

# An Empirical Investigation on Relationship between Succession Planning Practices and Employee Retention on Banking Professionals Pertaining to Saudi Arabian Context

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## Abstract

The main objective of this research paper is to explore the linear relationship between succession planning and employee retention strategies and also to investigate the effect of demographic variables among banks professionals in public and private banking sector in Saudi Arabia. A sample of 155 usable questionnaires was collected and was utilize for analysis from banking professionals working in Saudi Arabia. To analyse the results and to test the hypothesis, various statistical measures such as One Sample t-test, Correlation Coefficient, General Linear Model, Multivariate analysis of Variance (MANOVA) was performed and was conducted through SPSS 18 version. The results revealed that succession planning has a positive and significant coefficient relationship with employee retention of bank professionals working in public and private sector. It is also shown that succession planning has a significant and strong relationship with employee retention. Overall the analysis indicates that has a significant and positive impact on some of the demographic variables working in banking sector.

**Keywords:** Succession Planning Practices, Employee Retention, Demographic Variables, General linear Model, Multivariate analysis of Variance (MANOVA)

## Introduction

The single greatest challenge in workforce management is creating or maintains their companies' ability to compete for top talent. As a result of various factors such as changes in workforce demographics, worldwide competition, mergers and acquisition volumes, and new era technology that need the readiness for the act of developing a pool of talent to take up leadership responsibilities and drive the businesses to the next and appropriate destination (Siebert and Nikolay, 2009). Succession planning is driven by the concern over continuity in executive leadership for the future, and the potential cost of disruptive succession from one leader to another. To a lesser extent, it is driven by the desire that future leaders come from within the company. Succession planning is also vital to retaining leadership talent within the corporation. Improving retention is the only way to negate this expense; therefore an organization needs to track retention to see if there is room for improvement - and subsequently room to protect their bottom line.

Succession Planning is a risky perspective for any existing or

forthcoming organization that needs to remain competitive in order to sustain in the external environment. Succession planning plays a very important role in recognizing the existing personnel and their potential skills and competencies that can be utilize or enhanced to lead the company performance in the upcoming future. Adebola (2019) has indicated that succession planning saves the cost and time for personnel recruitment and selection. It also enhances the employee's loyalty, engagement and very importantly it creates diverse pool of skilled and talented individuals within an organization. To reach the utmost goals or objectives of the organization which it has set, it is very important to have effective leadership. Latest researchers have stated that an organization can fail to achieve its targets if it is not powered by good leadership. Making use of succession planning is not restricted to enhance leadership development; however, employees' retention in this competitive and ever changing world of organizational transformation is a biggest challenge for the big business. According to (Bolander et al. 2017), succession planning is envisioned to assist the firms in managing or retaining their talent pipeline.

Different patterns, activities and their possible consequences are basically forcing businesses to proactively implement the succession planning practices. Succession planning can be characterized as a "systemic, long-term process to identify priorities, needs, and roles within an organization and to prepare individuals or groups of employees for responsibilities related to the work required within an organization" by (Luna 2012, 58). According to Groves (2003) succession planning presently act as a mechanism to accomplish proficient human resources management, effective leadership advancement in order to retain the best talent in such a way that enables the organizations to regulate their full potential. Doing in and of itself is increasing vital for a couple of motives, Firstly, succession planning supports the organization to avoid wasting recruitment price and encourage the internal employees to protect the higher leadership openings within the future. Secondly, succession planning embraces the skilled and talented employee who actually provides the empowerment to the companies to employ them onfulminant unoccupied positions for the smooth effective and operational functioning of retail banking tasks and utilizing the total potential of their human resources. As indicated by Fink (2010) in his research that individuals have more apprehension and concern in their career progression and new searchers for job employment. As a result, it is very vital that organization should frame good approaches and strategies such as succession planning to provide assurance in order to seek and draw the attention of individuals and retain the best talent in the organization.

