UNIVERSITY OF KWAZULU-NATAL

TITLE

THE IMPACT OF SUCCESSION PLANNING ON EMPLOYEE RETENTION

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ABSTRACT

The health care industry is growing at a rapid rate, primarily due to changes in the demographic landscape and disease patterns. The backdrop of this growth is the unprecedented shortage of skilled workers, which is not peculiar to the health care industry, but is experienced across the board. Retention of talent has become the most critical part of any organizational growth strategy in order to remain competitive.

Succession planning is the process of identifying and developing talent for future critical roles, where talented individuals are mentored, and given challenging projects to assist them to grow to another level of responsibility. The linchpin positions have to be identified by the organizations, in order to align talent management with the needs of the business.

The current study employed a qualitative approach, and was aimed at exploring the impact of succession planning on employee retention. The primary objectives were to determine whether any succession planning strategies are used, how well they are implemented and whether employees perceive succession planning as effective. A questionnaire comprised of five sections was distributed to Netcare employees in three hospitals (Netcare St Augustine's, Netcare Alberlito and Netcare Parklands) and statistical analysis was conducted.
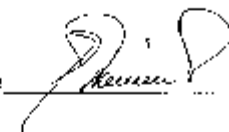
The findings of the study reveal that respondents were positive about the process used for succession planning, as well as the criteria the organization uses for selection to the succession planning programme. The results indicated that reasons why talented employees remain in the organization after being on the succession planning programme are that talented employees are valued and are encouraged to apply for senior positions. With regard to the reasons why employees leave the organization after having been on the succession planning programme, respondents indicated that the organization does not pay competitive salaries for talent; there is a lack of incentives for high performance, and there is a lack of promotion opportunities for talented employees, which forces them to consider joining the opposition when they are headhunted.

Recommendations were made, both for the organization and for future studies, based on the results. Recommendations include instituting retention bonuses and an incentive system that has value to the employees, and re-launching the talent management programme.

DECLARATION

I ......Gillian Mthembu..declare that

(i)   The research reported in this dissertation/thesis, except where otherwise indicated, is my original research.

(ii)   This dissertation/thesis has not been submitted for any degree or examination at any other university.

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CHAPTER 1- OVERVIEW OF THE STUDY

1.1 INTRODUCTION

The purpose of this chapter is to introduce the topic and provide an overview of all the chapters contained herein. Succession planning was defined by Currie (2010) as a process which involves identifying critical positions within and ensuring that there is ongoing development of individuals who ready to move into these positions, thus preventing the gap in the service delivery. Succession planning ensures that the management of talent involves capacity building to ensure services are more customer focused by improving the organizational efficiency (Currie, 2010).

1.2 MOTIVATION FOR THE STUDY

The health industry has been faced with extreme shortages of skills, especially in the nursing and medical fraternity, which has a direct impact on the quality of patient care rendered. Currie (2010) suggested that there is a lack of specific strategic objectives related to succession planning for advanced practice at an organizational level. Currie (2010) emphasized the urgent need to set about developing individuals to fill critical roles and to start thinking about succession planning to make these positions sustainable.

According to Booysen (2007), in the South African context, succession planning is critical for successfully implementing the Employment Equity Act 55 of 1998. The Employment Equity Act aims to addressing discrimination against designated groups, namely Blacks, Indians, Coloureds, women and disabled people. Studies have shown that the implementation of EE in most organizations has been flawed, rendering it ineffective in addressing discrimination against designated groups in the workplace. Booysen (2007) reported a number of barriers that continue to slow the progress of EE in organizations, leading to a huge gap in feeding skilled individuals into top management positions.

Attempts to address the skills challenge include the implementing Workplace Skills Plans (WSP). The WSP allows an organization to identify areas where skills are

needed and to plan interventions to answer the needs. However, the scarcity of skills is also due to a lack of skilled individuals to meet the employment criteria.

Top management need to align succession strategies and the implementation thereof with the vision of the organization. Top management and shareholders should measure the success of the organization against its talent.

This study aimed to benefit the health care industry by disseminating information that can be used to improve talent management strategies. The study will also benefit other industries, as the challenges of talent management are not peculiar to the health care industry. It will also add to the body of knowledge as is will serve as a valuable contribution to the current literature, which can be used to guide future research.

1.3 FOCUS OF THE STUDY

The study aimed to explore the impact of succession planning on employee retention. The main issues addressed by the study were the strategies used by organizations, and how they impact on employees' decisions to remain in or to leave the organization.

1.4 PROBLEM STATEMENT

The health care industry is one of the industries that have been hit by the brain drain. Highly skilled employees have opted to seek better opportunities abroad. This is especially pronounced in the nursing fraternity. Specialised disciplines, such as ICU, theatre, trauma and midwifery are highly lucrative abroad, leaving a huge gap in the industry as highly skilled employees migrate to greener pastures. The aging workforce phenomenon has also created a skills gap in industries across the board. According to Arnone (2006), expected retirements over the next five years will cause a talent gap or "brain drain" in some functions of organizations

Organizations that have tried to use incentives to lure skilled employees to stay have not been successful, as they cannot match the remuneration packages that are being offered abroad. Swan & Moye (2009) stated that health care organizations should always plan for future leadership needs, both in terms of

being prepared for unexpected crises which create voids in leadership and developing leaders who demonstrate potential for assuming leadership roles.

It is imperative for organizations, to revisit their employee retention strategies. Succession planning is not a new concept within the health industry and is more prominent in some organizations than others. While it is acknowledged that investing in skilled employees assists the organization's knowledge management and ultimately its performance, this has not stopped cross-pollination of employees across organizations.

Talent management is, fundamentally, about ensuring that an organization positions the right people in the right jobs and utilizes them to their fullest potential. Not all organizations have a clear strategy for talent management and, unless they work hard to identify potential talent at all levels, organizational growth becomes impossible. An important part of any organization's strategy should be to develop succession planning and leadership development into a comprehensive process, so as to identify and groom future leaders.

Understandably, successful talent acquisition and its management are expensive. However, the cost of talent leaving is much higher, as it includes the direct costs of recruiting, selection, and initial training as well as the indirect costs and impact thereof. A way of ensuring return on investment is recruitment of internal candidates and the creation of a culture of promoting from within the organization.

The cost of recruitment due to employee turnover is estimated as being up to 150% of the employee's remuneration package (Sekaran & Bougie, 2010). Both direct and indirect costs can have a crippling effect on the organization's bottom line. This then poses a big question: Does succession planning have any impact on employee retention? The current study sought to understand whether there is any correlation between succession planning and employee retention by looking at how much impact the former has on employee retention.

Some of the challenges that the health care industry is facing with regard to talent retention and turnover are the following:

Lack of scarce skills: Organizations are realising the sustainability of a business lies in having the right people for the job. Factors such as globalisation have made it easy for skilled employees to move from job to job and even abroad, thus creating a brain drain.

Changes in the employee/employer relationship: The skills demand has increased the employee's ability to negotiate their own salary package, as they become more and more marketable.

Headhunting of talent: Organizations have entered into a 'talent war' by identifying and enticing skilled employees to join the organization.

Lack of well-implemented mentorship programs: This is particularly true of the South African context where social imbalances of the past promoted discrimination against designated groups, leading to difficulties in implementing Affirmative Action policies.

1.5 THE OBJECTIVES OF THE STUDY

The primary objectives of the study were:

- To identify different retention strategies used by health care organizations
- To establish employee selection criteria for succession planning programmes
- To determine employees' views of succession planning
- To establish the reasons employees remain in organizations after having been on a succession planning programme
- To establish reasons employees leave organizations after having been on a succession planning programme.

1.6 RESEARCH QUESTION

The question investigated by the current study was: What is the impact of succession planning on employee retention?

1.7 LIMITATIONS OF THE STUDY

The following were the limitations of the study:

- Only three out of the four targeted Netcare hospitals participated in the study, which reduced the sample size.
- In two hospitals, some of the questionnaires were returned blank and some were not returned at all. This further reduced the sample size.
- Time constraints limited the researcher in terms of expanding the scope of the study.
- There is little available literature on the topic in relation to the health care industry, and there is a need for further studies to address issues raised by the current study.

Despite these limitations, it is safe to say that the study will provide the health care industry, particularly Netcare, with an understanding of the current situation and problems related to succession planning.

1.8 SUMMARY

Succession planning should be at the core of any organization's strategy and vision for growth. Without human capital, no organization can survive. Every organization's intellectual property is advanced through capacity building. Chapter one has provided the motivation for the study and related background information on the research problem. Chapter two reviews the available literature reviewed on succession planning and employee retention. This information sets the tone for the study by providing current published views on the topic, provided the background against which the results are discussed, and assisted in formulating the recommendations.

Chapter three deals with the research methodology employed. It introduces the research strategy and empirical techniques applied in the study, including sampling, questionnaire design and the data collection method used. Chapter four provides the results obtained from the data collection. Chapter five discusses the results in the context of the literature reviewed in chapter two. Conclusion and recommendations based on the findings are made in chapter six.

CHAPTER 2- LITERATURE REVIEW

2.1 INTRODUCTION

The global shortage of skilled employees has prompted organizations to revise their retention strategies in an attempt to retain talent. Henry Ford, an American industrialist, pointed out the importance of human resources by saying: "Take my business, burn up my building, but give me my people and I will build the business right back again" (Khan, Aslam & Lodhi, 2011, p.90).

Organizations have long realized that the most important resource is human capital.

Talent management is the process through which organizations anticipate and meet their needs for human capital (Cappelli, 2008). Decisions about talent management are said to shape the competencies of organizations and their ultimate success. Cappelli pointed out that the failure to anticipate human capital needs falls into two equally dysfunctional camps. The first camp is doing nothing or making no attempts to anticipate the organization's needs or develop plans to address them. This reactive approach results in organizations relying on external hiring. The second camp consists of the bureaucratic models of forecasting from the 1950s when business was more predictable. This is more common amongst older organizations.

The Department of Health (2008) warned that, while the impact of globalisation has not been scientifically quantified, the brain drain and the loss of highly skilled nurses require no rigorous scientific quantification before remedial action is put in place. Health professionals are in shortage worldwide. According to latest statistics by Econex, there are 44 780 vacant positions in South Africa for nurses and doctors in the public sector (Naidoo, Govender & Bailey, 201. Employee turnover has crippled productivity in the organizations in general. Over the years, organizations have attempted to reduce employee turnover by implementing various retention strategies. Amongst other widely practiced retention strategies is succession planning.

The purpose of this chapter is to identify and evaluate current succession planning practices, by reviewing the published literature and extracting applicable practices. The literature will be reviewed in three sections. First, theories on talent management will be discussed, including definitions and succession planning processes. Second, the literature on factors that prompt organizations to embark on succession planning, South African perspectives on succession planning, and the challenges of succession planning will be reviewed. The final section will review literature on how organizations evaluate the effects of succession planning programmes on employee productivity and, ultimately, the bottom line.

2.2 LITERATURE REVIEW
2.2.1 THEORIES ON TALENT MANAGEMENT
Definitions of talent management

Over the years, the terms talent management, human resource planning and succession planning have often been used interchangeably (Lewis & Heckman, 2006). This has made it difficult to define what talent management is and what it is not. In a study on talent management conducted by Lewis and Heckman (2006), they identified three schools of thought on talent management strategies. The first defines talent management as a collection of typical human resource department practices, functions, activities or specialist areas such as recruiting, selection, development, and career and succession management (Lewis and Heckman 2006). From this definition, there seems to be an overlap between human resource planning and talent management.

The second school focuses on the concept of talent pools, where talent management is defined as a set of processes designed to ensure an adequate flow of employees into jobs throughout the organization (Lewis and Heckman (2006). Most organizations will equate this definition to succession planning. Lewis and Heckman (2006) also argued that, even within this definition, typical human resource practices form part of talent management. The third school incorporates two views; the high performing talent view, which advocates that talent should be managed according to performance levels, and the generic approach which regards talent from a humanistic and demographic perspective. In this approach,

employees are separated into three levels: A (the top performers), B (the competent), and C (the bottom performers).

Iles, Chuai and Preece (2010) proposed that talent management is merely 'repackaging' what already exists. Most authors agree that problems around defining talent management and confusing it with human resource planning lead to unintended outcomes. The question that could be asked is why it has been so difficult to define talent management and separate it from human resource planning. The reason is partly attributed to the fact that, until the early 2000s, the topic had not been adequately researched by academics and practitioners.

2.2.2 SUCCESSION PLANNING AS A TOOL FOR TALENT MANAGEMENT

- Definitions of succession planning

According to Augustine & Kanemoto (2009), succession planning is a deliberate effort by an organization to ensure leadership continuity in key positions and encourage individual advancement. The goal of succession planning is to match the organization's available (present) talent to its needed (future) talent, to ensure that the lessons of organizational experience (institutional memory) are preserved to achieve continuous improvement.

According to Currie (2010), succession planning involves identifying key posts within an organization and supporting the ongoing development of individuals ready to move into these roles, thus ensuring continuity of the service. Swan and Moye (2009) defined it as a process that involves ensuring a continued pool of qualified candidates supporting continued effective organizational performance. From these definitions, it is clear that succession planning is based on these fundamental principles: deliberate effort, leadership continuity, key positions, all levels, available talent, future talent and continuous improvement.

- Succession Planning Process

According to Bechet (2008, p.247) and the Government of Newfoundland and Labrador Public Service Secretariat (2008), in nearly every case, the succession planning process includes some version of each of the following:

- Identifying critical positions, either at executive level or management level, or key functional jobs
- Defining the capabilities or competencies that each of these positions will require in the future
- Identifying possible candidates for those positions using the required competencies guide
- Providing those individuals with focused development that will prepare them to assume the positions in the future
- Reviewing and approving of the appropriateness of development plans by senior management.

2.2.3 TALENT MANAGEMENT PROCESS

According to Phillips and Edwards (2008) the most effective way to approach talent management is using a systems approach to ensure that the different elements of the process are integrated. This is illustrated in Figure 2.1 below:

Planning   **Acquiring**

| Analyzing talent needs | Planning for talent | Attracting talent | Recruiting talent | Selecting talent | Employing talent |

Developing   **Managing**

| Onboarding talent | Preparing new talent | Developing talent | Career development | Managing talent performance | Rewarding talent |

Retaining

| Retaining talent | Removing talent |
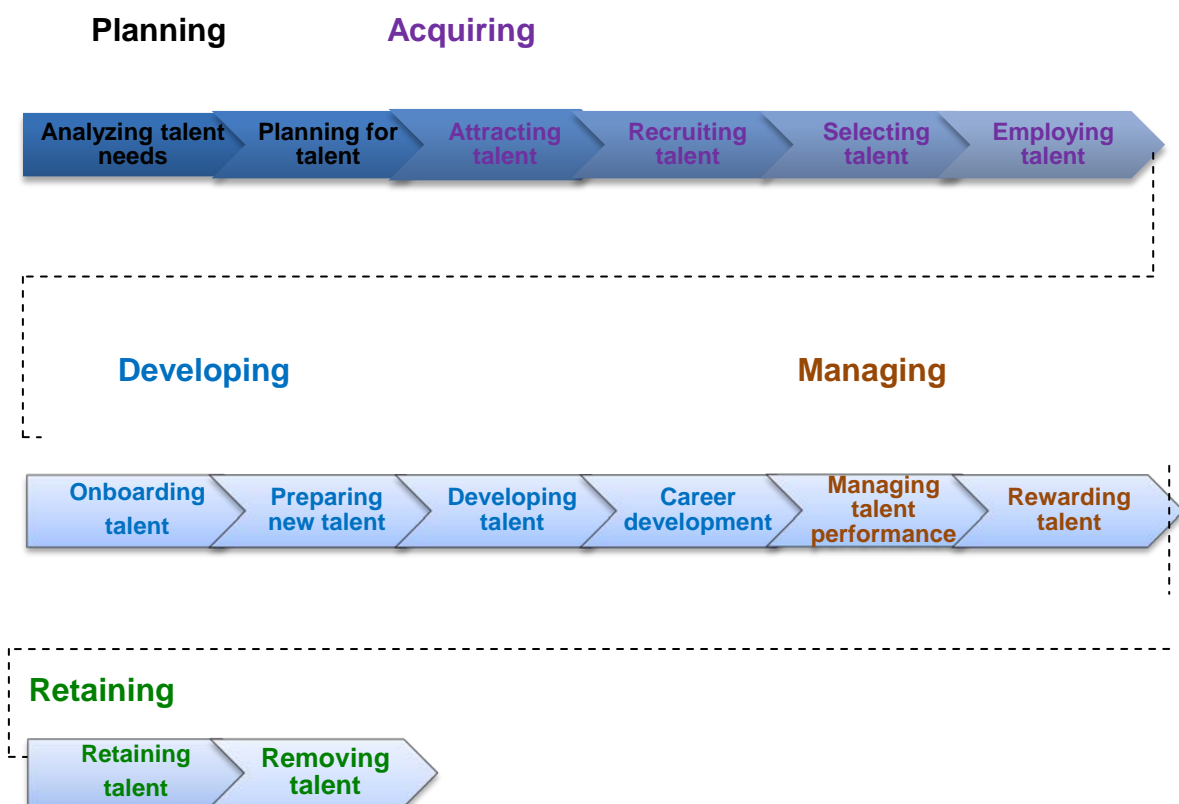
Figure 2.1 Talent management systems

Adapted from Phillips, J.J. and Edwards, L. 2008. Managing talent retention: An ROI approach. London: John Wiley and Sons. p10.

Figure 2.1 indicates that the systems approach includes all critical areas, such as planning, acquiring, developing, managing and retaining talent. These areas are subdivided into responsibility areas under the direction of one person in the organization. The systems approach allows for a smooth transition from one area to another, also reducing the unnecessary costs that accompany recruitment.

2.2.3.1. Planning

Phillips and Edwards (2008) stated that planning is the area that has been most neglected in talent management. During this phase, the market is analysed and the skills gap forecasted according to the needs of the business; this is a case of supply versus demand. It is also in this stage that linchpin positions in the organization are identified to ensure business continuity during unexpected terminations.

2.2.3.2 Acquiring talent

Phillips and Edwards (2008) advised that acquiring talent has four stages: attracting, recruiting, selecting and employing. Attracting talent is a long-term process that relates to marketing the organization as an employer of choice and the overall reputation of the brand. The reputation of an organization can either attract or repel talent; a few scandals, ethical issues and issues with leadership can repel talent. Phillips and Edwards (2008) stated that attracting talent can be achieved by using fundamental competency models to identify competencies.

2.2.3.3. Selection of talent

This is the most critical part of talent management according to Phillips and Edwards (2008). Both job and organizational fit should be ensured at this stage. Time should be spent scrutinising the individuals to avoid selecting the wrong people for positions and increasing turnover.

2.2.3.4 Employing and developing talent

Once the recruitment and selection of talent has been done, on-board development of talent needs to take place to refine skills and prepare the individual for job opportunities. On-boarding of talent helps to align new recruits

with the organization's policies, practices and vision. This also involves career development as some employees are interested in diversifying their career path. Succession planning comes into play at this stage as management, together with the individual, identify competencies and potential for growth to another level.

2.2.3.5 Managing talent

According to Phillips and Edwards (2008) this stage is managed through performance management systems. Non-traditional methods of performance management should be used as managers and employees can view traditional methods as having the potential for conflict. Conger and Fulmer (2008) stated that employees can share information about their skills with management and formulate their own development plans.

2.2.3.6 Rewarding talent

Phillips and Edwards (2008) stated that recognition is the biggest motivator for employees. Recognition in public, which can be very ad-hoc or regular, is always valued highly by employees. Organizations should place value on learning and innovation by rewarding employees (Dychtwald, Erickson & Morison, 2006)

2.2.3.7 Retaining talent

Retaining talent is the most difficult exercise in every organization. The retention process is a broad subject and falls outside of the scope of this study. However, each organization needs to establish a sustainable retention strategy.

2.2.3.8 Preliminary questions for succession planning

According to the Government of Newfoundland and Labrador Public Service Secretariat (2008, p.6), as part of a broader workforce plan, organizations should consider the following preliminary questions before embarking on succession planning:

- What is the business case for succession planning in the organization?
- Is planning based on short- and long-term goals and objectives?
- Have the key stakeholders and decision-makers been consulted?
- How involved are the leaders?
- Is succession planning linked with workforce planning?

- Can succession planning be linked with other HR strategies?
- Is there accountability at the departmental level?
- Are HR professionals and departmental planners involved with the planning process?
- What are the roles and responsibilities of stakeholders?
- Are the processes, and expected outcomes, clearly understood by everyone involved?
- What decisions should be made at the departmental and corporate levels?
- How will the process demonstrate value for transparency, fairness and accessibility?
- How will the department ensure that all employees are provided the same opportunities and are treated without significant bias?
- Is there a plan or strategy to manage employee expectations?
- Do employees understand that they are not guaranteed a promotion?
- What resources are required to plan effectively and efficiently?
- How will succession plans be evaluated?
- How will evaluation results affect decision-making?
- Do employees understand they are responsible for managing their own career path(s)?
- Is the department capable of supporting necessary learning and development?
- Is the work environment supportive of succession planning?

