

**SUCCESSION PLANNING AS A TOOL FOR ORGANISATIONAL
CONTINUITY IN SOME SELECTED SMALL/MEDIUM-SCALE FAMILY
BUSINESSES.**

BY

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KNUST

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in partial fulfilment of the requirements for the degree
of
MASTER OF BUSINESS ADMINISTRATION (MBA)
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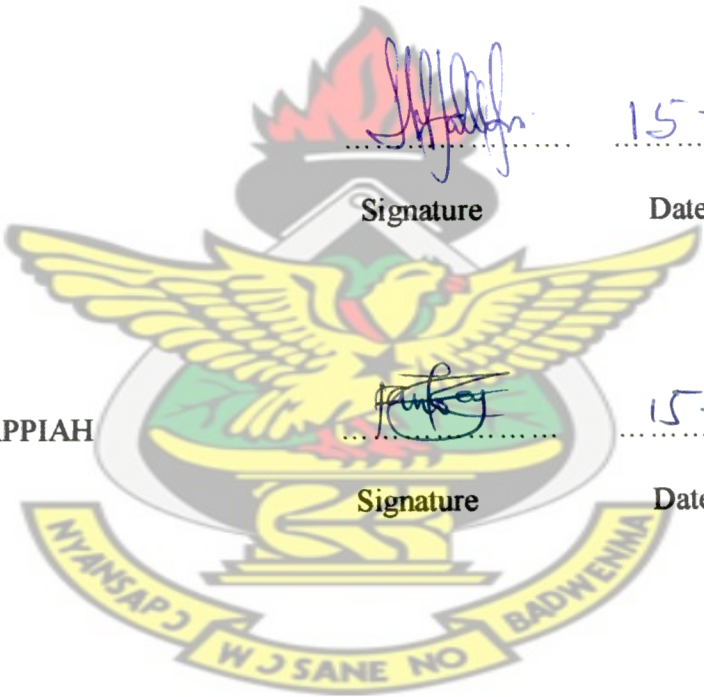
DECLARATION

I hereby declare that, except for specific references which have been duly acknowledged, this work is the result of my own field research and it has not been submitted either in part or whole for any other degree elsewhere.

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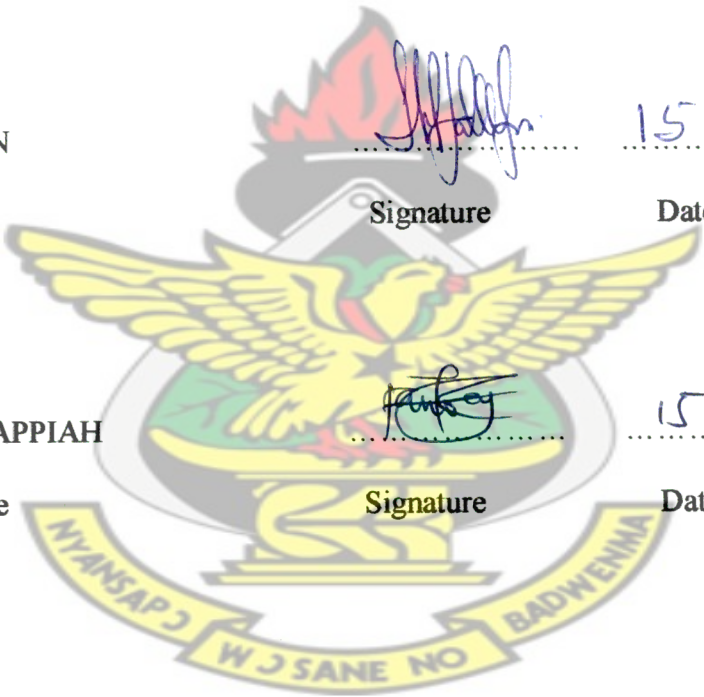
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DEDICATION

This work is dedicated to my sister and son Dr Maxine Boakye and
Master Kwasi Somuah- Boateng.

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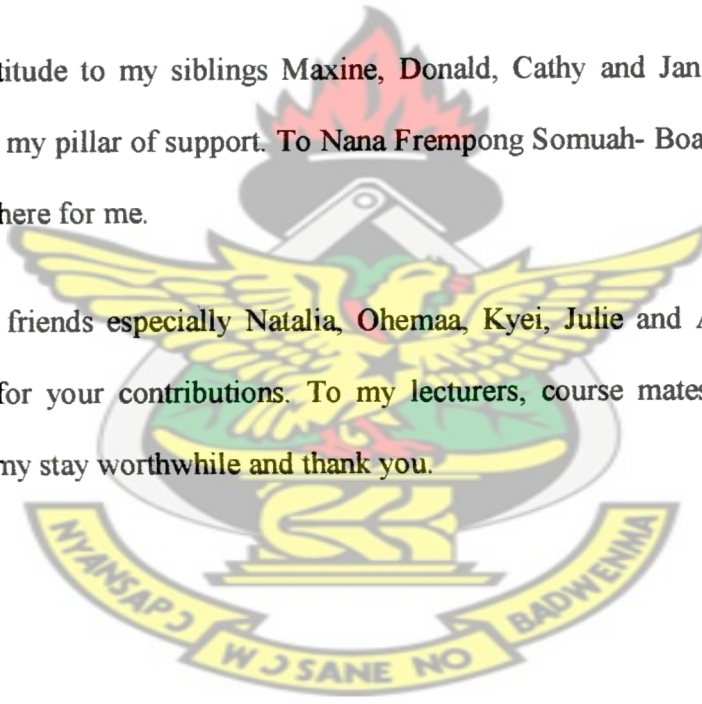
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I register my gratitude to my siblings Maxine, Donald, Cathy and Jan and all my children for being my pillar of support. To Nana Frempong Somuah- Boateng, thanks for always being there for me.

Lastly, to all my friends especially Natalia, Ohemaa, Kyei, Julie and Araba, I say thanks so much for your contributions. To my lecturers, course mates and group mates, you made my stay worthwhile and thank you.



DEFINITIONS OF TERMS

Succession planning: A process of systematically and deliberately preparing for future changes of leadership in key positions. The process may identify potential replacements and provide strategies for developing and or hiring of individuals to meet future needs.

Tool: Any material that helps you to do your job or to achieve an objective.

Organisation: It is also known as time-scheme. It is consistency of the characteristics of persons, plots, places and events seen by the reader or viewer.

Business Continuity: The processes to ensure that an organisation can continue to function through an operational interruption.



LIST OF ABBREVIATIONS

SMEs: Small- Medium scale Enterprises

EOWA: Equal Opportunity for Women in the Workplace

CEO: Chief Executive Officer

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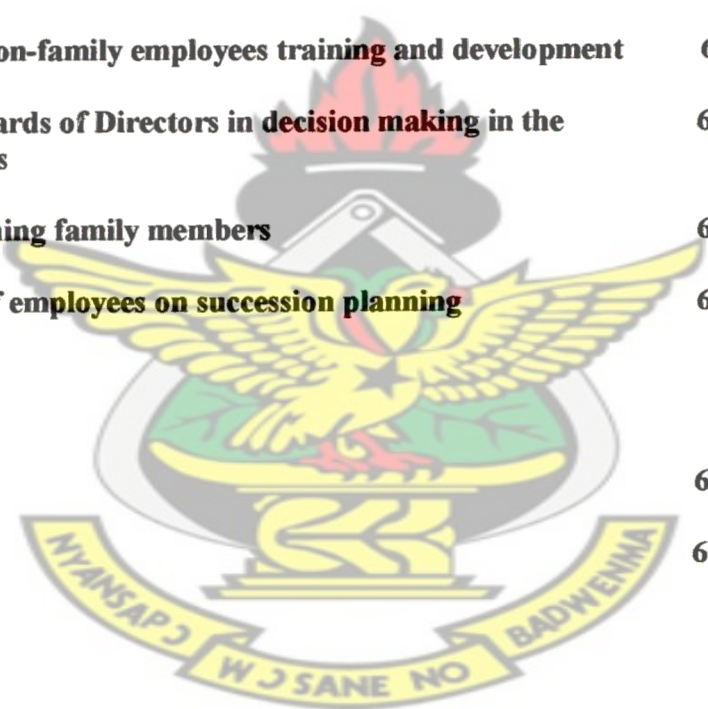
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Succession planning is a dynamic process that requires the organization's management to plan a pipeline of leaders to ensure continuity of the organization essentially a strategic activity which is concerned with the identification and development of key positions in the organization.

This study examined succession planning in the private sector in the Kibondo district, Kilimanjaro Region, Tanzania. Succession planning is a process that involves the identification, development and promotion of potential successors for key positions in the organization. The study examined the practices of succession planning in the private sector in the Kibondo district, Kilimanjaro Region. The study also examined the challenges of succession planning in the private sector in the Kibondo district, Kilimanjaro Region. The study also examined the role of succession planning in the private sector in the Kibondo district, Kilimanjaro Region.

The findings of the study indicated that succession planning is a dynamic process that requires the organization's management to plan a pipeline of leaders to ensure continuity of the organization. The study also indicated that succession planning is a strategic activity which is concerned with the identification and development of key positions in the organization. The study also indicated that succession planning is a process that involves the identification, development and promotion of potential successors for key positions in the organization. The study also indicated that succession planning is a dynamic process that requires the organization's management to plan a pipeline of leaders to ensure continuity of the organization.

Recommendations were made to the private sector in the Kibondo district, Kilimanjaro Region to ensure continuity of the organization. The study also recommended that succession planning should be a strategic activity which is concerned with the identification and development of key positions in the organization. The study also recommended that succession planning is a process that involves the identification, development and promotion of potential successors for key positions in the organization. The study also recommended that succession planning is a dynamic process that requires the organization's management to plan a pipeline of leaders to ensure continuity of the organization.

Finally, the private sector in the Kibondo district, Kilimanjaro Region should be encouraged to have Succession Planning policies in place to enhance the continuity of organizations and to help reduce the unemployment problem in the country.

ABSTRACT

Succession planning is a dynamic process requiring the current ownership and management to plan a company's future and to enact the resulting plan. It is essentially a strategic activity which concentrates on key management positions and also key positions in the entire organisation.

This study examined succession planning policies in three family-owned businesses, namely; Ernest Chemists, Kama Health Services and Kinapharma Limited. All three are pharmaceutical companies with a vision to be the largest producers and distributors of high quality, reliable and affordable products in the West African sub-region. Questionnaires and interviews were used to collect information from the organisations. The data was analysed using the Microsoft Excel.

The findings of the study revealed that there were no written documents in place for Succession Planning in these organisations; nevertheless provision was made to fill key positions once they became vacant. The organisations did not concentrate much effort on their young employees. Although this was a problem, it created new ideas for management and the training ground for most employees.