Because of the proactive nature of succession planning it can undertakes the risk of turnover as Appelbaum et al. (2012) mentioned in his research that succession planning practices transfer the information and knowledge to the upcoming young generation who will inexorably undertake the key leadership roles in the forthcoming future.

**Statement of the Problem:** As per Armstrong (2012) stated that in today's time, many organizations emphasis a lot on talent management and development processes overlooking the fact that brilliant and aspiring working employees do not prefer to stay for a longer period to secure higher level of managerial positions. Today, majority of firms do not implement succession practices, which are meant to help them create "a feeder system" of high potential employees into executive /managerial positions. This led them to struggle to fill the job openings predominantly at the high managerial level and tends to lead into deep dissatisfaction among employees resulting to poor performance and low retention of talented employees (Eshiteti et al. 2013). Very limited researchers have been performed to establish a clear causal relationship that can be modeled. There is no known study done locally that has examined the relationship between succession planning practices and employee retention among banking professionals in Saudi Arabia. This study is therefore an attempt to fill this gap in knowledge and will seek to answer the question: What is the relationship between succession planning practices and employee retention in banks in Saudi Arabia?

**Need of the study** - Empirically and theoretically, a few studies have investigated the influence of succession planning on employee retention in banking sector. For instance, Sweeney (2013) hypothesized that succession planning act as an employee engagement policy that creates innovative knowledge model, helps in building employees dependability, dejects turnover intentions and increases employees' motivation and morale. In a similar vein, Nzuve (2010) empirically highlighted that succession planning as an employee retention strategy, which helps the organization to retain their workforces by proposing them progressive growth and expansion prospects. Consistent with these findings, Ali et al. (2014) in his research has empirically emphasized the relationship between succession planning and employee performance and highlighted the fact that succession planning substantially enhances the employee's performance in a firm. Preceding research studies of succession management determine that succession planning is its progressive phase, which necessitates further studies to recognize the prospective of succession planning in generating upcoming leadership

through forming the association of succession planning and its effect on employee retention strategies.

## **Literature Review**

### **Succession Planning**

Mehrabani and Mohamad (2011) shows that the key to the future fulfilment of an corporation is determined through the way it assesses the firm's employees and is attentive to value the worth of humans it has and what resources will it requires in the upcoming future. The aforementioned authors added and highlighted the fact that "succession planning act a human resource tool which can assist to determine the existing and upcoming future needs of the organisation. As stated by Kim (2010) Succession planning is not a singular event but rather an ongoing system of procedures to develop future replacements. Edwards (2012) underlined the fact that the organizations faces survival issues if they do not recognize the key managerial positions, whereas Stuart (2012) in his research mentioned that many Indian firms are proactively concentrating on succession planning as a human capital management strategy. Many progressive and advanced organizations found and explained that succession planning is very significant for numerous studies, for example, letting a higher key performer would make financial performance as vulnerable or even put organization in a challenging situation to operate (O'Gorman, 2006). Research by Sweeney (2013) stated that succession planning in educational setting, municipal administration, and health care setting have recognizes that engaging the employees with succession planning brings new knowledge development horizons, firms not only discourage the quit intentions but also help in building and enhancing morale and loyalty within the employees.

### **Employee Retention**

According to the recent statistics retrieved from business daily pay (2018) stated that employee retention is an organization's ability to keep its employees. Employee retention is usually represented as a percentage. For example, an annual retention rate of 80% indicates an organization kept 80% of its employees that year and lost 20%. Keeping track of employee retention is important because disengaged employees and turnover costs are wildly expensive. Some studies calculate that entry-level employees who make an average salary of \$40,000 cost 40% of their annual salary to replace. Improving retention is the only way to negate this expense; therefore an organization needs to track retention to see if there is room for improvement - and subsequently room to protect their bottom line.

