IMPACT OF INADEQUACY OF SUCCESSION PLANNING IN ENGINEERING COMPANIES IN TANZANIA: A CASE OF DON CONSULT LIMITED AND NETWAS (T) LIMITED
IMPACT OF INADEQUACY OF SUCCESSION PLANNING IN ENGINEERING COMPANIES IN TANZANIA: A CASE OF DON CONSULT LIMITED AND NETWAS (T) LIMITED

By
Lilian Semmy Mkumbo

A Dissertation Submitted to in a Partial Fulfillment for the Requirement of the Award of Master of Science in Accounting and Finance (MSc-A&F) of Mzumbe University, Dar es Salaam Campus College

2013
CERTIFICATION

I, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled “Impacts of Inadequacy of Succession Planning in Engineering Companies in Tanzania: A case of Don Consult Limited and Netwas (T) Limited” in partial fulfillment of the requirements for award of the degree of Masters of Science in Accounting and Finance of Mzumbe University.

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I, Lilian Semmy Mkumbo, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

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Finally, with the same weight I would like to convey my special thanks to my darling husband Elias Mwashiuya and other members of my family including Semmy, Mariam, Getrude, Fortune, Theckla, Kaitlyn, and my friends Genoveva, Rahel and Lena for their prayers and support. There are many other individuals who have helped me in one way or another, in all I say “asanteni sana”.
DEDICATION

This work is dedicated to my lovely father Semmy Mkumbo and the late Mother Elizabeth Mkumbo. You are the driving force for my accomplishments, for whatever level I have managed so far. Thank you very much!
## LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCL</td>
<td>Don Consult Limited</td>
</tr>
<tr>
<td>FL</td>
<td>Future Leadership</td>
</tr>
<tr>
<td>JD</td>
<td>Job Description</td>
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<tr>
<td>NETWAS</td>
<td>Network for Water and Sanitation</td>
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<td>SP</td>
<td>Succession Planning</td>
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<td>SPSS</td>
<td>Statistical Package for Social Science</td>
</tr>
</tbody>
</table>
ABSTRACT

This study assessed the impact of inadequacy of succession planning in engineering companies in Tanzania: A Case of Don Consult Limited and Netwas (T) Limited, both based in Dar es Salaam. Quant-Qual approaches were employed using a sample of twenty six respondents from the two companies. The main research instruments used were questionnaire and interview. Data collected were analyzed using simple descriptive statistical methods such as frequencies, percentages and cross tabulations. The major focus was to examine the succession planning in engineering companies with specific reference to the target companies. The study also reviewed and analyzed company policies and institutional frameworks currently in place to determine the extent to which they facilitate the implementation of succession planning, identify gaps, overlaps and inconsistencies in the policy and institutional frameworks that have an influence on succession planning. It also assessed attitude of the employers and employees towards the effectiveness of the succession planning in engineering companies.

Results indicate that oral interview was the major element used by some of the companies in selecting candidate for succession planning followed by written examination and employee’s history. According to the survey, it is important to have succession procedures in the companies.

On the conclusion, it is proved that the target companies do not have succession planning policy, the fact which is common in many of like-minded companies in the country. As pointed out in the recommendations, it is important for the companies to have succession plans as a sustainability strategy of the respective company.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>CERTIFICATION</td>
<td>i</td>
</tr>
<tr>
<td>DECLARATION AND COPYRIGHT</td>
<td>ii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>iii</td>
</tr>
<tr>
<td>DEDICATION</td>
<td>iv</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td>v</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>vi</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>vii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>ix</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>x</td>
</tr>
<tr>
<td>CHAPTER ONE</td>
<td>1</td>
</tr>
<tr>
<td>INTRODUCTION AND BACKGROUND OF THE PROBLEM</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Why Succession Planning</td>
<td>2</td>
</tr>
<tr>
<td>1.3 Steps in Implementation of Succession Planning</td>
<td>2</td>
</tr>
<tr>
<td>1.4 Implementation and Evaluation</td>
<td>4</td>
</tr>
<tr>
<td>1.5 Backdrop to the Problem</td>
<td>4</td>
</tr>
<tr>
<td>1.6 Statement of the Problem</td>
<td>7</td>
</tr>
<tr>
<td>1.7 Research Questions</td>
<td>8</td>
</tr>
<tr>
<td>1.8 Objectives of the Study</td>
<td>9</td>
</tr>
<tr>
<td>1.9 Significance of the Study</td>
<td>9</td>
</tr>
<tr>
<td>1.10 Limitations of the Study</td>
<td>10</td>
</tr>
<tr>
<td>1.11 Delimitation of the Study</td>
<td>10</td>
</tr>
<tr>
<td>CHAPTER TWO</td>
<td>11</td>
</tr>
<tr>
<td>LITERATURE REVIEW</td>
<td>11</td>
</tr>
<tr>
<td>2.1 Theoretical Literature Review</td>
<td>11</td>
</tr>
<tr>
<td>2.2 Empirical Literature Review</td>
<td>24</td>
</tr>
<tr>
<td>CHAPTER THREE</td>
<td>27</td>
</tr>
<tr>
<td>RESEARCH METHODOLOGY</td>
<td>27</td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>27</td>
</tr>
<tr>
<td>3.2 Type of the Study</td>
<td>27</td>
</tr>
<tr>
<td>3.3 The Study Area</td>
<td>27</td>
</tr>
<tr>
<td>3.4 Population of the Study</td>
<td>28</td>
</tr>
<tr>
<td>3.5 Unit of Analysis</td>
<td>28</td>
</tr>
<tr>
<td>3.6 Sample Size and Sampling Techniques</td>
<td>28</td>
</tr>
<tr>
<td>3.6.1 Sample Size</td>
<td>28</td>
</tr>
<tr>
<td>3.6.2 Sampling Techniques</td>
<td>29</td>
</tr>
<tr>
<td>3.7 Source and Types of Data</td>
<td>30</td>
</tr>
<tr>
<td>3.7.1 Source of Data</td>
<td>30</td>
</tr>
<tr>
<td>3.7.2 Types of Data</td>
<td>31</td>
</tr>
<tr>
<td>3.8 Data Collection Method</td>
<td>32</td>
</tr>
<tr>
<td>3.9 Data Analysis</td>
<td>32</td>
</tr>
<tr>
<td>CHAPTER FOUR</td>
<td>34</td>
</tr>
<tr>
<td>DATA ANALYSIS AND PRESENTATION OF FINDINGS</td>
<td>34</td>
</tr>
</tbody>
</table>
4.1 Introduction ................................................................................................................. 34
4.2 The Profile of Respondents ......................................................................................... 34
4.2.1 Gender of Respondents ......................................................................................... 34
4.2.2 Education of the Respondents ............................................................................. 35
4.2.3 Age of the Respondents ....................................................................................... 36
4.2.4 Position of the Respondents in the Company ..................................................... 37
4.2.5 Organization’s Business Plan ............................................................................... 38
4.2.6 Organization’s Mission Statement ....................................................................... 39
4.2.7 Department Developing a Strategic Plan to Assist Leaders ......................... 40
4.3 To Review and Analyze Company Policies and Institutional Frameworks .... 40
4.3.1 Elements Used In Developing Candidates from the Pool for SP ............. 41
4.3.2 Development of Department’s Sustainable Education and Growth .......... 42
4.3.3 Understanding the Strategic Goals of Company .............................................. 43
4.3.4 Understanding the Job Description ................................................................. 44
4.3.6 Knowledge, Skills, and Ability to be performed for Future Leadership ......................... 45
4.4 To Identify Gaps and Overlaps in the Policies that Influence SP .................. 46
4.4.1 Importance of Having a SP Procedure in the Organization ......................... 46
4.4.2 Effects of the Absence of Succession Planning ............................................. 47
4.4.3 Factors Prohibit /Prevent Engineering Company from Developing SP ... 47
4.4.4 Changes in the Policy of the Company That Will Go against Plan SP ... 49
4.5 Attitudes of Employers and Employees towards the Effectiveness of the SP ... 49
4.5.1 Entry Point for Personnel Introduction to the SP Process in the Career ..... 49
4.5.2 Importance of Fair Candidate Pool Selection Have On Future Leadership 50
4.6 Findings to the Study ............................................................................................... 51
4.6.1 Examining the Succession Planning in Engineering Firms with Specific Reference to and DCL and (NETWAS) Tanzania Companies .......... 51
4.6.2 Reviewing and Analyzing Company Policies and Institutional Frameworks Currently in Place in Order to Determine the Extent to Which They Facilitate the Implementation of Succession Plans .... 51
4.6.3 Identifying Gaps, Overlaps and Inconsistencies in the Policy and Institutional Frameworks That Has an Influence on Succession Planning 52
4.6.4 Assessment of the Attitude of the Employers and Employees towards the Effectiveness of the Implementation of Succession Planning 52

CHAPTER FIVE .................................................................................................................. 53
SUMMARY, CONCLUSIONS AND POLICY IMPLEMENTATION............................ 53
5.1 Introduction .................................................................................................................. 53
5.2 Findings to the Study .................................................................................................. 56
5.3 Conclusion .................................................................................................................... 58
5.4 Policy Implications ..................................................................................................... 59
5.5 Recommendations ....................................................................................................... 59
REFERENCE ..................................................................................................................... 61
QUESTIONNAIRES .......................................................................................................... 64
LIST OF TABLES

Table 3.1: Sampling Plan ................................................................. 28
Table 4.1: Gender of Respondents ................................................... 34
Table 4.2: Education of the Respondents ......................................... 35
Table 4.3: Age of the Respondents .................................................. 36
Table 4.4 Positional Ranks of the Respondents in the Company ........ 37
Table 4.5: Respondents Familiarity on Organization’s Business Plan .... 38
Table 4.6: Respondents Awareness on Company Mission Statement .... 38
Table 4.7: Importance of a Department Developing a Strategic Plan for SP .... 39
Table 4.8: Elements Used in Developing Candidates from the Pool for SP .... 41
Table 4.9: Development of Department’s Sustainable Education and Growth .... 42
Table 4.10: Importance of Understanding Strategic Goals of the Organization.... 43
Table 4.11: Importance of Understanding Job Description of Each Level .... 44
Table 4.12: Knowledge, Skills, and Ability to be performed for Future Leadership ......................................................................................... 44
Table 4.13: Important of Having a SP Procedure in the Organization ....... 46
Table 4.14: Effects of the Absence of Succession Planning in the Company ........ 46
Table 4.15: Factors prohibit /Prevent SP in engineering Organizations .......... 47
Table 4.16: Impacts of Changes in the Policy of the Company That Oppose SP .... 49
Table 4.17: Entry Point for Personnel Introduction to the SP Process in the Career ........................................................................................................... 49
Table 4.18: Importance of Fair Candidate Pool Selection Has on Future Leadership .............................................................................................................. 50
LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure 3.1: Relationship between Practice of SP and Organizational Performance</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22</td>
</tr>
</tbody>
</table>
CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE PROBLEM

1.1 Introduction
Succession Planning (SP) refers to a deliberate and systematic effort by an entity to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future and encourage individual (Rothwell, 2010). It is applicable not only for the top professional cadre but also other positions within the company. SP involves three steps namely the identification and analysis of key vacant positions, the creation and assessment of potential candidates, and selection of the right individuals to fill in the key identified positions (Dessler, 2005).

SP consists of systematic attempts by an employing company to influence the way the careers of one or more individuals develop. Business leaders know that succession planning is essential to ensuring organizational continuity and growth. Simply stated, the ability of a company to survive is based on the organization’s capacity to produce sustained and high quality leadership over time (Butler and Roche-Tarry, 2006).

A succession plan outlines the way organizations should be managed after the retirement of the current leader. It prepares the next generation of leaders to carry on management effectively without conflict. SP keeps company interests in a business, and by implementing effective business strategies with significant reduction of conflicts among employees, (Torrington, 2008).