2.2.4 FACTORS THAT PROMPT ORGANIZATIONS TO EMBARK ON SUCCESSION PLANNING: THE RISE OF "WAR OF THE TALENT".

Why is talent management necessary? The impending shortage of skilled employees has become a key issue across organizations. Sinha and Sinha (2012) and Manna (2008) stated that employee retention issues are emerging as the most critical workforce management challenges of the immediate future. Employees are making career decisions based on their marketability and financial security, where the highest bidder gets the services of the employee. According to Wilkes (2006), employees reciprocate with loyalty and commitment towards organizations that invest in the employee's personal growth.

Sinha and Sinha (2012) advised that organizations who fail to retain the highest performers face the threat of being left with an understaffed less qualified workforce that ultimately hinders the organization from remaining competitive. Manna (2008) stated that, to be successful in today's market, organizations need a flexible, capable and dedicated workforce. Talent management is critical in any organization that wishes to create such a workforce. Conger and Fulmer (2003) stated that succession management should focus on linchpin positions, such as middle to senior management positions, which are essential for the long-term health of the organization.

The shortage of talent also prompted a global "war for talent" (Beechler and Woodward, 2009). According to Beechler and Woodward (2009) the "war for talent" was officially launched in 1998 when McKinsey and Company, America's largest and most prestigious management consulting firm, published their now-famous report proclaiming that better talent is worth fighting for. For McKinsey and Company, talent referred to "the best and the brightest" and many organizations adopted the term to refer to their "A Level" employees who rank in the top10 to 20%. Beechler and Woodward (2009) posited that the talent war is due to the scarcity of top talent. According to Beechler and Woodward (2009), four factors impact significantly on the war for talent, namely:

(1) Global economic and demographic trends where, due to improved economic and health conditions, life expectancy has also improved. Older people remain in the workforce for longer, making it difficult for the younger generation to migrate to higher positions.

(2) Increasing mobility where people are more willing to relocate outside their home countries. The gap in wages between regions and countries stimulates labour flow. This labour flow is sometimes labelled as the 'brain drain' since it is the mostly highly skilled workers who leave.

(3) Transformational changes to business environments, skills and cultures also impact on the global talent war. Beechler and Woodward (2009) stated that the move from product-based to knowledge-based economies is a fundamental business transformation that impacts the global war for talent. Worldwide, the service sector provides 42.7% of jobs, and service economies shift investment

towards intangible and human assets. Among human assets, high-value decision makers are growing in number and importance, making companies much more dependent on their people, particularly on their top talent.

After the economic boom ended in 2001, a significant economic bust resulted in dramatic lay-offs (Beechler and Woodward, 2009). Many companies moved from bureaucratic, steep hierarchical structures to flatter or even network arrangements with cross-level, cross-functional teams at the core. This changed the skills and abilities needed to effectively work and manage in the new economy, putting more focus on building and sustaining relationships. In addition, research shows that specialisation, globalisation, and technology are making interactions far more pervasive in developed countries. Yet there are barriers to finding, developing and utilising relationship skills. Managers often do not have enough time to devote to mentorship and employee development. In addition, many do not know how to provide feedback and develop people, nor are they rewarded for doing so

(4) Diversity also impacts on the talent war. Companies operate in an increasingly globalised environment and must manage widely dissimilar employee populations, markets, cultures and modes of work. The level of ethnic, cultural, generational and gender diversity of individuals working within a single organization and indeed, within a single office, is increasing.

Deveau & Reins 2008, (4 imprint.com; 2008) reported that about 60% of private businesses are owned by baby boomers. As these boomers near retirement, succession planning and intergenerational business transfers become increasingly critical. The retirement of baby boomers is believed to have caused a brain drain leading to a huge vacuum of talent (Arnone 2006).

2.2.5 SOUTH AFRICAN PERSPECTIVE ON SUCCESSION PLANNING

Over the past 11 years, South Africa has introduced a number of pieces of legislation in an attempt to address the social injustices and inequalities of the past and to transform the economic landscape. According to Booysen (2007), The Labour Relations (Act 66 of 1995), the Constitution of the Republic of South Africa (Act 108 of 1996), and the Basic Conditions of Employment Act (Act 75 of 1997)

were key pieces of legislation that were implemented to address social imbalances. These were followed by the Employment Equity Act (Act 55 of 1998) which contained anti-discriminatory provisions that protected previously disadvantaged people (Booysen, 2007).

According to Booysen (2007), the Skills Development Act (Act 97 of 1998) and the Skills Development Levies Act (Act 9 of 1999) shifted the focus away from affirmative action appointments to recruitment succession planning and development and training of designated groups (Africans, Coloureds, Indians, women and people with disabilities). Succession planning should be directly linked to broad-based management strategies that encompass several processes, including an organization's:

- HIV and AIDS strategy

According to the Department of Health (2008), HIV and AIDS is one of the major challenges facing South Africa today. The epidemiological situation is still characterised by very large numbers of people living with HIV and a disproportionate effect on particular sectors of society, with women remaining the most vulnerable in the country. The impact of this epidemic has negatively affected the employee demographic landscape in the workplace. The country's economic growth is reported to be heavily affected by the effects of HIV and AIDS, due to the reduction in labour supply. According to the Department of Health (2007), 7 million of the labour force aged between 15 and 64 years was living with HIV or with AIDS (2007). This forces industries to align themselves with the National HIV and AID strategy to minimise the business risk of skills shortages.

- Employment equity workforce targets

The Employment Equity Act (Act 55 of 1998) aimed to address the social injustices and unfair discriminatory practices of the past. Organizations were obligated to comply with the legislation through coherent employment practices. According to Booysen (2007), South African organizations face the double challenge of recruiting and retaining competent previously disadvantaged employees.

In South Africa, the implementation of EE programs has not been without challenges. Some of these challenges were documented in the EE Commission reports (2002, 2003, 2004, 2006), also supported by Booysen (2007), who stated that the retention of Black recruits has fallen and many South African organizations are losing Black employees as fast as they recruit them.

Booysen (2007) identifies two key external barriers to EE implementation. First, head-hunting and the lure of better external job opportunities, where Black managers are offered lucrative packages that cannot be matched. Second, there are not enough Black females to recruit from. Once the organization has promoted those that are able the resources are then depleted, forcing management to look externally. Talent management and succession planning is, therefore, critical for South Africa to successfully realise the outcomes of the Employment Equity Act.

Booysen (2007) reported slow EE progress, evidenced by a decrease in the numbers of both African and Coloured females at the professional and middle-management level of employment. This created major concern as this level is considered a "feeder" to senior and top management positions. If this drop continues it will not be possible to fill these positions with African males and females.

The slow EE progress in organizations was sighted by Booysen (2007) as resulting from a number of barriers:

(a) Slow EE progress at management level and inconsistent progress across departments in organizations.

(b) Low commitment to EE from top management, with lip service by leadership about the need for EE.

(c) Ineffective consultation and communication around EE progress and implementation.

(d) A lack of cultural sensitivity where new recruits are expected to assimilate into the current organizational culture.

(e) A lack of cultural awareness programs and of an organizational culture that values diversity.

(f) A White male dominant organizational culture that continues to exclude (formally or informally through exclusionary network practices) Black recruits.

(g) Black people being selected as tokens and not fully integrated into companies because of little delegation of real responsibility or decision-making authority, owing to the persistence of stereotypes.

(h) Black staff not being systematically developed and trained – no effective talent management programmes

(i) A lack of Black mentors and role models.

- Workplace Skills Plan training needs

According to Goga & van der Westhuizen (2011), a skills programme is an occupation-based learning programme aimed at building skills that have economic value. One of the objectives of the WSP introduced by SETA was to address the scarce skills problem, which it defined as occupations in which there is a scarcity of qualified and experienced people, currently or anticipated in the future, either (a) because such skilled people are not available or (b) because they are available but do not meet employment criteria.

Relative scarcity was defined by SETA as having suitably skilled people who do not meet the employment criteria either due to geographical location, equity considerations or replacement demands. Absolute scarcity refers to the unavailability of suitably qualified people for the position due to either it being a new or emerging occupation, or the inability of organizations to implement growth strategies or there being no people enrolled or engaged in the process of acquiring the skills that need to be replaced.

- BEE charter and scorecard targets

The Sector Education and Training Authority (2011) stipulated the following targets for BEE compliance by organizations. A Black Enterprise is one that is 50.1% owned by Black persons and they have substantial management control. Ownership refers to economic interest while management refers to the membership of any board or similar governing body of the enterprise.

A Black Empowered Enterprise is one that is at least 25.1% owned by Black persons and they have substantial management control. Ownership refers to economic interests and management refers to executive directors. A Black Woman-Owned Enterprise is one with at least 25.1% representation of Black women within the Black equity and management portion.

The BEE scorecard consists of the following seven elements: ownership, management control, employment equity, skills development, preferential procurement, enterprise development, and corporate social investment (Fongoqa, 2011). The target for skills development is 20, and the only element with a higher target is ownership. As part of the skills development element, organizations have to have an approved and verified mentorship programme in place (Fongoqa, 2011).

The Auditor-General of South Africa (2010) outlines a number of goals in his Strategic Plan for 2011-2014. One of these is strengthening human resources to achieve a skilled, high-performing and diverse workforce to enable them to deliver on their mandate (Auditor-General of South Africa, 2010). In order to achieve this goal a number of initiatives are envisioned and encompass improvements to the trainee auditor (TA) scheme, a strong focus on leadership development, succession planning and performance management, innovative approaches towards sourcing, developing and retaining talent, and creating prospects for the long-term growth of their workforce (Auditor-General of South Africa, 2010).

Tony Balshaw (2006) warned that succession planning is not a simple matter of timing a BBBEE transaction, but it needs to address both the transfer of business ownership and the continuity of management leadership.

2.2.6 REASONS FOR SUCCESSION PLANNING

One of the primary reasons for succession planning in some parts of the world is the aging workforce. William and Annon (2006) reported that 13.3% of employees in USA were over the age of 55, which effectively meant they only had 10 to 15 years left to contribute to the country's economy before retirement. William and

Annon (2006) reported that 59% of organizations cited this as major concern due to the imminent skill shortages. In anticipation of an aging workforce, human resource executives across organizations are taking a variety of approaches. William and Annon (2006) advised that managing succession planning is critical to ensure that there is transfer of business knowledge from one generation to the next. A well-executed succession planning programme will impact on the organization's cash flow, culture, productivity and competitiveness.

A further reason for succession planning is the development of future leaders: Organizations of all sizes are currently facing a range of leadership development challenges; including decimated mid-management levels that often rob high-potential managers of critical on-the-job experiences and depleted resources for employee development (Groves, 2006). Conger *et al* (2003) stated that, when developing a leadership pipeline, organizations need to apply good retention and succession planning strategies. They advocated five rules that should be considered in the process: 1) A focus on leadership development will ensure that management knows which skill future leaders need and how they can attain them; 2) Identify linchpin positions to determine which middle and senior management positions are critical to the organization; 3) Make it transparent to the employees by communicating their performance; 4) Measure progress regularly to determine gaps in the system, and also to identify employees that are ready to fill critical positions; 5) Keep it flexible to ensure that succession planning responds to users' needs.

2.2.7 EFFECTS OF SUCCESSION PLANNING PROGRAMMES
According to Cascio and Boudreau (2008), effective talent-decision frameworks go beyond costs to encompass 'intangible' investments and value as evidenced overleaf:

ANCHOR POINTS		LINKING ELEMENTS
		Sustainable Strategic Success
Impact		Resources and Processes
		Organization and Talent
		Interactions and Actions
Effectiveness		Culture and Capacity
		Policies and Practices
Efficiency		Investments
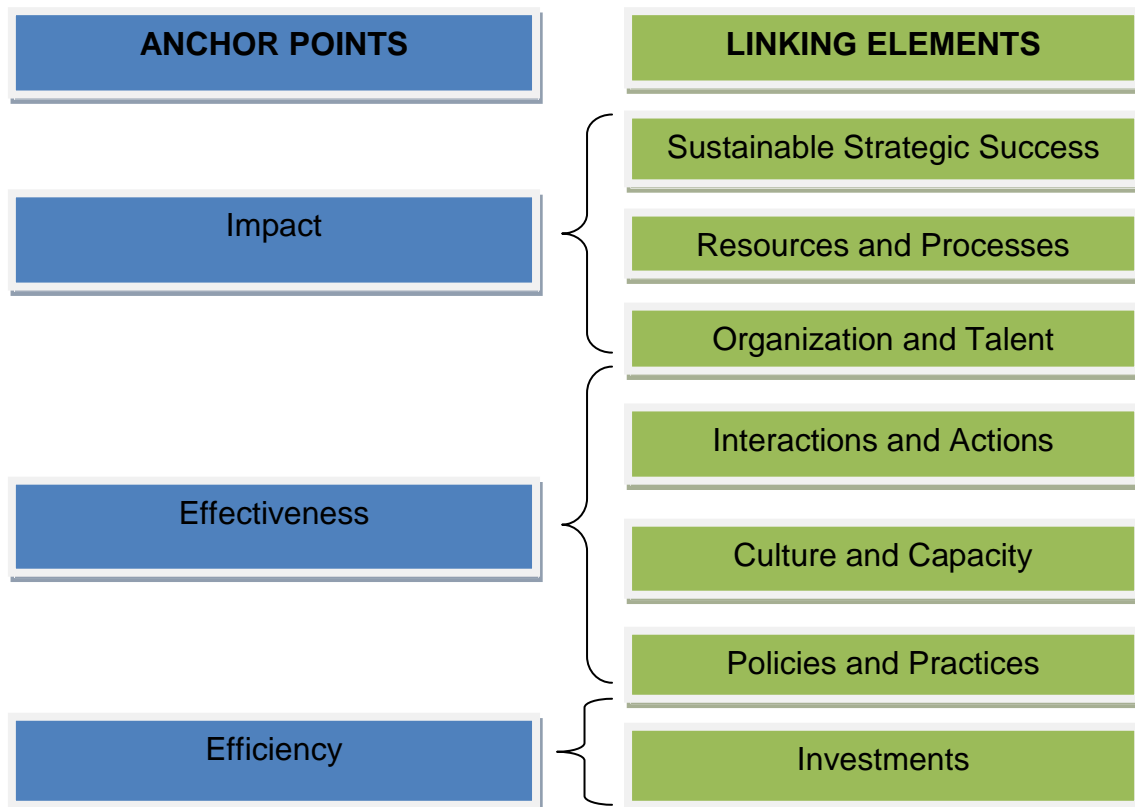
Figure 2.2 Human Capital Bridge Framework

Adapted from Cascio, W. F., & Boudreau, J. W. (2008). Investing in people: *Financial impact of human resource initiatives*. New Jersey.

Management should be able to measure the effects of succession planning programmes. Figure 2.2 above provides an example of a framework that can be used to measure the effects of training and development, which could offset the cost of such programmes. Whenever human capital investment is made, Cascio and Boudreau (2008) advised that management should be able to link it with sustainable strategic success. The three anchors (impact, effectiveness and efficiency) should always be used as a yardstick.

- Resources and processes:

Often the effects of talent development are evident in resources and processes where there is enhancement of employee performance, improved engagement, knowledge and retention. Measuring the efficiency and effectiveness of programmes provides a powerful demonstration of how outcomes really affect the business.

- Actions and interactions:

Performance is observed through specific actions or work behaviours by employees. According to Cascio and Boudreau (2008) employee interaction, both internally and externally, will often reveal unseen opportunities to create value by improving performance.

- Capacity:

Measuring the human capital investment pay-off would also include assessment of programmes in terms of skills, knowledge and employee capabilities. Cascio and Boudreau (2008) advocated that measuring the combination of capability and employee motivation made it possible to estimate the immediate return on investment.

2.2.8 FOCUSING ON EMPLOYEE DEVELOPMENT FOR FUTURE SUCCESS

One of the most fundamental tools for managing talent retention is employee development. This was demonstrated in a survey done by the Sun Healthcare Group when it was faced with high employee turnover. The survey revealed that employees wanted to advance their careers. The organization then launched a training and development programme which resulted in a 20 percent reduction in turnover (Cappelli, 2008).

According to Noe, Hollenbeck, Gerhart and Wright (2011) to win the war for talent managers must be able to identify employees with high potential. Since more and more organizations operate both locally and globally, it is also imperative for cultural differences to be taken into consideration when embarking on employee development in order to acquire a broad range of technical and interpersonal skills. This demands that organizations understand development's relationship to training and career management. Employee development can be defined as a combination of formal education, job experience, interpersonal relationships and assessment of personality and abilities (Noe *et al*, 2011). According to Noe *et al* (2011), employee development should integrate these four elements, as demonstrated in Figure 2.3 overleaf.
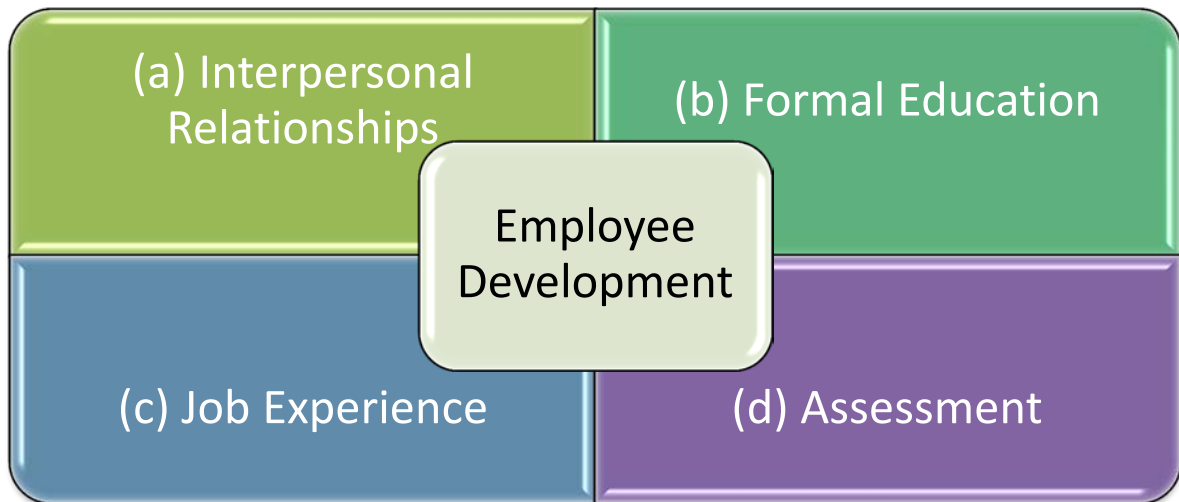
Figure 2.3 Employee development approach
Adapted from Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P.M. 2011. *Fundamentals of Human Resource Management.* 4th ed. McGraw-Hill, New York.

- Interpersonal Relationships:

Some of the leadership elements expected by employees are teamwork, communication, role clarity and respect by management and co-workers. These elements should form part of interpersonal relationships for employee development.

Noe *et al* (2011) proposed two types of relationships that are important for employee development, namely mentorship and coaching, to enable employees to increase their knowledge about the organization and develop their skills. Noe *et al* (2011, p.306) defined a mentor as "an experienced, productive senior employee who helps develop a less experienced employee" or protégé. The advantage of mentorship is that the matching of wise, experienced mentors with high potential employees is ensured. Organizations should carefully select senior individuals based on their technical and interpersonal skills and train them to become mentors.

Regular interaction should be facilitated between mentors and protégés to discuss work styles, personalities and backgrounds and to help build the trust that is needed by both parties. Noe *et al* (2011) believe the benefits for protégés are vast: they are offered career support and sponsorships, they are given challenging

assignments, and they are visible among the organization's managers. Noe *et* al (2011) suggested that group mentoring, which assigns four to six protégés to a mentor, can be quite useful, and they may be assigned individual projects or a group assignment.

A coach was defined by Noe *et al* (2011, p.307), as "a peer manager who works with an employee to motivate the employee, help him or her develop skills, and provide reinforcement and feedback." Studies done on coaching showed that coaching help managers by allowing them to identify areas for improvement and set goals.

- Formal education

Employee development may be supported through formal educational programmes, either offsite or internally. Workshops and short courses offered by consultants and business experts can provide valuable support for talented employees. While this might seem like an obvious approach to employee development, Cappelli (2008) warned that there is evidence that the in-house training provided by employers was not very extensive.

According to a survey conducted by Training Magazine of employer training in 2003, training expenditure declined by six percent over the preceding year (Cappelli, 2008). One of the biggest concerns for employers was the unpredictability of the business environment which quickly rendered employee competencies redundant, such as changes in technology which required new skills.