### **Relationship between succession planning practices and employee retention**

Employee retention in this unpredictable and extremely dynamic business environment is being lowered in maximum organizations in the global world today. As a result of various factors such as changes in workforce demographics, worldwide competition, mergers and acquisition volumes, and new era technology that need the readiness for the act of developing a pool of talent to take up leadership responsibilities and drive the businesses to the next and appropriate destination (Siebert and Nikolay, 2009). However, a few studies have recognized a relationship between employee retention and succession planning. Waleed (2011) did an experimental research study on the association between human resource practices and employee retention in public organisations at the United Arab Emirates and came to a conclusion that lack of empowerment and management style are factors that influenced the retention of employees in UAE public 26 organisations. In one of his study at standard chartered bank in Ghana by Nyamekye (2012) concluded that 65% of the personnel had no intention to leave their firm and they are interested in long-term career plans. This was accredited to the fact that the firm appropriately redirects its retention intervention strategy in consonance with the valence of employees such that pay rise always factors in the inflation rates. According to Chikumbi (2011) emphasis the study on talent management and staff retention at the Zambia bank and came to a conclusion that employees are motivated with several factors such as setting realistic objective's, knowledge enhancement and higher learning prospects, valued suggestions and ideas and enhancing innovation and creativity which plays a great role in contributing to retention strategies. As indicated by Chepkwony (2012) stated in his research about linking between succession planning, talent management practices and corporate strategy between commercial banks in Kenya and concluded that there is a strong relationship between these variables. He also emphasized the fact that banks are dependent on management trainees as part of the retention strategy out of which very least percentage are retained for five years of time span.

A research conducted by Anyika (2012), has observed that relationship among psychological contract and employee retention at Barclays Bank of Kenya and brings out the key point that 60% of the firm employees were dissatisfied and they urge to quit the organization. According to his perception he outlines that psychological contract was not only the reason which makes the employees quit the organization as there are many other factors which has contributed to withdrawal of employees from the

organization. Kataike (2013) has focused on the research depicting association among talent management and employee retention in commercial banks in Kenya and drawn a conclusion that talent management cannot be parted from employee retention. To this he came to a conclusion that training and development opportunities appeared as one of the causes which affects employee's retention of which management had neglected over a period of time. As per Eshiteti et al. (2013) has focused on the research study reflecting the effects of succession planning programs on staff retentions amongst sugar companies in Kenya and drawn a conclusion that succession planning is a vital and strong predictor for staff retention basically through establishment of employee's growth and developmental prospects and job satisfaction. This was assisted through couple of programs like mentoring, coaching, job rotation and different learning programs.

### Objectives

**The main objective of this research study is as follows:**

firstly, to assess the relationship between succession planning practices and employee retention strategies among banks professionals and secondly, to investigate its effect on demographic variables (current status, level of education, length of services, age, gender, nationality and sector).

### Demographic variables

Demographic variables play a significant role and have a great impact on succession planning that leads to employee retention for any organization. Very scarce and no research articles are depicting on succession planning and employee retention that has its impact on demographic variables (current status, level of education, length of services, age, gender, nationality sector) so far. Hereby, I have made an attempt to investigate the relationship and its impact which will definitely add value to new literature pertaining to succession planning and employee retention to banking professionals in Saudi Arabian context.

H1. Succession planning has a positive and significant coefficient relationship with employee retention.

H2. Succession planning has a strong relationship with employee retention.

H3. Succession planning and employee retention has a significant and positive impact on demographic variables (current status, level of education, length of services, age, gender, nationality and sector).

### Research Methodology

This study was conducted in public banks in Saudi Arabia. The survey questionnaires were conveniently distributed to 250 banking professionals in public and private banks in Jeddah, Saudi Arabia. In the end, a total of 155 usable questionnaires were collected and was utilized for analysis. The survey was conducted during the between of March - August 2019. To analyse the results and to test the hypothesis, various statistical measures such as One Sample t-test, Correlation Coefficient, General Linear Model, Multivariate analysis of Variance (MANOVA) was performed and was conducted through SPSS 23 version.