On the same note, SP helps companies to manage their talent pipeline (Guin, 2006). This aims at ensuring that the quantity and quality of leaders are identified, fully capable, and ready to contribute to the effective performance of a business in future. It is an important mechanism of identifying employees who have the potential to develop skills that can help the entities to attain desirable future prospects. In addition, it helps organizations to identify other areas of performance where
employees may be weak and where training could help them to manage and improve performance outcomes. Effective succession planning activities have a positive impacts on performance management not only in terms of ensuring that key positions will remain filled with competent performers, but also in terms of saving money on external recruitment and training, which can be significantly more expensive than promoting from within.

1.2 Why Succession Planning
Succession planning is essential to ensuring organizational continuity and growth. Simply stated, succession planning is the process of lining up the right people to take over important roles in the company as they open up. The process typically entails identifying and then developing promising candidates for promotion, thereby maximizing the likelihood of a smooth and successful transition.

Succession planning will vary slightly between organizations. Different resources, different organizational designs and different attitudes all mean that succession planning should be flexible and adaptable in order to accommodate varying needs and achieve business continuity. However, there is a general framework that departments can use as the basis and guide for their succession planning activities.

1.3 Steps in Implementation of Succession Planning
The following are the major steps in implementing succession planning in the organization:

Step 1: Identifying key positions or key groups (Current and/or future)
A key position or occupational group can be defined in many different ways, but two important criteria that should be considered are criticality and retention risk. A critical position is one that, if it were vacant, would have a significant impact on the organization’s ability to conduct normal business. The significance of the impact could be considered in terms of safety, operation of equipment, financial operation, efficiency, public opinion, and so on. A gap analysis, as a part of workforce planning, can also be an invaluable tool to identify key areas or occupational groups.
Information that may help identify key positions can include: Current and future strategic goals and objectives, retirement forecasts, turnover rates, current and expected vacancies, changes to existing programs and services.

**Step 2: Identifying competencies**
All positions have a requisite set of knowledge, skills and abilities that are expected of employees who are filling that function. Thus, knowing the competencies of a job is a mandatory component of recruitment, serving as a general baseline to measure against interested potential candidates. However, succession planning provides an opportunity to review the competencies traditionally associated with jobs, particularly with respect to current goals and objectives.

**Step 3: Identifying and assessing potential candidates**
The key purpose of identifying and assessing employees against core job competencies is to help focus their learning and development opportunities in order to prepare them for future roles in the organization. This process sometimes is not transparent and can negatively impact the morale of other employees (including the person chosen for succession) and their relationship with the company. During this process it is better to apply the theory of competence based career to get a right candidate to fill the vacancy that occurs.

**Step 4: Learning and development plans**
Once the relevant candidates have been identified, based on their interest and potential for success in a key position, the company must ensure that these employees have access to focused learning and development opportunities. There are different things to remember at that stage and some of them are as follows:

(i) Plans should focus on decreasing or removing the gap between expected competencies and the current knowledge, skills and abilities of candidates.

(ii) Manage expectations – modern succession planning is based on learning and development to fulfill employee potential, rather than merely filling a vacancy.
(iii) Ensure appropriate strategies are in place to support the transfer of corporate knowledge to candidates for key jobs, which can include: mentoring, coaching, documenting critical knowledge, and exit interview.

1.4 Implementation and Evaluation
Once a succession plan has been established, monitoring its efficiency and effectiveness will be essential. Thus, each succession plan should be developed within an evaluation framework in order to measure progress and success, as well as provide any evidence to support changes to the succession planning process. (Hirsh, 2000).

1.5 Backdrop to the Problem
Company’s future plans may change by reasons such as retirements, promotions, serious employee’s illness, death or any voluntary departure from the company. To override such changes, it is pertinent for companies to instill key employees’ replacement plan, that is succession plan which will make the company history viable (Sambrook, 2005). For decades, the concern of succession planning was about the exact people, not skills and talents, who are needed for the organization’s future (Garman and Tyler, 2004). During that time, the only purpose of succession planning was to tag and identify the needed successors to replace their ancestors for a specific job. The target of succession planning in this old view was top leaders and business owners in the large company (Williams, 2005). Traditionally, succession planning links with replacement planning (Charan, Drotter, and Noel, 2001).

In today’s dynamic world where competition is high, work is fluid, environment is unpredictable, organizations are flatter, and the organizational configuration frequently changes, the old view of succession planning by defining specific people for the specific job does not work. Nowadays, organizations need a group of high potential people at all levels of their organizations. Developing general competencies, creating flexibility and creating the leadership potential at all organizational levels is a wisely action in today’s organizations (Mamprin, 2002). Succession planning is one element of successful human resource planning.
Unfortunately, many organizations do a poor job of succession planning or no succession planning at all. According to a 2006 report, two-thirds of major firms do not have a succession planning process despite the clear need shown by such statistics as the following, cited in “Succession Planning: Current Trends” (2006).

This thesis outlines a study on the impacts of inadequacy of succession planning in engineering companies with specific reference to Don Consult Limited (DCL) and Network for Water and Sanitation (NETWAS) Tanzania. The two firms are situated at Maji House, Bahari Beach ward, Kinondoni district, Dar es Salaam. It reviews and analyzes succession plans, procedures and outcomes, and also identifies gaps, overlaps and inconsistencies on succession planning. It is pertinent to note that succession planning is hindered by several factors including the lack of political will, institutional structures, poor mechanisms for coordination, founder syndrome, resource constraints, ignorance, bureaucracy, legal and policy frameworks.

Inadequacy of Succession planning in many organizations is hindered by various factors which consequently affect organizations performance. These factors include lack of political will, overlaps and conflicting mandate within the organization, weak institutional structures, poor coordination, founder syndrome, weak legal and policy documents, ignorance, and bureaucracy. Lack of political happens when the leadership with company is reluctant to push for succession planning as an agenda for company growth. In this respect, failure of the top management to champion for succession planning will consequently affect performance of the company in long run.

Succession Planning assumes that the company chart will remain unchanged over time. It usually identifies “backups” for top-level positions, as they are identified on the company chart, and stops there. A typical Company Structure will list about 3 people as “backups” for each top-level position and will usually indicate how ready each person is to assume the role of the current job incumbent. Understand that your succession plan will be a unique reflection of your organization. Succession plans are as different from each other as the organizations for which they are developed.
Poor mechanisms for coordination and communication resulting in confusion and turmoil within the company as staff speculate about what the succession plan really is. Successfully Management of and ownership transitions are generally the results of long term planning, but owners tend to be “doers” rather than planners. Founders often identify strongly with the business seeing it as a personal achievement that defines their places in the world. Letting it go can feel like a loss of personal effectiveness.

On the same note, in practice, developing and implementing an efficient and effective succession plan is a challenging task, as it requires active support and engagement of managers and employees at all levels of an organization, not to mention professional staff, time and other resources. For a variety of reasons, most of the companies have not typically attempted to identify and hone talent to fill key positions as they become available.

According to the literature, some of the more common reasons that managers and administrators fail to engage in meaningful succession planning include a lack of information necessary to plan and manage succession effectively; confusion about how the task should be framed and implemented; the sentiment that succession planning issues are beyond the scope of their work; insufficient human, time and financial resources necessary to manage a succession planning program.

Failure to establish a sound succession planning for a business can strain a company financially almost as much as it does emotionally when the one in place leaves. Unfortunately this doesn’t care whether the previous owner was ignorant of succession planning or was going to do it “maybe next year.” It gets paid either way. Bureaucracy can put off potential applicants, not only because the recruitment process itself proves to be slow and bureaucratic. The procedures surrounding recruitment are generally driven by a desire to be fair. However, there may in some cases need to be a better balance between fairness and operating a quick and
effective process. Careful consideration of policies and procedures may identify unnecessarily bureaucratic practices. Some organizations have a guidance approach to policy development for recruitment, where managers are trained in the necessary framework to underpin the recruitment process but are free to tailor the overall procedure to suit the needs of that particular recruitment. The key to this is that managers must ensure that each recruitment process is consistent.

1.6 Statement of the Problem
Succession planning has become a major concern for many clients who now see aging baby boomers considering retirement (Beitler, 2005). Many of these boomers built their professional careers in a very competitive environment; they see “what they know” as a competitive asset that must be carefully guarded. Succession planning helps organizations manage their talent pipeline (Guin, 2000). Its goal is to ensure that, the quantity and quality of leaders are identified, fully capable, and ready to contribute to the effective performance of a business in future. Although, new career concepts like boundary-less careers (Arthur and Rousseau, 1996) and protean careers (Hall, 1996) emphasize individual responsibility in career development, no successful business can stop career management programs like succession planning to identify and develop the right people to ensure that the important skills are present in the organization over the long term (Barnet and Davis, 2008). Some business trends are in favour of taking succession planning more seriously. Demographic trend in workforce toward aging and decrease in supplying workforce, tight labour markets (Busine and Watt, 2005; Naris and Ukpere, 2010); changes in values and attitudes of new generation workers toward demanding more independent, and flexible job with more training and learning opportunities (Cascio, 2006); shifting the source of competitive advantage from tangible assets to tacit knowledge stuck to the minds of employees (Barnet and Davis, 2008) which needs a mechanisms in place to avoid the risks of lost valuable human resources and ensure continuity.

Succession planning is one of the key processes in company growth in Tanzania. Despite this fact, many organizations lack these crucial processes hence remain vulnerable to meltdown. In Don Consult and Netwas companies for instance there
are serious challenges in succession planning. The companies’ succession planning processes are hindered by various factors including lack of appreciation on the importance of succession plan by top management and employees, resources constraints, ignorance, conflicting and overlapping mandate and absence of policy documents.

Lack of appreciation of the importance of the succession planning emanates from the gaps in the existing legal, policy and institutional frameworks within the two companies. The Administration Manuals for instance does not spell matters pertaining succession planning in the companies. In addition, there are no succession plan policies in place. On the same note, the structures in place inhibit the flow of succession.

On the other hand, overlapping and conflicting mandates undermine succession planning process in the companies. Each department within the companies has its own discretion to undergo succession planning processes. In long run such trend occasion everlasting conflicts due to the fact that the appointment of successors may not necessarily comply with the required standards for succession.

Resource constraints include of lack of human resource and material and financial support that will enable the institutions to implement the succession planning in the companies. This leads to lack of ownership toward succession planning process. Finally, there also exists an acute lack of awareness of succession planning for both top management and employees. This is coupled with poor communication and coordination of all matters pertaining to succession planning.

1.7 Research Questions

(i) What are organizations policies that relates to succession planning in Tanzania?

(ii) What are the challenges faced by the selected companies on initiating succession planning?
(iii) What are the procedures to be followed in implementing Succession Planning?

(iv) What are the Effects of inadequacy of Succession Planning in an organization?

1.8 Objectives of the Study

(i) To examine the succession planning in engineering firms with specific reference to DCL and NETWAS companies.

(ii) To review and analyze company policies and institutional frameworks currently in place.

(iii) To identify gaps, overlaps and inconsistencies in the policy and institutional frameworks that has an influence on succession planning.

(iv) To assess the attitude of the employers and employees towards the effectiveness of the succession planning.

1.9 Significance of the Study

The study provides a clear picture of the impact of the succession planning in Don Consult and Netwas companies, and identifies problems and weaknesses of the policies and Company structure in relation to succession planning.

It raises awareness to the top management and employees on the need to reform company policies and institutional structures that govern the succession planning. Findings from this study contribute to the literature on the effective succession planning in various organizations.

It assists those who want to acquire theatrical knowledge on the succession planning. The study further guides all stakeholders on their role and responsibility of ensuring effective implementation of succession planning in organizations.
1.10 Limitations of the Study
The researcher was limited by time, due to the fact that the study leave was only granted for coursework part of the study and so made it difficult for making follow up of the questionnaires distributed and also constrained data analysis. Also financial constraint has limited the scope of the study as it limit the ability of accessing more data sources.