- Job experience

Noe *et al* (2011) defined job experience as the combination of relationships, problems, demands, tasks and other features of an employee's job. Organizations should use various job design techniques such as job enlargement, job rotation, transfers and temporary assignments to develop employees

- Job enlargement

Employees are tasked with new responsibilities and challenges, such as completing special projects, switching roles within work teams and researching new ways of customer service. This allows employees to develop new skills.

- Job rotation

This technique allows employees to move through a series of assignments in one or more functional areas. Organizations could send employees from operation site to headquarters to develop expertise. Noe *et al* (2011) suggested that job rotation helps employees to appreciate the organization's goals, increases their understanding of different functions, develops network contacts and improves problem solving.

- Transfers, promotions and downward moves

Transfer is defined as the lateral assignment of an employee to a position in a different area of the organization (Noe *et al*, 2011). This may include relocation which might be stressful for an employee and their family; however, employees with higher career ambitions tend to accept transfers. Noe *et al* (2011) cited promotion as involving moving an employee into a position with greater challenges, more responsibility, and more authority than the previous job.

The assignment of an employee to a position with less responsibility and authority is known as a downward move (Noe *et al*, 2011). This is generally viewed as a demotion resulting from poor performance, but organizations can use this technique to lower an employee's position so they can learn different skills. This might lead to conflict if the employee feels that they are being punished, rather than developed. It is important for organizations to provide clear performance objectives and frequent feedback in such cases.

- Temporary assignments with other organizations

This includes externship and sabbatical techniques. Externship is defined as employee development through a full-time temporary position at another organization. Through this technique, employees develop expertise from exposure to different kinds of business techniques. Employees can also be offered sabbatical –leave of absence from an organization to develop new skills. Sabbatical also allows employees more time for personal pursuits and redefining career goals.

- Assessment

This is defined by Noe *et al* (2011, p.294) as "collecting information and providing feedback to employees about their behaviour, communication style or skills. According to Jones (2006), competency tests and 360-degree data should be part

of career assessment. Measuring managers' skills can be done using a benchmark tool. This is a measurement tool that gathers ratings of a manager's use of skills associated with success. Supervisors and peers can provide this feedback by completing the instrument.

Noe *et al* (2011) warned that it is imperative that this information is shared with the employee being assessed. Based on the assessment information and development opportunities, employees should develop action plans for self-improvement. The assessment tool will vary from one organization to another, and can include psychological tests, Myers-Briggs Type Indicator (MBTI), performance appraisal, and 360-degree feedback and benchmark assessments.

Noe *et al* (2011) suggested a number of skills related to success as a manager; these are illustrated in Figure 2.4 below. A benchmarks is defined as a measurement tool to rate a manager's skills with regard to success in managing (Noe *et al,* 2011*).*

Resourceful	Can think strategically, engage in flexible problem solving, and work effectively with higher management
Doing whatever it takes	Has perseverance and focus in the face of obstacles
Being a quick study	Quickly masters new technical and business knowledge
Building and mending relationships	Knows how to build and maintain working relationships with co-workers and external parties
Leading subordinates	Delegates to subordinates effectively, broadens their opportunities, and acts with fairness towards them
Compassion and sensitivity	Shows genuine interest in others and sensitivity to subordinates' needs
Straightforwardness and composure	Is honorable and steadfast
Setting a developmental climate	Provides a challenging climate to encourage subordinates' development
Confronting subordinates	Acts decisively and fairly when dealing with problem subordinates
Team orientation	Accomplishes tasks through managing others
Balance between work and personal life	Balances work priorities with personal life so that neither is neglected
Decisiveness	Prefers quick and approximate actions to slow and precise ones in many management situations
Self-awareness	Has an accurate picture of strengths and weaknesses and is willing to improve
Hiring talented staff	Hires talented people for the team
Putting people at ease	Displays warmth and a good sense of humour
Acting with flexibility	Can behave in ways that are often seen as opposite

Figure 2.4 Skills related to success as a manager

Adapted from McCauley, C.D., Lombardo, M.M. & Usher, C.J. Diagnosing management development needs: An instrument based on how managers develop. *Journal of Management*, vol. 15, no. 3, pp. 389-403.

Studies have shown that managers who have these skills are likely to receive positive performance evaluations, and are considered promotable. Noe *et al* (2011) suggested that the performance measure be completed by managers themselves, their supervisors and their peers. Feedback should then be given to the managers so that they can compare their own rating to that of their supervisors and peers, followed by the creation of a personal development guide to enhance each skill.

2.2.9 EVALUATING RETURN ON INVESTMENT OF SUCCESSION PLANNING

Measuring the effects of any talent management through training is an integral part of human resource development. According to Phillips and Edwards (2008) measurement and evaluation are useful tools to help internalise the result-based culture and to track organizational progress. Phillips and Edwards (2008) advised five levels of measurements for successful training programmes. The sixth level of measurement is the intangible benefits. The five levels represent different dimensions of benefits experienced by both the employee and the organization.

- Levels of measurement for a successful training programme

Level 1: Represents reaction, satisfaction and planned actions. However; this level does not ensure that the employees or participants have learned the desired skills and that these skills will be effectively applied on the job. Phillips and Edwards (2008) suggest that participants should be asked how they intend implementing the newly acquired skills.

Level 2: Phillips and Edwards (2008) suggested that this measurement focuses on what was learned during the training. It is helpful to determine whether the employees absorbed new knowledge and skills from the training. This particularly measures the success of the training programme. However a positive evaluation is no guarantee that the training will be successfully applied in the work situation.

Level 3: This level measures the application of what has been learnt in the work setting, focusing on the frequency and effectiveness of use. Phillips and Edwards (2208), however, state that a positive evaluation at this level still does not guarantee that there will be a positive impact on the organization.

Level 4: This level focuses on the actual business results achieved as a result of applying the knowledge and skills obtained from training. Typically, it measures output, quality, cost, time and customer satisfaction. Clearly there must be a balance between measurable positive business impact and cost.

Level 5: Return on investment:

This measurement compares the monetary value of the benefits resulting from training with the actual cost of the training programme. According to Phillips and Edwards (2008) this is usually expressed as a percentage or benefit-cost ratio. Until this level of measurement is conducted the evaluation process is not complete.

2.3 SUMMARY

The literature review has indicated that there is a process involved in implementing succession planning programmes, which in turn have an impact on employee retention. Naveen (2006) concluded that succession planning is associated with a higher probability of inside succession and voluntary succession. It is also clear from the review that succession planning has to be implemented far in advance in order to respond quickly to skill shortages in the organization.

The anticipated shortages of talented employees in any organization has to be at the core of its strategy, which means senior management have to make critical investment decisions to retain talented employees. According to Conger and Fulmer (2003), management has to be transparent about succession planning strategies to gain valuable information and to allow employees to be involved in formulating their development plans.

The literature review also shows that, although there are a number of factors that prompt organizations to embark on succession planning, the shared reason is that

of employee replacement. This is supported by the review of the South African context, where succession planning is mainly used by organizations to align themselves with legislation aimed to correct the injustices of the past. The literature review also shows that this legislation has been poorly implemented by many organizations, leading to failure of succession planning programmes.

The model of employee development proposed by Noe *et al* (2011) shows that there is no one way of developing employees, rather a number of strategies have been used by different organizations. One of the critical levels that clearly suffer when there are talent shortages is management positions. Noel *et al* (2011) proposed a number of different managerial skills which can be used by an organization to assess employee readiness to become managers.

There are limitations to the currently available literature which point to the need for further studies to be conducted. There is very little written on the return on investment for succession planning programmes. Organizations are very reluctant to invest in programmes where there are no tangible effects. The literature review also shows that, even though there may be a water-tight succession strategy in place, it still does not guarantee employees will not leave the organization.

CHAPTER 3 – RESEARCH METHODOLOGY

3.1 INTRODUCTION

The purpose of this chapter is to introduce the research strategy and the empirical techniques applied in the study. The chapter also discuss the target population, the sample strategy and size, and the method used for data collection and analysis. Last, the chapter explores the validity and reliability of the study.

3.2 AIMS AND OBJECTIVES OF THE STUDY

The purpose of this study was to identify and evaluate current succession planning practices within the health care industry, ascertain how they are linked to organizational strategy, and determine how these practices benefit organizations in retaining talent. The question that the study attempted to answer is: does succession planning have any impact on employee retention? To answer this question, the study investigated whether there is a causal relationship between succession planning and employee retention.

The researcher hopes to empower the health care industry with knowledge of how to measure the impact of succession planning on the bottom line and align it with their corporate strategy. Ultimately, the researcher hopes to assist the health care industry to reduce replacement costs by sharing the results of the current study.

The following objectives were set out for the current study:

- To identify the different retention strategies used by health care organizations.
- To establish employee selection criteria for succession planning programmes.
- To determine employees' views of succession planning.
- To establish the reasons why employees remain in organizations after having been on a succession planning programme.
- To establish the reasons why employees leave organizations after having been on a succession planning programme.

3.3 PARTICIPATION AND LOCATION OF THE STUDY

All participants to the study are current Netcare employees who have been on the organization's succession planning programme. Three Netcare hospitals participated in the study, namely Netcare Parkland Hospital in Overport Durban, and Netcare St Augustine's in Glenwood Durban and Netcare Alberlito in Ballito.

3.4 DATA COLLECTION STRATEGIES

A self-administered questionnaire was chosen as the most appropriate methodology for gathering data. According to Sekaran & Bougie (2010, p.197), "a questionnaire is a pre-formulated written set of questions to which respondents record their answers." Self-administered questionnaire were preferred as they have advantage of being completed in a short space of time.

3.4.1 Population

The population is defined by Sekaran and Bougie (2010) as the entire group of people, events or things of interest that the researcher wishes to investigate. The population of interest was not entirely accessible to the researcher, as permission was not granted to conduct the study in two of the Netcare hospitals and two of the Life hospitals. The population for this study was all Netcare employees in Kwazulu- Natal who have been on the succession planning program.

3.4.2 Sampling design

According to Sekaran & Bougie (2010), a sample is a subset of the population made up of selected members. By studying the sample the researcher is able to draw conclusions that are generalizable to the population of interest. It is evident that the use of sampling is necessary as an investigation involving several hundreds or thousands of elements would be impossible due to constraints such as time, cost and human resources.

The study was confined to the supervisors, middle managers, senior and executive managers Netcare St Augustine hospital Netcare Parklands hospital and Netcare Alberlito that had been on the organization's succession programme at

some stage in the preceding five years. All three hospitals are situated in KwaZulu-Natal. A total of 65 employees from the three hospitals had been exposed to the succession planning programme and formed the sample for the study.

3.4.3 Sampling approaches

There are two basic sampling approaches: probability or random and non probability approach, (Brink 2001). According to Sekaran & Bougie (2010), in probability sampling, the elements in the population have some known non-zero chance or probability of being selected as sample subjects. The most commonly discussed probability sample is the simple random sample. To accomplish a simple random sample, each element in the full population must have an equal and independent chance of inclusion in the eventual sample to be studied.

Sekaran & Bougie (2010) in nonprobability sampling the elements do not have predetermined chance, and equal likelihood of being selected; therefore the findings of the study cannot be confidently generalized to population. There are two categories of non-probability sampling designs: convenience sampling and purposive sampling, (Sekaran& Bougie 2010). Convenience sampling is a collection of information from elements of the population who are available to provide it, whereas purposive sampling is confined to specific types of elements who can provide information either because they fall into a particular set criterion or they are the only ones with particular information.

 Due to the nature of this study, the simple random sampling method is more appropriate, where the elements of the sample had an equal chance of being selected as they had to be either supervisors, or managers who have been on succession planning program

3.4.4 Sample size
Brink (200, p.143) advised that selecting an appropriate sample size is the problem that faces every researcher. It is often stated that the larger the sample the better. Whilst this is often desirable in quantitative studies, evidence exists that that this is not applicable to qualitative studies. However, Brink (2000) also warned

that, even in qualitative studies, samples that are too small are not adequate. According to Sekaran & Bougie (2010) there are six factors affecting decisions on sample size as: the research objective, the extent of precision desired, the acceptable risk in predicting that level of precision, the amount of variability in the population itself, the cost and time constraints, and in some cases, the size of the population itself. In this study, 65 respondents were used as the sample from three Netcare hospitals.

3.5 RESEARCH DESIGN AND METHODS

3.5.1 Description and purpose
3.5.1.1 Type of study

The researcher was interested in exploring situational factors so as to get a grip on the two variables (succession planning and employee retention), which do not appear to have been researched extensively in the past. According to Sekaran and Bougie (2010) exploratory research is undertaken when not much is known about the situation at hand or how similar problems have been resolved in the past. They also state that explorative studies are undertaken when some facts are known, but more information is needed for developing a viable theoretical framework.

According to Brink (2000, p.11), "the purpose of explorative study is to explore the dimensions of the phenomenon, the manner in which it is manifested and the other factors with which it is related". An explorative study provides more insight about the nature of a phenomenon. Question such as "what is the nature of the phenomenon, what is going on, what factors are related to the phenomenon?" can be answered by the explorative study.

Sekaran and Bougie, (2010, p.104) stated that "explorative studies are important for obtaining a good grasp of the phenomenon of interest and advancing knowledge through subsequent theory building and hypothesis testing". The current explorative study will explore if and how succession planning and employee retention are related.

3.5.1.2 The unit of analysis

The unit of analysis is referred to by Sekaran and Bougie (2010) as the major entity that is being analysed in the study. Common units of analysis include individuals, groups and organizations. It is obvious that the research question determines the unit analysis. The unit of analysis for the current study was the individual employees. The researcher was interested in noting the characteristics of individuals (gender, age, attitudes, etc.) and then combining these descriptions to provide a composite picture of the group the individuals represent.

3.5.1.3 Time horizon

This was a cross sectional study. Sekaran and Bougie (2010) defined a cross-sectional study as a study in which data is gathered just once, perhaps over a period of days, weeks or months in order to answer a research question. In this study, data was collected over a period of weeks from Netcare managers who had been on the succession planning programme. The choice of the time horizon was dependent on the time and the budget the researcher had to conduct the study, without compromising data sufficiency.

3.5.2 Construction of instrument

3.5.2.1 Source of data

The respondents in the study were the primary source of data; this allowed the researcher to obtain first-hand information regarding the research question.

3.5.2.2 Choosing the measurement instruments

There are several data collection instruments that can be used.

Observation: This is a technique for collecting descriptive data on behaviour, events and situations (Brink, 2000). It can be either structured or unstructured. The advantages of observational study are that the observations are generally reliable and free from respondent bias, the environmental effects are easily noticeable, and it is also easier to observe certain groups of individuals such as young children and busy executives.

The disadvantages of observations are that they can be time consuming, expensive and tedious. They can lead to respondent fatigue, which might lead to biased data being recorded. Respondents' cognitive thought processes cannot be captured and observers have to be trained in observation skills to avoid observer bias.

Interviews: According to Sekaran and Bougie (2010) interviews can be unstructured or structured and can be conducted face-to-face, telephonically or online. The advantages of interviews are that they require minimal literacy; therefore responses can be obtained from almost all segments of the population, which contributes to high response rates. It is also easy to observe nonverbal cues, and questions can be clarified instantly.

On the other hand, interviews can be time consuming. Arrangement to conduct them can take time and training interviewers can be costly. The respondent can also be tempted to provide socially acceptable responses and might feel anxious when their responses are recorded, which can lead to non-verbal cues being misinterpreted by the interviewer.

Questionnaires: These are pre-formulated, written sets of questions to which the respondents record their answers (Sekaran & Bougie, 2010). Questionnaires can be personally administered, mailed or electronically distributed.

Like any other data collection technique, questionnaires have disadvantages. These include: high costs if mailing is used for distribution; the response rate can be low, because there is no opportunity to clarify questions; and respondents may fail to answer some questions. Questionnaires also require respondents to be literate and there is no guarantee that the respondents are representative of the population.

For this study, personally administered questionnaires were deemed appropriate due to the type of study as well as their advantages. As stated by Brink (2000) questionnaires are a quick and less expensive way to collect data, testing reliability and validity is easy, and respondents have a greater sense of anonymity.

3.5.2.3 Questionnaire design

The questionnaire design followed the guidelines proposed by Leedy and Ormrod (2005):

- The questionnaire must be brief as possible to solicit only the information essential to the study
- It must be clear, simple and in unambiguous language
- It must avoid clues about preferred or more desirable responses
- The respondents' tasks must be kept simple
- Clear instructions must be provided
- A pilot test must be conducted.

Questions can either be open-ended or close-ended. Sekaran and Bougie (2010), define open-ended questions as ones that allow respondents to answer in any way they choose, while close-ended questions ask respondents to make choices among a set of alternatives provided by the researcher. Close-ended questions assist respondents to make quick decisions. They also allow the researcher to code the information easily for subsequent analysis. In this study, closed-ended questions were deemed the most appropriate.

The introduction to the questionnaire provided the title and objectives of the study, and contained information on confidentiality and the contact details of the researcher. Section A followed and was made up of demographic questions. Section B was made up five sub-sections aimed at identifying the following:

- Succession planning processes used by health care organizations
- Employee selection criteria for succession planning programmes
- Employees' views of succession planning
- The reasons why employees remain in the organization after having been on a succession planning programme
- The reasons why employees leave the organization after having been on a succession planning programme.

The sequence of the questions was relatively simple and questions were easy to answer. The researcher ended the questionnaire by thanking the respondent for participating in the study.

3.5.2.4 Pretesting and Validation

Brink (2000) advised that unforeseen problems often arise in the course of the study. Conducting a pilot study can allow these to be recognized early and information can be obtained for improving the project or for assessing its feasibility. The pilot study then becomes a planning phase where the researcher conducts a small-scale version or trial run of the major study.

The purpose of the pilot study thus becomes that of investigating the feasibility of the proposed study and identifying any possible flaws in the data collecting instrument. The researcher used 10 participants to test the validity of the research instrument. The feedback from the participants assisted the researcher in adjusting questions in Section C of the questionnaire. Wording was rearranged and some ambiguous questions were restructured.

According to Brink (2000) validity is concerned with the accuracy and truthfulness of scientific findings. Establishing validity requires: (1) determining the extent to which the conclusions effectively represent empirical reality, and (2) assessing whether the constructs devised by researcher represent or measure the categories of human experience that occur. There are several types of validity that are used to test the "goodness" of measures and writers use different terms to denote them.

The data collection instrument was tested for both criterion validity and construct validity. Criterion validity is defined by Sekaran and Bougie (2010) as the measure demonstrating its effectiveness in predicting criterion or indicators of a construct. Construct validity refers to how well the results obtained from the use of the measure fit the theories around which the test is designed (Sekaran & Bougie, 2010).

3. 5.3 Data collection method

The questionnaires were personally presented to the senior management for each of the three hospitals. The purpose of the study was explained to them, and they

then distributed the questionnaires to the respondents. Due to work demands, the hospitals could not afford for employees to complete the questionnaires during working hours. Respondents were asked to complete the questionnaire during their off-duty time and the questionnaires were collected a week later from agreed central points. This arrangement was also beneficial as it gave respondents time to think about their responses without being rushed.

Respondents were asked to respond to statements by placing a tick in the column that best represented their experience. Respondents could choose to agree, strongly agree, disagree or strongly disagree with each statement. A total of sixty-five questionnaires were distributed, each in an individual envelope. The respondents were given one week to complete the questionnaire and then return it in the same envelope to their human resource department where they were collected by the researcher.

3.6 ETHICAL CONSIDERATIONS

Sekaran and Bougie (2010) advised that there are several ethical issues that should be observed while collecting data.

3.6.1 Permission from the sponsor

According to Brink (2000) most institutions have ethics or research committees that examine and monitor the ethical standards of the intended study. In this study, the researcher obtained permission to conduct the study in Netcare institutions. A proposal, proof of registration as student and a copy of the data collection instrument were sent to the Netcare research committee together with the ethics application.

After the sponsors were satisfied that the study was being conducted for the good of the organization and not for self-serving reasons, permission was granted, on condition that the results are not published without Netcare's permission and that the results of the study are submitted to the Netcare research committee. Once permission was obtained, the researcher submitted a proposal to conduct the study to the Ethical Clearance Committee at the University, and ethical clearance was issued.

3.6.2 Informed consent

Brink (2000) advised that the informed consent must consider the following: the type of information needed by the research subject, the degree of understanding required of the respondent in order to give consent and the fact that the respondent has a choice in giving consent to participate in the study. Sufficient, understandable information regarding the study was provided to the respondent in a written format, which included the following information recommended by Brink (2000, p.42):

- An introduction to the research activities, such as asking the respondents to participate in the study
- The title of the research project
- The researcher's title and position
- The purpose of the study
- What population is under study and why it was selected
- Data collection methods
- Description of possible risks and discomfort
- Description of benefits which may be gained from the study
- How the data will be handled to ensure anonymity
- The voluntary nature of participation
- The name of the contact person and contact details in case respondents want to ask questions
- Clearly marked areas for signatures for both the respondent and the researcher.