### Result Analysis

The responses received from the survey of 155 banking professionals in public and private are first put to a reliability test as shown in table 1- Cronbach's Alpha –Succession Planning Practices ( .877) and Employee Retention Strategies ( .901). Before we proceeded to test the hypotheses developed in this study, we first performed the correlations between the variables on the items that measured succession planning practices and employee retention strategies. And it was found that the correlation coefficient is called statistically significant at 5% level of significance as shown in table 2 which means hypothesis 1 is supported. The demographic details are provided in table 3.

**Table 1 – Reliability Test**

Factors	Cronbach's Alpha	No. of Items
SPP	.877	25
ERS	.901	19

**Table 2 - Pearson's correlations coefficients between the variables**

		ISPPM	IERSM
ISPPM	Pearson Correlation	1	.713 <sup>**</sup>
	Sig. (2-tailed)		.000
	N	155	155
IERSM	Pearson Correlation	.731 <sup>**</sup>	1
	Sig. (2-tailed)	.000	
	N	155	155

<sup>\*\*</sup>. Correlation is significant at the 0.01 level (2-tailed).

**Table 3 – Demographic Profile**

<b>Current level in the Organization</b>	Frequency	Percentage%
Senior level Manager	50	32.1
Middle level Manager	54	34.6
Junior Staff	50	32.0
<b>Missing value</b>	2	1.3
<b>Highest level of Education</b>		
Ph.D.	26	16.7
Master degree	48	30.8
Undergraduate degree	67	42.9
Diploma	15	9.6
<b>Length of Service</b>		
0-2 years	37	23.7
3-5 years	54	34.6
6-10 years	31	19.9
11 years and above	34	21.8
<b>Age</b>		
20-29 years	81	51.9
30-39 years	45	28.8
40 -49 years	23	14.7
50 years and above	7	4.6
<b>Gender</b>		
Male	80	51.3
Female	76	48.7
<b>Nationality</b>		
Saudi	139	89.1
Non-Saudi	17	10.9
<b>Sector</b>		
Public	49	31.4
Private	107	68.6

Survey Results



**Table 4 – One Sample t- test**

<b>Succession Planning Practices (SPP)</b>	<b>Mean</b>	<b>SD</b>	<b>t– value</b>	<b>p (2-tailed)</b>
In my company, succession planning puts into consideration all key positions.	3.22	1.301	30.815	.000
In my company, performance appraisals are conducted annually.	3.57	1.217	36.502	.000
Job rotation is implemented in all departments within the company.	3.33	1.223	33.898	.000
Rewards are given to all employees without any discrimination, in my company.	2.95	1.210	30.329	.000
Based on employee's performance, bonuses and incentives are given to all employees.	3.41	1.352	31.374	.000
In my company, management supports all the employees who wishes to advance their career through training sponsorships and Educational assistance.	3.37	1.299	32.266	.000
In my company, employee career paths are defined clearly by the HR department.	3.67	1.406	32.517	.000
In my company, employees are entitled to receive feedback on their talent reviews.	3.50	3.497	12.474	.000
In my company, training and development opportunities are available to all employees.	3.61	1.225	36.661	.000
In my company, the managers and supervisors have effective leadership and managerial skills.	3.31	1.132	36.194	.000
In my company, employees are occasionally given a chance to define their own rewards.	2.92	1.209	30.098	.000
In my company, coaching and mentoring are well practiced by supervisors and managers.	3.57	1.211	36.741	.000
In my company, outstanding and talented employees are always considered for sponsorships.	3.19	1.201	33.100	.000
In my company, there are opportunities available for employees to improve their skills and competencies.	3.81	1.155	41.086	.000
In my company, pay and grading structures will allow the employees to define their own remunerations.	3.32	1.173	35.267	.000
In my company, succession planning is considered only for top level of management.	3.72	1.183	39.110	.000
In my company, employees are recruited from diverse demographic background levels.	4.08	5.846	8.696	.000
In my company, the succession plan encourages promotion form within based on merit basis.	3.59	1.062	42.066	.000
Rewards are given to talented employees in my company.	3.33	1.111	37.292	.000
Any changes in HR policies are always communicated to the employees in my company.	3.63	1.169	38.629	.000
Talented employees are always attracted to join the company due to its good image and goodwill in retaining best talent.	3.36	1.150	36.380	.000