In addition to that, low response from the targeted respondent was another limitation and hence caused delay in collecting and analyzing the findings, as some of respondents were not willing to give some information on considering that the researcher had no money to be paid before giving the data.

1.11 Delimitation of the Study
Regardless of the limitations to the study the researcher managed to overcome the time constraints by devoting extra time especially after office work and weekends to collect and analyze the information required by the study. Also the researcher used office computers and internet to access information from different websites in the internet and used secondary sources to complement the primary data collected in the target area.
CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Literature Review

This chapter provides a theoretical perspective of the problem under study. Literature review provides the new insight of the critical analysis of the related works and model relating to training evaluation and relationship among them. The purpose of reviewing the literature is to find out what has been done, what remains to be done, what methodologies have been used and existing gaps. The reviewed literature relates to literature on assessment on succession planning on company performance. The review of the literature is organized around broad themes and includes both print and non print resources.

Historically, the organizational intention was on replacing key employees exactly before they leave the organization. Replacing employees and not developing them was a big and common mistake by organizations (Walker (1998),). In addition, there are many problems arising from the replacing process. For example, in many cases, it is hard to find the right employee for a new vacancy in a short period of time.

Furthermore, if organizations could not find a right person inside their organization, they must hire him/her from outside, and this will cost more for the company (Grignard, 2009).

Through the years, organizations have realized that they can discover their future managers and leaders inside their own organizations. They also, find out that using tools such as succession planning can help them be confident on having their future potentials’ needs (Byham, Smith, 2001) by finding the methods of developing the talent management programs and finding the important elements of succession planning programs is the concerns of many researches (Bucher and Kelly (2005),).
However, succession planning and management as we know it today began in the late 1960s and the early 1970s, when leading-edge organizations adopted formal succession planning methods.

There was a time when organizations had many managerial levels, and the abundant leaders spent a substantial amount of time in strategic activities such as process improvement, training and mentoring. Employees had expectations of staying with an employer for decades and hoped that after a few years of distinguished service they might be invited to join the ranks of management trainees. With the luxury of time, supervisors had the opportunity to observe direct reports across many situations and guide employees with high potential toward future career opportunities. In short, it was every supervisor’s responsibility to develop the next generation of leaders.

Succession planning process includes three main components. The first component is selection of candidate based on previous experience and background among and formation of talent pool (Rothwell, 2010). By this, we make sure that each key position has alternative potential successors and each talent has multiple potential promotion paths (Byham, et al., 2002).

The trend in scope of SP is expanding it to cover all the positions not just top managerial positions. It has shown that companies considering lower levels have better profitability (Garmen and Glaw, 2004). In case of not including all the organization, it is very important to identify critical positions which are essential for the organization, department, division, work unit, or team to achieve the necessary work results (Ibarra, 2005).

Generally succession plans deals with training and developing the internal employees and promoting them to the higher level jobs within the company and assigning the leadership to few departments of the company and this involves many steps and issues and has the direct impact on the performance of the company and the employees as well in many aspects.
Succession planning process includes change in management and process management, including function and sub-processes like strategic view of SP, management commitment, implementation considerations etc. Succession plan makes sure that, company has access to required human resource, quantitatively and qualitatively. This plan will determine promotion opportunities and developmental needs of candidates and build management commitment (Christie, 2005). But the problem is that, while companies may have SP in place, they may fail to link with the company needs to grow or expand into new markets. Therefore, it is very vital to link succession plan to business strategy to obtain need kind of people with the needed set of skills for the future.

According to Warren (2006) Succession Planning is principally about knowing the needs of the company and its employees and developing the capacity to address emerging issues that can or will affect business continuity. Essentially, succession planning is a conscious decision by a company to foster and promote the continual development of employees, and ensure that key positions maintain some measure of stability, thus enabling a company to achieve business objectives. It enables the company to identify talented employees and provide education to develop them for future higher level and broader responsibilities. It helps company to build bench strength, helps to decide where people belong on the organization.

Essentially, succession planning is a conscious decision by a company to foster and promote the continual development of employees, and ensure that key positions maintain some measure of stability, thus enabling a company to achieve Organizational objectives (Bach, 2005).

Succession planning is a process for identifying and developing internal people with the potential to fill key business leadership positions in the company. Succession planning increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. Taken narrowly, "replacement planning" for key roles is the heart of succession planning. Effective succession or talent-pool management concerns itself with building a series of feeder
groups up and down the entire leadership pipeline or progression (Charan, et al, 2001).

Succession planning is a process whereby a company ensures that employees are recruited and developed to fill each key role within the company. Through your succession planning process, you recruit superior employees, develop their knowledge, skills, and abilities, and prepare them for advancement or promotion into ever more challenging roles. Actively pursuing succession planning ensures that employees are constantly developed to fill each needed role. As your company expands, loses key employees, provides promotional opportunities, and increases sales, your succession planning guarantees that you have employees on hand ready and waiting to fill new roles.

Succession planning is probably the most important Human Resource (HR) activities, of which again it is important for the organization’s planning and budgeting. The consequences of appointing wrong successor can be much worse than slow growth or decline of organization. Many organizations do not take succession planning seriously due to friendship within the board, politeness or inertia is reluctant to broach the subject. Ad hoc succession plans lead to crises. It is thus no coincidence that many Leaders in most of organizations have failed to last even three years in recent times after being selected to fill different leadership post left by their predecessor (Caudron, 1999).

Succession planning has become not important today compare with past times when the management considers the process as important initiatives for organizational developments. For some organizations, succession management is not a strategic process that minimizes leadership gaps for critical positions and provides opportunities for top talent to develop the skills necessary for future roles. With other organizations, succession management is not a constant struggle, viewed as an administrative cost/time exercise rather than as a competitive advantage. To date it is easier to ignore deficiencies in the succession management process, there is also no
any, need to identify and develop top talent for critical roles so as to make sure there is sustainability on Succession culture within the organization (Torrington, 2008).

Organization’s future plans may change by some reasons such as retirements; promotions within the organization, serious illness, death or any voluntary departure from the company to follow a career elsewhere. To cover such changes, organizations must have a key employees’ replacement plan. Succession planning is considered as a suitable effort in this regards (Sambrook, 2005). For decades, the concern of succession planning was about the exact people, not skills and talents, who are needed for the organization’s future (Garman and Tyler, 2004).

During those time, the only purpose of succession planning was to tag and identify the needed successors to replace their ancestors for a specific job. The target of succession planning in this old view was top leaders and business owners in the large company (Williams, 2005). Traditionally, succession planning links with replacement planning (Charan, et al, 2001).

In today’s dynamic world where competition is high, work is fluid, environment is unpredictable, organizations are flatter, and the organizational configuration frequently changes, the old view of succession planning by defining specific people for the specific job does not work. Nowadays, organizations need a group of high potential people at all levels of their organizations. Developing general competencies, creating flexibility and creating the leadership potential at all organizational levels is a wisely action in today’s organizations (Mamprin, 2002).

Succession planning is one element of successful human resource planning. Unfortunately, many organizations do a poor job of succession planning or no succession planning at all. According to a 2006 report, two-thirds of major firms do not have a succession planning process despite the clear need shown by such statistics as the following, cited in “Succession Planning: Current Trends” (2006).
There was a time when organizations had many managerial levels, and the abundant leaders spent a substantial amount of time in strategic activities such as process improvement, training and mentoring. Employees had expectations of staying with an employer for decades and hoped that after a few years of distinguished service they might be invited to join the ranks of management trainees. However, research evidence suggests that many highly successful companies overcome these and other challenges by marrying the leadership development and succession planning processes for optimal identification, development, and placement of leadership talent (Conger and Fulmer, 2003).

Indeed, Kur and Bunning’s (2002) recent review of succession planning and leadership development practices argued that “corporate leadership development can no longer simply rely on planning the replacement of existing leaders” and that organizations must focus on developing the leadership function rather than individual leaders. Unfortunately, many organizations confuse effective talent management with replacement planning, which is focused narrowly on identifying specific back-up candidates for given senior management positions and essentially functions as a forecast (Kesler, 2002). Conversely, highly successful organizations focus on creating a comprehensive set of assessment and development practices that support the entire pipeline of talent across the company (Charan, et al., 2001).

Succession Planning consists of systematic attempts by an employing company to influence the way the careers of one more individuals develop. However succession Planning is not a luxury but necessity for your business. Good succession plan and implementation results in huge savings and massive productivity improvements.

**Career attitudes and succession planning**

Career is a very useful concept for connecting people and organizations (Shein, 1978). Effects of SP on individual level, three career attitudes considered are as our research dependent variable. Career success is defined as “positive physical and psychological outcomes of job related experiences and activities” (Greenhaus and Callanan, 2006). Objective career success is one dimension and includes
achievements visible to the others like income and promotion. Another dimension of career success is subjective success and reflects the internal satisfaction and positive emotions. Theories of organizational psychology and career choice focus on fitness between individual and company characteristics which lead to job satisfaction (Seibert, 2006).

As mentioned, in literature there are many suggestions for implementation of SP process and practice in organizations. Trying to consider all of them in our research, we made up variable of ‘extensiveness of succession planning’ and defined it as the degree of compliance of company SP practice of best practices mentioned in literature.

Succession planning can be an important way to identify employees who have the current skills--or the potential to develop skills--that can help them move up in an organization, or on to other positions. In addition, the process of succession planning can help to identify other areas of performance where employees may be weak and where training could help to manage and improve performance outcomes.

In general succession plans deals with training and developing the internal employees and promoting them to the higher level jobs within the company and assigning the leadership to few departments of the company and this involves many steps and issues and has the direct impact on the performance of the company and the employees as well in many aspects.

Various definitions for succession planning are given by various authors. Ward (2000) defined succession planning as the process of preparing to hand over control of the business to others in a way that is least disruptive to the business operation and values. The definition shows that the succession planning process is an on-going process and this means it should take a long time.
Ward (2000) and Asiado (2009) encourage at least five years before retirement. The definition also shows that succession planning aims at transferring information and knowledge from the founder to the successor of the business as the founder grooms the successor on how to run the business as it results in the continuation of the business after the death or retirement of the founder. Succession planning is a process of deciding how and when the management, ownership and control of the business will be transferred to subsequent owners.

Organization’s future plans may change by some reasons such as retirements, promotions within the organization, serious illness, death or any voluntary departure from the company to follow a career elsewhere. To cover such changes, organizations must have a key employees’ replacement plan. Succession planning is considered as a suitable effort in this regards (Sambrook 2005)

In today’s dynamic world where competition is high, work is fluid, environment is unpredictable, organizations are flatter, and the organizational configuration frequently changes, the old view of succession planning by defining specific people for the specific job does not work. Nowadays, organizations need a group of high potential people at all levels of their organizations. Developing general competencies, creating flexibility and creating the leadership potential at all organizational levels is a wisely action in today’s organizations (Mamprin 2002)

Kasper (2008) examined the impact of organizational communication in the administration of succession planning program. His major suggestion was that organizations need to perform critical internal examinations of their current methods and strategies for the communication of their succession planning program.

However, Cheryl (2009) recommended strategies for implementing deliberate and systemic succession plans in the academic environment via a research in higher education institutes. These strategies include securing executive champions, aligning the succession plan to institutional culture, mission, vision and goals, taking an approach not unlike strategic planning, carefully constructing communication plans.
to embrace talent development without inferring entitlement, and a continuous evaluation of both the people and processes involved in succession planning.

Romejok (2008) did a study with the aim of determining the key characteristics of a succession-planning program at a government research center. A set of characteristics that could be used to create the framework for a succession plan at a government research center were recommended as a result of this study. These characteristics were grouped into two categories, institutional characteristics and employee characteristics.