The researcher obtained informed consent from each respondent before the study was conducted (see Appendix 2). The following guidelines on ethics, as detailed by Sekaran and Bougie (2010), were adopted:

- The information given by the respondents was treated as confidential and the privacy of the respondents was respected.
- The purpose of the study was explained to the respondents and the nature of the study was not misrepresented to them

- No personal or seemingly intrusive information was solicited
- The self-esteem and self-respect of the respondents were maintained
- The respondents were made aware that participation in the study is voluntary and that their desire not to participate would be respected
- The researcher had no personal values, expectations and biases
- Respondent were not subjected to any physical or mental harm
- There was no misrepresentation or distortion in reporting the data collected during the study.

3.7 STATISTICAL TECHNIQUES

According to Sekaran and Bougie (2010) the first step in data preparation is data coding. Data was coded and captured in the Statistical Package for Social Scientists (SPSS) version 15, which is an internationally-used standard program for quantitative research.

3.7.1 Data coding and editing

Coding involved assigning numbers and symbols to answers, so that responses can be grouped into a limited number of classes or categories (Cooper & Schindler, 2003). Care was taken to code inconsistent responses and omission to answer some of the questions as well. The output was used for the analysis and was presented as descriptive and inferential outputs. Descriptive statistics were used to describe the basic features of the data gathered.

3.7.2 Frequencies

According to Sekaran and Bougie (2010) frequency refers to the number of times various subcategories of a certain phenomenon occur. Frequency tables were produced, as well as bar charts and pie charts to represent the data graphically.

3.7.3 Measurement of central tendency and dispersion

The data was analysed using the guidelines for dispersion provided by Brink (2000):

Mean: Brink (2000, p.184) defined the mean as the arithmetic average of all scores in a distribution. In order to obtain the mean, all scores are added and divided by the total number of scores. For example, if you are assessing a variable with the following six scores: 12, 17, 14, 5, 12 and 3; the mean would be 63 divided by six or 10.5.

Median: Brink (2000. P.185) defined the median as the midpoint score in a group of data ranked from lowest to highest. If the number of scores is odd, the median becomes the middle score. If the number of scores is even, the median is the midpoint between the two middle values found by averaging these two scores. For example if we rank the following scores: 3, 5 12, 12, 14 and 17; the median score is 12+12 divided by two =12.

Mode: Brink (2000, p.185) defined the mode as the score that occurs most frequently in a distribution. For example, in the above example, 12 is the score that appears most frequently.

Variance: Variance is defined by Brink (2000, p.186) as the sum of squared deviations about the mean, divided by the number of scores.

Range: Brink (2000, p.185) defined range as the method used to examine variation amongst the scores. It refers to the difference between the smallest and the largest value. Using the median example the range will be 17 minus three = 14.

Standard deviation: indicates how values vary around the mean of the distribution, defined as the square root of the variance (Brink, 2000, p.186). The larger the standard deviation, the more spread out the scores are around the mean.

Normal curve distribution: is defined by Brink (2000, p.186) as the curve that represents the theoretical distribution of population scores. For example, most people have average height, there are few very short and few very tall people. The normal curve is bell-shaped and symmetrical with maximum height at the mean. A few values are distributed on both extremes of the curve.

3.8 LIMITATIONS OF THE STUDY

The sample studied was limited to three organizations due to a failure to obtain permission to conduct study in other organizations. Therefore, this limited the generalisation of the results. There were three categories of no responsiveness form the respondents; the first was those employees that resigned while the study was being conducted and were not keen to complete the study, the second were those who accepted to do the study but returned the questionnaires blank and the last one was the respondents who never bothered to return the questionnaire. This non participation further reduced the sample size from 65 respondents to 52.

3.9 SUMMARY

This chapter explored the research methodology by focusing on the data collection strategy, design of the questionnaire and the statistical techniques employed in the study. Statistical analysis of the data assists in drawing conclusions about the problem being studied. Constraints and limitations were also described

CHAPTER 4: DATA ANALYSIS

4.1 INTRODUCTION

This chapter describes the analysis of the data and presents the results. A total of 65 questionnaires were distributed, of which 52 were completed sufficiently for analysis, 13 were returned blank as the respondents changed their minds about participating, and 5 questionnaires were never returned. The return rate of usable responses was 68%. Data analysis was done using SPSS version 15.

4.2 DEMOGRAPHIC PROFILE FOR RESPONDENTS

The following table and graph depict the gender profile of the respondents

Table 4.1: Frequency and percentage of gender groups

		Frequency	Percent
Valid	Male	1	2.0
	Female	51	98
	Total	**52**	**100.0**
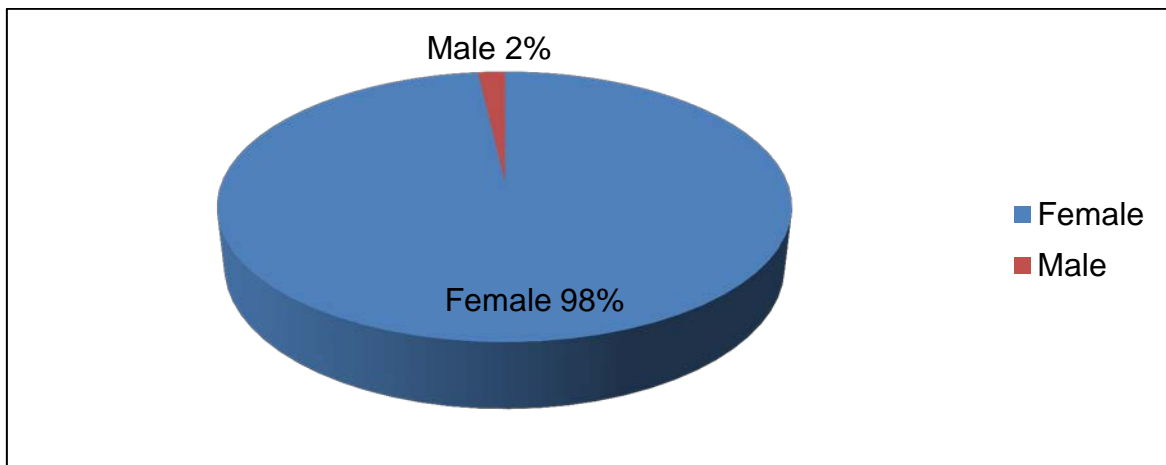
Figure 4.1: Sample composition by gender

The results in Table 4.1 and Figure 4.1 reflect that the majority of respondents were females, accounting for 98%, and males accounted for 2%. The health care industry is dominated by females. It can, therefore, be deduced that the skew in gender representation is due to this reason.

Table 4.2: Frequency and percentage of respondents in each age group

		Frequency	Percent
Valid	26-30	6	11.5
	31-35	12	23.1
	36-40	7	13.4
	Above 40	27	52
	Total	**52**	**100.0**
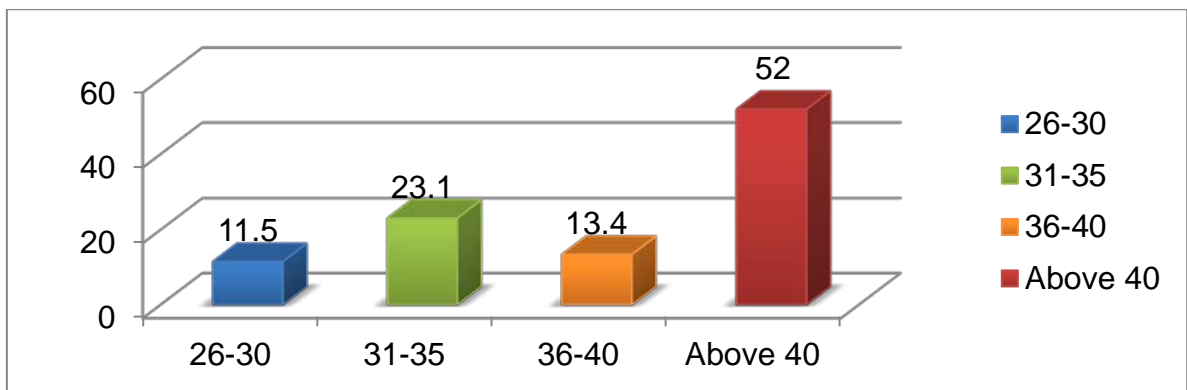
Table 4.2 and Figure 4.2 indicate that the majority (52%) of the respondents were older than 40 years; 23.1% were aged between 31-35 years; 13.4% were aged 36-40 years and 11.5% fell into the youngest group or 26-30 years.

Table 4.3: Frequency and percentage of respondents by educational qualification

		Frequency	Percent
Valid	Certificate	6	11.5
	Diploma	32	61.6
	Degree	6	11.5
	Post grad	8	15.4
	Total	**52**	**100.0**
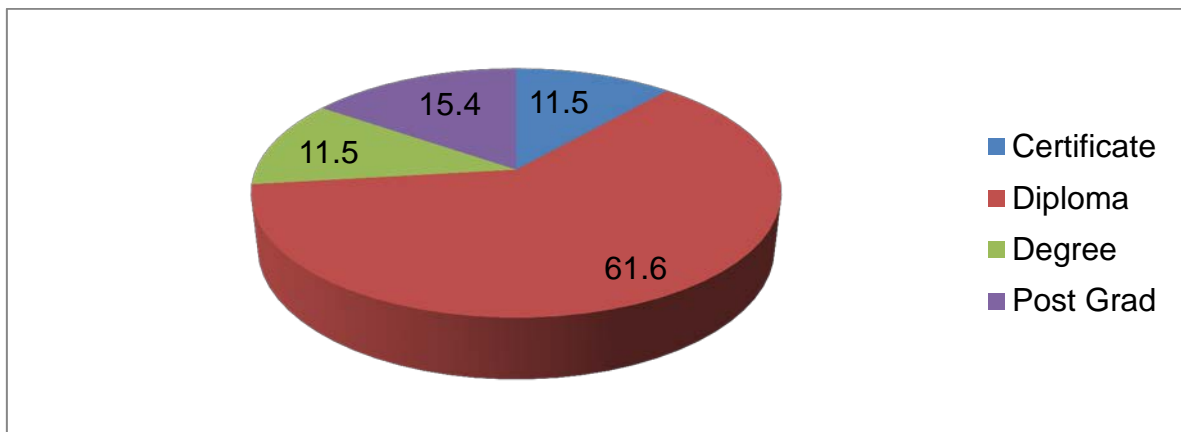
Figure 4.3: Sample composition by educational qualification

The results in Table 4.3 and Figure 4.3 reflect that the majority of respondents, 61.6%, have a diploma, followed by 15.4% who have a post-graduate qualification. An equal number of respondents (11.5%) had a degree or certificate. This result is consistent with the general demographics in the health care industry, as the minimum educational requirement for supervisors and managers in the health care industry is a diploma.

Table 4.4: Frequency and percentage of respondents by ethnic origin

		Frequency	Percent
Valid	Black	1	1.9
	White	8	15.3
	Indian	42	81.0
	Colored	1	1.9
	Total	**52**	**100.0**
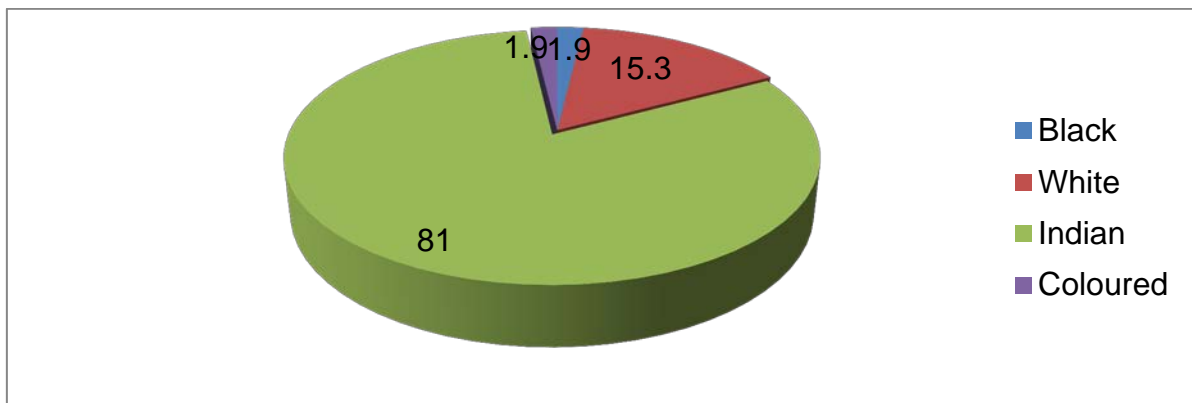
Figure 4.4: Sample composition by ethnic origin

The results in Table 4.4 and figure 4.4 reveal that the ethnic distribution is severely skewed. The majority of the respondents are Indians, accounting for 81%. Whites comprise 15.3% of the sample and there were an equal number of Black and Coloured respondents at 1.9% each. The ethnicity of these respondents, who are all at managerial level, is skewed. The fact that 81% of management positions are occupied by Indians means the management structures at these hospitals are not aligned with the Employment Equity Act. However the researcher acknowledged that KwaZulu-Natal has far more Indians than the other provinces.

Table 4.5: Frequency and percentage of respondents by length of service

		Frequency	Percent
Valid	2 years & <	4	7.7
	3-5 years	17	33
	6-8 years	8	15.3
	9 years & >	23	44
	Total	**52**	**100.0**
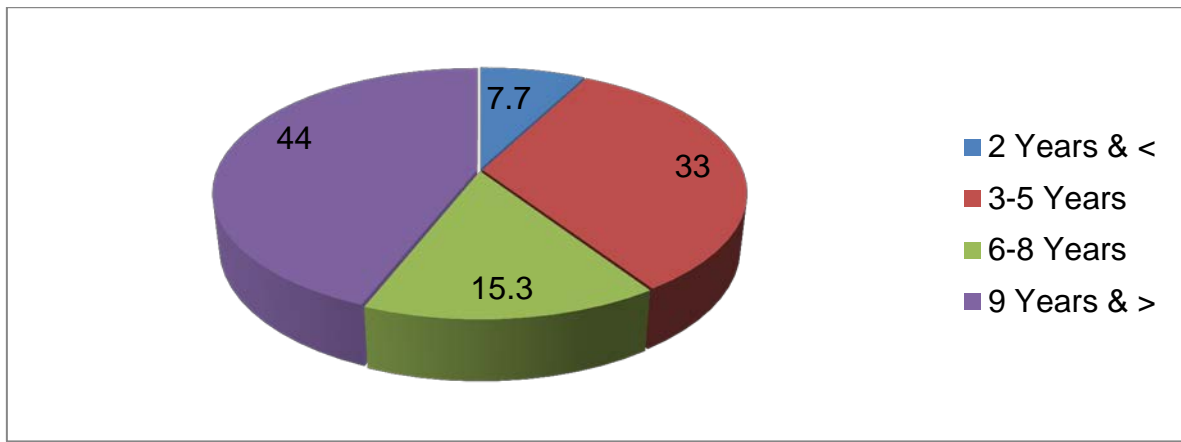
Figure 4.5: Sample composition by length of service

The results in Table 4.5 and Figure 4.5 reflect that the majority of respondents, 44%, have been in the organization for nine years and above, followed by 33% who have been in the organization for three to five years. This is consistent with the industry norm of five years of experience for supervisor or management positions.

Table 4.6: Frequency and percentage of respondent by position

		Frequency	Percent
Valid	Supervisor	28	54
	Middle manager	18	34.6
	Senior manager	3	5.7
	Executive/CEO	0	0
	Not indicated	3	5.7
	Total	**52**	**100.0**
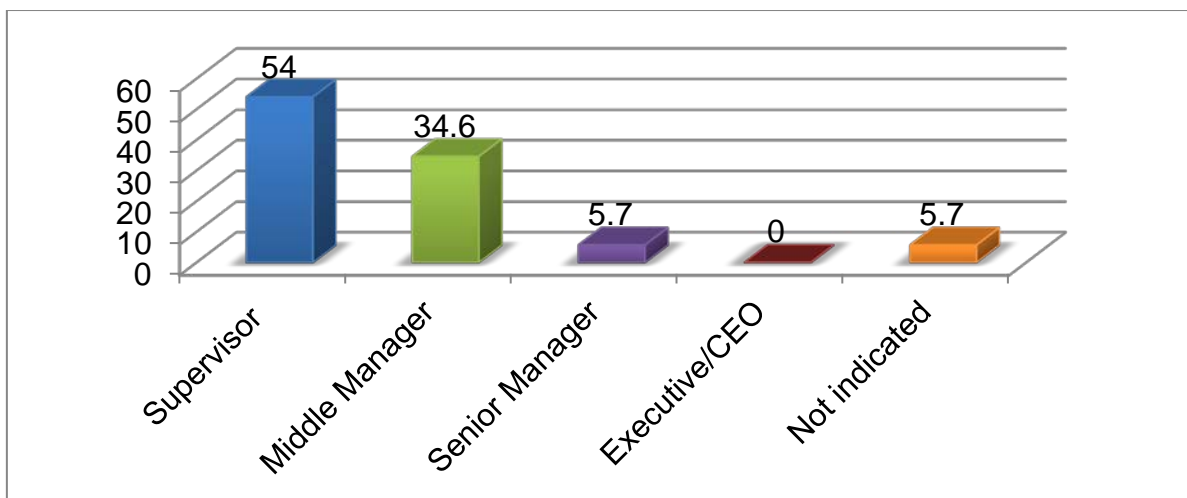
Figure 4.6: Sample composition by position

The results in Table 4.6 and Figure 4.6 reflect that the majority of respondents, 54%, are at a supervisory level, followed by 34.6% who are middle managers, 5.7% who are senior managers. Some respondents, 5.7%, did not indicate their rank in the organization.

4.3 STATISTICAL ANALYSIS

4.3.1 Objective 1: Succession planning processes used

Table 4.7: Senior management involvement

		Frequency	Percent
Valid	Strongly agree	18	34.6
	Agree	31	59.6
	Strongly disagree	0	0
	Disagree	2	3.8
	Not indicated	1	1.9
	Total	**52**	**100.0**
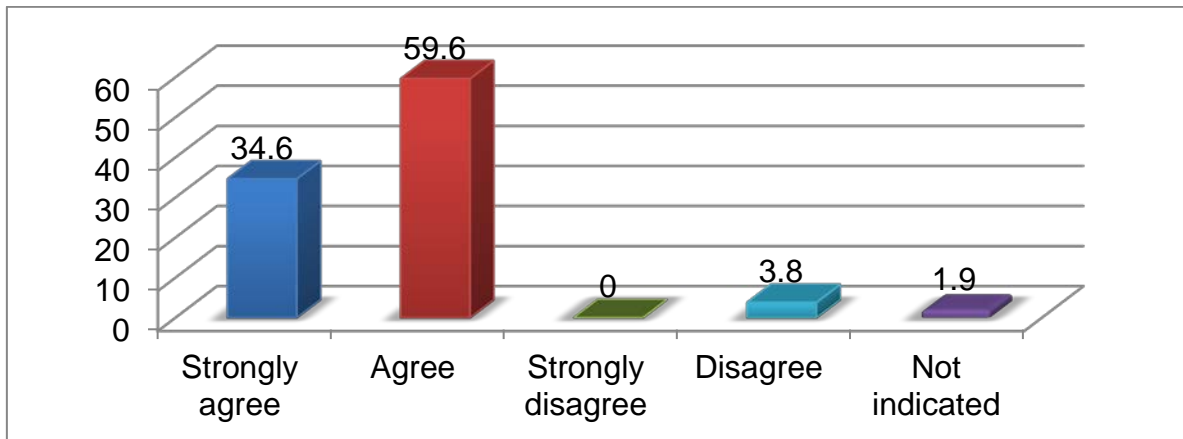
Figure 4.7: Senior management involvement

The results in Table 4.7 and Figure 4.7 reflect that the majority of respondents, 59.6%, agree and 34.6% strongly agree that senior management is involved in the succession planning programme; 3.8% disagree and 1.9% did not respond to the statement.