In my company, diversity management policy disregards any form of discrimination in form of gender, age, religion etc.	3.81	1.111	42.643	.000
In my company, there are flexible rewards and benefits that cater for family/individual needs and preferences.	3.63	1.112	40.608	.000
In my company, we have “open communication” policy between management and employees.	3.63	1.057	42.457	.000
In my company, employees are offered internship opportunities to assist them to advance their careers.	3.96	1.050	46.972	.000
<b>Employee Retention Strategies (ERS)</b>				
In my company, induction programmes are conducted which motivates new employees to stay.	3.74	1.228	37.878	.000
In my company, the employees are entitled to take leaves as to avoid stress and burnout.	3.12	1.200	32.319	.000
The cooperate culture of my company makes the employees motivated to work in conducive environment.	3.48	1.107	39.182	.000
The internship programme has enabled the management to retain best talent in the company.	3.45	1.001	42.852	.000
My company ensures there is no breach of psychological contracts and most of employees’ expectations are met.	3.06	.978	39.004	.000
In my company , sponsorship for training opportunities is available to only the talented employees.	2.77	1.154	29.928	.000
In my company , it is evident that management is able to retain majority of promoted employees.	3.57	1.105	40.285	.000
In my company , Line Managers always support employees and are willing to assist them anytime they seek guidance.	3.68	1.134	40.390	.000
In my company , managers motivate employees to stay as they groom them to take management positions..	3.38	1.245	33.818	.000
In my company , pay is always based on performance which has helped to retain most of the employees.	3.25	1.202	33.598	.000
In my company, the vision, mission and values are clear and are well displayed to all employees.	3.72	1.188	38.929	.000
“Headhunting” and networking has enabled management to attract and retain key talent in my organization.	3.49	1.224	35.501	.000
In my company, employee offered overseas trainings are usually bonded and this assists in retaining them.	3.35	2.496	16.704	.000
In my company , performance appraisals are always done to facilitate promotions and transfers of employees.	3.43	1.099	38.878	.000
In my company , salaries are always benchmarked with the market rate and this has boosted retention of employees.	3.01	1.219	30.695	.000

Flexible working hours and employee wellness programmes have contributed to employee retention in my organization.	3.19	1.293	30.681	.000
In-house training programmes always bond employees and have contributed to retaining key talent in my organisation.	3.27	1.107	36.797	.000
In my company , employees are always given a chance to express their suggestions which makes them feel valued.	3.68	1.173	39.033	.000
The existing succession plan in my organization motivates employees to consider working until retirement age.	3.83	1.012	47.157	.000

#### Survey Results

As shown in table 4 descriptive statistics such as frequencies, percentage, mean and standard deviation was used to analyze the data. In addition to the above descriptive analysis, a One Sample t-test was performed to determine whether differences exist between the sample mean and the population mean (that is, 2.5) as shown in table 4. General linear regression analysis was utilized and guided by the model as indicated in table 5(A).

$Y = \beta_0 + \beta X + E$  Where:

$Y$  = Employee Retention

$X$  = Succession planning

$\beta_0$  = Constant

$\beta$  = Regression coefficient

$E$  = Error term

The coefficient of correlation indicates the extent of linear relationship between the two variables i.e succession planning and employee retention. As a result it shows a strong linear relationship at 71.3% between employee retention and succession planning. The regression statistics further shows a coefficient of determination (R Square) value of 0.509. Thus 50.9% of variations in succession planning in the banks were accounted for by corresponding variations in employee retention. The rest of the variations (49.1%) were accounted for some other unexplained factors contained in the constant,  $\beta_0$ , or some error. The result of analysis of variance presented on table 5(B). The analysis of variances aims at obtaining the statistic F, which is the test for statistical significance of the regression equation as a whole. The regression model is said to be suitable and acceptable for analysis when the obtained F-value is greater than the F-value shown on the tables based

on the degrees of freedom involved and the desired degree of confidence. As presented in table 5(B), the analysis of variance obtained F-value of 158.492 with 87.902 degrees of freedom with 99% degree of confidence. Therefore the model was reliable and sufficient for the analysis.