The recognized institutional characteristics are the creation and maintenance of a talent pool, the requirement to ensure that the program is held to ethical standards, and the desire to instill some measure of flexibility into an inherently bureaucratic and inflexible system. The employee characteristics that were recognized were to ensure a complete program for the job development for each participant which included career planning, mentoring, and training.

Succession plans and their effect on the promotions of women is the study conducted by Stroud in 2005. The purpose of this study was to assess the role of succession plans in corporations and its effect on women’s promotions. For this purpose, Stroud interviewed some senior female managers in firms that had succession plans. The results of this study showed that those women who have attained the senior management positions within selected companies have worked hard to move up the career ladder. As one of the major findings, he clarified many factors which contribute to the promotions of women who are seeking for senior positions. The most important factors were: work ethic, education, and sincerity, trust of others, caring attitude, ability to work as teams, and sharing credits.

Succession planning is the means by which a company prepares for and replaces managers, executives and other key employees, who leave their positions, and is critically important to the organization’s continued and future success. It includes processes such as how the company identifies and recruits successors, how it
manages transitions from one executive to another and how it develops successors. Succession planning can also involve identifying “high potential” employees and including them in special training and development for future management roles. The practice of succession planning is key to sustaining an organization’s initiatives and performance and to ensuring it meets its mission even in the face of turnover.

Succession planning in the private sector has been more formalized than in the public sector, which has begun to look at it systematically only recently. Similarly, there has been a lack of focus on succession planning in nonprofits, although the need there is just as pressing. One study examined the effects of turnover in the federal government’s Senior Executive Service (SES) and noted: “The loss of experienced executives without adequate replacements can have a substantial, immediate negative effect on an organization.”

Hunte-cox (2004) examined the relationship between executive succession planning and the collective learning capacity. Her model contained four variables for succession planning which include strategic goal, corporate value, core competencies, and leadership and management development. In addition, he considered four variables for organizational learning that were driven from Schwandt’s organizational learning model which include environmental interface, action/reflection, dissemination, diffusion, meaning, memory and their action. The result of this quantitative research showed that company which scored highly in executive succession planning scored highly in organizational learning. Specifically, executive succession planning had a significantly high positive correlation with organizational learning capacity.

Krauss (2007) studied succession planning and talent management to provide recommendations to reduce workforce attrition and prepare for an aging workforce. As a result of this study, the recommendations to the organizations were to implement a structured succession plan which distinguished the importance of establishing ownership of the succession plan and aligning the internal culture with
external branding. These recommendations included identifying, assessing and developing high potential in the organization.

Once high potentials are selected, their development plan needs to include a job rotation program, a formal mentoring/coaching program, utilizing 360 feedback tools and receiving an appropriate reward for performance. Another qualitative study in 2007 was carried out by Fancher on 30 participants of executive and mid-level managers from 500 companies. The study was to investigate the influence of organizational culture on the succession planning process. The results showed that an organizer has powerful influence on organizational processes (i.e., succession planning) through the culture which he or she created early on.

On the other side, Olson (2007) did a qualitative research on non-profit workforce succession planning. This research investigated the necessity of non-profit workforce succession planning to meet the demands for the project growth and development of programs and services for the aims of serving a growing population of adults primarily age 55 and older. He concludes that in order to adaptive job for talented people, leaders must assess reality and clarify values.

Further, Groves (2007) did a research with the aim of presenting best practices model for optimal development of the leadership pipeline and giving a series of practical recommendations for organizations. He concluded that best practice organizations effectively integrate leadership development and succession planning systems by fully utilizing managerial personnel in developing the organization’s mentor network, identifying and codifying high potential employees, developing high potentials via project-based learning experiences and manager-facilitated workshops, establishing a flexible and fluid succession planning process, creating organization-wide forums for exposing high potential employees to multiple stakeholders, and establishing a supportive organizational culture. He also identified six methods as the best practices in leadership development include: 360-degree feedback, executive coaching, mentoring, networking, job assignments, and action teaching K. S. Groves (2007)
Mandi (2008) did a case study and introduced some indicator for succession planning which include the ability to identify new leaders, the ability to develop new leaders, the ability to deliver financial success, the ability to foster a positive organizational culture, the ability to maintain long-term viability, the ability to sustain core competencies, the ability to initiate change management (Mandi, 2008). Levitz studied succession planning and leadership development in 2008 argued that leadership development and succession planning must be at the core of strategic planning (Levitz 2008)

Conceptual Framework on the Impact of Succession Planning
This Conceptual framework on SP is developed to explain the relationship between practice of succession planning and organizational performance

Figure 2.1: Relationship between Practice of SP and Organizational Performance

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Performance</td>
<td>Succession planning</td>
</tr>
<tr>
<td>• Top Management Support</td>
<td>• Employee Retention</td>
</tr>
<tr>
<td>• Needs Driven Assessment</td>
<td>• Corporate Image</td>
</tr>
<tr>
<td>• Employee Training</td>
<td>• Employee Satisfaction</td>
</tr>
<tr>
<td>• Other Formal Professional</td>
<td>• Competence Level</td>
</tr>
<tr>
<td>• Development Opportunities</td>
<td>• Market Share</td>
</tr>
<tr>
<td>• Dedicated Responsibility</td>
<td>• Repeat Business</td>
</tr>
<tr>
<td>• Extends to all levels of The Organization</td>
<td>• New Business expansion</td>
</tr>
<tr>
<td>• Strategic &amp; Working Plan</td>
<td>• Return On Investment</td>
</tr>
<tr>
<td>• Employee Values &amp; attitudes</td>
<td>• Quality costs</td>
</tr>
</tbody>
</table>
The company can choose to build their internal talent pool (developing talent). This helps development of people to the specific specifications of the organization, save money on recruitment fees; enhance career mobility and engagement within the existing workforce, the company already knows the employee’s attributions.

However there is less opportunity for injecting new knowledge and energy into the organization. Looking inward for future success can unlock undiscovered capabilities and talents of employees. These attributes may not have become apparent in their existing roles because of habit and complacency rather that a failure to invest in employee development (Seymour, 2008). Job rotation within a company can be used to lessen the skills shortfalls. There are huge savings to be made by offering coaching, mentoring or further job training to existing staff by enhancing SP.

Measurements
Measurement is the process observing and recording the observations that are collected as part of a research. There are two major issues that will be considered here.

First, is to understand the fundamental ideas involved in measuring. Here the Researcher considers two major measurement concepts. These levels of measurement, explain the meaning of the four major levels of measurement: nominal, ordinal, interval and ratio. As the result it moves on to the reliability of measurement, including consideration of true score theory and a variety of reliability estimators.

Second, is to understand the different types of measures that were used in research. The researcher considered four broad categories of measurements. Survey research includes the design and implementation of interviews and questionnaires. Scaling
involves consideration of the major methods of developing and implementing a scale. Qualitative research provides an overview of the broad range of non-numerical measurement approaches, and unobtrusive measures presents a variety of measurement methods that don't intrude on or interfere with the context of the research.

Validity of the research instruments
Prior to the main survey, the instruments were pre-tested on a smaller sample as outlined above. Findings from the pre-test were used for reviewing the instruments. Questions that do not yield useful information were either revised or discarded.

2.2 Empirical Literature Review
This section presents empirical literature pertaining to evaluation of succession planning on company performance. It covers experience from countries outside Africa, African countries and lastly Tanzanian experience. Through an empirical study done in India by Avenesh, (2011), findings show that in any industry that thrives on the dynamics of constant change, success comes to those who have the foresight and the ability to counter unexpected challenges. The whole process of training these future leaders is evidently time consuming and requires a lot of additional resources, but in the long run it is a worthwhile investment that is essential for the survival of any organization.

The study on succession planning a necessary process in today’s company done by Shadi Ebrahimi Mehrabani and Noor Azmi Mohamad in Malaysia revealed that today’s environments are changing rapidly that organizations are facing serious unpredictability and uncertainty, which sometimes causes instability in the business operations. In this unstable environment, organizations need to rely on the most important assets: their people. Organizations need to strategize to motivate and connect their employees in order to create competitive advantage and achieving higher profitability. Organizations may consider tools like succession planning and
management to promote their employees’ knowledge, skills, talents, and capabilities to tackle problems created by the challenging environments.

Weekley (2005) in his study “succession planning: issues and answers”, states that the HR professionals develop the succession planning with a mandate received from the CEO. However, the application of the process was not sure. To put the plan in the process, the organizations should follow a few techniques. That is the CEO must be an avid supporter and an active participant, the line management must own the process with HR playing a supportive role, gaps between the current and future skill requirements are to be identified, succession planning must be consistent with other programs, employees are to be held accountable for their own planning and should focus on the selection process, the planning process has to be reviewed quite often.

Kevin S. Groves(2006) studied on the integrating leadership development and succession planning best practices concluded that the specific practices that organizations and management development professionals must execute to effectively build their leadership pipeline are summarized below, develop the organization’s mentor network by fully engaging all managers in mentoring relationships with direct reports and high potential employees in other work units; ensure active manager participation in the organization’s method of identifying and codifying high potential employees and fully engage managers at all levels in leadership development activities, including teaching courses and creating project-based learning experiences (e.g. stretch assignments and action-learning projects) for high potentials.

Garg1 & Weele (2012) on his study on succession planning and its impact on the performance of small micro medium enterprises within the manufacturing sector in Johannesburg said that an organizational structure should be implemented so that employees know who is next in line and what is expected of them, so that if anything is to happen to top management that company can still carry on. Exiting top management and shareholders should have contingency plans in place to ensure that the business can outlive them and that they have a proper exit strategy in place to
carry over shares to the new management or new shareholders. The business strategy can add great value to a company if it needs to be sold. Bocatto, Gispert & Rialp (2010), investigated 86 nonfinancial firms listed on the Spanish Stock Exchange, to observe how their pre-performance influenced the nomination of a family or a non-family member to top senior positions. The research showed that failure to provide succession was a primary cause for the demise of family owned businesses. As some of these firms did not get procure the necessary skills to grow and keep the business sustainable? It was shown that companies’ owners are strong believers in their stewardship responsibility in the interest of continuity from generation to generation (Bocatto, Gispert, Rialp, 2010).
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
The intention of the research methodology is to give a brief description of how the studies are conducted. The research is designed to evaluate succession planning on company performance. At this stage the research describes types of study, area of the study, unity analysis. Research design, the nature and type of data collected, methods of data collection instruments, and data analysis.

3.2 Type of the Study
The research was conducted in a case study where by a single situation is studied at double company as a representative of other organizations. The advantage of the case study research design is that you can focus on specific and interesting cases. This may be an attempt to test a theory with a typical case or it can be a specific topic that is of interest. Research should be thorough and note taking should be meticulous and systematic. In the design of a case study, it is important to plan and design how you are going to address the study and make sure that all collected data is relevant. Unlike a scientific report, there is no strict set of rules so the most important part is making sure that the study is focused and concise.

3.3 The Study Area
This study centered on succession planning in private companies, one of the key pillars of the performance and ultimately the success of any organization. The researcher has opted to look at two companies, Don Consult Limited (DCL) and Netwas (T) Limited, for the following reasons. First, these are the two Local leading firms in the water sector in the country, making them the yard stick in the industry, with a collective of not less than 70percent share of the market. Second, the level of competence shown by the two companies has positioned them as role models among stakeholders in the industry. Finally, the researcher does not have express access to
adequate resources to facilitate an exhaustive review of all private companies in the country.

3.4 Population of the Study
The population of the study was composed of employees from three Departments namely Technical Department, which has 71 employees, Finance and Administration Department which has 10 employees, and Marketing and Procurement Department which has 4 employees. These Departments are selected because they are the key sources of information in the companies.