Recommendations were made to improve the working conditions of employees through various forms of benefits including rewards. The policies of Succession Planning should be documented to give an easier reference and amendment. Training and developments should be extended to non-family members with a written agreement of their services in the organisation for a stipulated period of time.

Finally organisations in Ghana should be encouraged to have Succession Planning policies in place to enhance the continuity of organisations and to help reduce the unemployment problem facing the country.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

When the World Trade Center was destroyed on 11th September, 2001, 172 Corporate Vice-Presidents lost their lives. This tragic event reinforced the message that life is fragile and talents at all levels are increasingly at risk in a world full of disasters. This brings to bear the issue of succession planning in an organisation (Vickers, 2003).

Succession planning is a critical and essential activity that must be undertaken by any meaningful organisation seeking continuity. Succession planning has always been considered as a strategic activity, which in the past has focused mainly on targeting key managerial positions. Organisations are now realising that there is a need to expand the scope of their activities to cover key positions and key persons in the organisation as a whole. This involves a deliberate attempt at fully developing the skills and abilities of identified successors. Having a workable succession plan ensures that, at all times, core skills needed for the smooth operation of the organisation is available (Aikens, 2006).

Even though all organisations need to be able to find people with the right skills to fill key and top leadership jobs, most of them, especially small family owned companies and non-profit organisations face the issues of leadership replacement. Change of leadership is one of the most crucial events in the life of any organisation. Consequently, this situation calls for better succession planning in order to have a more effective and efficient person to take up the leadership position (Agbor, 2008).

Business succession management involves planning for the smooth continuation and success of an organisation. This process depends greatly on the availability of competent partners, family members and other relations within the business set-up. Organisational leaders need to prepare for this time by introducing succession planning in their organisations. Many organisations are reluctant to discuss succession planning because of the fear of offending or

upsetting people. However, organisations are forced to face this issue because they realise that their leaders will not live forever (Wikipedia, 2009).

Succession planning also promotes a formal workforce-planning process for the succession of key employees who may be close to retirement. It involves developing a plan to address the succession of current key personnel, as well as career planning for future leadership positions. The process looks beyond a simple replacement strategy by hiring individuals with the required skills and developing those individuals. It involves forecasting workforce needs and developing ongoing strategies to meet those needs (National Centers for State Courts, 2008).

Succession planning helps an organisation to prepare for expected and unexpected events. It identifies a long term plan for the orderly replacement of key employees. These replacements are necessary as a result of promotions, transfers, retirements, deaths and disability among others.

The key purpose of succession planning is to ensure business continuity after a leader's retirement, death or other unplanned event. However, it is increasingly being seen as an effective, systematic, formalised, and long-term approach to meeting the present and future staffing needs that an organisation currently has, or will require in the future, if it is to continue towards its vision and business objectives.

Succession planning empowers organisations to meet their continuing need for people at all levels and in all occupational groups. It demonstrates a commitment to developing people by systematically identifying, assessing and developing employees to fill company vacancies. At its simplest level, succession planning is ensuring that individuals have identified and developed a designated back up for their role and functions, or that of a potential successor. It ultimately works towards the effectiveness and survival of the organisation.

Corporate leaders are realizing how important succession planning is in the life of their organisations. They have also realised that succession planning can be a moment of great vulnerability as well as great opportunity for transformative change in the organisations. Therefore, organisations need succession planning as an ongoing part of organisational development.

1.2 Statement of the problem

Organisations are confronted with the problem of who to continue the affairs within the organisation in the absence of a leader. The lack of appropriate persons, who will take over in the absence of those in key positions makes it difficult for the organisation to keep on in its operations. This contributes to the discontinuation of the operations of most organisations leading to its close down.

Many businesses struggle to survive into second and third generations and many founders are forced to put off retirement indefinitely. Most organisations are faced with severe leadership shortage. The demand for executives is actually on the increase because of ongoing economic growth and a generation of retiring executives. These executives and employees retire with their knowledge and experience. To keep organisations competitive and growing, it is important to start planning now, before a staff crisis occurs.

Absence of succession planning can hold back growth and it is difficult for businesses to generate new ideas for further success. "The failure to plan for succession particularly at board level is one of the most frequent causes of the rapid demise of organisations. The value of intellectual capital should not be underestimated and no matter an organisation's size or how solid and well thought out its processes, individuals matter in the operations of the organisation." concludes Mammatt (2007).

The failure of the survival of family businesses brings about unemployment which affects the economy of the country as a whole since small/medium scale businesses are known to be the backbone of most economies. Family businesses are considered to be very important in Africa since it employs a lot of people and has a high contribution to the world's economy. Thus the continuity of the business brings about increase in employment.

In Ghana, and possibly across most countries in sub-Saharan Africa, companies have suffered greatly due to the lack of a proper succession plan for management and critical positions which would help identify successors who would continue with the operations of the company. This has created several difficult situations for organisations in the past such as lack of continuity, finance, laws and change of government.

1.3 Objectives of the study

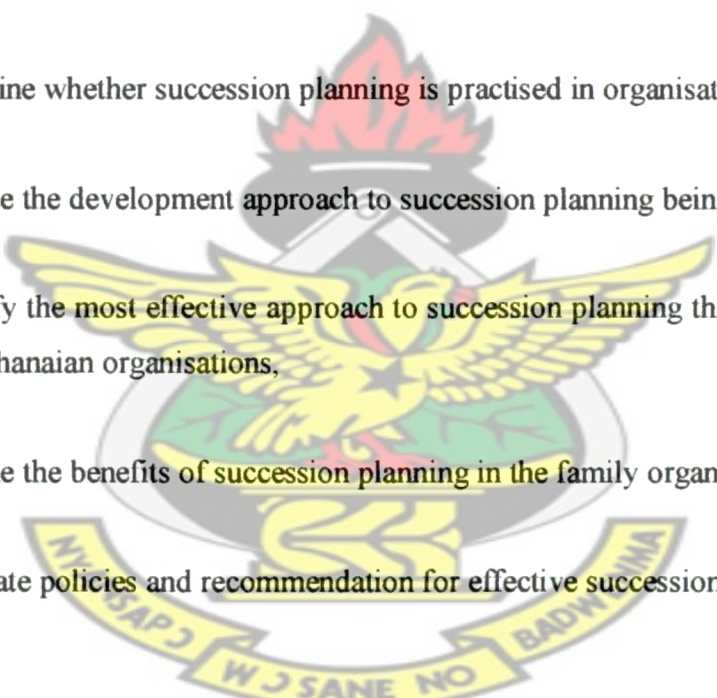
The objectives of the study are grouped into two; the general objectives and specific objectives.

1.3.1 General objective

This is an investigation into succession planning being applied in family organisations and the benefits to the organisation.

1.3.2 Specific objectives

The following are the specific objectives the researcher intends to achieve;

- 
- The logo of KNUST (Kwame Nkrumah University of Science and Technology) is centered in the background. It features a yellow eagle with spread wings perched on a green shield. Above the eagle is a red torch. Below the shield is a yellow banner with the text 'NYAPU WJ SANE NO BADIWIMA'.
- a. To determine whether succession planning is practised in organisations,
 - b. To evaluate the development approach to succession planning being used.
 - c. To identify the most effective approach to succession planning that can be put in place in Ghanaian organisations,
 - d. To examine the benefits of succession planning in the family organisation,
 - e. To formulate policies and recommendation for effective succession planning.

1.4 Research questions

The following research questions were formulated to serve as a guide to achieve the aim of undertaking the study:

1. Do the three organisations have succession planning policies?
2. Does the practise of succession planning in an organisation help in its continuity?

3. What are the effects of practising succession planning in an organisation?
4. What is the role of the family in the operations of the organisations?

1.5 Relevance of the study

In today's competitive business environment, it's crucial that the organisation has the right people in place throughout the organisation. Succession planning helps in retaining and developing talent at every level of the organisational structure. All organisations, both in the private or public sectors need to be able to find people with the right skills to fill key and top leadership positions. This process has to be well managed for the successful continuation of the operations of the business.

One of the most compelling needs in organisations in recent times is for competent and effective leadership in the key positions in the organisation. Most owners of business do not consider succession planning with some of the reasons being that these owners do not consider the fact that one does not live forever. Organisational succession planning has become an integral part of organisations' strategic planning process because it helps ensure continuity and vitality in the top executive team.

Despite its importance, relatively little has been done about having a succession plan in place to predict who will be identified as high potential for replacement in an organisation. The transfer of ownership and management of the closely held family businesses are poor therefore bringing about a low survival rate which is mostly due to the ineffective plan for business. Once the person is out of employment due to retirement, death, leave, sick leave etc then the every day task performed by the person is left idle. This gap makes the organisation lacking in the normal running of the organisation.

1.6 Limitations of the study

The researcher encountered some limitation conducting the study. These are listed below;

1. The time frame within which the survey was undertaken was limited.
2. There was also the problem of finance since most of the information needed for the study had to be obtained in Accra.

1.7 Scope of the study

The study would be based on Ghanaian Pharmaceutical Companies which are into small-scale manufacturing. These companies are Ernest Chemists, Kama Group of Companies, Pharmacy Division and Kinapharmarma Limited. These companies are all locally based industries, selling mostly over the counter drugs. The companies are also distributors of major pharmaceutical companies abroad.

They have their Head Offices in Accra with the exception of Kama which has its Head Office in Kumasi. However the manufacturing divisions of the companies are in Accra.

All the companies have been in existence for more ten years. They have a work force of about 750 people. These pharmaceutical companies have branches in most of the regional capitals in the southern sector of the country though the products are spread in all the regions in the country.

Both primary and secondary data would be collected. The primary data comprises of interviews and questionnaires. Secondary data principally in the form of library research which answers the research questions. The data analysis used is Microsoft Excel and Microsoft Word.

1.8 Organisation of the study

The research comprises of five chapters. Chapter one is made up of a general introduction, background of the study, statement of the problem, objectives of the study, scope of the study, organisation of the study and the limitations of the study.

Chapter two follows with the literature review. This entails the literature on succession planning, family businesses and succession planning in family business. Chapter three discusses the organisation profile of the three Pharmaceutical businesses; Ernest Chemists Limited, Kama Health Services and Kinapharma Limited and the research methodology. Chapter four deals with the analysis of the data collected on the research. Finally, chapter five deals with the findings, recommendation and conclusion the research study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter covers the literature review of the study. It explains the views of various authors on the subject in the form of articles, journals, text books and dissertations.

A people-focused approach to business continuity planning is responsible for effectively identifying and addressing the human dimensions of a business continuity plan for the organisation. Depending on the business, succession planning is linked to Strategic Human Resource Planning. This ensures that the organisation's human resource is linked to the organisation's strategies and plans.