Table 4.8: Allocation to different talent pools

		Frequency	Percent
Valid	Strongly agree	18	34.7
	Agree	31	59.6
	Strongly disagree	1	1.9
	Disagree	2	3.8
	Total	**52**	**100.0**
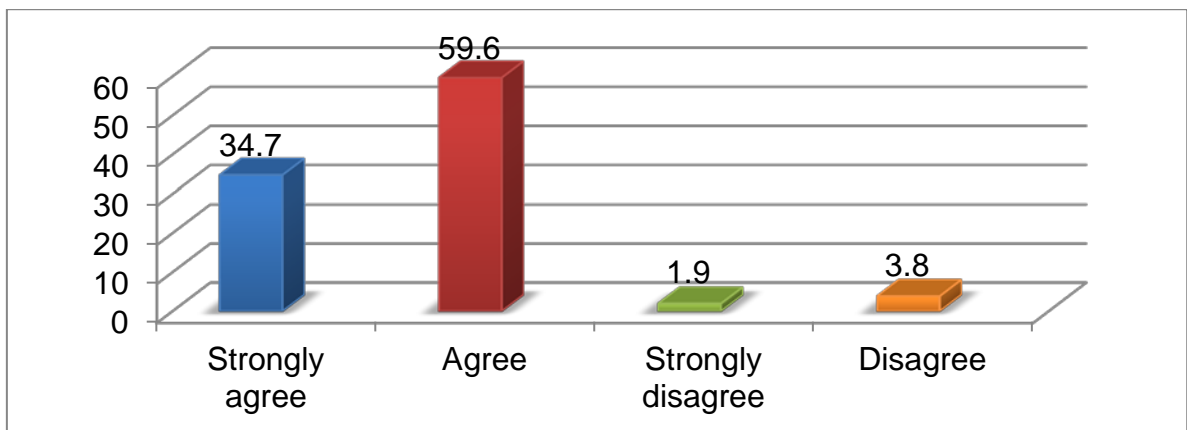
Figure 4.8: Allocation to different talent pools

The results in Table 4.8 and Figure 4.8 reflect that the majority of respondents, 59.6%, agreed and 34.7% strongly agreed that employees are allocated to talent pools, whilst 1.9% strongly disagreed and 3.8% disagreed.

Table 4.9: Encouraged to pursue their chosen career paths

		Frequency	Percent
Valid	Strongly agree	21	40.3
	Agree	28	54
	Strongly disagree	1	1.9
	Disagree	**1**	1.9
	Did not indicate	**1**	1.9
	Total	**52**	**100.0**
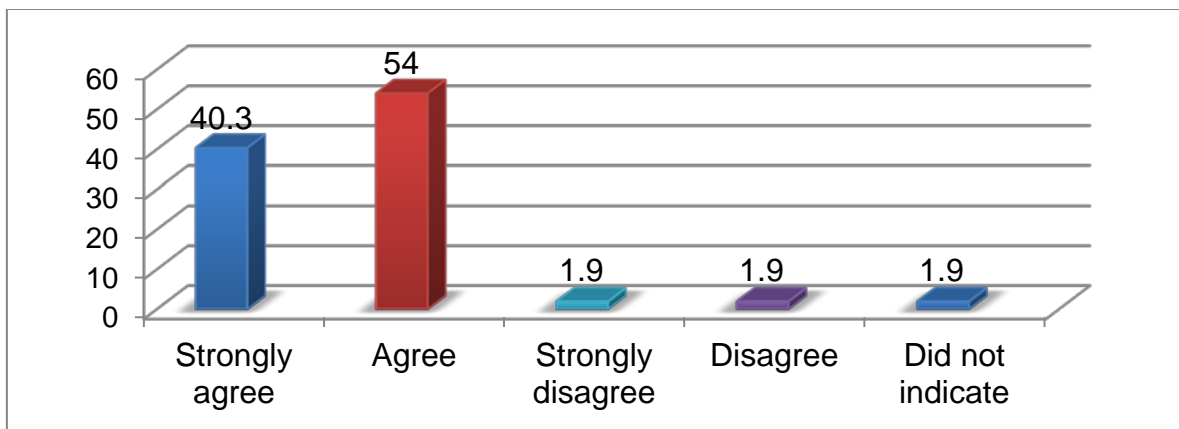
Figure 4.9: Encouraged to pursue their chosen career paths

The results in Table 4.9 and Figure 4.9 reflect that the majority of respondents, 54%, agreed and 40.3% strongly agreed that talented employees are encouraged to follow their chosen career paths. An equal percentage of respondents, 1.9%, disagreed, strongly disagreed or did not respond to the statement.

Table 4.10: Acknowledgement of good performance

		Frequency	Percent
Valid	Strongly agree	20	38.5
	Agree	24	46.1
	Strongly disagree	4	7.7
	Disagree	4	7.7
	Total	**52**	**100.0**
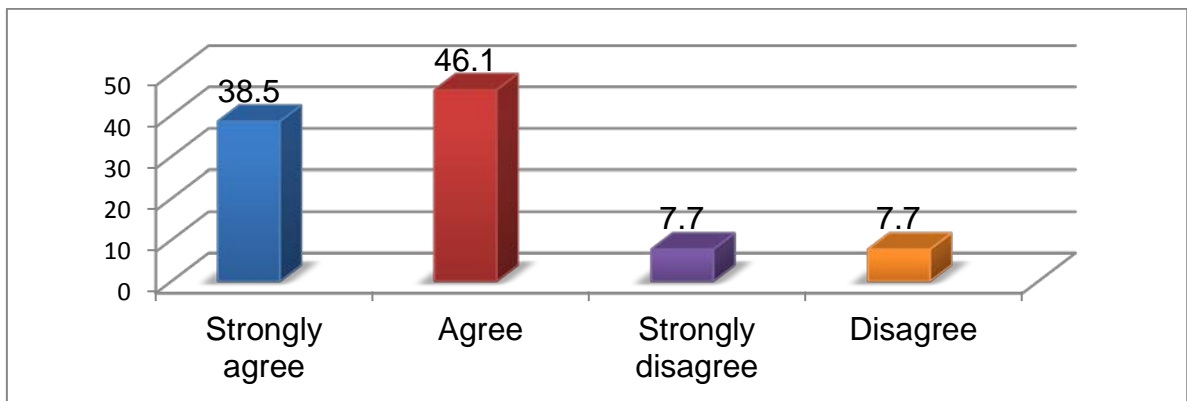
Figure 4.10: Acknowledgment of good performance

The results in Table 4.10 and Figure 4.10 reflect that the majority of respondents, 46.1%, agreed and 38.5% strongly agreed that the organization acknowledges good performance. An equal number of respondents, 7.7%, disagreed or strongly disagreed with the statement.

Table 4.11: Transparency on internal promotion strategy

		Frequency	Percent
Valid	Strongly agree	8	15.3
	Agree	30	57.7
	Strongly disagree	4	7.8
	Disagree	10	19.2
	Total	**52**	**100.0**
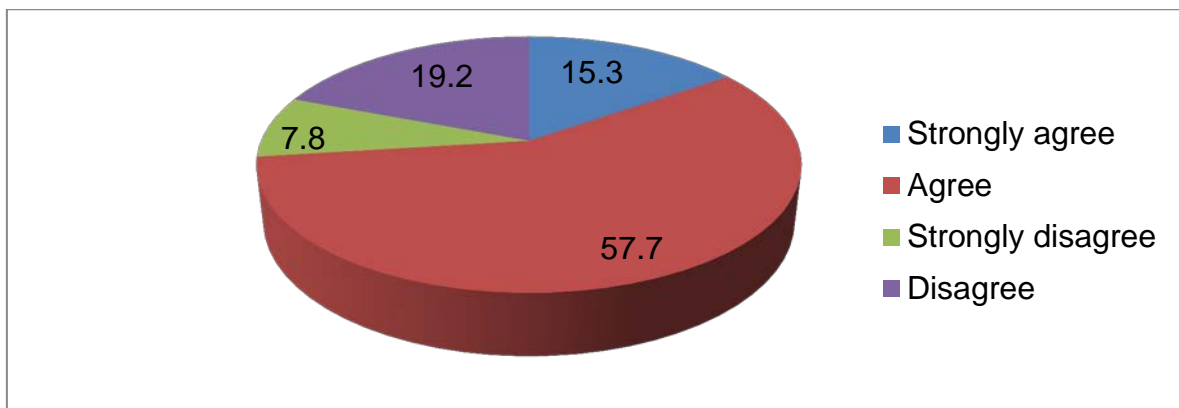
Figure 4.11: Transparency on internal promotion strategy

The results in Table 4.11 and Figure 4.11 reflect that the majority of respondents, 57.7%, agreed and 15.3% strongly agreed that there is a transparent promotion strategy, while 19.2% disagreed and 7.8% strongly disagreed with the statement.

4.3.2 Objective 2: Selection criteria for succession planning programme

Table 4.12: Selection is based on good performance

		Frequency	Percent
Valid	Strongly agree	18	**34.7**
	Agree	29	**55.8**
	Strongly disagree	3	**5.7**
	Disagree	2	**3.8**
	Total	**52**	**100.0**
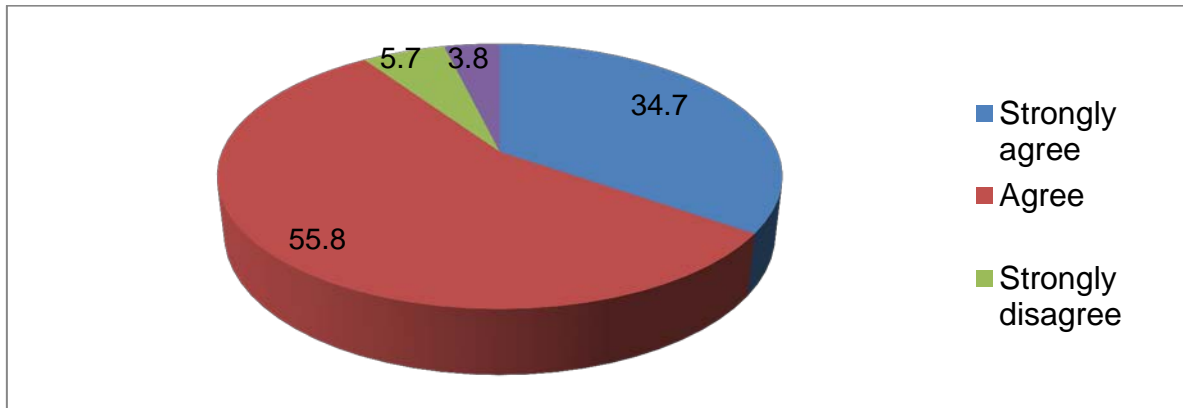
Figure 4.12: Section based on good performance

The results in Table 4.12 and Figure 4.12 reflect that the majority of respondents, 55.8%, agreed and 34.7% strongly agreed that the selection for the succession planning programme is based on good performance, while 5.7% strongly disagreed and 3.8% disagreed with the statement.

Table 4.13: Talented employees are invited

		Frequency	Percent
Valid	Strongly agree	20	38.4
	Agree	28	54
	Strongly disagree	2	3.8
	Disagree	2	3.8
	Total	**52**	**100**
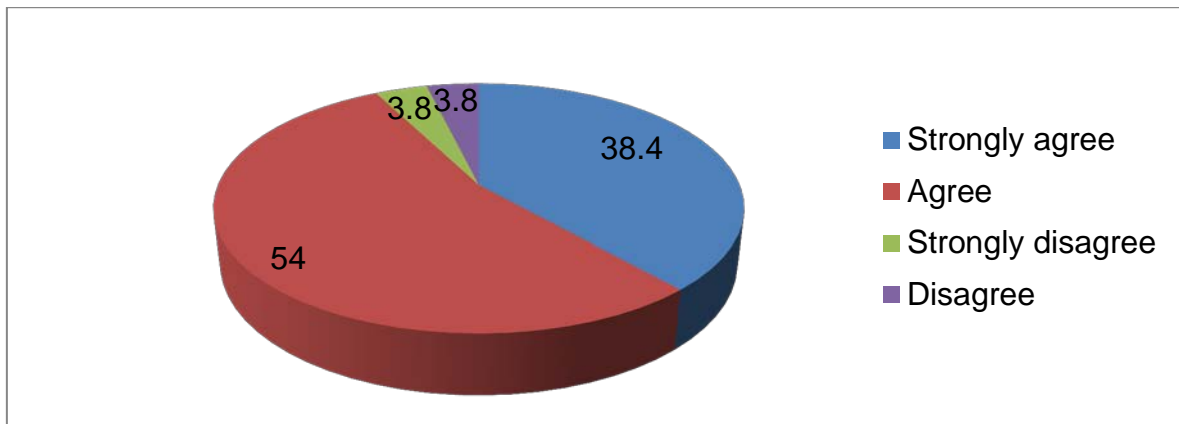
Figure 4.13: Talented employees are invited

The results in Table 4.13 and Figure 4.13 reflect that the majority of respondents, 54%, agreed and 38.4% strongly agreed that talented employees are invited to the succession planning programme by management, while an equal number, 3.8%, disagreed or strongly disagreed.

Table 4.14: Talented employees inform management

		Frequency	Percent
Valid	Strongly agree	20	38.6
	Agree	28	53.8
	Strongly disagree	2	3.8
	Disagree	2	3.8
	Total	**52**	**100.0**
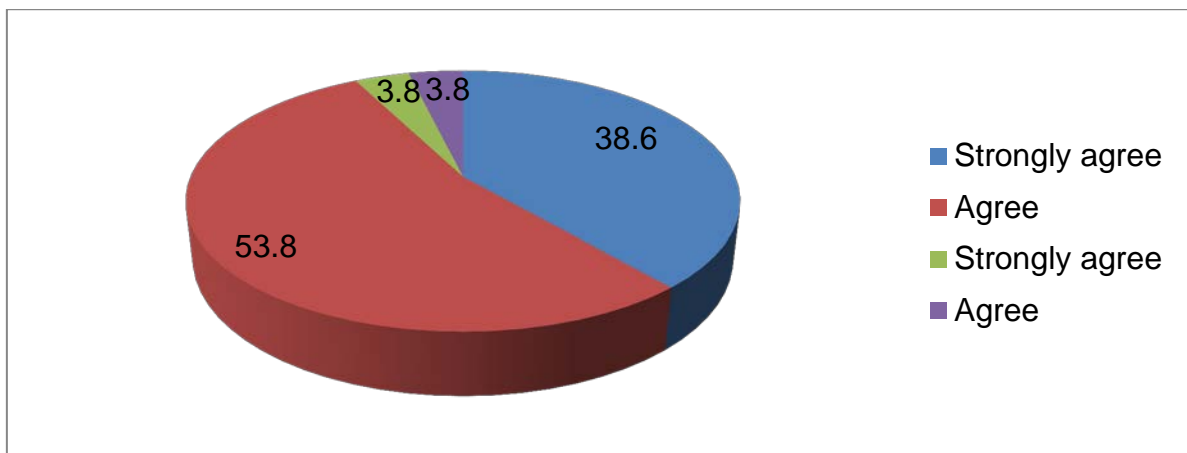
Figure 4.14: Talented employees inform management

The results in Table 4.14 and Figure 4.14 reflect that the majority of respondents, 53.8%, agreed and 38.6% strongly agreed that employees inform their managers of their desires to be part of the programme, while an equal number, 3.8%, disagree or strongly disagreed with the statement.

Table 4.15: There are interviews for the programme

		Frequency	Percent
Valid	Strongly agree	12	23
	Agree	26	50
	Strongly disagree	3	6
	Disagree	11	21
	Total	**52**	**100.0**
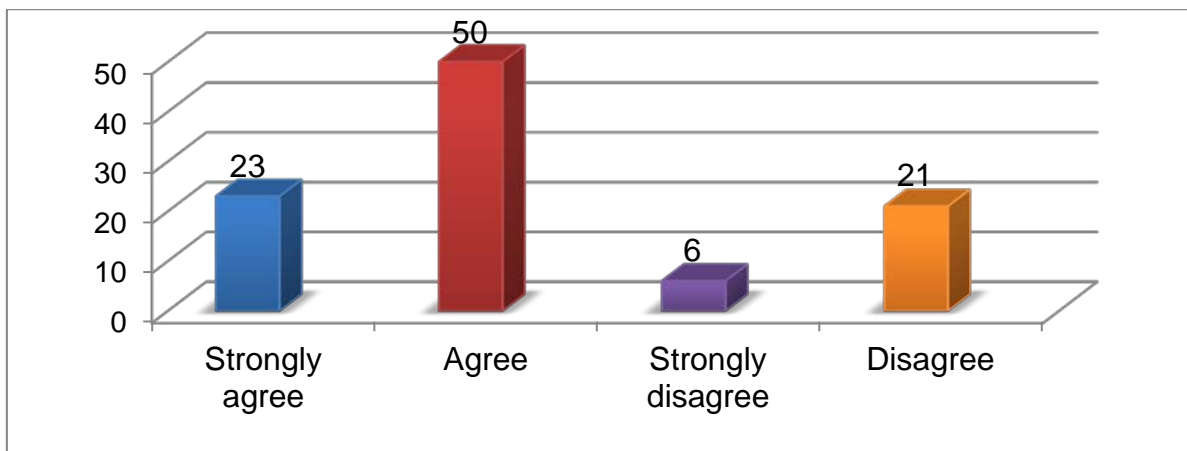
Figure 4.15: There are interviews for the programme

The results in Table 4.15 and Figure 4.15 reflect that the majority of respondents, 50%, agreed and 23% strongly agreed that employees are interviewed before they commence the programme, while 21% disagreed and 6% strongly disagreed that this is the case.

Table 4.16: Employees sign a contract

		Frequency	Percent
Valid	Strongly agree	13	25
	Agree	26	50
	Strongly disagree	3	5.8
	Disagree	10	19.2
	Total	**52**	**100.0**
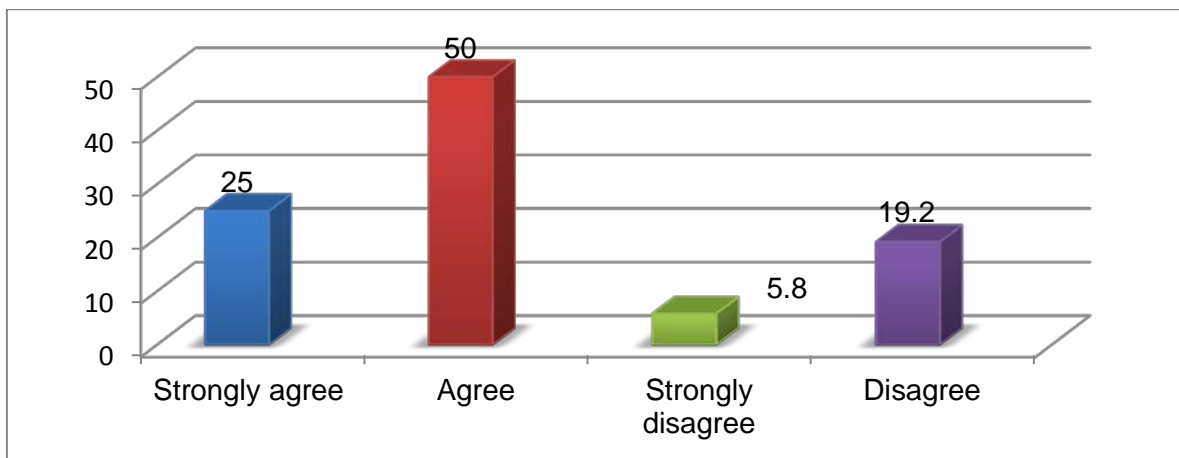
Figure 4.16: Employees sign a contract

The results in Table 4.16 and Figure 4.16 reflect that the majority of respondents, 50%, agreed and 25% strongly agreed that employees sign a contract with the organization before they commence the succession planning program, while 19.2% disagreed and 5.8% strongly disagreed.

4.3.3 Objective 3: Employees' views on succession planning

Table 4.17: Increase on career advancement opportunities

		Frequency	Percent
Valid	Strongly agree	11	21
	Agree	26	50
	Strongly disagree	3	6
	Disagree	12	23
	Total	**52**	**100.0**
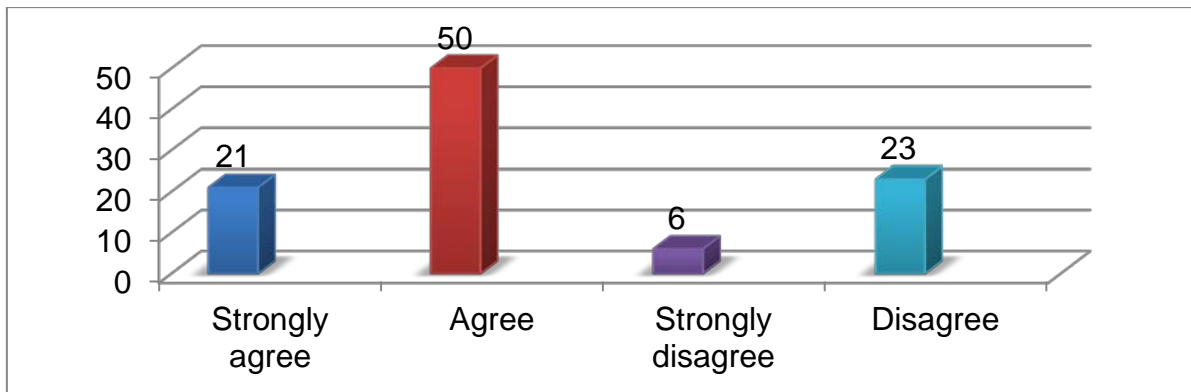
Figure 4.17: Increase on career advancement opportunities

The results in Table 4.17 and Figure 4.17 reflect that the majority of respondent, 50%, agreed and 21% strongly agree that career advancement opportunities increase after the programme, while 23% disagreed and 6% strongly disagreed that career advancement opportunities increase after the programme.