3.5 Unit of Analysis
The unit of analysis is the major entity the researcher uses to analyze the data in the study, this determine what the unit is. The researcher can use individuals, groups, artifacts, geographical units, and social interactions. For the case of this study the unit of analysis will be individuals.

3.6 Sample Size and Sampling Techniques

3.6.1 Sample Size
Twenty six respondents were purposively selected for the study out of the total 85 of Don Consults and NETWAS employees using purposive sampling. Then after that the exact numbers of respondents were identified from the three Departments using stratified sampling as indicated in Table 3.1.

<table>
<thead>
<tr>
<th>Department</th>
<th>Number of Employees</th>
<th>Selected sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical P1</td>
<td>71</td>
<td>22</td>
</tr>
<tr>
<td>Finance and Administration P2</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Marketing and Procurement P3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>85</strong></td>
<td><strong>26.</strong></td>
</tr>
</tbody>
</table>

Source: Don Consult and NETWAS Staff Profile Data Base, 2013
3.6.2 Sampling Techniques
This study used a combination of purposive and stratified sampling techniques as underscored here under.

Stratified Sampling
The stratified sampling was used to select the proportional sample of respondents from each strata or department. By using stratified sampling the size of the sample in each department/stratum will be proportional to the size of Department/ Stratum. For 85 people, from three departments with different population in the two Organizations. The following Formula will be used.

<table>
<thead>
<tr>
<th>Department</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>P1</td>
<td>P2</td>
<td>P3</td>
<td>N</td>
</tr>
<tr>
<td>Sample (n)</td>
<td>N1</td>
<td>N2</td>
<td>N3</td>
<td>85</td>
</tr>
</tbody>
</table>

The formula for each strata/ department will be as follows;

\[ N; N1 = \frac{26 P1}{N}, \quad N2 = \frac{26 P2}{N}, \quad N3 = \frac{26 P3}{N} \]

Using the above formula the study selected a sample of 26 respondents out of 85 employees as shown from each Department.

Purposive Sampling
Purposive sampling is a non probability sampling technique where the researchers use prior knowledge to purposively choose information rich respondents for the sample of respondents for the sample (Monnette, et al. 2008). These are the people who serve the purpose of the study. Only information rich case/ people were selected. These are the people who provide information which was hard to find from ordinary employees. In this regard Directors, Head of Departments and Units and most of the Don Consults and NETWAS staff who are conversant with managerial
issues were involved. To select equal or proportional number of the respondents from each Department, stratified sampling was used.

3.7 Source and Types of Data

3.7.1 Source of Data
This study used a combination of methods to collect data including a standardized questionnaire with both open and close ended questions supplemented by in depth interviews with key informants and observations. The use of multiple instruments will ensure validity and reliability of data collected. Two sets of data were collected as follows.

Observation
Non- participant observation was used to collect data. It is used to get first hand information on the spot on the real situation of succession planning at the company. Through this method information that is pertained to skills, perception and knowledge was gathered and analyzed by the researcher who was actively involved as a participant observer. The researcher had to go to various departments to observe the general working environment. In observing the activities and staff behavior helped the researcher to acquire relevant information in as far as the study is concerned. Participatory observation enabled the researcher to see workers while performing routine activities of the company and thus helped in evaluation of their performance to establish the kind of succession planning which might be possible to take place.

Interview
An interview is a conversation between two people (the interviewer and the interviewee) where questions are asked by the interviewer to obtain information from the interviewee. As qualitative research, interview seeks to describe and the meanings of central themes in the life world of the subjects. The main task in interviewing is to understand the meaning of what the interviewees say. (Kvale, 1996). Hence the researcher conducted conversation with the interviewee to get some
information known by interviewee about how succession planning is implemented at the organization.

**Documentary**

These are secondary data which were collected through library research and documentary review. Both published and unpublished materials like books, theses, journals, articles, research reports, budgets, project documents and e-resources etc. were reviewed and major points were summarized. By using documentation the researcher obtained some important secondary data from different sources such as reports from secondary data, official and personal files and management meetings. This source of data was used because it provides contemporary information and helped in understanding how the implementation of succession planning took place.

### 3.7.2 Types of Data

**Primary Data**

Primary data were collected using a questionnaire with both open and close ended questions which administered in face to face interviews as well as through in-depth interviews with key decision makers. No research assistants were trained to assist in data collection. Both primary and secondary data source were collected in the course of the study hence research instruments being questionnaires, interviews, documentation review and observations.

**Secondary Data**

Secondary data were collected through library research and documentary review. Both published and unpublished materials like books, theses, journals, articles, research reports, budgets, project documents and e-resources etc. were reviewed and major points were summarized. By using documentation the researcher obtained some important secondary data from different sources such as reports from secondary data, official and personal files and management meetings.
3.8. **Data Collection Method**

A combination of instruments used to facilitate data collection and analysis as follows: These include the following:

(i) **Questionnaire Method**

A questionnaire refers to a set of written questions that people respond to directly on the form without the aid of an interviewer (Monette, et. al., 2008). A standardized and structured questionnaire with both open and close ended questions were administered directly to respondents for them to fill in data. The major advantages of a questionnaire is that it allows a researcher to collect data from a large audience located in different geographical areas cost effectively. In addition, face to face interviews tend to increase high response and return rates. Two types of questionnaires were designed and distributed to the selected sample. The first set was designed for ordinary employees while the second set was for the top management comprising of Directors and Heads of Departments and Units.

(ii) **Interviews Method**

According to Monette, et. al., 2008) interview is a technique in which an interviewer reads questions to respondents and records their verbal responses. In depth face to face interviews were conducted by the researcher during the working hours to collect additional information that was not covered in the questionnaire. The respondents who participated in the study were purposively selected based on the judgments of the researcher. This was a good method because it is less time consuming and cost effective. It is designed to collect the respondents’ views and opinions. The purpose is to solicit in depth information which would not be forthcoming from ordinary workers who are not key decision makers.

3.9 **Data Analysis**

Both qualitative and quantitative methods of data analysis were employed. Quantitative field data was organized into categories, labeled, edited and coded. A
Statistical Package for Social Scientists (SPSS) for Windows Version 19 was used to derive, frequencies, percentages, tables and charts etc. Qualitative data from interviews and open ended questions was organized into meaningful themes and analyzed using content analysis. This enabled the researcher to interpret data collected and ultimately make necessary, recommendation and reach a conclusion.
CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction
This chapter is presenting the research findings. This research is organized into five sections namely, profile of respondents, examination of the succession planning in engineering firms with specific reference to DCL and NETWAS, review and analyze company policies and institutional frameworks currently in place in order to determine the extent to which they facilitate the implementation of succession plans, identify gaps, overlaps and inconsistencies in the policy and institutional frameworks that has an influence on succession planning, and assess the attitude of the employers and employees towards the effectiveness of the succession planning.

4.2 The Profile of Respondents
In this study, respondents were taken from both organizations namely DCL and NETWAS, it was considered important to know the respondent’s gender, age of respondents, level of education, name of department the employee is serving and employee working experience. There was an assumption that these variables influence the succession plan within the organization

Table 4.1: Gender of Respondents

<table>
<thead>
<tr>
<th>S/N</th>
<th>Respondent’s Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>21</td>
<td>80.8</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>5</td>
<td>19.2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.2.1 Gender of Respondents
A question on gender of respondents was asked because in some circles women in work places, as pointed out by Kamel (1998) are disadvantaged because they lack basic skills required to perform their tasks and are not getting their right. In contrary
nowadays both men and women are highly educated and have same rights and even equal chances of leading the organization. As indicated in Table 4.1 above, out of 26 respondents interviewed 80.8 percent were male and 19.2 percent were female.

The relationship of gender issue and succession planning was raised due to the fact of unequal number of male and female in the two companies. From data above it shows that the chances of female to be successors are not certain, probability of male to succeed are high. It is clear that the two companies had male leaders for many years compared to female candidates this is due to the fact that the current regime comprises of the founders who aim at achieving mission and vision of their respective companies. Hence, this became difficult to apply principles underlining the succession planning.

Table 4.2: Education of the Respondents

<table>
<thead>
<tr>
<th>S/N</th>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Secondary</td>
<td>4</td>
<td>15.4</td>
</tr>
<tr>
<td>2</td>
<td>Degree</td>
<td>19</td>
<td>73.1</td>
</tr>
<tr>
<td>3</td>
<td>Masters</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.2.2 Education of the Respondents

In any Company there is a need of having educated employees for the proper sustainability of organization. All the activities like planning, administration, and decision making require skilled and competent personnel. Findings from the study indicate that education levels of respondents 76.9 percent have degree education, 11.5 percent have secondary level, and 11.5 percent have masters level of education.

As shown in the Table 4.2 above, the two groups of degree’s holders and master’s degree holders have greater chance of succeeding to higher position. From the survey, it can be observed that the target companies have limited number of potential candidates to succeed the current leadership. This is because they possess degrees in
disciplines such as engineering which is not qualifying them for future leadership. In addition, the candidate’s lack of appropriate disciplines background which could provide them competing in other fields such as business administration, human resources management, and finance and accounting to mention just a few.

It is therefore crucial for these companies to encourage their employees to pursue further studies that will enable them to handle multiple functional areas and make them competent to implement success plans.

Table 4.3: Age of the Respondents

<table>
<thead>
<tr>
<th>S/N</th>
<th>Respondent’s Age</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18-25 Years</td>
<td>5</td>
<td>19.2</td>
</tr>
<tr>
<td>2</td>
<td>26-35 Years</td>
<td>14</td>
<td>53.8</td>
</tr>
<tr>
<td>3</td>
<td>36-45 years</td>
<td>7</td>
<td>26.9</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.2.3 Age of the Respondents

The question of gender was asked to ascertain the age, which can be enable the experienced employee to take position in the organization. From the data is obvious that, training an individual to be leader, he/ she should be between at the age of 25-40 where many people complete the university degree as the results show. According to the findings, 53.8 percent of the respondents were in the age group of 26-35, 19.2percent were aged between 18-25 years and 26.9percent were aged between 36-45 years. This implies that the companies have young employees who could be potential employees for succession planning. This group is a key in succession planning process as they can be retained for a longer period; have knowledge relating institutional evolution over a period, experience in the company which is key in the SP. It is important for the two companies to retain this class of employees by giving the better package that will limit their mobility to other competing companies.
Table 4.4  Positional Ranks of the Respondents in the Company

<table>
<thead>
<tr>
<th>S/N</th>
<th>Respondent’s position in the Organization</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Board of directors</td>
<td>4</td>
<td>15.4</td>
</tr>
<tr>
<td>2</td>
<td>Managing Director</td>
<td>2</td>
<td>7.7</td>
</tr>
<tr>
<td>3</td>
<td>Head of Department</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td>4</td>
<td>Engineer</td>
<td>15</td>
<td>57.7</td>
</tr>
<tr>
<td>5</td>
<td>Accountant</td>
<td>2</td>
<td>7.7</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

*Source:* Field data, 2013

4.2.4 Position of the Respondents in the Company

A question regarding position of the respondents in the company was asked to establish applicability of succession planning in the engineering companies. According to the survey, out of 26 employees 57.7 percent were engineers, 15.4 percent were board of directors and 11.5 percent are heading departments, 7.7 percent are managing directors, and 7.7 percent are accountants. It seems from the findings that employees with engineering degrees are likely to be the successors in their companies.