In the past, succession planning was purely about organisational needs. On the other hand, the modern version takes account of the growing recognition that people increasingly need to make their own career and handle their family responsibilities. Thus the emphasis now is about balancing the aspiration of individuals with those of their employing organisation (Hirsh, 2000).

2.1 Definitions and Concepts of Succession Planning

Succession implies someone taking over or someone else letting go and moving on (Oxford Advance Learners Dictionary, 2006). Unfortunately when it comes to family businesses, it is never that simple. Succession is one of the most difficult problems faced by family businesses. Succession being an emotionally charged issue, sometimes requires assistance of outsider advisors and mediators to help in its smooth implementation (Birley, 1986).

Succession planning is a formal workforce-planning process which oversees the succession of key employees due to retirement, attrition, death, transfer or promotion of previous employees. It involves developing a plan to address the succession of current key personnel as well as career planning for future leadership positions. Succession planning looks beyond a simple replacement strategy. It involves forecasting workforce needs and developing ongoing strategies to meet those needs (National Center for State Courts, 2008).

Succession planning is also designed to ensure the continued effective performance of an organisation by making provision for the development, replacement, and management of key people in the organisation (Rollins, 2002). The most comprehensive plan of succession is one which is largely inclusive and focused on assessing and developing an extensive array of leadership talents from within the organisation (Rothwell, 2005)

Succession planning is perhaps best understood as any effort designed to ensure the continued effective performance of an organisation, division, department, or work group by making provision for the development, replacement, and strategic application of key people over time (Rothwell, 2005) and retain a talent pool of employees in order to ensure a continuity of leadership for all critical position.

Again, Sambrook (2005) defined succession planning as an attempt to plan for the right number and quality of managers and key –skilled employees to cover retirements, death, serious illness or promotion and any new position which may be created in the future organisational plans. One can say that Succession Planning is part of the human resource planning which contributes to the overall business plan.

Succession planning serves as a process, by which managers systematically identify necessary competencies, work to assess and develop the human resources in the organisation for the future of the company. Johnson, et al, (1994) also defined succession planning and management as an organised method of identifying and developing talented individuals in an organisation and providing them with opportunities for promotion and advancement. Rothwell, further describes succession planning as a process of developing talent to meet the needs of the organisation now and in the future.

Heathfield described it as a process whereby an organisation ensures that employees are recruited and develop to fill each key roles or gaps within the company (Heathfield, 2002). This process helps to develop their knowledge, skills and abilities and prepare them for advancement in their careers.

2.2 Succession Planning Process

Succession Planning is an on-going process of identifying future leaders in the organisation and developing them to move into leadership roles. A successful process includes job assignments that properly prepare candidates for their new positions. Managers of organisations put in place replacement charts which helps ensure that the right persons with the right capabilities and experience are available to perform the jobs assigned to them at any given time. The replacement charts thus shows the back-ups at each position and identifies positions without any back-ups (Fisher et al, 1999).

The planning process involves a planned and systematic effort to project and respond to leadership requirements throughout the organisation now and in the future. This can be done with the organisation's performance appraisal and other information. It also enhances objective

assessments which are essential for management to specify the appropriate selection criteria required for a successful promotion.

Several steps are involved in the succession planning process (Australian Public Service Commission, 2003). These include;

1. Identifying key critical positions in the division department. This requires identifying critical roles within the organisation and developing a clear understanding of the capabilities required for effectiveness and high performance in those roles.
2. Undertaking a risk assessment by forecasting potential shortages and surpluses of potential candidates for those roles. This step includes analysis of recruitment and retention patterns, projected skills requirements and the need for specific jobs. An analysis of market factors such as where skills could be sourced externally, as well as assessing where internal development resources is vital.
3. Identifying personnel who have the potential and capabilities to fill and perform highly in such sensitive roles in the organisation. This may be internal, thus personnel who may already be apparent and waiting for an opportunity to apply for a more demanding role, or external.
4. Last but not least, developing the required capabilities in those people already within the organisation through a program of learning experiences, planned collaboratively by the organisation. This development may be accelerated if necessary to ensure a ready supply of staff for future role requirements.

Organisations with effective succession planning procedure have common characteristics. They have smooth transitions because they normally have someone to step into any important vacancy for critical measures and effective succession management. However, helping the personnel transition in a positive manner with all the necessary skills and knowledge is important and often

more challenging to execute. As such Succession Planning allows you to plan for what you have control over now, and to mitigate the effect of events you do not have control over in the future. (Aikens, 2006)

The design of the system should be such that it is transparent and easily understood by all employees. The entire workforce must be educated on the system and their concerns addressed. Senior executives have responsibility for the system and they in turn must ensure support from all to make the system work. The success of a company's succession planning process greatly depends on the support of all employees including their senior executives and management.

Having a succession plan in place should not end the process, as the process itself needs to be managed for it to work. It is important to develop and groom the identified successors for their future responsibilities by identifying their training needs, both technical and managerial, and ensure that meets the demands and goals of the organisation (Aikens, 2006).

2.3 Succession Plan

A Succession Plan is a written document that provides for the continued operation of a business in the event that the owner or a key member of the management team leaves the company, is terminated, retires, or dies. It details the changes that will take place as leadership is transferred from one generation to the next. A Succession Plan comprises the process which deals with the steps that need to be undertaken in succession planning (Encyclopaedia of Small Business, 2001).

A Succession Plan also forms part of the broader human resource plan which seeks to ensure that at all times the organisation has the right people performing the right jobs. Whereas a human resource plan looks at the appropriate staffing numbers and skills mix for the entire organisation,

a succession plan focuses on ensuring the steady pool of candidates with the requisite skills, knowledge and attributes to perform the identified critical roles in the organisation.

In effect, a succession plan prepares a company for unexpected vacancies by inventorying the company's managerial resources in the short-term (Jackofsky and Kerr, 1989). However in the long-run, it is the process by which managers systematically identify the future leaders in the company. It determines which positions are or would be vacant in the organisation. If these vacancies are not successfully filled, it is a risk to the organisation. Many technical roles where an incumbent tends to have a long tenure are included in a succession plan.

In the case of small businesses, succession plans are often known as continuity plans, since without them the businesses may cease to exist. They can provide a number of important benefits for companies that develop them. Succession plans also proves valuable in allowing a business owner to retire in comfort and continue to provide for family members who may be involved with the company.

An effective succession plan is crucial to any organisation seeking to attain and sustain high levels of business performance. This can be done by having leadership that meets the organisational objectives. Succession planning is a method of grooming less tenured staff to ensure the "availability of a supply of capable staff that is ready to assume key or critical positions" (Podger, 2003 cited in Whitmore, 2006).

Despite the many benefits of having a succession plan in place, many companies neglect to develop one. This oversight may occur because the business owner does not want to confront his or her own mortality, is reluctant to choose a successor, or does not have many interests beyond the business. Although less than one-third of family businesses survive the transition from the first generation to the second and only 13 percent remain in the family for more than 60 years,

just 45 to 50 percent of business owners establish a formal succession plan (Encyclopaedia of Small Business, 2001)

A succession plan does not operate in isolation; it must be linked to the human resource strategy of the organisation. This strategy is defined in the systems and policies that are used to manage the human resource. These include recruitment, training/development, career development planning and an effective performance management system (Aikens, 2006).

2.4 Succession Planning Models and Development Approaches

These models comprise of the various forms of undertakings in succession planning in an organisation. These models are grouped under three broad approaches; Position- Management Driven, Creating Succession Planning Pools and Top- down or bottom-up succession planning (Eowa, 2001). This helps in getting very efficient personnel in the position when the incumbent leaves office.

Development approaches on the other hand are the methods that are used to improve the quality of personnel to make them more equipped to fill more challenging roles in an organisation. This can be categorised into job-site and off-site developments. Both are appropriate in developing leaders in an organisation.

2.4.1 Succession Planning by Position-Management Driven

The incumbent identifies the individuals who are in his view best qualified to move into the position in the short term (within 1 year); the medium term (within 2 years) or the longer term (3-5 years). The incumbent may also identify their perception of the developmental needs of the candidates that have been named. Sometimes the organisation decides that the succession plan is a strictly confidential document, consequently the only persons who are aware of it are those who developed it. Even when there is some awareness of the existence of a succession plan, more often than not the personnel on the succession list are not well informed of the details of

the succession plan. Sometimes the information is leaked informally. In most situations employees are rarely consulted or asked to participate in the process.

Following the development of the succession plan, there may be specific development for the individuals who make up the pool for succession. Sometimes, the incumbent takes special interest in individual personnel who has been identified as a potential successor, and will mentor them. The personnel are assigned development approaches in which the Incumbent serves as a guide for their role in the future (Eowa, 2006).

This is the simplest model and it is based on the assumption that the best person to identify the best fit for the job is the person who is currently working with the supervisors. A large number of organisations use this model because most Chief Executive Officers' are comfortable with this approach. This is because the CEO is able to scan his company's operations and identify any succession gaps at a glance. This enables him to look at which names tend to arise most frequently; providing a snapshot of those who are generally perceived to be the "stars".

Again this model is the least costly and the quickest; and does not require a high level of organisational commitment. It serves the purpose of ensuring at a minimum that managers are thinking about succession issues and are aware that succession planning is partly their responsibility (Eowa, 2006).

However, it brings about high risk of encouraging corporate "cloning" which can have serious business implications. The incumbent tends to identify individuals who are most like him in terms of educational background, experience, and personality style. Incumbents do sometimes acknowledge the fact that they believe these to be relevant to the ability to do the job; although such biases often "go underground" and the managers know better than to openly acknowledge that these are their belief systems.

It is problematic in large organisations where the incumbent does not know employees across the organisation. The identified successors tend to be people the incumbent works with, and candidates from other areas are not considered. Thus after the incumbent has selected the appropriate person, he encourages the individual in question to acquire these development practises to be able to take up the responsibility as his successor. In most cases, there is the risk that the person identified does not aspire to the promotional positions they have been identified for.

2.4.2 *Creating Succession Planning Pools*

In this model, high potential candidates are identified within the organisation as the senior managers of the future. They are usually selected by a task force of senior managers often with the assistance from the Human Resources Department. The senior managers and Human Resource Personnel set aside several days to go through a list of all employees who may fall within a particular skill set the company may be looking for, assess and identify highly potential professionals from this group to make up for such positions. To facilitate decision making, they often agree on some criteria by which to select the personnel, for example their most recent performance appraisal report as an additional resource in helping with the final selection. In some cases, candidates may be further narrowed down through an assessment centre process or through an interview or evaluation process.

Once the pool of professionals has been identified, those who make the list generally receive some special recognition. The level of recognition will depend on the organisation's willingness to make a financial commitment to the programme. Often the Human Resource Department puts together a "fast track" program in which they assist the professional to develop a development plan for each selected personnel. They may provide some group training, institute a mentoring program, and identify certain training programs the selected professionals should attend.