As indicated in table 6 shows regression coefficient  $\beta_0 = 1.110$  and  $\beta X = 0.705$  in the regression model  $Y = \beta_0 + \beta X + \epsilon$ . The coefficient  $\beta X$  provides the measure of the contribution of the independent variable (Employee retention) to the dependant variable (Succession Planning), on the other hand the coefficient  $\beta_0$  shows the contribution of factors other than the independent variable. It shows that the relationship between employee retention and succession planning as be expressed as a linear function  $Y = 1.110 + 0.705X$ . This indicates that 70.5% of employee retention accounts for succession planning in the bank. Table 3 also presents the results of the t-test on the resulting values of  $\beta_0$  and  $\beta X$  respectively. The t-test for  $\beta_0 = 1.110$  gave a t-value of 5.705 and a p-value of 0.000. Likewise, the t-test for  $\beta_1 = 0.705$  gave a t-value of 12.58 and a p-value of 0.000. The results revealed that the probability that the  $\beta_0$  value obtained is attributed to the research variables and the probability of  $\beta_1$  was attributed to the relationship of employee retention and succession planning at the significant level. Thus, these results indicates that they there is a very strong association between succession planning and employee retention. Hence, Hypothesis 2 is supported.



**Table 5 – Linear Multiple Regression Model****Table 5 (A): Regression Results: Statistics for the Coefficient of Correlation and Coefficient of Determination Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.713 <sup>a</sup>	.509	.506	.53122	.509	158.492	1	153	.000	2.047

a. Predictors: (Constant), ISPPM

b. Dependent Variable: IERSM

**Table 5 (B): Regression Analysis : Analysis of Variances ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.726	1	44.726	158.492	.000 <sup>a</sup>
	Residual	43.176	153	.282		
	Total	87.902	154			

a. Predictors: (Constant), ISPPM

b. Dependent Variable: IERSM

**Table 6: Regression Results: Coefficients of the Regression Model**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.110	.195		5.705	.000
	IERSM	.705	.056	.713	12.589	.000

a. Dependent Variable: ISPPM

**Table 7 - Multivariate Analysis of Variance (MANOVA)**

Factors	MISPP	MIERS
Current Level	Ns	3.005(0.03)
Highest level of Education	2.882(0.03)	3.440(0.00)
Length of Service	Ns	Ns
Age	2.258(0.04)	Ns
Gender	Ns	Ns
Nationality	Ns	Ns
Sector	4.643(0.01)	2.492(0.04)

Note: Significant level at  $p < 0.001$  at two-tailed;  $p < 0.005$  at one-tailed

IEPP = Implementation of Succession Planning Practices; IERS = Implementation of Employee Retention Strategies

Table 7 shows that Multivariate analysis of Variance (MANOVA) was conducted to identify and investigate that succession planning and employee retention has a significant and positive impact on demographic variables (current status, level of education, length of services, age, gender, nationality and sector).

### **Current Level**

Multivariate Analysis of Variance (MANOVA) tests confirm that there is only one difference in variable. Employee retention strategies ( $f= 3.005$ ;  $p=0.03$ ). The middle level managers in banks with a mean score of 3.5926 have supported that the existing succession plan in their organization motivates employees to consider working until retirement age and also the banks have clearly specified the mission, vision and values to all their employees in comparison with senior level manager with mean score of 3.3989 and junior staff with a mean score of 3.1487.

### **Highest Level of Education**

The finding from table 7 shows that there is a positive and significant impact of succession planning practices on employee retention strategies. Succession planning practices ( $f= 2.882$ ;  $p=0.03$ ). The master's level of banking professionals with a mean score as 3.7655 stated that succession planning is strictly considered for top level management and diversity management policy disregards any form of discrimination against gender and religion as comparative to undergraduate degree with a mean score of 3.7538 and diploma holders with a mean score of 3.3319.