Table 4.18: Respected amongst fellow employees

		Frequency	Percent
Valid	Strongly agree	13	25
	Agree	29	55.8
	Strongly disagree	3	5.8
	Disagree	5	9.6
	Not indicated	2	3.8
	Total	**52**	**100.0**
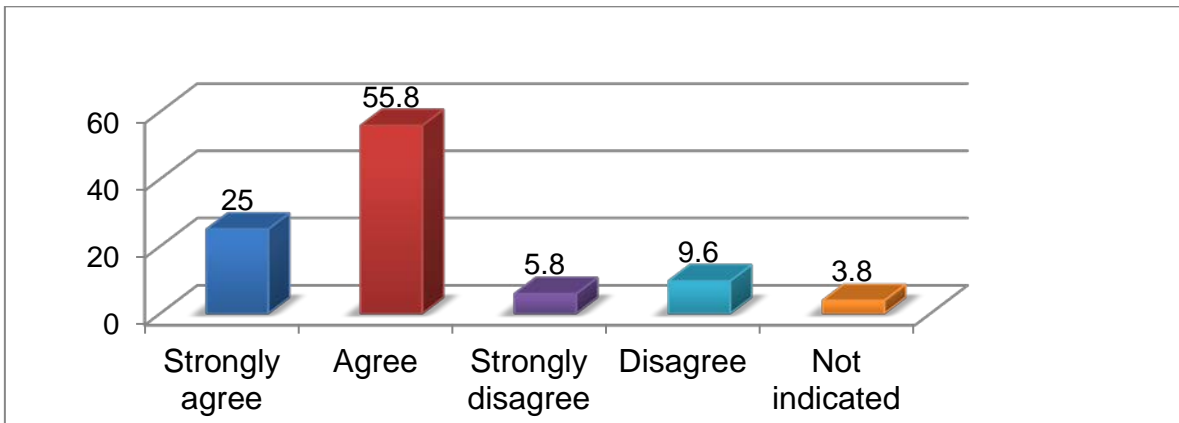
Figure 4.18: Respected amongst fellow employees

The results in Table 4.18 and Figure 4.18 reflect that the majority of respondents, 55.8%, agreed 25% strongly agreed that respect amongst fellow employees increases after participation in the programme, whereas 9.6% disagreed and 5.8% strongly disagreed. A small percentage, 3.8%, did not respond to the statement.

Table 4.19: Talented employees take on more complex projects

		Frequency	Percent
Valid	Strongly agree	15	29
	Agree	32	61.5
	Strongly disagree	2	3.8
	Disagree	2	3.8
	Not indicated	1	1.9
	Total	**52**	**100.0**
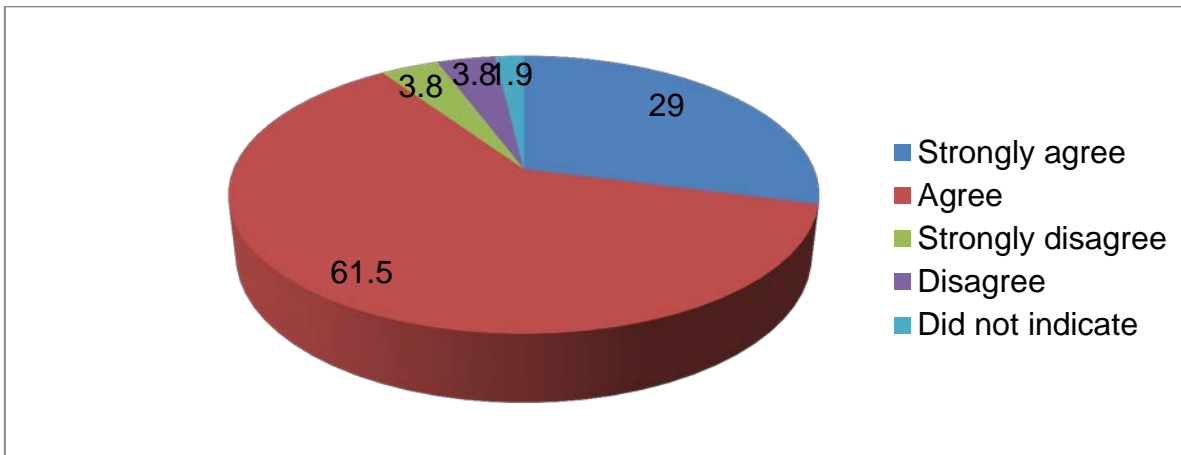
Figure 4.19: Talented employees take on more complex projects

The results in Table 4.19 and Figure 4.19 reflect that the majority of respondents, 61.5%, agreed and 29% strongly agreed that talented employees are given more complex projects, while an equal number, 3.8%, disagreed or strongly disagreed. A small percentage, 1.9%, did not respond to this statement.

Table 4.20: Involvement in decision making

		Frequency	Percent
Valid	Strongly agree	15	28.9
	Agree	26	50
	Strongly disagree	5	9.6
	Disagree	6	11.5
	Total	**52**	**100.0**
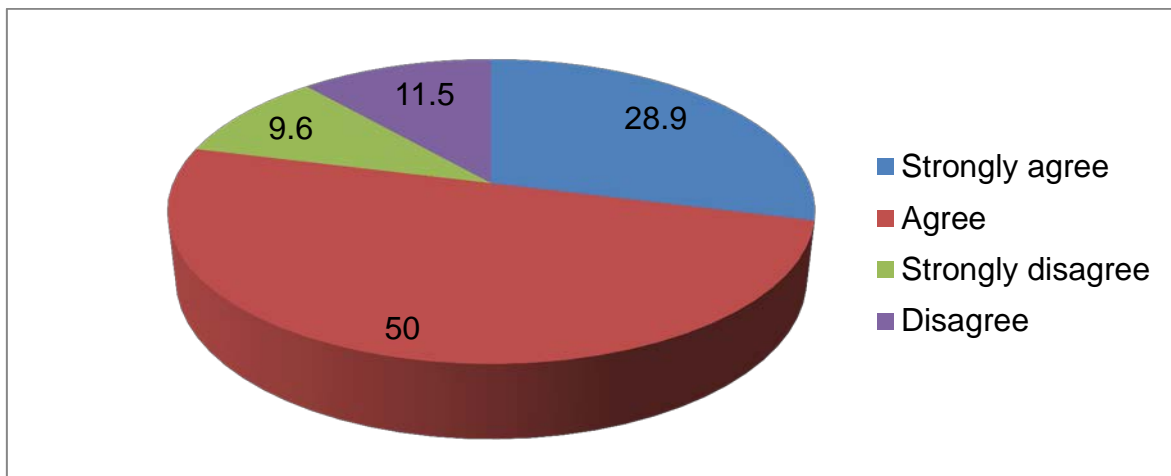
Figure 4.20: Involvement in decision making

The results in Table 4.20 and Figure 4.20 reflect that half of the respondents, 50%, agreed and 28.9% strongly agreed that talented employees are involved in decision making, while 11.5% disagreed and 9.6% strongly disagreed.

Table 4.21: Earmarked for promotion

		Frequency	Percent
Valid	Strongly agree	13	25
	Agree	28	53.9
	Strongly disagree	2	3.8
	Disagree	9	17.3
	Total	**52**	**100.0**
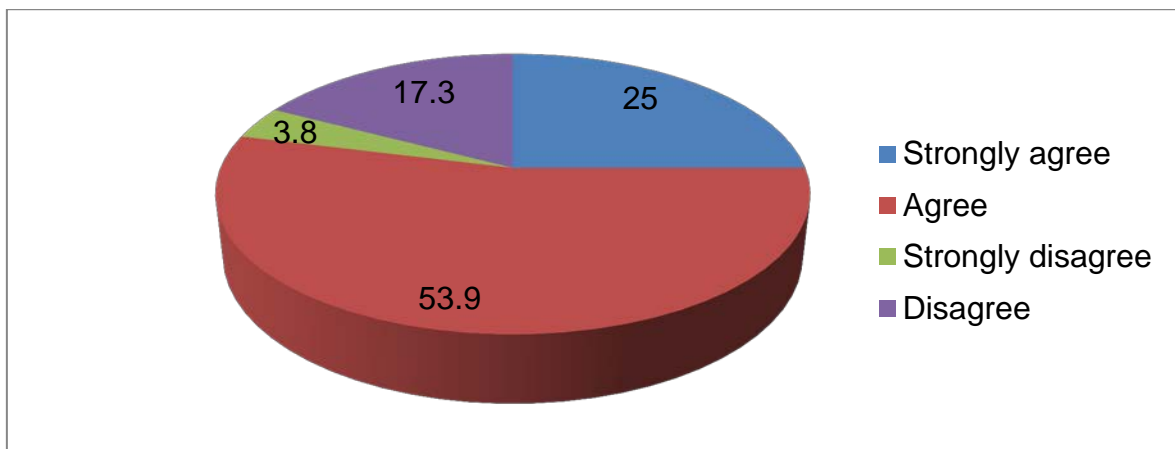
Figure 4.21: Earmarked for promotion

The results in Table 4.21 and Figure 4.21 reflect that the majority of respondents, 53.9%, agreed 25% strongly agreed that talented employees are earmarked for promotion once exposed to succession planning. However, 17.3% of respondent disagreed and 3.8% strongly disagreed with the statement.

4.3.4 Objective: Reasons for remaining in the organization

Table 4.22: Competitive salaries in the organization

		Frequency	Percent
Valid	Strongly agree	2	4
	Agree	12	23
	Strongly disagree	12	23
	Disagree	24	46
	Not indicated	2	4
	Total	**52**	**100.0**
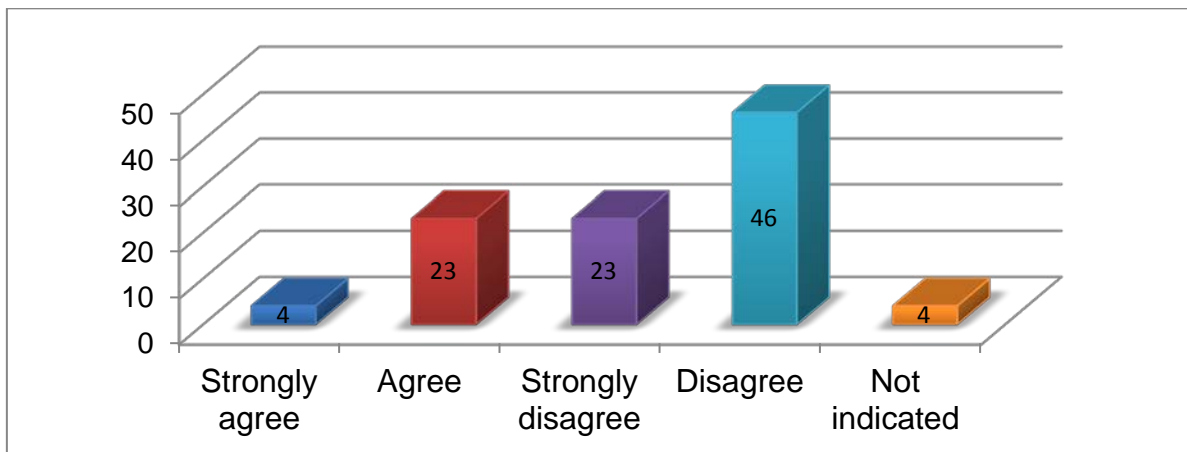
Figure 4.22: Competitive salaries in the organization

The results in Table 4.22 and Figure 4.22 reflect that 46% of respondents disagreed and 23% strongly disagreed that talented employees are offered competitive salaries. Only 23% of respondents agreed and 4% strongly agreed that the organization offers competitive salaries to talented employees. A small percentage, 4%, did not give a response to the statement.

Table 4.23: Encouraged to apply for senior positions

		Frequency	Percent
Valid	Strongly agree	13	25
	Agree	30	57.7
	Strongly disagree	2	3.8
	Disagree	7	13.5
	Total	**52**	**100.0**
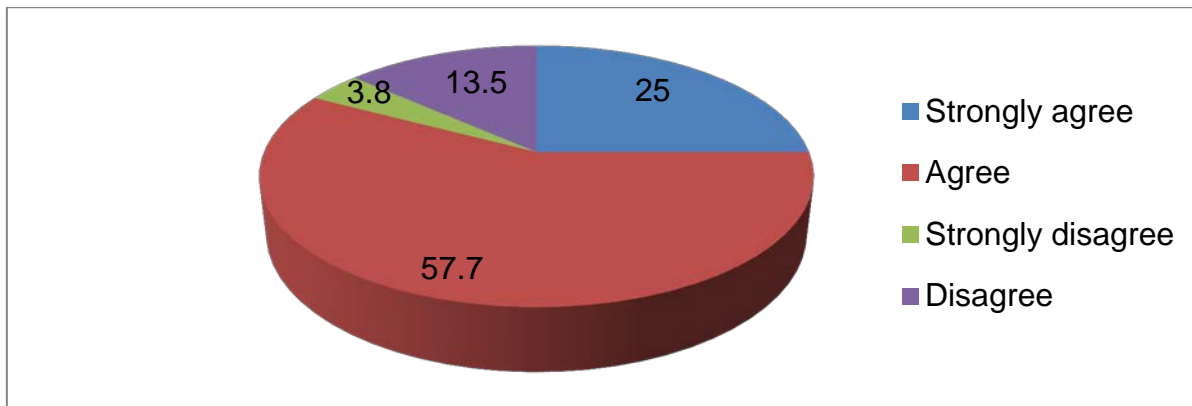
Figure 4.23: Encouraged to apply for senior positions

The results in Table 4.23 and Figure reflect that the majority of respondents, 57.7%, agreed and 25% strongly agreed that talented employees are encouraged to apply for senior positions, while 13.5% disagreed and 3.8% strongly disagreed.

Table 4.24: Often get promoted to senior positions

		Frequency	Percent
Valid	Strongly agree	10	19.2
	Agree	25	48
	Strongly disagree	2	3.8
	Disagree	15	29
	Total	**52**	**100.0**
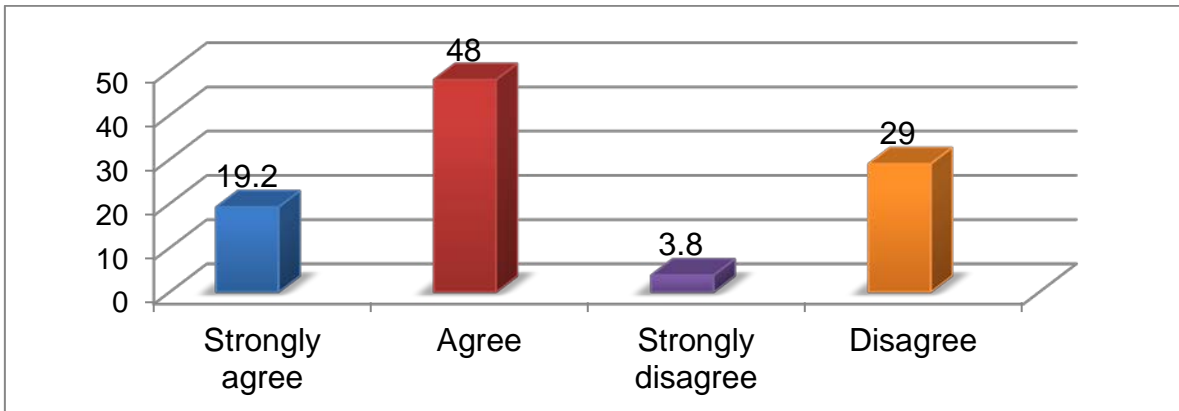
Figure 4.24: Often get promoted to senior positions

The results in Table 4.24 and Figure 4.24 reflect that 48% of respondent agreed and 19.2% strongly agreed that talented employees are often promoted to senior positions. However, 29% disagreed and 3.8% strongly disagreed that talented employees are often promoted to senior positions within the organization.

Table 4.25: Talented employees are valued in the organization

		Frequency	Percent
Valid	Strongly agree	11	21
	Agree	28	54
	Strongly disagree	3	6
	Disagree	10	19
	Total	**52**	**100**
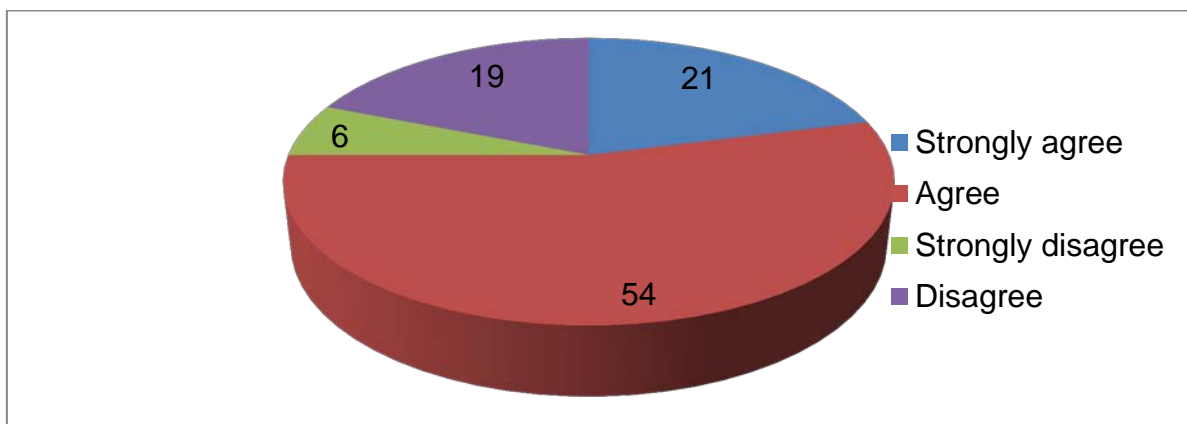
Figure 4.25: Talented employees are valued in the organization

The results in Table 4.25 and Figure 4.25 reflect that the majority of respondents, 54%, agreed and 21% strongly agreed that talented employees are valued in the organization, 19% disagreed and 6% strongly disagreed.

Table 4.26: Belief in the organization's vision for growth

		Frequency	Percent
Valid	Strongly agree	17	32.6
	Agree	31	59.7
	Strongly disagree	1	2
	Disagree	3	5.7
	Total	**52**	**100.0**
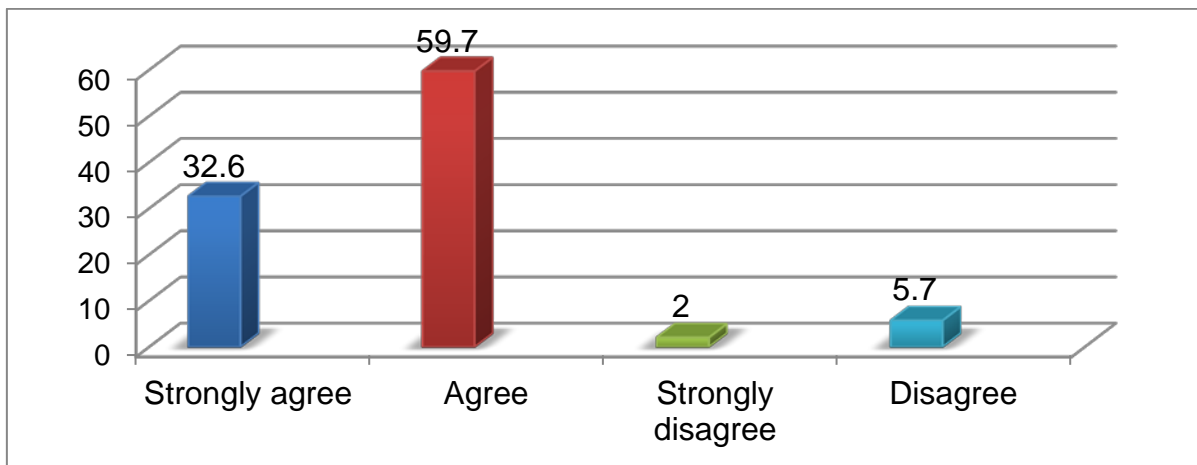
Figure 4.26: Belief in the organization's vision for growth

The results in Table 4.26 and Figure 4.26 reflect that the majority of respondents, 59.7%, agreed and 32.6% strongly agreed that talented employees believe in the organization's vision for growth; 5.7% disagreed and 2% strongly disagreed with the statement.