This type of model tends to be somewhat fairer because more managers are involved in the selection of the people who are identified for the High Potential program. This provides some checks to offset bias. However for this to be effective it is essential that the committee undertaking the selection is itself both diverse and open to organisational diversity. This model is also more likely to recognise the value of providing broad background for the high potential employees rather than a single functional stream of experience (Eowa, 2006).

In large organisations the majority of employees may not be well known to the task force members, and their view of the person may be influenced by the level of visibility the person has in the organisation (which of course can be limited by the type of work they do and even their relationship with their manager). As a result, talented employees who do not have high visibility may be overlooked.

An even more insidious problem is the effect on employee morale of having such a program for those who are sometimes called "the anointed ones". In many organisations when it is widely known which employees have been identified as high-potentials, the other non-identified employees can be severely discouraged and demoralised. Some organisations have discovered that the backlash from a high-potential program offsets any benefits it may have and discontinue their high potential/fast track programs for this reason.

2.4.3 Top-Down or Bottom-Up Succession Planning

This model is based on the current and expected future needs of the organisation, as well as on ongoing two-way communication with employees. It has the greatest potential to be able to deliver improved outcomes for women.

In this process, senior management as a group determines what competencies are required to enable a person to take on the key roles. This may be at a middle or senior management level

when they consider organisational requirements for the manager or employee of the future. Certain criteria for progression are determined as across-the-board requirements for development, for example, educational levels, organisational cross training and participation in management training (Eowa, 2006).

All employees at a pre-determined level are provided with the information developed by Senior Management via a session about succession planning and career development. This session outlines clearly the requirements for progression in the organisation. This enables staff to determine whether or not they are interested in progression; and to self-identify if they wish to be involved in a program which will help them to meet the criteria for development and progression.

Employees who signal their interest in progression then participate in a workshop in which they are given guidance and led through processes such as:

- a) Using 360 degree feedback to determine their strengths and weaknesses particularly relating to management skills,
- b) Developing their own individual development plan and reviewing it with other appropriate people,
- c) Learning how to take responsibility for their own career growth, and d) considering what would be good "next moves" for them to make in their careers. Assessment centres could also be used as part of the workshops;

The results of the 360 degree feedback, as well as the individual development plans, and possible "next moves" would be maintained by a manager on a human resource information system. Each

person's file would be updated annually or more frequently to help determine whether the competencies are good enough for leadership.

A report on each of the person participating in the development program would be generated annually. This report would provide input for any senior level succession planning taking place. Thus senior management would be able to get a snapshot of how many people aspire to progress, and what progress they are making in working through organisational requirements. Employees who initially opt not to participate in the development program are able to change their mind at any time and join the development program (Eowa, 2006).

The program leans so much on employee self-selection that there is less likely to be a conflict with Executive Officer principles and thus ensure that a broader group of people participate. The program serves to empower employees, to help them feel that they have some control over their careers and are not at the mercy of others. The across-the-board criteria for progression ensure that there is less chance to "work the system" and the process is transparent with no secrets or hidden agendas. This engenders a higher level of trust.

On the other hand there are three things which are pre-requisite for the success of this programme. First there is the need for a strong across board support at the most senior levels of the organisation, consistency in application and implementation of the programme. At a minimum, two years would be required in order to see significant results and a changing culture.

2.4.4. Development Approaches

Common development approaches are categorised under two major headings; job-site and off-site development. They are both appropriate in developing managers and other employees. The right mix and approaches for development helps in effective successions.

2.4.4.1 Job-site Approaches

With the above models, the following approaches to development are used for its development (Mathias and Jackson, 2004).

1. **Coaching:** This is done through the training and feedback given to employees by their immediate supervisors. This is made possible when there is a healthy and open relationship between employees and their supervisors. Again many skills are best learnt from books. “Executive Coaches” who are hired by individual executives, work with individual managers or executives.
2. **Corporate Universities and Career Development Centers:** Large organisations mainly use this approach to develop managers or employees. Partnership between companies and universities continue to evolve as they package courses and accreditation for employee development. Career Development Centers coordinate employees both in house and those provided by outsourced suppliers. This may include assessment data for individuals, career goals, strategies, coaching and seminars.
3. **Committee Assignments:** In this method, employees are assigned to important committees to broaden their experience and this help in understanding personalities, issues and processes of governing in an organisation. In situations like this managers have to guide against committee assignments that end up being time consuming by giving time limits by which the committee concludes assignments.
4. **Job Rotation:** this is done by shifting employees from one job to the other. Job rotations are planned by following elaborate charts and schedules. It is a widely used technique and fosters a greater understanding of the organisation, enthusiasm and development of talents. Thus when there is a gap in the organisation, it can easily be taken care off.

5. **Assistantship Positions:** these are situations where staff is positioned immediately under the manager. They undergo training jobs and trainees can work with outstanding managers who they meet during these training. Some organisations set up junior boards of directors or management cabinets to which trainees may be appointed.
6. **Managerial Modelling:** Here, managers learn by behaviour modelling of another person. Through this, a great deal of human behaviours is learnt. For instance children learn by modelling their parents and older siblings and/or friends. Modelling behaviour is some how complex because a bad behaviour can be modelled.
7. **Mentoring:** This development approach shows the relationship in which experienced managers or leaders aid individuals in the early stages of their careers. This provides an environment for conveying technical, interpersonal and organisational skills from the more experienced employee to a less experienced one. There is however the problem of finding Mentors by the less experienced employees.

2.4.4.2 Off-Site Methods ((Mathias and Jackson, 2004).

This is the development technique where the employee leaves the job site and concentrate solely on studies.

1. **Classroom Courses and Degrees:** this involves classroom instructions. This can contribute to passive listening and reduced learner participation. This encourages employees to develop themselves for the future and higher responsibilities.
2. **Simulation (Business Games):** This requires participants to analyse situations and decide the best course of action based on the data given. Managers use this exercise to diagnose organisational problems however lack of realism can diminish the learning experience.

2.5 The Importance of Succession Planning in Family Businesses

A struggle among relatives for possession of family business can not be under emphasized especially from our part of the world. Whether the transfer of ownership or management is premeditated, unexpected or mandatory, the task of passing down is unavoidable. However, what can be avoided is the messy state of confusion that may be caused by unprepared family members.

Planning for gaps created by death, retirement, disaster can become an emotionally charged situation and is virtually unavoidable. No matter how good the leader and/or the staff are, an unforeseen illness of the Chief Executive, economic downturn, retirements, predictions and deaths are some of the reasons underlying the importance of having a succession plan in place. While one can plan for situations like this by putting in place a series measures that will help the company to stay afloat in case any catastrophe occurs (Birley,1986), finding a balance between business and family issues through decision making in honour of family values as well as the benefits to the organisation is normally a problem.

Due to the complexities surrounding the transfer of ownership and positions, there should be a plan in place to help with the smooth transfer, creating unity and collaboration among employees especially family members (Aikens, 2006). When a succession plan is in place, employees have a say in the operations of the organisation through whichever model will be adopted by the organisation. Some organisations mistakenly focus on solely replacing high level executives without laying out plans for other levels of employment. Succession planning examines all levels of employees who see to the day to day management of the organisation (Aikens, 2006). The presence of a Human Resource Department in an organisation, to oversee succession planning, is critical to its existence.

Although one would assume that every company would be a champion of succession planning which comprises the process and ways of filling talent pipelines, few companies know how to do it right. Companies still struggle with creating a formal process aimed at identifying, developing and retaining high potential people within the organisation. Despite this discrepancy between what companies want to do and what they actually do, the future is not so bleak. Majority of companies, particularly forward looking companies, are implementing or planning to implement a formalized succession planning process.

Aberdeen, (2006) indicates that only 26% of companies in the United States do not have or do not plan to have a succession planning process. A formal process involves a way to identify, assess and develop leadership candidates to potentially succeed current leaders in order to ensure business continuity. Sounds like a simple concept but in reality, succession planning will not happen over night. It takes time, commitment and involvement from every employee, to steer the process and make it workable.

Succession planning benefits businesses now. Businesses have evolved over the years and so has succession planning practices. It can be used to build strong leadership which helps in the business survival. Succession planning gives the employees a voice. In family businesses, the process gives family members an opportunity to express their needs and concerns. It will help create a sense of responsibility throughout the organisation which is critical for successful continuity of the organisation.

Again it strengthens departmental relationships through regular communication between them. This breeds a culture of strength. By linking succession planning with human resource elements,

a process like employee- evaluation aids in deciding whether to fill vacancies with internal or external candidates. When done correctly it inspires workers to stay involved and maintain company loyalty. The key question asked when considering plans for organisation's growth is, "Do I have a sustainable work force? In literal terms do I have "backup" for the key positions in the organisation?

Clearly, organisational succession planning is important to the success of organisations given increased competition for management talent, rapidly changing markets and economic conditions, and the large number of mergers and acquisitions. Those organisations that can identify talented and qualified individuals who can move quickly into vacant executive positions are more likely to survive and prosper (Lockwood, 2006).

Succession planning as such must be based on the overall corporate strategy of the organisation. It must be an ongoing activity, which constantly seeks to align an organisation's business demands with its human capital requirements. It is therefore critical for organisations to also have well developed corporate plans. A good corporate plan will incorporate the strategic concerns of the organisation and the requirement for achieving them. This in turn enables proper planning of human resource requirements.

Planning for disaster is virtually impossible. Organisations can plan for unforeseen situations like terminal illnesses, retirements, deaths and disability by putting in place a series of measures that will help the company to stay afloat in case any catastrophe occurs (Birley, 1986)

Succession planning is more than a selection system for leaders; rather it is a way to ensure continuity of leadership that involves all levels of the organisation. An effective succession planning enables most organisations to examine and integrate diverse business planning elements into one comprehensive plan in order to achieve organisational goals which helps in the

continuity of the organisation. Firms would benefit from advance planning. With this in place, the potential problem for both the organisation and the family members in terms of succession are avoided.

Succession planning provides family businesses with a vision and a mission. A vision of what their business, ownership, and management will look like in the future and a mission for making that vision become a reality as smoothly as possible. Creating a plan not only brings some clarity to the business's future. It also provides the family with the unity and collaborative experience necessary for making the actual transition successful.

2.6 Business Succession Planning

Business succession planning involves planning for the smooth continuation and success of a business (Wikipedea, 2006). Be it profit or non-profit organisation, one of the concerns is there may be no successor to drive the business operations once a key personnel leaves either by choice or by other circumstances. It is people, or more aptly, the right people that make things happen.

According to recent figures published by the Small Business Administration, approximately 90% of businesses are closely held and family owned, but only 30% of those succeed into the next generation; and just half of those, a mere 15%, survive into the third generation. This implies that about 70% of family owned businesses fail to succeed into the next generation (Berluti and Mclaughlin, 2009).