This is due to the fact that the nature of job the companies engaged in requires leadership with specialized skills and knowledge on relevant matters to the companies. This will enable them to draft proposals, project supervision and report to their respective clients. Having leadership well conversant in engineering related matters will be easy to control lower cadre staff who are working in projects implementation. As pointed out earlier, the prospective leadership needs to be equipped with skills and knowledge not only in engineering work but also other disciplines to make them competent in succession planning.
**Table 4.5: Respondents Familiarity on Organization’s Business Plan**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Level of awareness</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very familiar</td>
<td>17</td>
<td>65.4</td>
</tr>
<tr>
<td>2</td>
<td>somewhat familiar</td>
<td>6</td>
<td>23.1</td>
</tr>
<tr>
<td>3</td>
<td>not familiar</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

*Source: Field data, 2013*

**4.2.5 Organization’s Business Plan**

A question was asked to establish respondents’ level of understanding on the company’s business plans. According to the findings, 65.4 percent of the respondents said they were familiar with the company respective business plans, 23.1 percent of them said that they were somewhat familiar, and 11.5 percent said they were not familiar with the business company plans.

This means that majority were aware of the company business plans for the future years and they were able to move on with institutional experience, should there be succession planning process. It seems that the groups participated in the formulation and implementation of business plans. On the same note, the group which scored lower percentage was engaged in other duties from those of managers and directors. It is pertinent to note that in order to make Succession Planning meaningful, all groups must be engaged fully in understanding the business plans of the companies. This made succession plans possible in all levels from managerial to junior positions.

**Table 4.6: Respondents Awareness on Company Mission Statement**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Level of awareness</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very familiar</td>
<td>17</td>
<td>65.4</td>
</tr>
<tr>
<td>2</td>
<td>somewhat familiar</td>
<td>4</td>
<td>15.4</td>
</tr>
<tr>
<td>3</td>
<td>not familiar</td>
<td>5</td>
<td>19.2</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

*Source: Field data, 2013*
4.2.6 Organization’s Mission Statement

A question was posed on mission statement in order to establish ability of the respondents to understand and ensure attainment of the mission statement in the respective companies. A mission statement is a roadmap of a company or person portraying reason for existing. It guides the actions of the organization, overall objectives, provide a path, and guide decision-making. It provides the framework or context within which the company’s strategies are formulated. Effective mission statements start by cogently articulating the organization's purpose of existence. Mission statements often include the following information, aim(s) of the organization, the organization's primary stakeholders: clients/customers, shareholders, congregation, etc, how the company provides value to these stakeholders, for example by offering specific types of products and/or services and a declaration of an organization's sole core purpose. A mission statement answers the question, "Why do we exist?"

According to the survey, most of respondents are aware of the mission statements of their respective companies. Out of 26, 17 of them said that, they understand the substance of mission statement of their respective companies, 5 of them said to be unfamiliar with the mission of the company and 4 of them admitted that they are somehow familiar with the mission statement of their respective companies relating to SP. This means that the current leadership and some subordinates are fully aware of the roadmap of the respective companies. This means that SP will make future leaders proceed with the current mission statement which will not divert from the business plans. It is however important to impart the same knowledge to successors and lower cadre staff to understand and implement SP.

Table 4.7: Importance of a Department Developing a Strategic Plan for SP

<table>
<thead>
<tr>
<th>S/N</th>
<th>Level of Importance</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>14</td>
<td>53.8</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>12</td>
<td>46.2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013
4.2.7 Department Developing a Strategic Plan to Assist Leaders

It is very important to every department to be competent at its equal level opened so as to support company’s goal as a whole. Strong developed strategic plans of departments’ yield to a strong company.

It is easier to foresee future leaders from their departments and hence establishing some basics to prepare them for succession planning.

Respondents were asked if there is a need for each department to develop strategic plan for assisting leaders in long term planning was important, and results from the field show that, 53.8 percent of the respondents said that it is important for the department for the development of strategic plan to assist leaders in long term. However, 46.2 percent said it is not important. This was addressing the first objective of this research. Developing a strategic plan for a department implies that, implementation of the company goal will be in line with vision and mission of the company. From the result, 53.8 percent of the respondents agreed that it is important for department to have a strategic plan to assist leaders since it will be able to be translated to an individual goal of the employees.

4.3 To Review and Analyze Company Policies and Institutional Frameworks

Policies and institutional frameworks are not made by marbles and stones; they are outlined procedures which can be changed if there is a need to do so. Since the companies are exposed to changing environment it is crucial to have a constant review and analysis of the policies and institutional frameworks which may be outdated. If there is a remarkable grown in any company then consider that company to be determined to face the current changing policies.
Table 4.8: Elements Used in Developing Candidates from the Pool for SP

<table>
<thead>
<tr>
<th>S/N</th>
<th>Elements Used</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Written Examination</td>
<td>6</td>
<td>23.1</td>
</tr>
<tr>
<td>2</td>
<td>Oral interview process</td>
<td>10</td>
<td>38.5</td>
</tr>
<tr>
<td>3</td>
<td>Physical and mental fitness</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td>4</td>
<td>Employment history</td>
<td>4</td>
<td>15.4</td>
</tr>
<tr>
<td>5</td>
<td>Formal education</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

*Source:* Field data, 2013

4.3.1 Elements Used in Developing Candidates from the Pool for SP

Developing an individual to be a leader, many things must be considered including competence of the individual himself. One of the methods to know the competence of an individual is to know how he/she can express him/herself and whether if he/she communicates and orally understood by members within and outside of the company. This is where the question of method of developing candidate from the pool comes from. Drawing from the results oral interview process is the major elements in selecting the candidates from the pool because it includes the individual ability to communicate effectively.

Elements used by the department in developing candidate from the pool for SP are many depending on nature of the business, Organization’s structure, Level of education and many others. Oral interview process, Written Examination, Employment history, Physical and mental fitness Formal education are some of elements used by the department to utilize in developing candidate from the pool for succession plan as observed and indicated from the data.

Table 4.8 shows the elements that used by the department to utilize in developing candidate from the pool for succession plan. Oral interview process has got the highest rank with 38.5 percent. Majority of respondents agree that oral interview process is the most easy, applicable and useful departmental element to utilize and develop candidate from the pool for succession plan. Written examination is ranked
second with mean 23.1 percent, thus most of the employees said written examination is far way formal element that is used by the department to utilize in developing candidate from the pool for succession plan, compared to employment history which got the third rank with 15.4 percent. Both physical and mental fitness Formal education are of the fourth rank with 11.5 percent of elements used by the department to utilize in developing candidate from the pool for succession plan.

Table 4.9: Development of Department’s Sustainable Education and Growth

<table>
<thead>
<tr>
<th>S/N</th>
<th>Level of Importance</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>16</td>
<td>61.5</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>10</td>
<td>38.5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.3.2 Development of Department’s Sustainable Education and Growth

The question was asked to purposely to ascertain the issue of educating employees in the importance of implementation of succession plan and growth of the company in terms of leadership process and not educating the employees for professional purpose.

Despite of the results showing that there is a department that developed sustainable education and growth, but in actual sense that was not what is needed in implementation of SP. However, this implies that, if the company could be implementing the succession planning, this education was very importance to make sure that, every employee understands the process through education, recruitment and trainings.

Respondents was asked if their departments have developed sustainable education and growth plan to provide educational opportunities for eligible candidates, the results from the field show that, 38.5 percent of the respondents said that there are NO sustainable education and growth plan which provide educational opportunities for eligible candidates who can be future leaders of the Organization. However,
61.5 percent of the respondents said true there are sustainable education and growth plan which provide educational opportunities for eligible candidates. This was addressing the first objective of this research.

Table 4.10: Importance of Understanding Strategic Goals of the Organization

<table>
<thead>
<tr>
<th>S/N</th>
<th>Value of understanding strategic goals</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Great Value</td>
<td>22</td>
<td>84.6</td>
</tr>
<tr>
<td>2</td>
<td>Limited Value</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td>3</td>
<td>No Value</td>
<td>1</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.3.3 Understanding the Strategic Goals of Company

Strategic goals of the organization are the determinants of where and how the organization is moving, so as to be ascertaining on the sustainability of the organization. Implementation and applicability of Succession Planning is possible when majority of the employees are aware of the Strategic plan of the Company which will enable them, not to diversity from the strategic plan and in steady find a way to stick on the plan and reach the strategic goals.

As the question being, what values does understanding the strategic goals of company have on the development of future leadership? Here comes different three groups with three different answers from respondents showing that 84.6 percent of the respondent said it is very important to understand the strategic goals of company on the development of future leadership, while 11.5 percent of respondents said that there is very limited value of understanding the strategic goals of company on the development of future leadership in the organization, while the remaining 3.8 percent said that it is not important at all having knowledge of understanding the strategic goals of company so as to create/develop future leadership of the organization.
Table 4.11: Importance of Understanding Job Description of Each Level

<table>
<thead>
<tr>
<th>S/N</th>
<th>Value of understanding JD</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Great Value</td>
<td>12</td>
<td>46.2</td>
</tr>
<tr>
<td>2</td>
<td>Limited Value</td>
<td>13</td>
<td>50.0</td>
</tr>
<tr>
<td>3</td>
<td>No Value</td>
<td>1</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.3.4 Understanding the Job Description

A job description is a list that a person might use for general tasks, or functions, and responsibilities of a position. It may often include to whom the position reports, specifications such as the qualifications or skills needed by the person in the job, or even salary range. Job descriptions are usually narrative, but some may instead comprise a simple list of competencies; for instance, strategic human resource planning methodologies may be used to develop a competency architecture for an organization, from which job descriptions are built as a shortlist of competencies.

As this question being one of the asked question in the questionnaire, 50 percent of the field respondents said there are moderate need(s)/value(s) for understanding the Job description at each level of the company on the development of future leadership, while 46.2 percent said that it is very important for one to understand the Job description of each level of the company so as to create proper pool for development of future leadership, and the remaining 3.8 percent said that there is no importance of understanding the Job description of each level of the company in order to have sustainable development of future leadership.

Table 4.12: Knowledge, Skills, and Ability to be performed for Future Leadership

<table>
<thead>
<tr>
<th>S/N</th>
<th>Value of skills Knowledge, and ability in FL</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Great Value</td>
<td>17</td>
<td>65.4</td>
</tr>
<tr>
<td>2</td>
<td>Limited Value</td>
<td>6</td>
<td>23.1</td>
</tr>
<tr>
<td>3</td>
<td>No Value</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013
4.3.6 Knowledge, Skills, and Ability to be performed for Future Leadership

Knowledge is a familiarity with someone or something, which can include facts, information, descriptions, or skills acquired through experience or education. It can refer to the theoretical or practical understanding of a subject. It can be implicit (as with practical skill or expertise) or explicit (as with the theoretical understanding of a subject); it can be more or less formal or systematic. In philosophy, the study of knowledge is called epistemology.

A competency is defined as a set of skills, knowledge, attributes and behaviors that are observable and measurable. It is the ability to perform activities to the standards required in employment, using an appropriate mix of knowledge, skill and attitude. All three aspects must be present if someone is to be effective in the workplace. Improving competencies, it required to increase not only the knowledge, but also understanding of how the knowledge and skills can be applied in the working environment. Leadership Competencies considered being essential to organizational success.

The question of Knowledge, skills, and ability to perform all levels competencies have on the development of future leadership was asked to ascertain the importance of knowledge skill and ability on the development of future leadership, the results from the field was revealed that, 65.4 percent of the respondents said that the consideration of Knowledge, skills, and ability to perform job at all levels competencies are crucial for the development of future leadership and have a great value, 23.1 percent said that there is a limited considerations of Knowledge, skills, and ability to perform job at all levels on the development of future leadership.

However, 11.5 percent said that there is no need of employees to posses Knowledge, skills, and ability in order to perform job at all levels on the development of future leadership.
To Identify Gaps and Overlaps in the Policies that Influence SP

Identifying gaps, overlaps and inconsistencies in the policy and institutional frameworks that has an influence on succession planning is very important since it alerts the top management to think of either improving or restructuring its different policies that supports matters relating to succession planning.