4.3.5 Objective: Reasons for leaving the organization

Table 4.27: Headhunted by rival organizations

		Frequency	Percent
Valid	Strongly agree	12	23
	Agree	24	46
	Strongly disagree	0	0
	Disagree	16	31
	Total	**52**	**100.0**
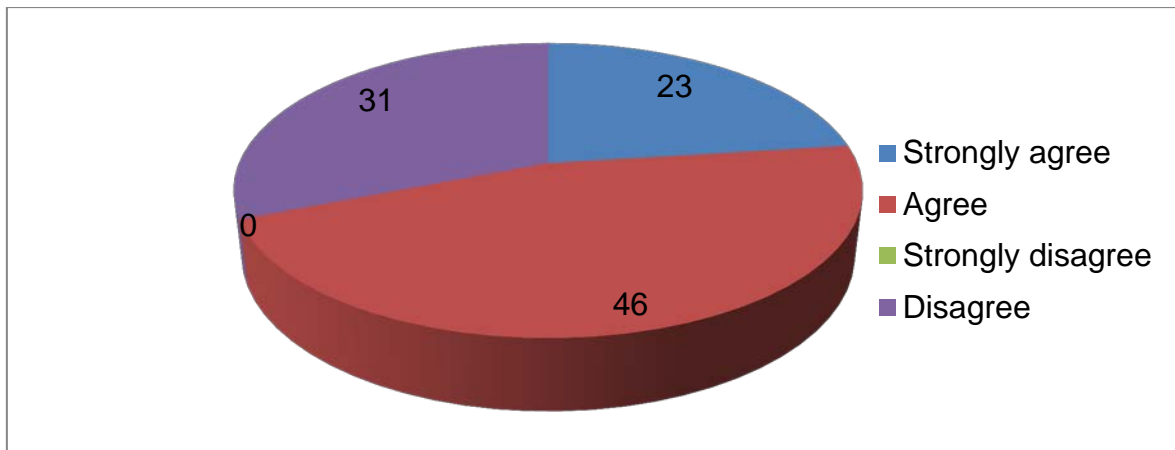
Figure 4.27: Headhunted by rival organizations

The results in Table 4.27 and Figure 4.27 reflect that 46% of respondents agreed and 23% strongly agreed that talented employees are headhunted by rival organizations, whereas 31% disagreed.

Table 4.28: Other organizations offer better salary packages

		Frequency	Percent
Valid	Strongly agree	28	54
	Agree	21	40.3
	Strongly disagree	1	1.9
	Disagree	2	3.8
	Total	**52**	**100.0**
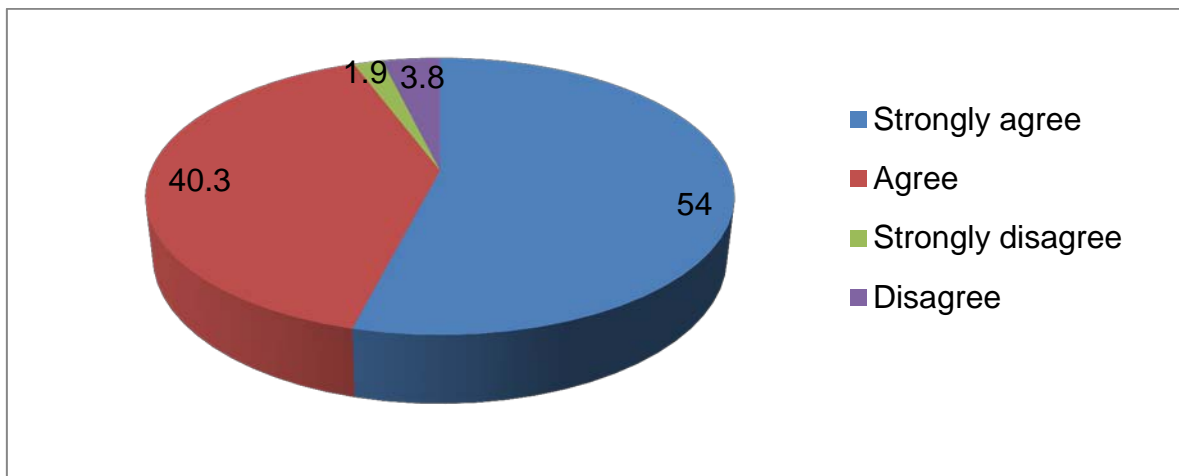
Figure 4.28: Other organizations offer better salary packages

The results in Table 4.28 and Figure 4.28 reflect that the majority of respondents, 54%, strongly agreed and 40.3% agreed that talented employees are offered better salaries by other organizations, while 3.8 disagreed and 1.9% strongly disagreed.

Table 4.29: No support from management

		Frequency	Percent
Valid	Strongly agree	4	7.7
	Agree	16	30.7
	Strongly disagree	15	29
	Disagree	16	30.7
	Not indicated	1	1.9
	Total	**52**	**100**
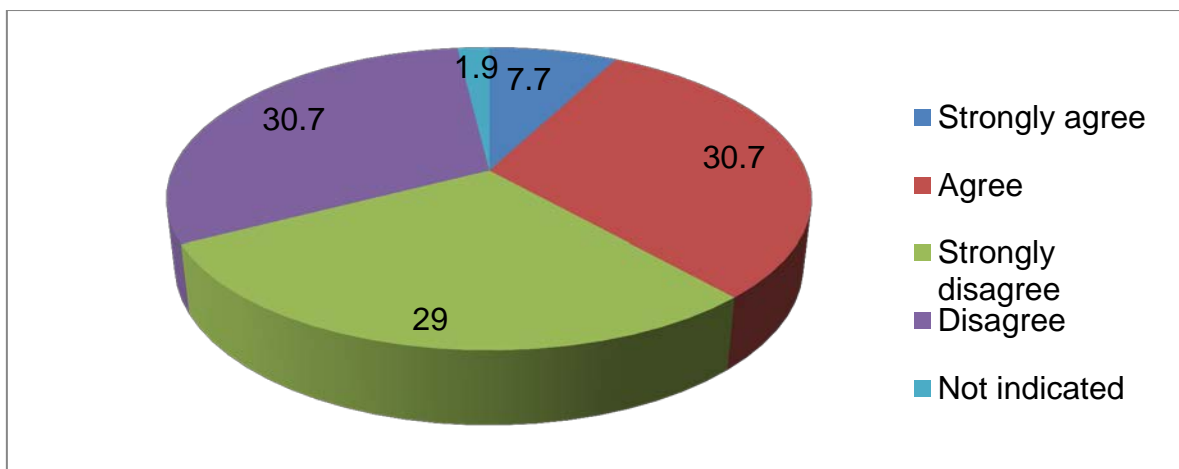
Figure 4.29: No support from management

The results in Table 4.29 and Figure 4.29 reflect that 30.7% respondents agreed and 7.7% strongly agreed that talented employees do not get support from management, whereas 29% strongly disagreed and 30.7% disagreed that talented employees do get support from management. 1.9% did not respond to this statement. It is noted that 38.4% agreement with the statement is a substantial percentage, even though they are not the majority.

Table 4.30: Sometimes employees do not get promoted

		Frequency	Percent
Valid	Strongly agree	4	7.7
	Agree	39	75
	Strongly disagree	3	5.8
	Disagree	6	11.5
	Total	**52**	**100.0**
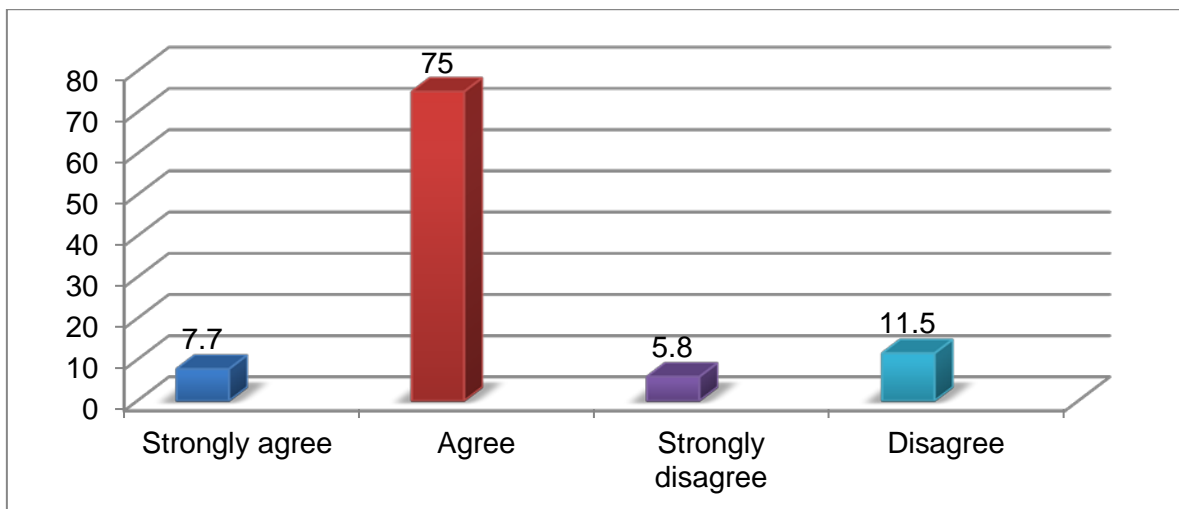
Figure 4.30: Sometimes employees do not get promoted

The results in Table 4.30 and Figure 4.30 reflect that the majority of respondents, 75%, agreed and 7.7% strongly agreed that talented employees sometimes do not get promoted, 11.5% disagreed and 5.8% strongly disagreed.

Table 4.31: Lack of incentives for high performance

		Frequency	Percent
Valid	Strongly agree	14	26.9
	Agree	30	57.6
	Strongly disagree	2	3.8
	Disagree	6	11.5
	Total	**52**	**100.0**
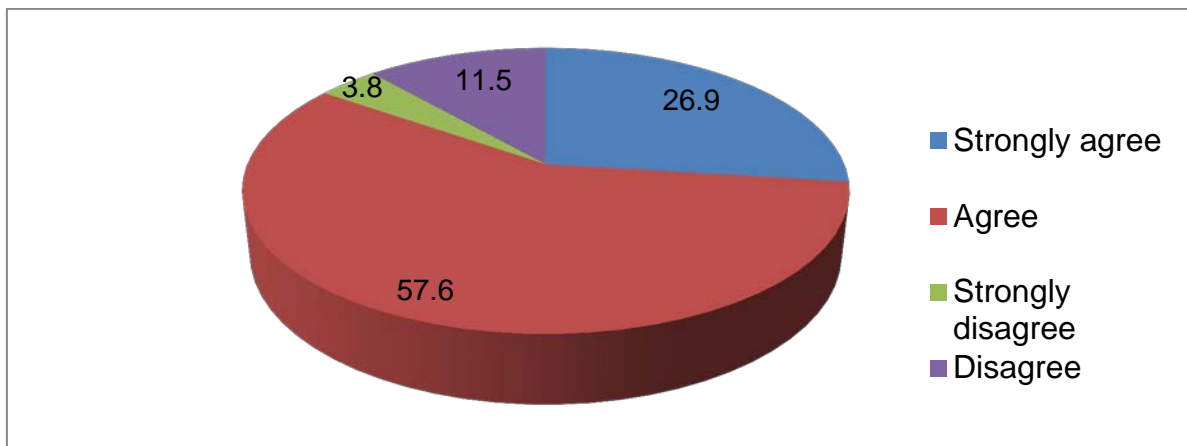
Figure 4.31: Lack of incentives for high performance

The results in Table 4.31 and Figure 4.31 reflect that the majority of respondents, 57.6%, agreed and 26.9% strongly agreed that the organization lacks incentives for high performance; 11.5% of respondents disagreed and 3.8% strongly disagreed.

4.4 COMPARATIVE DESCRIPTIVE STATISTICS

Comparative descriptive statistics were used to establish employees' reasons for leaving the organization after being involved in the succession planning programme. The demographic variable investigated was the position of the respondents in the organization.

Table 4.32 presents respondents views on talent being headhunted by rival organizations.

Table 4.32 presents respondents' views on being headhunted

<table>
<tr><td rowspan="2" colspan="2">n=52</td><td colspan="5">Talented employees are headhunted by rival organizations</td></tr>
<tr><td>Strongly Disagree</td><td>Disagree</td><td>Agree</td><td>Strongly Agree</td><td>Total</td></tr>
<tr><td rowspan="5">Position</td><td>Supervisor</td><td>5.8</td><td>15.3</td><td>29</td><td>11.6</td><td>61.7</td></tr>
<tr><td>Middle Manager</td><td>0</td><td>15.3</td><td>11.5</td><td>5.8</td><td>32.6</td></tr>
<tr><td>Senior Manager</td><td>0</td><td></td><td>3.8</td><td>1.9</td><td>5.7</td></tr>
<tr><td>Executive Manager</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>**Total**</td><td>**5.7**</td><td>**30.6**</td><td>**44.3**</td><td>**19.3**</td><td>**100**</td></tr>
</table>

The results shown in Table 4.32 indicate that the majority of the respondents agree (44.3% agree and 19.3% strongly agree) that talented employees are headhunted by rival organizations. The majority of the supervisors (29%) agreed and the majority of the middle managers (15.3%) disagreed.

Table 4.33 presents respondents' views on salary packages

n=52		Other organizations offer better salary packages				
		Strongly Disagree	Disagree	Agree	Strongly Agree	Total
Position	Supervisor	0	1.9	30.8	29	61.7
	Middle Manager	0	1.9	13.4	17.3	32.6
	Senior Manager	1.9	0	1.9	1.9	5.7
	Executive Manager	0	0	0	0	0
	Total	**1.9**	**3.8**	**46.1**	**48.2**	**100**

The results in table 4.33 indicate that the majority of the respondents (46.1% and 48.2%) agree and (29%) who strongly agree with the statement. The majority of the supervisors (30.8%) agree with the statement, followed by the middle managers (17.3%) who strongly agree that other organizations offer better salary packages.

Table 4.34 presents the respondents' views on management support

n=52		Talented employees do not get support from management				
		Strongly Disagree	Disagree	Agree	Strongly Agree	Total
Position	Supervisor	5.8	23	30.7	1.9	61.4
	Middle Manager	11.5	15.5	4	1.9	32.9
	Senior Manager	3.8	1.9	0	0	5.7
	Executive Manager	0	0	0	0	0
	Total	**21.1**	**40.4**	**34.7**	**3.8**	**100**

The results in table 4.34 indicate that the majority of the respondents disagreed that management give no support to talented employees. However it is noted that the majority of the supervisors (30.7%) agree with the statement. The majority of the middle managers (15.5%) disagreed with the statement as well as senior managers at (3.8%).

Table 4.35 presents the respondents' views on promotion

n=52		Talented employees sometimes do not get promoted within the organization				
		Strongly Disagree	Disagree	Agree	Strongly Agree	Total
Position	Supervisor	0	7.7	46.1	7.7	61.5
	Middle Manager	0	5.8	27	0	32.8
	Senior Manager	0	3.8	1.9	0	5.7
	Executive Manager	0	0	0	0	0
	Total	**0**	**17.8**	**75**	**7.7**	**100**

The results in Table 4.35 indicate that the majority of the respondents (75%) agreed that talented employees sometimes do not get promoted in the organization. The majority of the supervisors (46.1%) and middle managers (27%) agreed with this statement. The majority of the senior managers (3.8%), however, disagreed with the statement.

Table 4.36 presents respondents' views on incentives for high performance

n=52		There is a lack of incentives for high performance				
		Strongly Disagree	Disagree	Agree	Strongly Agree	Total
Position	Supervisor	2	5.8	<mark>32.7</mark>	21	61.4
	Middle Manager	0	5.8	<mark>21.1</mark>	5.8	32.7
	Senior Manager	0	0	3.8	2	5.7
	Executive Manager	0	0	0	0	0
	Total	**2**	**11.6**	**57.6**	**28.8**	**100**

The results in Table 4.36 indicate that the majority of the respondents agreed that the organization lacks incentives for high performance. The majority of the supervisors (32.7%) and middle managers (21.1 %) agreed with the statement.

4.5 SUMMARY

This chapter presented the results of the data analysis. The analysis was based on the objectives that were set out in Chapter 1. The demographic analysis showed a skewed employee demographic. The majority of the respondents were Indians with only a small percentage of other ethnic groups.

The gender profile showed that the majority of respondents were females. This was attributed to the type of industry to which they belong. Another observation was that, although the majority of the respondents were above 40 years of age and had been in service for a long period of time, they were still holding

supervisory roles in the organization even though they had been part of the succession planning programme for critical positions.

Respondents' views on the statements regarding promotion were extremely conflicted. The majority of respondent felt that talented employees are encouraged to apply for senior positions, which is a good indication that management is recognising talent. The majority also thought that the organization has a transparent promotion strategy. Yet, when respondents were asked if talented employees often get promoted to senior positions with the organization, the majority of respondents disagreed.

A comparative analysis between respondents' position in the organization and reasons for leaving the organization revealed that factors such as competitive salaries, management support and incentives were viewed negatively by those in supervisory positions.

CHAPTER 5- DISCUSSION OF RESULTS

5.1 INTRODUCTION

This chapter provides a detailed discussion of the results of the statistical analysis in relation to previous research and literature. It also discusses the results in relation to the research objectives set in Chapter 1. The results related to each objective are discussed separately.

5.2 RESULTS RELATED TO EACH OBJECTIVE

5.2.1 Objective 1: Succession planning processes used

5.2.1.1 Senior management involvement

The results depicted in Figure 4.7 showed that the majority of respondents felt that senior management is involved in the succession planning programme. According to Augustine & Kanemoto (2009), succession planning is a deliberate effort by an organization to ensure leadership continuity in key positions and encourage individual advancement. It is, therefore, a conscious decision by management to align talent management with organizational strategy.

Succession planning should be executed in conjunction with the workforce skills plan. Cascio and Boudreau (2008) advised that effective talent-decision frameworks that are instituted by management should go beyond costs to encompass 'intangible' investments and value to the organization.

5.2.1.2 Allocation to different talent pools

The results depicted in Figure 4.8 showed that the majority of respondents agreed that employees are allocated to different talent pools. The Government of Newfoundland and Labrador Public Service Secretariat (2008) advised that structured learning and development plans should be focused on decreasing the gap between expected competencies and current knowledge and skills. This means that organizations have to identify individuals' competencies and allocate them to different projects pools for coaching and mentoring. Phillips and Edwards (2008) stated that a successful talent management system creates talent pools

comprising formal rotation programmes, enabling employees to work on different functions and under different managers.

5.2.1.3 Encouragement of employees to pursue chosen career paths

The results depicted in Figure 4.9 showed that the majority of respondents agreed that employees are encouraged to pursue their chosen career paths. The Government of Newfoundland and Labrador Public Service Secretariat (2008) stated that, as part of a broader workforce plan, organizations should consider a number of preliminary questions before embarking on succession planning. One of these questions is: Do employees understand they are responsible for managing their own career path(s)?

Management should then provide learning and development opportunities. The support of leadership is critical in ensuring a sustainable talent management strategy. According to Rutherford *et al* (2004) a supportive working environment that nurtures professional career growth continually strives for excellence.

5.2.1.4 Acknowledgement of good performance

The results depicted in Figure 4.10 showed that the majority of respondents agreed that good performance was acknowledged by the organization. According to Lewis and Heckman (2006), high performing talent should be managed according to performance levels. They advised that performance management should be executed at three levels with employees being separated into the top performers, the competent and the bottom performers.

5.2.1.5 Transparency about internal promotion strategy.

The results depicted in Figure 4.11 showed that the majority of respondents agreed that management was transparent about their promotion strategy. According to Goga & van der Westhuizen (2011) a skills programme should be aimed at building skills that have economic value, so as to fill positions with suitably qualified people as part of the organization's growth strategy. Noe *et al* (2011) cited promotion as a critical part of an employee development strategy, which involves moving an employee into a position with greater challenges, more responsibility, and more authority than their previous job. Conger and Fulmer

(2003) stated that transparency on succession is not just about the employer being honest; employees can be a valuable source of information about their own skills and capabilities. Most organizations have started engaging employees on formulating their own development plans.

5.2.2 Objective 2: Selection criteria for succession planning.

5.2.2.1 Selection based on good performance

Figure 4.12 shows that the majority of respondents agreed that performance criteria are used when selecting employees for succession planning. According to Phillips and Edwards (2008), identifying top performers and fostering their development provides higher chances for performance and retention.

5.2.2.2 Management invite employees to apply

Figure 4.13 shows that the majority of respondents agreed that talented employees are invited to join the programme. According to Cascio and Boudreau (2008), the effects of talent development would often be evident in resources and processes where there is enhancement of employee performance, improved engagement, and knowledge retention. This means that talented employees should be identified and be encouraged to develop themselves. One of the skills found among successful managers, according to Noe *et al* (2011) is diagnosing management development needs. This diagnosis will prompt management to invite talented individuals to development programmes to ensure the sustainable strategic success of the organization.

5.2.2.3 Employees inform their managers

The results presented in Figure 4.14 showed that the majority of respondents agreed that talented employees do inform managers of their desire to join the programme. Learning and development should be an individual's choice. Individuals are in a better position to know their own capabilities and limitations, which helps when drawing up development plans. According to the Government of Newfoundland and Labrador Public Service Secretariat (2008), employees need to understand that it is their responsibility to manage their own career path. Conger

and Fulmer (2008) also stated that employees can share information about their skills with management and formulate their own development plans.