This is mainly because closely held businesses fail to create a comprehensive succession plan or "exit-strategy". As visionary entrepreneurs, business owners labour tirelessly for years to create a financially solid and viable business that generates real wealth for them and their families. Frequently, the business is its owners' single most valuable asset, and much of its value lies within the owners' experience, contacts and specialised skill set. Put simply, the value of the business largely depends on its key individuals. What happens to the value of the business if the key people are no longer able to serve it?

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The most effective business succession plans are conceived at the formation of the business itself. Typically, owners assume that the plan only focuses on the prospective purchasers of the business overlooking the fact that the successors could be the owners' partners, children, a group of "key employees" already working for the business, competitor, key supplier or key customer. This is to address the chances of the business survival. (Ernst and Young, 2007).

The goal of a business succession is simply to make sure there is a successful transition from the existing owners to the new owners and to protect and extract the business' wealth created by the departing owners. When the current owners are no longer working for the business, due to the earlier mentioned factors, it is the carefully prepared business succession plan that ensures continuity of business operations and financial security for the departing owners and their families. Of course, there will always be client-specific circumstances that must be carefully considered when devising a business succession plan. Some of the factors to consider include whether a client must provide for a surviving spouse and family, and whether there are family members actively working within the business.

However, this will stop one day due to the fact that people will retire due to old age, disability or choice and even in instances of death. And when they do, problems often set in leading to chaos, uncertainty and failure or drop in the level of success. Proper business continuation and succession planning can therefore help prevent a business from being frozen and discontinued. In addition, it helps avoid conflict among family members, employees, heirs and even between stakeholders (Wikipedia, 2006).

The business succession plan provides a clear understanding of how existing loans, equity, debts and revenues will be shared among the key shareholders. It is also important when there is bankruptcy (Wealthfarm Financial Planners, 2008).

2.7 Family Business in relation to ‘Small and Medium-scale Enterprises’.

A family is a group consisting of one or two parents and their children. In some Ghanaian societies perspective close relations apart from the nuclear family make up of the parents and children constitutes a family. Family members also include older generations of the members.

A family business is any business in which a majority of the ownership or control lies within the family, and in which two or more family members are directly involved. It is also a complex, dual system consisting of the family and the business; family members involved in the business are part of a task system (the business) and part of a family system (Bowman- Upton, 1991). Entry into this system is by birth, and membership is permanent. The role you have in the family husband or father, wife or mother, child or brother or sister carries with it certain responsibilities and expectations. In the family business, one has to consider the perspectives of those involved in the business. The actors in the family business can be divided into two groups: that is

- (1) family-members; and
- (2) non-family member

2.7.1 Family Members

The family –members of the business comprises of the owner, children, extended family members who work in the business in terms of the day to day operations of the business. There are also situations where the family members are not directly in the operations of the business but are given feedback on issues related to the operations of the business. In some instances, family members work in the business and are treated differently from the regular employees who are not family members. The owner is responsible for the well-being and continuance of the business as well as the daily business operations.

2.7.2 Non-family Members

These are employees of the business but not the owner. Thus in situations like this there are no family ties. These members normally see to the day to day operations of the business. Occasionally, a non-family member can take over the management of the business by rising through the ranks or by appointment.

Family businesses carry the weight of economic wealth creation in most economies. In the U.S. alone, family businesses account for 80 to 90 percent of the 18-million business enterprises in the United States, and 50 percent of the employment and GNP in the economy (Morris, 1997). In Canada, this figure is higher with 80% of the companies listed on the Toronto Stock Exchange closely held in family trusts or the founders' hands (Leighton and Thain, 1997). In Singapore and Hong Kong, the numbers are similar as many of the local business enterprises that have recently gone public were started by overseas Chinese entrepreneurs in the post-war period 40 years ago.

In Taiwan the small and medium-sized family enterprise accounts for more than 98.5% of companies, 80% of employment and 47% of the total economy (*The Economist*, Nov 7 1998).

2.7.3. Small –Medium Enterprises

Small –Medium Enterprises is generally defined as a business with more than 250 employees. Micro, Small and Medium-sized enterprises are socially and economically important, since they represent 99% of all enterprises in the European Union. It also provides 65 million jobs and contributes to innovation (SME, 2006). The significance of these small businesses is often overlooked. They are the ants in the ant hill rather than the more glamorous animals of the forest. And yet they make up a half of all the jobs in the UK and account for half of our GDP. Because they are small and tightly managed, decisions can be taken quickly and they are flexible in responding to changes in the temperature of the market. In the UK, as in the rest of the world, SMEs are recognised as the most responsive engine of economic growth (Hauge and Woodburn, 2006).

Many entrepreneurs view their business ventures as extensions of themselves, encompassing the vision and passions they have in both their personal and professional lives. For the most part, they welcome their children into the business based on trust and a belief that they have or will develop the same level of passion as they themselves have. A feature of these SMEs is the believe that the business will automatically transfer to their children when they are unable to carry on and so feel that planning this transition is not required.

Fewer than half of viable small- and medium-sized businesses are able to survive past the first generation and, of these, very few are successfully passed on to the second and third generations often due to the lack of an agreed-upon strategic vision and ineffective succession planning.

There are similarities in the way large and small entrepreneurial organizations manage their companies effectively, with a view to passing them on to the next generation of owners.

In essence, by following an effective succession plan, the entrepreneur will protect the company's culture and enable the implementation of a long-term business strategy that will smooth the transition phase that is required to pass control to the next generation.

2.8 Benefits of Succession planning in an organisation

There are several benefits an organisation can derive when they engage in succession planning as indicated by Agbor (2008). These benefits include:

1. The provision of a framework and resources for ensuring the development and retention of leadership talent within the organization;
2. The improvement of the talent pool of promotable employees by formalizing the process of advancing employees which in turn promotes better retention in the organization;
3. A sense of purpose and direction created in an organisation's current and future leadership. This helps in defining the personnel policies and procedures and job descriptions;
4. The implementation of the organization's strategic plan which helps the organization to compete and survive in the market place;
5. The identification and training of critically important leadership talents. This is because leadership and leadership identification is crucial to the successful implementation of an organization's strategy; and
6. The provision of a framework and resources for developing and retaining leadership talent within the organization and helping organizations to introduce diversity as part of their strategic plan.

2.9 Succession planning and business continuity

Business continuity is the activity performed by an organisation to ensure the critical business functions that would be available to stakeholders. Business continuity is not only implemented at a time of disaster but rather as part of the operations of the company. Continuity in business is thus essential for the success of organisations (Wikeapedia, 2009).

Business continuity is important for organisations and has become more important due to disasters like the collapse of the World Trade Center which created sudden and severe threat to many businesses. Thus planning for business continuity helps organisations to take care of potential disasters and deal with emergencies (Public Safety, Canada, 2009).

The term business continuity describes a methodology of conducting day to day business. Thus it is the methodology that is followed by everyone in the organisation on the daily basis to ensure normal operations in the organisation (Wikeapedia, 2009).

To accomplish this, it's imperative for large employers to have a superior approach to succession planning in place. As key individuals move up or move on, filling their positions with top talent allows you to maintain the quality of your business. Identifying potential succession possibilities ahead of time allows you to take charge in stride. Therefore, planning for contingencies enables you to stay competitive as new opportunities and threats require changes to your workforce. The right succession planning system will make it simpler for you to identify and build the workforce you need in order to accomplish your business goals (Deloittee Touche Tohmatsu, 2007).

CHAPTER THREE

METHODOLOGY AND ORGANISATIONAL PROFILE

3.0 Introduction

This chapter covers the methodology used for the research and the profile of the three organisations. The three organisations are Ernest Chemist Limited, Kinapharma Limited and Kama Health Service Limited (Pharmacy).

3.1 Research Strategy

The study used a case study method which involved an empirical investigation of a particular contemporary phenomenon with its real life context using multiple sources of evidence. The study centered on how succession planning was carried out in the three family businesses and how employees are prepared to take up the responsibility of an absentee incumbent.

A multiple case strategy was used to establish the findings in all the three organisations. The rationale for using multiple case strategies is because the focuses of the study are in three organisations. This is to check whether the finding in one organisation is replicated in the other organisations. Thus it requires multiple sources of evidence in this study.

3.2 Sources of data

The data used for this research study was elicited from primary and secondary sources. Textbooks, journals and newspapers on the subject matter were used.

3.2.1 Primary Data

The primary data collected comprised of both interviews and questionnaires. An interview is a purposeful discussion between two or more people (Kahn and Cannell, 1957). A questionnaire is where the person answering the question actually records his/her own answers (Kervin, 1999). The interview was formalised and structured, using standardised questions for each respondent and used informal and unstructured conversation. Due to their busy schedules, managers preferred interviews. The use of primary data for this study is justified on the grounds of the

research topic, the research objectives and for that matter the inevitable need to obtain first-hand information from organisations.

3.2.2 Secondary Data

A secondary data is a useful source which answers or partially answers the research question(s). The secondary data was obtained principally through library research. Thus, journals, newspapers, articles, project works and other write-ups on the subject matter were extensively consulted. This equipped the researcher with an in-depth knowledge and understanding of the research topic before embarking on the study. Basically, the use of existing materials on succession planning system gave the researcher a better understanding of the research questions. It also enabled the researcher to ask the right questions in order to obtain the relevant primary data needed to accomplish the study.

3.3 Population

Three organisations were selected for this research. These are Ernest Chemist Limited, Kinapharma Limited and Kama Health Services (Pharmacy Division). The study population consisted of 750 employees as stated below:

Table No. 3.1 Population

Organisations	Staff Strength
Ernest Chemists Limited	200
Kama Health Services (Pharmacy Division)	200
Kinapharma Limited	350
Total	750

Source: Organisations website, 2009

3.4 Sampling

The sampling technique available was both probability and non- probability sampling. With the probability sampling, the sample size was selected from the population. The sampling was broken up into two groups: family and non- family members.

For the non-probability sampling, purposive sampling method was used. This was because it enabled the researcher to use her judgement to select cases that enabled the respondents answer the research questions. According to Kerlinger 1986 cited in Bonney,2006, purposive sampling is a type of non-probability sampling, which is characterised by the use of judgement and deliberate effort to obtain representative sampling including typical areas or groups in the sample.

3.5 Data collection instruments

In collecting the primary data for this study, a set of questionnaires and interviews were adopted. In all, two different kinds of questionnaires were designed and administered. The aim of the questionnaire was to find out if organisations had a succession planning strategy, if a plan was in place for succession, and how best the strategy was helping in organisational continuity.

The two sets of questionnaires asked close-ended and open-ended questions. The rationale for asking close-ended questions was to avoid extraneous answers that might not be relevant to the objectives of the study. The choice of open-ended questions in some cases was to afford respondents, the opportunity to freely express their views on the questions asked.