Table 4.13: Important of Having a SP Procedure in the Organization

<table>
<thead>
<tr>
<th>S/N</th>
<th>Importance of SP</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very Important</td>
<td>19</td>
<td>73.1</td>
</tr>
<tr>
<td>2</td>
<td>Important</td>
<td>4</td>
<td>15.4</td>
</tr>
<tr>
<td>3</td>
<td>Somewhat important</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.4.1 Importance of Having a SP Procedure in the Organization

The question on the important of succession planning procedure in the company was put to respond, results from the field show that, 73.1percent of the respondent said it is very important to have an succession procedures in the organization, while 15.4percent of them responds that it is important to have proper procedure in succession planning for the named organization, while the remaining 11.5percent said that having a succession planning procedure in the organization is somewhat importance (see the Table 4.13 above)

Table 4.14: Effects of the Absence of Succession Planning in the Company

<table>
<thead>
<tr>
<th>S/N</th>
<th>Effects of absence of SP</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Great Value</td>
<td>17</td>
<td>65.4</td>
</tr>
<tr>
<td>2</td>
<td>Limited Value</td>
<td>6</td>
<td>23.1</td>
</tr>
<tr>
<td>3</td>
<td>No Value</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013
4.4.2 Effects of the Absence of Succession Planning

Lack of certainty in leadership to key positions, non retention and undeveloped intellectual and knowledge capital for the future and lack of competent personnel are some of the effects of the absence of succession planning on the sustainable development of the organization, from DCL and NETWAS, there has been a major staff turnover each year, due to the fact that employees are not certain about their chances within the company since there is no a proper plan for successors, others are wondering what would be their fate after the completion of the current regime.

As findings shown in the Table 4.14 which explains the effects of the absence of succession planning on the sustainable development of the organization, Out of 26 respondents 17 (65.4 percent) said that there is a serious effect when there is the absence of succession planning on the sustainable development of the organization, while on the other side 6 (23.1 percent) respondents said that there is a limited move on the effect of the absence of succession planning on the sustainable development of the organization., however the remaining 3 (11.5 percent) respondents said that there is No any bad effect when there is absence of succession planning for the sustainable development of the organization.

Table 4.15: Factors prohibit /Prevent SP in engineering Organizations

<table>
<thead>
<tr>
<th>S/N</th>
<th>Factors that prohibit SP</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Poor Organization’s structures</td>
<td>15</td>
<td>57.7</td>
</tr>
<tr>
<td>2</td>
<td>Poor Mechanisms for coordination</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td>3</td>
<td>Founder Syndrome</td>
<td>4</td>
<td>15.4</td>
</tr>
<tr>
<td>4</td>
<td>Resource Constraints</td>
<td>1</td>
<td>3.8</td>
</tr>
<tr>
<td>5</td>
<td>Ignorance</td>
<td>2</td>
<td>7.7</td>
</tr>
<tr>
<td>6</td>
<td>Bureaucracy</td>
<td>1</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.4.3 Factors Prohibit /Prevent Engineering Company from Developing SP

Succession Plan as any other plan has got its own procedure to be implemented. It is a document which has to be prepared with skilled personnel from human resources
department. On the contrary, DCL and NETWAS lack the said department and hence decide to use in house personnel who are working in related field of administration, and this becomes the major factor which prohibit the two companies from developing SP, followed by other factors like Ignorance, Founder syndrome Poor Organization's structures, Poor Mechanisms for coordination and Bureaucracy

Table 4.15 shows the factors that prevent /prohibit engineering company from developing succession planning programs. Poor organization's structures have got the highest rank with 57.7 percent. Majority of respondents agree that poor organization’s structures that do not suit the company are either adopted or structured inappropriately which became a problem during implementation then after. Founder Syndrome is ranked second with percentage 15.4 percent, thus most of the employees said the owners/founders of the organizations are so self less and rigid not to trust any other person to lead the company on their behalf. , Poor Mechanisms for coordination got the third rank with 11.5 percent.

These poor mechanisms for coordination increases level of prohibition of the employees from developing succession planning programs in the Organization. Ignorance has got the fourth rank with 7.7 percent whereby the founders or employees or both (founders and employees) tend to ignore the mentioned factors which prevent /prohibit engineering company from developing succession planning programs in the organization.

Resource Constraints and Bureaucracy have both got the fifth rank with 3.8 percent whereby this means that respondents do not feel that resource or bureaucracy are capable of causing the prevention of engineering Company in developing succession planning programs.
Table 4.16: Impacts of Changes in the Policy of the Company That Oppose SP

<table>
<thead>
<tr>
<th>S/N</th>
<th>Impacts of Changes in the policy that oppose SP</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>13</td>
<td>50.0</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>13</td>
<td>50.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.4.4 Changes in the Policy of the Company That Will Go against Plan SP

Implementation of the company succession plan depends on the company policy. The company policy might either support the succession plan or not, the question of the change in policy of the company that will go against the succession planning was asked to ascertain the implementation of succession planning at DON CONSULT and NETWAS. The results revealed that, 50 percent of the respondents said that implementation of succession plan might change the organizations policy while other 50 percent said that implementation of succession plan might NOT change the organizations policy.

4.5 Attitudes of Employers and Employees towards the Effectiveness of the SP

Table 4.17: Entry Point for Personnel Introduction to the SP Process in the Career

<table>
<thead>
<tr>
<th>S/N</th>
<th>Contract Period</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>After completion of 1 year contract</td>
<td>13</td>
<td>50.0</td>
</tr>
<tr>
<td>2</td>
<td>After completion of 2 year contract</td>
<td>10</td>
<td>38.5</td>
</tr>
<tr>
<td>3</td>
<td>After completion of 4 year contract</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.5.1 Entry Point for Personnel Introduction to the SP Process in the Career

The issue as to what level or at which point in the career development process should personnel be introduced to the succession planning process is again another question which resulted to different answers as shown in Table 4.18.
Moreover, most of the respondents that is 50 percent of the total respondents said that it is better for personnel to be introduced to the succession planning process as soon as possible, as the employee is introduced to different systems of the company then at the same time the personnel should be introduced to the succession planning process. 38.5 percent said that at least the personnel should be introduced to the succession planning process after the completion of two years with the organization, while the remaining 11.5 percent said that the personnel should be introduced to succession planning process after knowing the company for long time at least after the completion of four year contract.

Table 4.18: Importance of Fair Candidate Pool Selection Has on Future Leadership

<table>
<thead>
<tr>
<th>S/N</th>
<th>Importance of fair candidate pool selection on FL</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Great Value</td>
<td>14</td>
<td>53.8</td>
</tr>
<tr>
<td>2</td>
<td>Limited Value</td>
<td>5</td>
<td>19.2</td>
</tr>
<tr>
<td>3</td>
<td>No Value</td>
<td>7</td>
<td>26.9</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Source:** Field data, 2013

4.5.2 Importance of Fair Candidate Pool Selection Have On Future Leadership

Fair selection which determines the criteria of the candidate can lead to good selection of the future leadership. Respondents were asked whether there are values having a fair candidate pool selection on the development of future leadership, and the answers from the field show that, there is the significant importance of having fair candidate pool selection on the development of future leadership as of 53.8 percent of the respondents said that while 26.9 percent said that there is a static value/importance on the fair candidate pool selection on the development of future leadership, and the remaining 19.2 percent said that there is no importance at all on having fair candidate pool selection on the development of future leadership.
4.6 Findings to the Study

4.6.1 Examining the Succession Planning in Engineering Firms with Specific Reference to and DCL and (NETWAS) Tanzania Companies.

The study came up with the following findings in accordance with the study’s research objectives. The first objective focused on examining the succession planning in engineering firms with specific reference to water sector and Don Consult Limited and Network for Water and Sanitation (NETWAS) Tanzania companies. The findings revealed that, employees of the Don Consult Limited and Network for Water and Sanitation (NETWAS) Tanzania companies they understand the business plan of their organizations. This will help them in the implementation of succession plan, since every employee is part and parcel of the organization.

Mission of the company is well known to every employee in making sure that helps in the implementation of the company goal. Department developing a strategic plan to assist leaders in long term planning, it was revealed that, it is important for the department development of strategic plan to assist leaders in long term.

4.6.2 Reviewing and Analyzing Company Policies and Institutional Frameworks Currently in Place in Order to Determine the Extent to Which They Facilitate the Implementation of Succession Plans

As regard the second objective on reviewing and analyzing company policies and institutional frameworks currently in place in order to determine the extent to which they facilitate the implementation of succession plans, the results show that, oral interview was the major element used by some of the companies in selecting candidate for succession planning followed by written examination and employee history.

Due to lack of succession planning in this company it was observed that there is no developed sustainable education and growth plan to provide educational opportunities for eligible candidates. Understanding the Job description of each level of the company has on the development of future leadership, the result show that, it
is very important for one to understand the Job description of each employee so as to create proper pool for development of future leadership. Also considering knowledge, skills, and ability to perform all levels of employee’s competencies is very important on the development of future leadership.

4.6.3 Identifying Gaps, Overlaps and Inconsistencies in the Policy and Institutional Frameworks That Has an Influence on Succession Planning
The third objective was on identifying gaps, overlaps and inconsistencies in the policy and institutional frameworks that has an influence on succession planning. Findings from the survey data show that it is very important to have succession procedures in the organization.

However it was observed that, there is a big effect when there is the absence of succession planning on the sustainable development of the organization. The following was identified as the factors prohibiting the implementation of succession planning, Poor Organization’s structures, Founder Syndrome and Poor Mechanisms for coordination was ranking the highest in effect.

4.6.4 Assessment of the Attitude of the Employers and Employees towards the Effectiveness of the Implementation of Succession Planning
The fourth objective was on the assessment of the attitude of the employers and employees towards the effectiveness of the implementation of succession planning. It was observed that, it is better for company to be introduced to the succession planning process as soon as possible. However, it was analyzed that, this will go together with fair selection of the candidate
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND POLICY IMPLEMENTATION

5.1 Introduction
Succession Planning (SP) refers to a deliberate and systematic effort by an entity to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future and encourage individual (Rothwell, 2010). It is applicable not only for the top professional cadre but also other positions within the company. SP involves three steps namely the identification and analysis of key vacant positions, the creation and assessment of potential candidates, and selection of the right individuals to fill in the key identified positions (Dessler, 2005).

SP consists of systematic attempts by an employing company to influence the way the careers of one or more individuals develop. Business leaders know that succession planning is essential to ensuring organizational continuity and growth. Simply stated, the ability of a company to survive is based on the organization’s capacity to produce sustained and high quality leadership over time, (Butler and Roche-Tarry, 2006).

Succession planning is essential to ensuring organizational continuity and growth. Simply stated, succession planning is the process of lining up the right people to take over important roles in the company as they open up. The process typically entails identifying and then developing promising candidates for promotion, thereby maximizing the likelihood of a smooth and successful transition.

Succession planning will vary slightly between organizations. Different resources, different organizational designs and different attitudes all mean that succession planning should be flexible and adaptable in order to accommodate varying needs and achieve business continuity. However, there is a general framework that departments can use as the basis and guide for their succession planning activities.
Company’s future plans may change by reasons such as retirements, promotions, serious employee’s illness, death or any voluntary departure from the company. To override such changes, it is pertinent for companies to instill key employees’ replacement plan, that is succession plan which will make the company history viable (Sambrook, 2005). For decades, the concern of succession planning was about the exact people, not skills and talents, who are needed for the organization’s future (Garman and Tyler, 2004). During those a time, the only purpose of succession planning was to tag and identify the needed successors to replace their ancestors for a specific job.

The target of succession planning in this old view was top leaders and business owners in the large company (Williams, 2005). Traditionally, succession planning links with replacement planning (Charan, Drotter, and Noel, 2001)

In today’s dynamic world where competition is high, work is fluid, environment is unpredictable, organizations are flatter, and the organizational configuration frequently changes, the old view of succession planning by defining specific people for the specific job does not work.