Employee retention strategies ( $f= 3.440$ ;  $p=0.00$ ). The master's level of banking professionals with a mean score as 3.6802 has supported that line managers always support employees and are willing to assist them anytime they seek guidance. They also agreed that "Headhunting" and networking has enabled management to attract and retain key talent in banking sector in comparison with undergraduate degree professionals with a mean score of 3.5252 and diploma holders with a mean score of 3.0977.

### **Length of Service**

It was shown in Table 7 that demographic variable related with length of service do not have any effect on the succession planning practices and employee retention.

### **Age**

Results from Table 7 show that there is a significant difference found in only one variable. Succession planning practices ( $f= 3.440$ ;  $p=0.00$ ) and it does not effect on employee retention. The age group between 50 years and above banking professionals indicated that there are

opportunities for employees to continuously improve their skills, also succession plan encourages promotion from within strictly based on merit with a mean score of 3.9067 than the age group between 30-39 years with a mean score of 3.6821, than the age group between 40-49 with a mean score of 3.4713 and the age group between 20-29 years with a mean score of 3.3793.

### **Gender**

It was shown in Table 7 that demographic variable related with gender do not have any effect of succession planning practices on employee retention.

### **Nationality**

Results from Table 7 shows that demographic variable related with nationality do not have any effect of succession planning practices on employee retention.

### **Public and Private banking sector**

The finding from table 7 shows that there is a positive and significant impact of succession planning practices on employee retention strategies in both the banking sector whether public or private. The private bank professionals have supported that succession planning practices ( $f= 4.643$ ;  $p=0.01$ ) effects the employee retention strategies ( $f= 2.492$ ;  $p=0.04$ ). It is noted that private bank professionals with a mean score of 3.6110 indicated that implementation of succession planning practices has a greater impact on employee retention strategies in comparison with public sector banks with a mean score of 3.2182. Also the private bank professionals with a mean score of 3.4820 specified that efforts exerted by management to implement employee retention in the banking sector has been better in comparison with the public bank sector with a mean score of 3.1866.

Thus it statistically proven that succession planning and employee retention has a significant and positive impact on some of the demographic variables. Hence, Hypothesis 3 is partially supported.

### **Conclusion and Managerial Implications**

The results revealed that succession planning has a positive and significant coefficient relationship with employee retention of bank professionals working in public and private sector. It is also indicated in table 5 and table 6 shows that succession planning has a significant and strong relationship with employee retention. Findings shown in table 7 shows that implementation of succession planning practices has its impact on employee retention strategies has a significant and positive impact on some of the demographic variables (current status, level of education, length of services, age, gender, nationality and sector)

working in banking sector.

The analysis from table 4 succession planning practices indicates that least respondents agreed that bank professionals are occasionally allowed to define their own rewards ( $M=2.92$ ;  $SD= 1.209$ ) in comparison with the other factors like human resource planning, talent management, career management, performance management, training and development, management involvement, diversity management. So in order to overcome this it has been suggested that bank professionals should get the freedom to define their own rewards and should welcome new ideas and suggestions for revised rewards management. From the table 4 employee retention strategies stated that least respondents agreed that sponsorship for training opportunities are available to only the talented employees ( $M=2.77$ ;  $SD= 1.154$ ) in comparison with pay and benefits, managing expectations, induction programs, quality of life management and work life balance. It has been suggested that sponsorship for training opportunities should be provided equally to all the bank professionals who are readily available to enhance their skills and competencies which in turn will lead to employee's motivation and improved morale.

Based on the findings it is concluded that implementation of succession planning has a strong relationship with employee retention strategies in public and private banks. As a result it shows a strong linear relationship at 71.3% between employee retention and succession planning. This indicates that 70.5% of employee retention accounts for succession planning in the public and private banks. For a firm to remain competitive and sustain in this dynamic environment, it is very vital to have dedicated employees. Hence, if a firm has strong employee retention strategies then it will be beneficial for the organizational survival.

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