Interviews conducted were mainly with the Chief Executive Officers of the three organisations. By analysing the succession planning practices of the three organisations, the author tailored the interview questions to address all the critical areas of succession planning for the target organisations.

3.6 Data Analysis

In terms of the processing of data, the data obtained was coded and tabulated. In coding, the questions were clarified into meaningful categories in order to bring out essential patterns in the

succession planning in the organisations and explore how it is contributing to the continuity of the organisation.

Quantitative and qualitative methods were used to analyse the data. Categorical data which were values were not measured numerically but classified into sets according to the characteristics that were identified.

The data analysis tool used to analyze the data was the Microsoft Excel. Representations like tables, histograms and graphs were used to ensure easy, accurate and quick interpretation of data.

3.7 Profiles of the organisations

3.7.1 Ernest Chemists Limited

Ernest Chemists Limited is wholly owned by the Bediako Sampong Family. It is a locally based Ghanaian company. The Chief Executive Officer is Mr. Ernest Bediako Sampong. The operations of the company began in 1986 with Mr Ernest Bediako Sampong, his wife and four other employees in a small retail shop. In 1993, the company became a Limited Liability Company with ten employees.

The company started operations with imported pharmaceutical and healthcare products for both prescription and over the counter drugs, from companies such as Astrazeneca, Glaxosmithkline, Pfizer International Corporation, Bayer Schering, Norartis, Bell, Sons and Company (Druggists) Ltd, Biomedicine, Merck and Troge.

The company started manufacturing in 2001 with a labour force of 200. Out of the 200 staff 20 were both nuclear and extended family members. The staff of Ernest Chemists Limited is made up of management, supervisors and junior staff responsible for the operations of the company.

Ernest Chemists Limited is made up of three broad divisions - Administrative, Sales/ Marketing and Manufacturing Divisions. The manufacturing plant produces a wide range of pharmaceutical generics for local consumption as well as the export market, and also includes a laboratory and comprehensive storage facility.

Presently, Ernest Chemist has a total market share of 25% of locally manufactured pharmaceuticals in Ghana. It hopes to introduce additional production lines, with the goal of becoming one of the top ten African pharmaceutical companies by 2010.

3.7.2 Kama Health Services (Pharmacy Division)

Kama Health Services Limited was established by Dr Kwesi Agyekum Addo in January, 1983 with a staff of four to carry out the business of manufacturing pharmaceutical products. It is a subsidiary of the Kama Group of Companies which is a family business owned by the Addo family. It is one of the dominant healthcare and pharmaceutical companies in Ghana.

Kama Health Services Limited is supervised by a Board of Directors which comprises of nine high calibre professionals with diverse competencies and experience, which ensures that the principles of sound corporate decision-making and enhanced performance are achieved. Kama Health Service has a staff strength of 200 which comprises of 15 family members and the rest non- family members.

The company has five large branches in Kumasi and holds the distributor's license of eight international pharmaceutical companies, including Almira Prodesfarma (Spain), Phargon (Holland) and XL Laboratories PVT (India).

3.7.3 Kinapharma Limited

Kinapharma Limited is a leading name for local pharmaceutical innovations, manufacturing, distribution and marketing in Ghana. The company was started by Mr Kofi Nsiah with five employee family members in 1980. This has now expanded to include new regional offices in Accra, Tamale and Tarkoradi in addition to the existing offices in Kumasi. The company has a vision to open new offices in the capitals of Nigeria, Benin and Burkina Faso.

Kinapharm Limited is Ghana's leading name by far for local pharmaceutical innovations, manufacturing, distribution and marketing. The company is ranked 29th on Ghana Club 100. The company has 350 employees comprising of pharmacists, biochemists, marketing professionals, lab-technicians and technicians, most of whom are in the factory and regional outlets.

Succession planning was being practised in the organisation. This was mainly for family members and for the non-family members employed internally and externally.

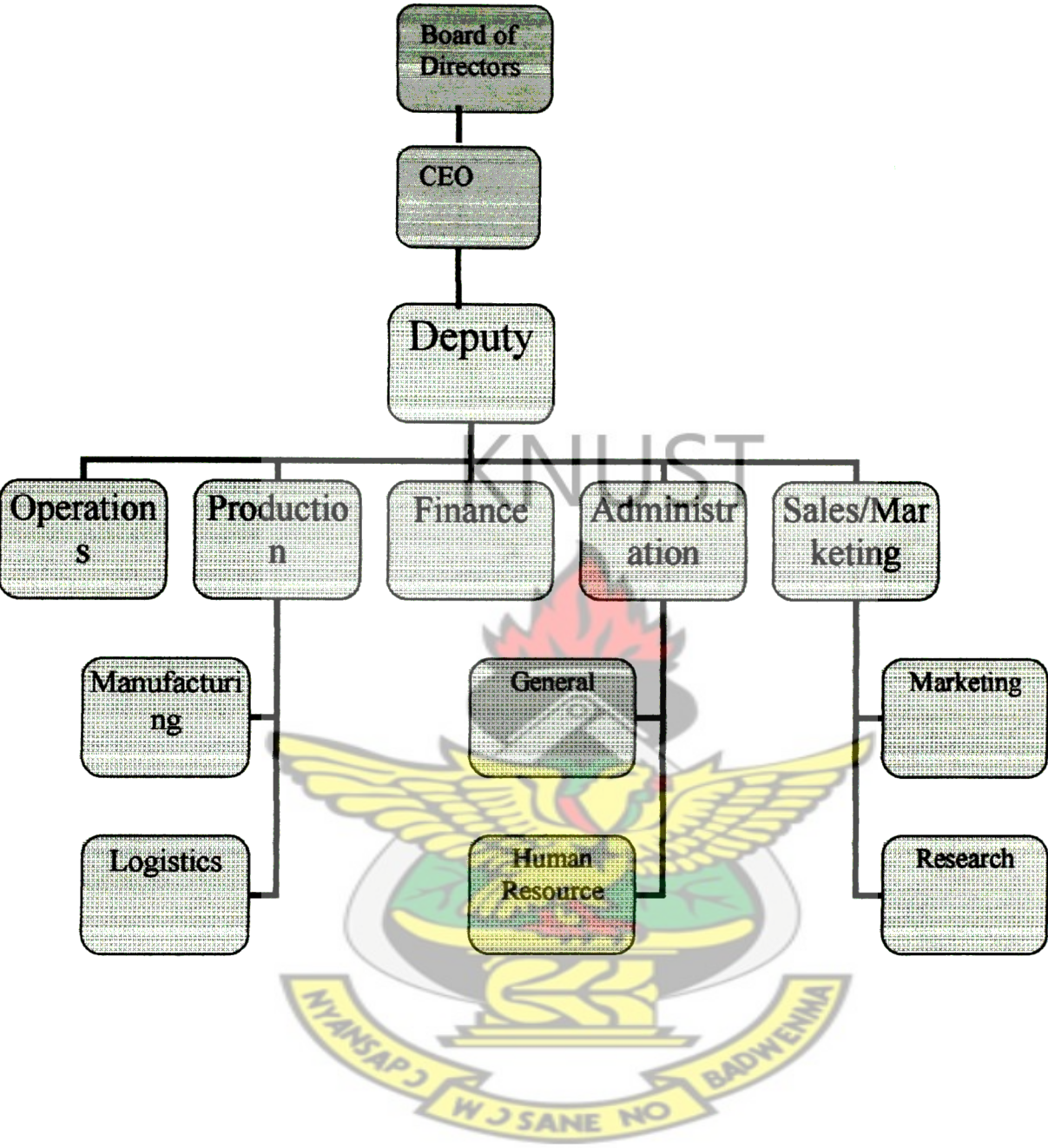
3.8 Conclusion

The three organisations were reviewed from the staff strength from its establishment to the present. From the review, it was realised the staff strength had increased tremendously indicating that these companies help reduce unemployment. Most were set up with a few family and non-family members.

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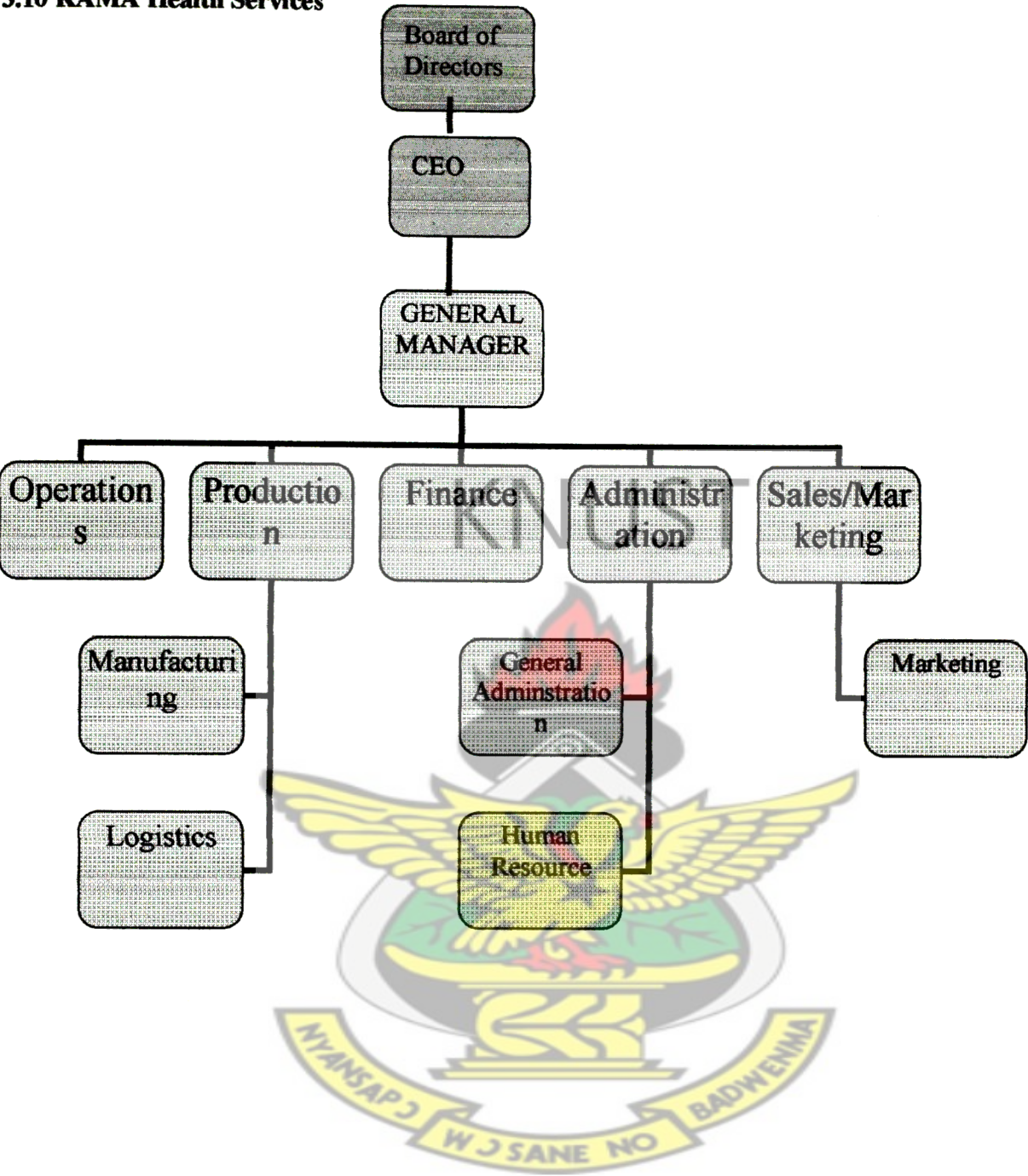