5.2.2.4 There are structured interviews to be on the programme

Figure 4.15 shows that the majority of respondents agreed that the organization conducts interviews to select employees to participate in the programme. According to Morgan and Jardin (2010), career assessment, competency tests and 360-degree data should be part of the talent selection process. This is important to ascertain the willingness and the readiness of the employee to be on the development programme.

5.2.2.5 Employees sign a contract

Figure 4.16 shows that the majority of respondents agreed that there is a contract signed between the employee and the employer before the commencement of the succession programme. This is a practice that some organizations engage in to ensure return on investment. Unfortunately, it has not been tested whether contracting with the employees helps the organization to retain them and there is no literature available on this subject.

5.2.3 Objective 3: Employees' views on succession planning

5.2.3.1 Increase in career advancement opportunities

Figure 4.17 shows that the majority of respondents agreed that being on the programme increased their chances of being promoted. According to Augustine & Kanemoto (2009), succession planning is a deliberate effort by an organization to ensure leadership continuity in key positions and to encourage individual advancement. From a South African perspective, it is critical for the organization to implement Employment Equity policies to protect designated groups from discriminatory policies.

According to Booysen (2007), succession planning should be directly linked to broad-based management strategies that encompass several processes, including an organization's strategy. By developing a leadership pipeline, talented

employees can advance into high decision-making and leadership levels (Groves, 2006). Conger and Fulmer (2003) stated that when developing a leadership pipeline, organizations need to apply good retention and succession planning strategies.

5.2.3.2 Respected amongst fellow colleagues

Figure 4.18 shows that the majority of the respondents agreed that colleagues respect talented employees. According to Bassie & McMurrer (2007), some of the leadership elements expected by employees are teamwork, communication, role clarity and respect by management and co-workers.

5.2.3.3 Talented employees take on more complex projects

Figure 4.19 shows that the majority of respondents agreed that talented employees are allowed to take on more challenging tasks. Noe *et al* (2011) advised that the benefits for protégés should include being given challenging assignments. Employees are tasked with new responsibilities and challenges, such as completing special projects, switching roles within work teams and researching new ways of customer service. This allows employees to develop new skills.

5.2.3.4 Involvement in decision-making

Figure 4.20 shows that the majority of respondents agreed that talented employees were involved in decision-making. Morgan and Jardin (2010) stated that, as part of integrated talent management, employees that are involved in informed decision-making can produce high, sustainable performance.

5.2.3.5 Earmarked for promotion

Figure 4.21 shows that the majority of respondents agreed that talented employees are earmarked for promotions within the organization. In the employee development approach suggested by Noe *et al* (2011), promotion is an assignment to give an employee more responsibility and authority according to performance.

5.2.4 Objective 4: Reasons for remaining in the organization

5.2.4.1 Competitive salaries

Figure 4.22 shows that the majority of respondents felt that the organization is not paying talented employees competitive salaries. Phillips and Edwards (2008) stated that the cost of competent talent is included in the human capital measure and, because talent is so expensive, it should be managed carefully and systematically. The challenge comes when top performers leave their jobs, and recruitment becomes very costly.

5.2.4.2 Encouraged to apply for senior positions

Figure 4.23 shows that the majority of respondents agreed that talented employees are encouraged to apply for senior positions. According to Augustine (2009), succession planning is a deliberate effort by an organization to ensure leadership continuity in key positions and to encourage individual advancement. Through performance management, managers become aware of employees' competencies and are able to groom them for senior positions. Noe *et al* (2011), suggested that of the skills related that successful managers possess is their ability to provide a challenging climate to encourage subordinates' development.

5.2.4.3 Talented employees often get promoted to senior positions.

Figure 4.24 shows that the majority of respondents agreed that talented employees are often promoted to senior positions in the organization. Conger and Fulmer (2008) stated that succession management should focus on linchpin positions that are difficult to fill. In most organizations, these are middle to senior management positions, which are essential for the long-term health of the organization. Knowledge of candidates are ready for promotion is vital and these employees are a critical part of the leadership pipeline. A survey by Numerof *et al* (2002) indicated that the most effective retention strategy is internal promotion.

5.2.4.4 Talented employees are valued in the organization

Figure 4.25 shows that the majority of respondents agreed that the organization values talented employees. According to Wilkes (2006), employees reciprocate with loyalty and commitment towards organizations that invest in employees' personal growth.

5.2.4.5 Belief in the organization's vision for growth.

Transparency from management with regard to the organization's promotion strategy ensures that there is a shared vision for growth. Conger and Fulmer (2008) suggested that employees can be a valuable source of information about their own skills and capabilities. Most organizations have started engaging employees on formulating their own development plans. This principle of transparency brings about a shared vision for the organization. Conger and Fulmer (2008) also stated that transparent organizations have a greater chance of developing strong future leaders.

5.2.5 Objective 5: Reasons employees leave the organization

5.2.5.1 Headhunted by rival organizations

Figure 4.27 shows that the majority of respondents agreed that talented employees are headhunted by other organizations. The Department of Health (2008) warned that the brain drain and the loss of highly skilled employees need no rigorous scientific quantification before remedial action is put into place. Manna (2008) stated that employee retention issues were emerging as the most critical workforce management challenges of the immediate future. Booysen (2007) reported that there were not enough Black females to recruit from; once the organization has promoted those that are eligible, resources are depleted, forcing management to look externally.

According to Sinha and Sinha (2012), organizations who fail to retain the highest performers face the threat of being left with an understaffed, less-qualified workforce that ultimately hinders the organization from remaining competitive. The global talent war, first reported around 1998 (Beechler & Woodward, 2009), was attributed to the scarcity of talent due to the following factors: global economic and

demographic trends; increasing mobility; transformational changes to business environments, skills and cultures; and diversity.

5.2.5.2 Better salary packages

Figure 4.28 shows that the majority of respondents agreed that other organizations are offering better salaries. According to Booysen (2007), Black managers are offered lucrative packages that cannot be matched by the current organization. Phillips and Edwards (2008) stated that one of the biggest motivators in talent management is rewarding talent. They further stated that acquisition of talent is expensive and this includes salaries.

5.2.5.3 No support from management

Figure 4.29 shows that the majority of respondents disagreed with the statement, and instead indicated that management do support talented employees. According to Currie (2010), for organizations to ensure continued service, management should support ongoing development of employees who are ready to move into key roles. Noe *et al* (2011) advised that the benefits for protégés should involve career support offered by the organization.

5.2.5.4 No promotions within the organization

Figure 4.30 shows that the majority of respondents felt that the organization does not always promote talented employees. Naveen (2006) stated that succession planning is associated with higher probability of inside succession and voluntary succession.

The purpose of the talent management process is to ensure an adequate flow of employees into jobs throughout the organizations (Kesler: 2002) When talented employees are not promoted, boredom and frustration can lead to looking for "greener pastures". However, the Government of Newfoundland and Labrador Public Service Secretariat (2008) warned that management should also prepare employees for the fact that succession planning will not always lead to promotion.

5.2.5.5 Lack of incentives for high performance

Figure 4.31 shows that the majority of respondents agreed that the organization lacks incentives for high performance. According to Phillips and Edwards (2008), if used appropriately, recognition for high performance can be one of the most effective motivators.

5.3 SUMMARY

The results showed that, with regard to the demographic profile of the respondents, the gender representation was skewed, as there was only one male respondent. The age profile indicated that the majority of respondents were above 40 years of age and the majority had been in the organization for nine years or more. The race profile showed that the majority of respondents were Indian, followed by Whites, and there were very few Black and Coloured participants. The qualification the majority of the respondents held was a diploma and most respondents were supervisors.

Generally, the respondents were positive about the succession planning strategies in the organization. With regard to the reasons why talented employees leave the organization, respondents felt that talent is headhunted, other organizations offer better salaries, there is a lack of incentives for talented employees, and talented employees do not get promoted in the organization.

A cross-tabulation was done to determine different positions' views on reasons for leaving the organization. Supervisors gave the majority of negative responses and cited all the reasons mentioned above as explanations for talented employees leaving the organization.

CHAPTER 6- CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

The conclusion and recommendations were drawn from the results of the study presented in Chapter 5. Succession planning is one of the most critical issues for organizations that want to sustain growth. Different strategies have been used or suggested by different authors; however, there are basic principles that every organization should adhere to, namely planning for future needs, acquiring the right talent, developing and managing the talent as well as retaining it.

The backdrop of any organization's vision should be the need to develop its people and this vision should be shared with the employees. In this study, employee views suggested that they are generally satisfied with the succession planning strategy in the organization. The areas where respondents gave negative responses will form basis of the recommendations in this chapter.

6.2 RECOMMENDATIONS BASED ON THE STUDY

The study set out five objectives, aimed at understanding the impact of succession planning on employee retention. These objectives were:

- To identify succession planning processes used by health care organizations
- To establish employee selection criteria for succession planning
- To determine employees' views on of succession planning
- To establish the reasons why employees remain in the organization after having been on a succession planning programme
- To establish the reasons why employees leave the organization after having been on a succession planning programme.

In order for health care organizations to improve talent retention through succession planning, it is important that the results of the current study are communicated.

6.2.1 Respondents demographics

It is evident, based on the results, that the racial representation on the succession planning programme has not addressed the designated groups. Blacks and Coloureds are not represented and this creates a problem in the leadership pipeline. Booysen (2007) reported slow progress with Employment Equity, evident in a decrease in the numbers of both African and Coloured females at the professional and middle management level of employment. This is cause for concern, as this level is considered a "feeder" to senior and top management positions. If this drop continues, it will not be possible to fill these positions with African males and females.

Concerted efforts should be made to address the demographic imbalance in talent management. According to Section 15 of the Employment Equity Act (Act 55 of 1998) organizations should implement affirmative action measures that include:

- Identification and elimination of barriers with an adverse impact on designated groups;
- Measures which promote diversity;
- Making reasonable accommodation for people from designated groups;
- Retention, development and training of designated groups (including skills development); and
- Preferential treatment and numerical goals to ensure equitable representation.

6.2.2 Succession planning process and selection criteria

The results showed that the majority of the respondents were satisfied with the succession planning process in place and the selection criteria used. However, there was a strong element of uncertainty among those that responded negatively.

- It is recommended that the organization re-launch the programme through presentations, road shows and on induction of new employees. The programme and the processes in place need to be clearly defined and shared with all employees. A strong awareness has to be created of what the organization has to offer in terms of succession planning. Succession

planning should be on the agenda for every high-level meeting where decision makers, the board, and senior management are involved.

- The employees that are selected for the programme should be clearly informed about the process, what to expect and what is expected of them. According to Phillips and Edwards (2008), the most effective way of approaching talent management is by using systems approach to ensure that different elements of the process are integrated.

6.2.3 Reasons employees leave the organization

This section was the most critical as it directly addressed employee retention or lack thereof. The results from the study showed that the majority (80%) made negative responses; therefore, recommendations are made for each sub-section.

6.2.3.1 Headhunted by rival organizations

Booysen (2007) states that one of the external barriers to EE implementation is head-hunting and better external job opportunities, where Black managers are offered lucrative packages that cannot be matched. A further barrier cited by Booysen (2007) is that there are not enough Black females to promote. Once the organization has promoted those that are able the resources are depleted, forcing management to look externally. It is recommended that organizations:

- Identify Black mentors within the organization to actively groom talented Black employees for senior positions
- Be willing to pay for talent as the rival organizations are not shy about offering lucrative salaries for talent
- Consider tying talented employees to contractual agreements, which might help the organization to realize return on investment
- Engage in honest meetings with talented employees regarding their future plans and their expectations of the organization.

6.2.3.2 Better salary packages

The responses from the study indicated that the organization is not offering competitive salary packages. It is recommended that the organization:

- Pay competitive salaries based on the 75 percentile for employees within the most important specialities (Martel, 2003)
- Create a retention bonus programme and share scheme for high performers and scarce skills, so as to engender a sense of loyalty and ownership.

6.2.3.3 No promotions within the organization

The results showed that the organization is inviting employees to apply for the programme, but talented employees are often not getting promoted to senior positions. Recommendations in this regard are:

- Assessment of employee readiness throughout the succession planning programme is critical and employees that are ready for promotion should be discussed at strategic meeting to create an awareness of their availability.
- Exposing employees through a series of projects such as formal education, job enlargement, job rotation, transfers and downwards moves will prepare employees for promotion (Noe *et al., 2011)*.
- Employees that have not been successful in getting a promotion should have a feedback meeting on shortcomings and the organization should assist the employee to close that gap.

6.2.3.4 Lack of incentives for high performance

The results showed that the organization does not have an effective incentive system that adds value for the employees. Recommendations in this regard are:

- A reward and recognition system for high performance should be considered. High-performers get despondent if they are treated in the same way as under-performers.
- A distinct separation between the levels of performances should be instituted that allows employees to experience both intrinsic and monetary rewards. Phillips and Edwards (2008) stated that recognition of good performance is one of the most effective motivators. Rewards must be of value to the employees, for them to have a positive effect.

6.3 RECOMMENDATIONS FOR FUTURE RESEARCH

The scope of this study encompassed five objectives. Some critical issues related to succession planning could not be covered and will necessitate further research, in order to strengthen the organization's retention strategy.

- An investigation should be conducted by the Human Resource Department into the rate of termination for employees who have been part of the succession planning programme. It is important to know if and for how long they stayed in the organization after the programme. It is also important to establish how many talented employees were promoted after participation in the succession planning program and their effectiveness in their new positions.

- The reasons for talented employees not getting promoted after having been exposed to the succession planning program also need to be established. This will allow the organization to identify and address shortcomings in the system.

- It is also a worthwhile exercise to investigate further the reasons why talented employees stay in the organization. Studies show that the number of years employees spend with one organization have decreased dramatically. According to Meister (2012), in the USA, the average length of employment is now 4.4 years. While this study revealed that the majority of respondents had been with the organization longer than nine years, these are employees that have actually been promoted to higher positions. It is not clear how many have exited due to lack of promotion opportunities.

  The organization can capitalize on the reasons why these talented employees have stayed to ensure that even more talented employees are retained in the future. It cannot be overlooked that some factors that influence talented employees to leave the organization are outside of the organization's sphere of control. However, the organization can strengthen its policies and system with regard to those factors that can be controlled,

such as salaries, incentives and a reward system, and offering development and promotion opportunities.

- The study was limited to three Netcare hospitals, it is recommended that another study be conducted on a larger scale, where more Netcare hospitals participate or even other private hospitals, as this will assist in establishing whether the results are similar across the board.

6.4 LIMITATIONS OF THE STUDY

6.4.1 Obtaining permission from the sponsor

Gaining access to the hospitals required permission from management, and some hospitals did not grant permission; this limited the sample size.

6.4.2 No control over the data collection process

The questionnaires were delivered to the senior management in each hospital, and were collected after one week. Out of 65 distributed questionnaires only 52 were returned completed.

6.4.3 Availability of literature

There was very limited printed literature available from the libraries. The researcher relied heavily on articles and journals from reliable academic search engines.

6.5 SUMMARY

The study aimed to establish the impact of succession planning on employee retention. The objectives were to determine and establish existing succession planning processes, the selection criteria for succession planning, employee views on succession planning, and reasons for remaining in or leaving the organization after being part of the succession planning programme.

The results confirmed that succession planning has no direct impact on influencing employees to stay. In fact, once employees are exposed to the succession

planning programme their value increase, making them more marketable. Respondents indicated that the organization does not pay them what they are worth; therefore, if they are headhunted by rival organizations with better salary packages and incentives, they are enticed to leave.

Regardless of its limitations, the current study can be beneficial to the organization in terms of reviewing and strengthening its talent retention strategies. Recommendations for future research were also made, which encourage exploring the subject further for the benefit of all the relevant stakeholders.

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Informed Consent Letter

UNIVERSITY OF KWAZULU-NATAL
SCHOOL

I am an MBA student, at the Graduate School of Business & Leadership, of the University of Kwazulu Natal and am currently undertaking research project on "Impact of Succession Planning on Employee Retention".

Through your participation I hope to understand the issues around this subject and make informed recommendations to the organization. Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey/focus group. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business & Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me at the number listed below.

The survey should take you about **10-15** minutes to complete. Please return the completed questionnaire to Management office. I hope you will take the time to complete this survey.

Sincerely

Gillian Mthembu

0834176960

gillian.mthembu@yahoo.com

<u>QUESTIONNAIRE</u>

Thank you for taking time to complete this questionnaire. Please note that there are two sections; Section A and section B. Please tick next to the most appropriate response in the box provided.

<u>SECTION A</u>

Respondent's demographic information:

1. Respondent's Gender

Female	
Male	

2. Respondent's age group

Less than 26	
26-30	
31-35	
36-40	
Above 40	

3. Respondent's educational qualifications

Matric	
Certificate	
Diploma	

Degree	
Post Grad	

4. Respondent's ethnic origin

Black	
White	
Indian	
Coloured	
Other	

5. Respondent's years in the organization

Less than 2 years	
3-5 years	
6-8 years	
9 years and above	

6. Respondent's position in the organization

Supervisor	
Middle manager	
Senior manager	
Executive manager/CEO	

SECTION B

1. To identify succession planning processes used by health care organisations

Senior management is involved in the succession planning program	Strongly agree	Agree	Strongly Disagree	Disagree
Employees are allocated to different talent pools	Strongly agree	Agree	Strongly Disagree	Disagree
My organization encourages employees to pursue their chosen career paths	Strongly agree	Agree	Strongly Disagree	Disagree
My organization acknowledges good performance	Strongly agree	Agree	Strongly Disagree	Disagree
My organization is transparent about their internal promotion strategy	Strongly agree	Agree	Strongly Disagree	Disagree

2. To establish employee selection criteria for succession planning program's

Talented employees are selected by managers based on good performance	Strongly agree	Agree	Strongly Disagree	Disagree
Talented employees are invited by management to apply to be on the program	Strongly agree	Agree	Strongly Disagree	Disagree
Talented employees inform managers of their desire to be on the program	Strongly agree	Agree	Strongly Disagree	Disagree

Talented employees undergo structured interviews to be on the program	Strongly agree	Agree	Strongly Disagree	Disagree
Talented employees sign a contract with the organization to be on the program	Strongly agree	Agree	Strongly Disagree	Disagree

3. To determine employees' views of succession planning

Career advancement opportunities have increased after the program	Strongly agree	Agree	Strongly Disagree	Disagree
Talented employees earn respect amongst fellow colleagues	Strongly agree	Agree	Strongly Disagree	Disagree
Management allows talented employees to take on more complex projects	Strongly agree	Agree	Strongly Disagree	Disagree
Management allows talented employees to be involved in decision making	Strongly agree	Agree	Strongly Disagree	Disagree
Talented employees are earmarked for promotion	Strongly agree	Agree	Strongly Disagree	Disagree

4. To establish the reasons for employees to remain in the organisation after having been on a succession planning program

Talented employees are offered competitive salaries in the organization	Strongly agree	Agree	Strongly Disagree	Disagree
Talented employees are encouraged to apply for senior positions	Strongly agree	Agree	Strongly Disagree	Disagree

Talented employees often get promoted to senior positions	Strongly agree	Agree	Strongly Disagree	Disagree
Talented employees are valued in the organization	Strongly agree	Agree	Strongly Disagree	Disagree
Talented employees have belief in the organizations vision for growth	Strongly agree	Agree	Strongly Disagree	Disagree

5. To establish reasons for employees to leave the organization after having been on a succession planning program

Talented employees are headhunted by rival organizations	Strongly agree	Agree	Strongly Disagree	Disagree
Other organizations offer better salary packages	Strongly agree	Agree	Strongly Disagree	Disagree
Talented employees do not get support from management	Strongly agree	Agree	Strongly Disagree	Disagree
Talented employees sometimes don't get promoted within the organization	Strongly agree	Agree	Strongly Disagree	Disagree
Lack of incentives for high performance	Strongly agree	Agree	Strongly Disagree	Disagree

End of the Questionnaire

Thank you for taking the time to complete the questionnaire.

TURNITIN REPORT

Turnitin Originality Report

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Certificate of English Editing

This is to certify that the dissertation entitled *Impact of succession planning on employee retention* by Gillian Mthembu (Student Number: 209511626) of the University of KwaZulu-Natal has been edited for language by Dr Catherine Blanchard

Blanchard   26 Nov 2012

Dr Catherine Blanchard   *Date*
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ETHICAL CLEARANCE LETTER

UNIVERSITY OF ™
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

27 July 2012

Ms Gillian Mthembu (209511626)
Graduate School of Business & Leadership

Dear Ms Mthembu

Protocol Reference Number: HSS/0567/012M
Project Title: The impact of succession planning on employee retention

In response to your application dated 04 July 2012, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL.**

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number. Please note: Research data should be securely stored in the school/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

....
Professor Steven Collings (Chair)
/ms

cc Supervisor: Dr Naveen Jumna
cc Academic Leader: Dr Shamim Bodhanya
cc Admin: Mrs Wendy Clarke