Nowadays, organizations need a group of high potential people at all levels of their organizations. Developing general competencies, creating flexibility and creating the leadership potential at all organizational levels is a wisely action in today’s organizations (Mamprin, 2002).

Succession planning is one element of successful human resource planning. Unfortunately, many organizations do a poor job of succession planning or no succession planning at all. According to a 2006 report, two-thirds of major firms do not have a succession planning process despite the clear need shown by such statistics as the following, cited in “Succession Planning: Current Trends” (2006).
The study raised four questions that are whether the business organizations have policies that relates to succession planning in the country, whether there are challenges faced by selected companies on initiating succession planning, whether there are procedures to be followed in implementing succession planning, and whether there are effects of inadequacy in succession planning in companies.

The study noted four objectives that are to examine the succession planning in engineering firms with special reference to DCL and NETWAS companies, to review and analyze company policies and frameworks currently in place in order to determine the extent to which they facilitate the implementation of succession plans, to identify gaps, overlaps and inconsistencies in the policy and frameworks that has an influence on succession planning, and to assess the attitude of the employers and employees towards the effectiveness of the succession planning.

According to Warren (2006) Succession Planning is principally about knowing the needs of the company and its employees and developing the capacity to address emerging issues that can or will affect business continuity. Essentially, succession planning is a conscious decision by a company to foster and promote the continual development of employees, and ensure that key positions maintain some measure of stability, thus enabling a company to achieve business objectives. It enables the company to identify talented employees and provide education to develop them for future higher level and broader responsibilities. It helps company to build bench strength, helps to decide where people belong on the organization.

Essentially, succession planning is a conscious decision by a company to foster and promote the continual development of employees, and ensure that key positions maintain some measure of stability, thus enabling a company to achieve Organizational objectives (Bach, 2005).

Through an empirical study done in India by Neema Mary Avenesh (2011), findings show that in any industry that thrives on the dynamics of constant change, success comes to those who have the foresight and the ability to counter unexpected
challenges. The whole process of training these future leaders is evidently time consuming and requires a lot of additional resources, but in the long run it is a worthwhile investment that is essential for the survival of any organization.

The research was conducted in a case study style where by a single situation was studied at double company as a representative of other organizations. The advantage of the case study research design is that you can focus on specific and interesting cases.

This study centered on succession planning in private companies, one of the key pillars of the performance and ultimately the success of any organization. The researcher has opted to look at two companies, Don Consult Limited (DCL) and Netwas (T) Limited, as they are the two Local leading firms in the water sector in the country.

The population of the study was composed of employees from three Departments namely Technical Department, Finance and Administration Department and Marketing and Procurement Department.

The researcher used individuals, groups, artifacts, geographical units, and social interactions as unit of analysis.

5.2 Findings to the Study

Examining the succession planning in engineering firms with specific reference to water sector and Don Consult Limited and Network for Water and Sanitation (NETWAS) Tanzania companies.

The study came up with the following findings in accordance with the study’s research objectives. The first objective focused on examining the succession planning in engineering firms with specific reference to water sector and Don Consult Limited and Network for Water and Sanitation (NETWAS) Tanzania companies.
The findings revealed that, employees of the Don Consult Limited and Network for Water and Sanitation (NETWAS) Tanzania companies they understand the business plan of their organizations. This will help them in the implementation of succession plan, since every employee is part and parcel of the organization.

Mission of the company is well known to every employee in making sure that helps in the implementation of the company goal. Department developing a strategic plan to assist leaders in long term planning, it was revealed that, it is important for the department development of strategic plan to assist leaders in long term.

Reviewing and analyzing company policies and institutional frameworks currently in place in order to determine the extent to which they facilitate the implementation of succession plans

As regard the second objective on reviewing and analyzing company policies and institutional frameworks currently in place in order to determine the extent to which they facilitate the implementation of succession plans, the results show that, oral interview was the major element used by some of the companies in selecting candidate for succession planning followed by written examination and employee history.

Due to lack of succession planning in this company it was observed that there is no developed sustainable education and growth plan to provide educational opportunities for eligible candidates. Understanding the Job description of each level of the company has on the development of future leadership, the result show that, it is very important for one to understand the Job description of each employee so as to create proper pool for development of future leadership.

Also considering knowledge, skills, and ability to perform all levels of employee’s competencies is very important on the development of future leadership.
Identifying gaps, overlaps and inconsistencies in the policy and institutional frameworks that has an influence on succession planning

The third objective was on identifying gaps, overlaps and inconsistencies in the policy and institutional frameworks that has an influence on succession planning. Findings from the survey data show that it is very important to have succession procedures in the organization.

However it was observed that, there is a big effect when there is the absence of succession planning on the sustainable development of the organization. The following was identified as the factors prohibiting the implementation of succession planning, Poor Organization’s structures, Founder Syndrome and Poor Mechanisms for coordination was ranking the highest in effect.

Assessment of the attitude of the employers and employees towards the effectiveness of the implementation of succession planning

The fourth objective was on the assessment of the attitude of the employers and employees towards the effectiveness of the implementation of succession planning. It was observed that, it is better for company to be introduced to the succession planning process as soon as possible.

However, it was analyzed that, this will go together with fair selection of the candidate

5.3 Conclusion

On the basis of the findings of this study, it can be concluded that DON CONSULT and NETWAS does not implement the succession planning. Despite the facts that, most of the employees understand that company mission, business plan as well as company strategic goal.
However it was observed that, there is a big effect when there is the absence of succession planning on the sustainability of development of the organization. But the following was identified as the factors prohibiting the implementation of succession planning, Poor Organization’s structures, Founder Syndrome and Poor Mechanisms for coordination was ranking the highest in effect.

5.4 Policy Implications
This study has policy implications. With the finding of this study there is significant implication towards the policies which will lead to Implementation of the company succession plan depends on the prevailing company policies. Whether the company policy, support the succession plan or not, the twist is inevitable

Since the results revealed that, 50percent of the respondents said that implementation of succession plan might change the organizations policy while other 50percent said that implementation of succession plan might NOT change the organizations policy.

5.5 Recommendations
It is an undeniable fact that in recent times many organizations have come to the realization of the importance succession planning for sustainability of the organization.

There for it is recommended that,
(i) Companies shall review their Organization’s structures, and put more emphasis on establishing and enhancing the Human resource department by employing or outsourcing qualified personnel.

(ii) It is important for the company to have succession plan for the sustainability of the company interims of leadership.
(iii) Companies should think of recruiting and training the existing personnel in rotation manner in different management programs so as to create competitiveness to the all employees in order to have fair and competitive pool for selecting successors.
REFERENCE


Charan, R. Drotter, S.J and Noel, J.L the Leadership Pipeline: How to Build the Leadership-Powered Company, San Francisco:

Development of succession planning models considering antecedents and consequences of this plan is lacking (Mayrhofer et al., 2004).


Pre-performance in the Nomination of Family and Nonfamily Members: Evidence from Spanish Firms.


Torrington, 2008, Human Resources Management, 8 Ed, Prentice Hall


QUESTIONNAIRES

Dear respondent the researcher is conducting an academic research on impacts of inadequacy of succession planning in engineering companies. The objective of this study is to examine the impact of succession planning on organization performance. Since you have been identified as one of the stakeholders, you are requested to fill this questionnaire which will assist the researcher in collecting data for the aforementioned topic. Please note that the information you provide will be treated confidential and will only be used for the purpose of this Masters of Science in Accounts and Finance. The researcher will not disclose the source of information to the public for any reasons. Your participation is really appreciated.

Please respond to the following items by putting tick (✓) in front of the response that depicts your opinion or by writing at length.

BACKGROUND INFORMATION ON THE RESPONDENTS

1. Gender of respondent
   (i) Male ( )
   (ii) Female ( )

2. Age of respondent
   (i) 18-25 ( )
   (ii) 26-35 ( )
   (iii) 36-45 ( )
   (iv) 50 and above ( )

3. Level of your education;
   (i) Secondary education ( )
II. Education

(ii) Degree (  )
(iii) Masters (  )
(iv) PhD and Above (  )

4. What is your occupation?
(i) Board of Directors (  )
(ii) Managing Director (  )
(iii) Head of department (  )
(iv) Engineer (  )
(v) Accountant (  )
(vi) Support Staff (  )
(vii) Others specify (  )

5. How familiar are you with your organization strategic plan?
(i) Very familiar (  )
(ii) Somewhat familiar (  )
(iii) Not familiar (  )

6. How familiar are you with your organization business plan?
(i) Very familiar (  )
(ii) Somewhat familiar (  )
(iii) Not familiar (  )

7. How familiar are you with your organization mission statement?
(i) Very familiar (  )
(ii) Somewhat familiar (  )
(iii) Not familiar (  )

8. Has your department developed a strategic plan to assist leaders in long term planning?
(i) Yes (  )
(ii) No (  )
9. Which of the following elements does your department utilizes to develop candidate pools (choose all that apply)
   (i) Written Examination [ ]
   (ii) Oral interview process [ ]
   (iii) Physical and mental fitness [ ]
   (iv) Employment history [ ]
   (v) Formal education [ ]
   (vi) None of the above [ ]

10. Has your department developed a sustainable education and growth plan to provide educational opportunities for eligible candidates?
    (i) Yes [ ]
    (ii) No [ ]

11. What value does understanding the strategic goals of your organization have on the development of future leadership?
    (i) Great value [ ]
    (ii) Limited value [ ]
    (iii) No value [ ]

12. What value does understanding the job description of each level of your organization have on the development of future leadership?
    (i) Great value [ ]
    (ii) Limited value [ ]
    (iii) No value [ ]

13. What value does having a fair candidate pool selection process have on the development of future leadership?
    (i) Great value [ ]
14. What value does having the knowledge; skill and ability to perform all level competencies have on the development of future leadership?
   (i) Great value
   (ii) Limited value
   (iii) No value

15. What value does physical and mental wellness have on the development of future Leadership?
   (i) Great value
   (ii) Limited value
   (iii) No value

16. Do you feel that it is important to have a succession planning procedure in this organization?
   (i) Very important
   (ii) Important
   (iii) Somewhat important
   (iv) Not important at all

17. What effect does the absence of succession planning have on the sustainable development of your organization?
   (i) Great value
   (ii) Limited value
   (iii) No value
18. What factors prevent / prohibit engineering organizations from developing succession planning programs? (Choose the three most important choices)
   (i) Poor Organization’s structures
   (ii) Poor mechanisms for coordination
   (iii) Founder syndrome
   (iv) Resource constraints
   (v) Ignorance
   (vi) Bureaucracy
   (vii) Legal and policy frameworks

19. At what point in the career development process should personnel be introduced to the succession planning process?
   (i) After completion of 1 year Contract
   (ii) After completion of 2 years Contract
   (iii) After completion of 4 years Contract

20. Are there any changes in the policy of the company that will go against your plan of succession planning?
   (i) Yes
   (ii) No

   If the answer to the above question is yes, what are the policies? (List three)
   ______________________________________________________________
   ______________________________________________________________
   ______________________________________________________________

21. Do you feel that the process of succession planning needs new discipline/authority?
   (i) Yes
   (ii) No
If the answer to the above question is yes, what kind of discipline are you planning to introduce?

________________________________________________________________________________

________________________________________________________________________________

22. Are you planning to make any changes in the company to suit the process of succession planning?
(i) Yes (  )
(ii) No (  )

If the answer to the above question is yes, what kind of changes are you planning to make?
________________________________________________________________________________

________________________________________________________________________________

23. What are the openings that you are looking forward to fill that are currently vacant due to expansion of the company, promotion or attrition?
________________________________________________________________________________

________________________________________________________________________________

24. What are the parameters that you keep in mind while judging when a person is not performing well
________________________________________________________________________________

________________________________________________________________________________

25. What are the key areas that you focus on while promoting a person to a higher position?
________________________________________________________________________________

________________________________________________________________________________