3.9 Ernest Chemist Organogram



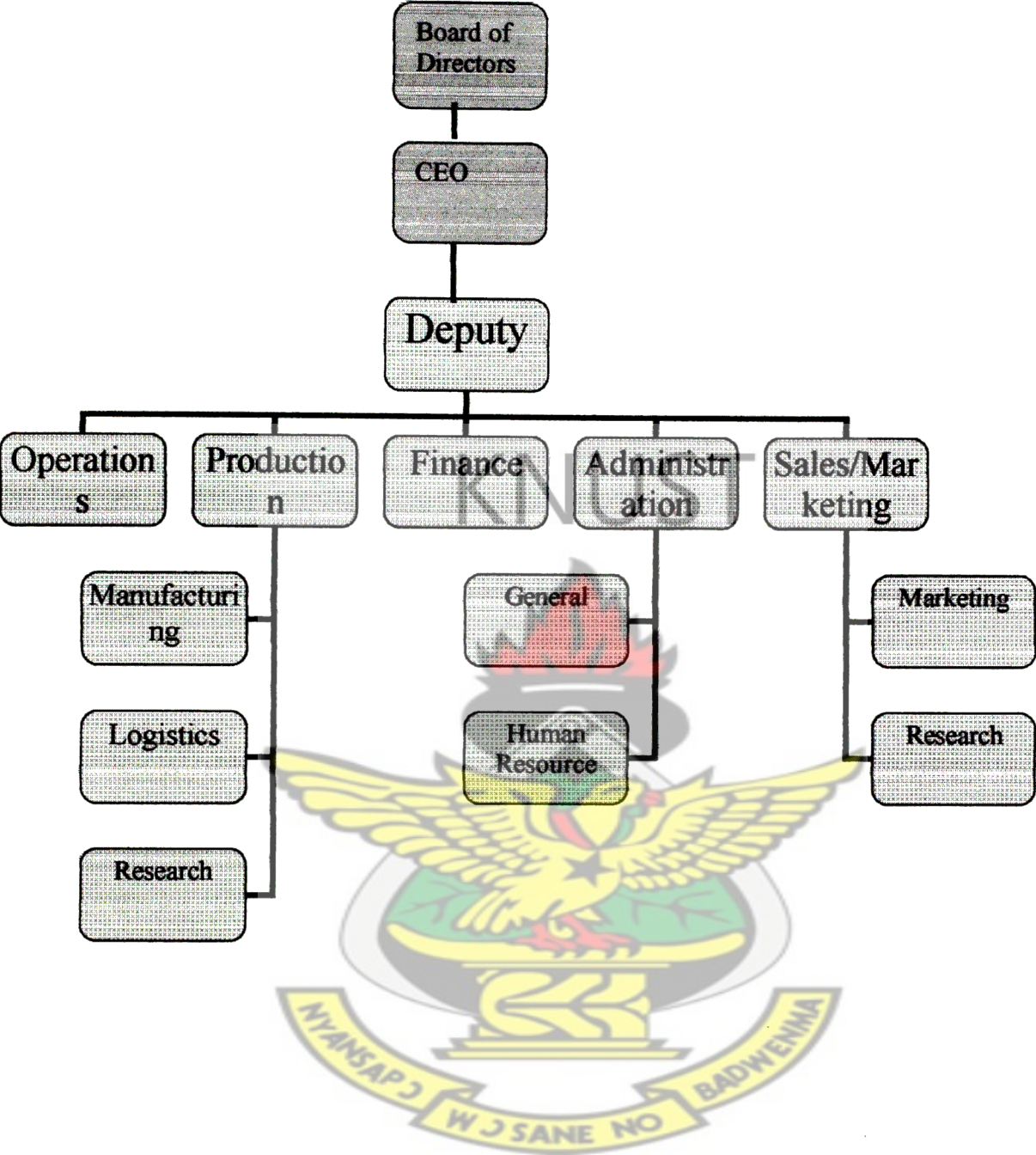
Source: Field Survey, 2009

3.10 KAMA Health Services



Source : *Field Survey, 2009*

3.11 Kinapharma Limited



Source : Field Survey, 2009

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter presents data analysis from the research on the three target organisations and their Kinapharma Limited, Ernest Chemists Limited and Kama Health Services Pharmacy. The analysis tool used is the Statistical Package for Social-Science software (SPSS). The results of the analysis are presented in tables and graphs based on the objectives set for the research and the literature review.

4.1 Age distribution of employees

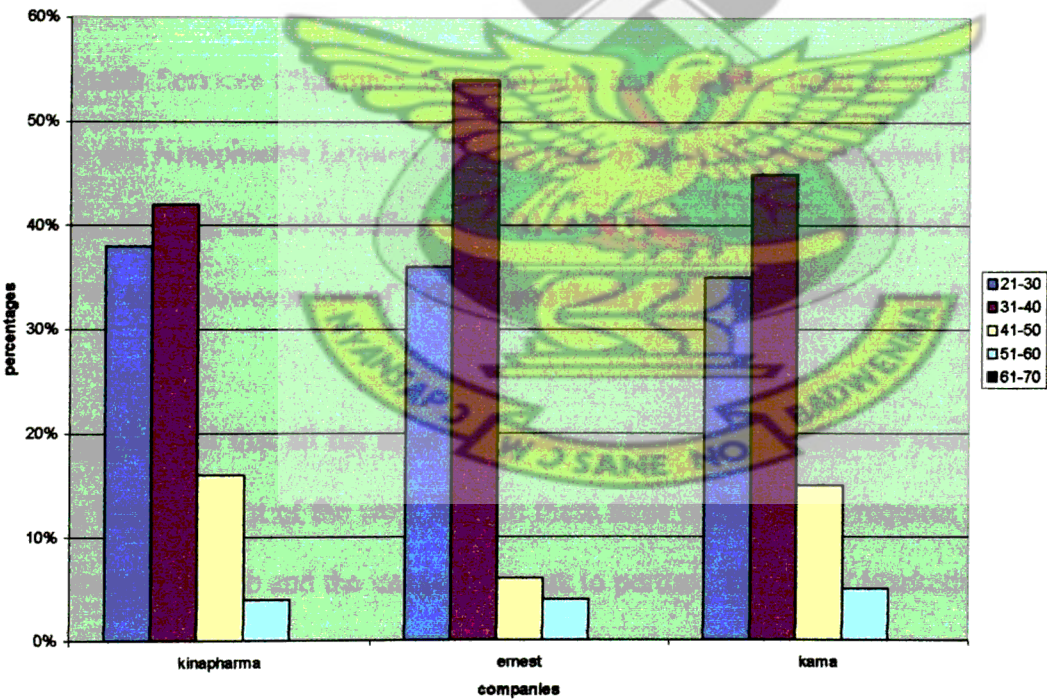


Figure 4.1 Ages of Employees (source: *Field Survey, 2009*)

From the survey conducted, it was revealed that in the three organisations, most of the employees' ages ranged between 21 to 40 years. The next highest was 31 to 40, followed by 21 to 30 years, then 41 to 50 years and then 51 to 60 years having the lowest.

From the three organisations Ernest Chemists Limited had the highest number of employees in 31 to 40 ranges. This entails 27 (54%) of the employees. Next was that of the 21 to 30 range which comprised of 18 (36%) of the employees. The others were 41 to 50 which also comprised of 3 (6%) and finally 51 to 60, 2(4%).

Kinapharma Limited also had the same trend as was the case of Ernest Chemists Limited. For the age 21 to 30 recorded that 19 (38%), 31 to 40 also recorded 21 (42%), that of 41 to 50 recorded 8 (16%) and finally 2 (4%).

Kama Health Services (Pharmacy Division) also had a similar trend as was the case of Ernest Chemists and Kinapharma Limited. The age range of 31 to 40 years recorded the highest number of employees being 22 (44%) followed by 21 to 30 years which comprised of 18 (36%). The age range of 41 to 50 however low of 8 (16%) and finally 51-60 range which was 2(4%).

Thus it can be said that all the three organisations have a predominantly youthful labour force. This was because most of the work done in these three organisations requires young people due to the nature of the job and the image they seek to portray. The Sales/ Marketing and Production Departments in the three organisations contributed the most to the age trend. Kinapharma Limited has the highest level of employees in the age range from 21 to 30 years and this was mainly because most of them were recently from school that were coming in with new ideas into the organisation.

Succession planning refers to the maintenance of labour, talents and competence in order to ensure continuity of leadership (Rothwell, 2005). It was realised that with the youthful age of the three organisations, there should be policies in place in the organisations to help maintain most of the employees to help with the continuity of the various organisation.

