev	.094	.155	.054	.608	.544
	SP_CD1	.010	.002	.848	5.749	.000

- a. Dependent Variable: ORGEFT

APPENDIX VIII

MANOVA OUTPUT

Descriptive Statistics

	SP	Mean	Std. Deviation	N
EmpRent	Low SP	37.0313	3.78012	32
	High SP	40.7628	5.26842	156
	Total	40.1277	5.22997	188
ORGEFT	Low SP	98.4063	9.66156	32
	High SP	113.2756	10.23440	156
	Total	110.7447	11.56237	188

Multivariate Tests^a

Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared
Intercept	Pillai's Trace	.986	6423.750 ^b	2.000	185.000	.000	.986
	Wilks' Lambda	.014	6423.750 ^b	2.000	185.000	.000	.986
	Hotelling's Trace	69.446	6423.750 ^b	2.000	185.000	.000	.986
	Roy's Largest Root	69.446	6423.750 ^b	2.000	185.000	.000	.986
SPcat	Pillai's Trace	.236	28.581 ^b	2.000	185.000	.000	.236
	Wilks' Lambda	.764	28.581 ^b	2.000	185.000	.000	.236
	Hotelling's Trace	.309	28.581 ^b	2.000	185.000	.000	.236
	Roy's Largest Root	.309	28.581 ^b	2.000	185.000	.000	.236

a. Design: Intercept + SPcat

b. Exact statistic

Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	EmpRent	369.743 ^a	1	369.743	14.493	.000	.072
	ORGEFT	5870.878 ^b	1	5870.878	57.086	.000	.235
Intercept	EmpRent	160697.722	1	160697.722	6298.959	.000	.971
	ORGEFT	1189827.878	1	1189827.878	11569.321	.000	.984
SPcat	EmpRent	369.743	1	369.743	14.493	.000	.072
	ORGEFT	5870.878	1	5870.878	57.086	.000	.235
Error	EmpRent	4745.193	186	25.512			
	ORGEFT	19128.866	186	102.843			
Total	EmpRent	307838.000	188				
	ORGEFT	2330704.000	188				
Corrected Total	EmpRent	5114.936	187				
	ORGEFT	24999.745	187				

a. R Squared = .072 (Adjusted R Squared = .067)

b. R Squared = .235 (Adjusted R Squared = .231)