4.2 Educational level of employees

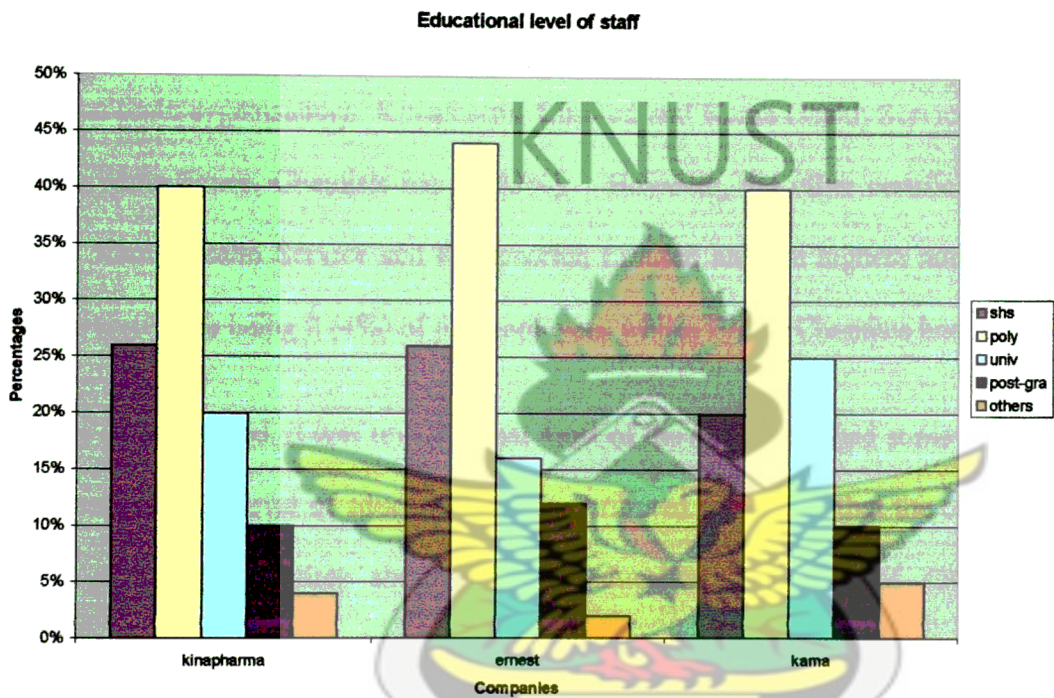


Figure 4.2 Educational level (source: Field Survey, 2009)

On the educational level of the employees of the three organisations as indicated above, it was revealed that the educational level with the highest number of employees was that of the polytechnic graduates with Higher National Diploma. The breakdown comprises of Kinapharma Limited 20 (40%), Ernest Chemists Limited 22(44%) and Kama Health Service (Pharmacy Division) 20 (40%). This was because the nature of work being mostly production and sales/marketing.

Senior High School Certificate holders had the second highest number of employees in all the organisations studied. Kinapharma Limited and Ernest Chemists both had 13 (26%) and Kama Health Services 10(20%). For university graduates, Kama Health Services had the highest number of employees with 13 (26%), followed by Kinapharma Limited with 10 (20%) and finally Ernest Chemists Limited with 8 (16%)

Post-graduate level which comprised of Masters Degree and Doctor of Philosophy (PhD) was low in the three organisations. Kinapharma Limited and Kama Health Service (Pharmacy) have 5 (10%) while Ernest Chemists has 6 (12%). However, the other certificates were small in number. Kama Health Service and Kinapharma Limited had the highest number of employees with this certificate being 2 (4%) of the employees while Ernest Chemists had only 1(2%).

From the data obtained, it was revealed that most of the employees had some level of education. The disparity in the level of education can be attributed to the fact that the core function of the three organisations requires some level of education. In terms of succession planning, qualification (talent) as was referred to by Rothwell, 2005 which states that the most comprehensive plan of succession is one which is largely inclusive and focused on assessing and developing an array of leadership talents within the organisation. This was indicated in three organisations had the requisite staff for the operation in the organisations. Though there were Senior High School certificate holders, their labour qualifications met the requirements of the various organisations.

4.3 Duration of employment

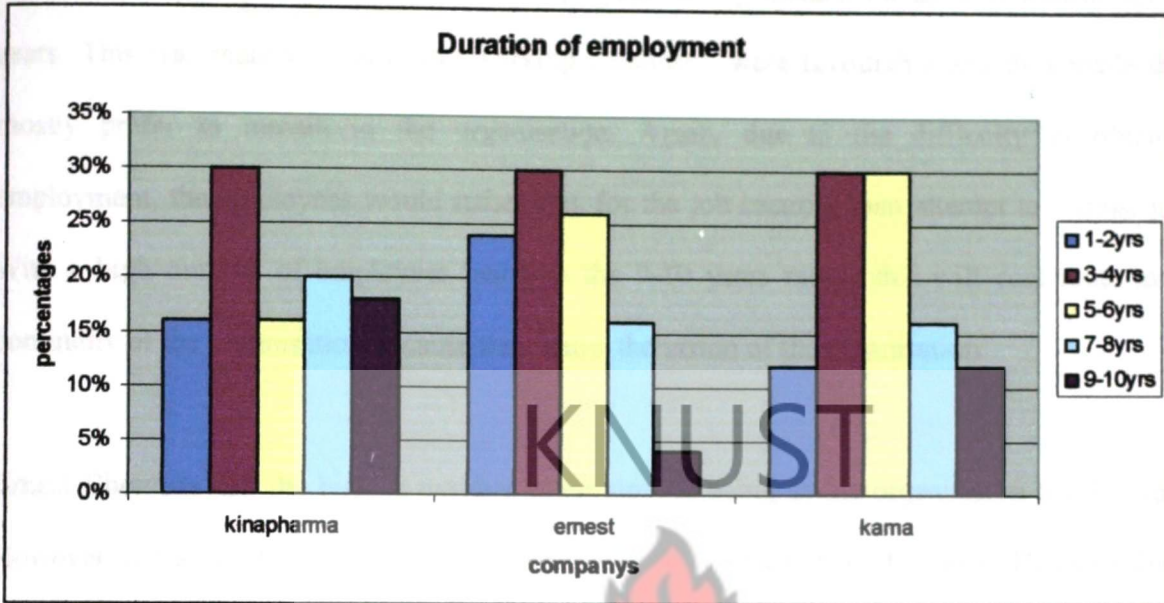


Figure 4.3 Duration of employment (source: *Field Survey, 2009*)

An investigation into the duration of work by employees revealed that all the three organisations had most of their employees having worked there for 3-4 years which was 15 (30%). Kama Health Services had the highest with employees having worked with the organisation for 5- 6 years which was 15 (30%) in the organisation, Ernest Chemists 13(26%) and Kinapharma Limited being 8 (16%). In the 7-8 years range, Kinapharma Limited had the highest number of employees of 10 (20%), and that of Ernest Chemists and Kama Health Services was 8(16%) of the data collected. With the range of 9-10 years, Kinapharma Limited still had the highest level of 9 (18%) followed by Kama Health Services with 5 (10%) and finally Ernest Chemists with 2(4%). The 1-2 years Ernest Chemists having the highest number of employees which was 12(24%), that of Kinapharma Limited 8 (16%) and the lowest being Kama Health Services 6(12%).

The research revealed that most of the employees had stayed in the organisation for 3-4 years. Kama Health Services had most of their employees having worked for the organisation for 3-6 years. This was mainly because the working conditions were favourable and thus made them mostly prefer to remain in the organisation. Again, due to the difficulty in obtaining employment, the employees would rather stay for the job security than attempt to change jobs. With a high number of employees being in the 9-10 years range, this will contribute to the continuity of the organisation because they know the vision of the organisation.

Ernest Chemists had the highest number of employees being in the organisation for 3-4 years. However, it had a lot of the employees who have been employed for 1-2 years. This was due to the expansion in branches especially that of their Kumasi offices and the training of employees for their Tamale office. Ernest Chemist has the fewest employees with a long tenure. This can be due to the initial working conditions of the organisation and again due to the expansion exercise the organisation is now undertaking. This trend of employment can be said to be advantageous in that there are a lot of fresh ideas coming into the organisation and this helps to bring in ideas that will help in the improvement of the organisation. This trend also brings about competition since succession is based on performance and as such employees put a lot of effort in order to be recognised.

Kinapharma Limited on the other hand had an average number of employees for 1-10 years. This was a very good indication that they were able to maintain their employees, thus helping with the continuity of the organisation. The data thus revealed there were a lot of experienced persons in the organisation thus making succession in the organisation easier.

4.4 Succession practices

Table 4.1 Succession practices

Kinapharma Ltd	Ernest Chemists	Kama Healthcare Ltd
Job rotation	Job rotation	Job rotation
Coaching	Coaching	Coaching
Assistantship	Assistantship	Assistantship
Committee assignment	Committee assignment	Committee assignment
Mentoring	Mentoring	Mentoring
	Class course & degree	Development centres
		Class course & degree

(source: Field Survey, 2009)

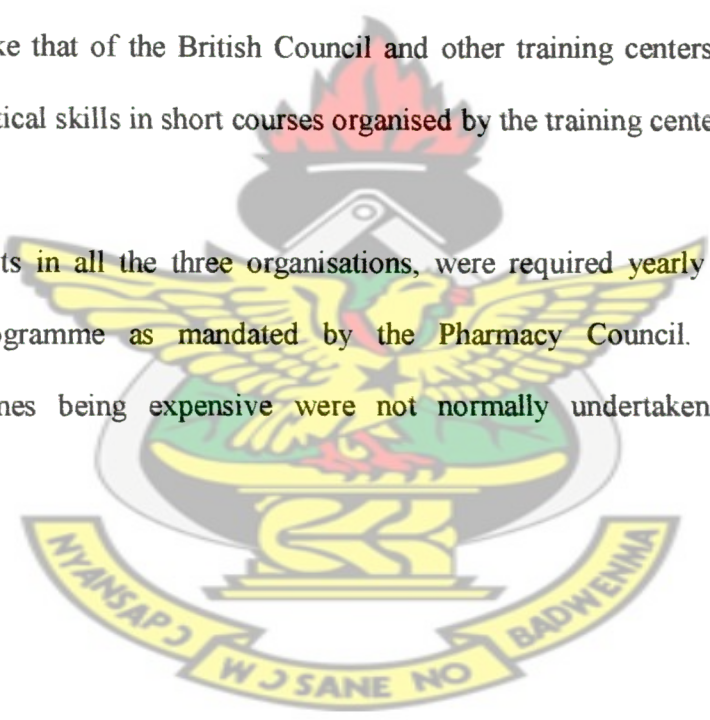
From the data collected, it was realised that there was a formal way of allocating duties and responsibilities in the three organisations. Thus when any gaps were created in an organisation, duties were allocated to people through the methods indicated above.

In this, Kinapharma Limited had all the succession practices undertaken in the organisation. Due to the nature of their procedure, immediate gap replacement was very effective. This was because of a strategy of job rotation, coaching, assistant- to, committee assignment and mentoring. Since this is it was normally part of the job description given to the employee by the employment contract, when there is an immediate gap, there is always an available person to fill the vacant position immediately. This helps in the continuous operations of the organisation. Kinapharma Limited practised job rotation, coaching, committee assignment and mentoring. Mathias and Jackson, 2004 gave these practices as development approaches which contribute to in the training of employees to fill up gaps and also to help in the succession planning process.

At Ernest Chemists Limited, some employees are encouraged to further their education by going back to school to enhance their skills through both theory and practical pharmaceutical tutoring. There are also measures put in place for family members to enhance their skills and knowledge. In Ernest Chemists Limited aside all those practised by Kinapharma Limited, there was also the class course and degree. This practised was however more with family members. The non-family members had to meet the criteria of commitment, performance and proven ability to be able to take up in leadership roles. Thus, this organisation had in place measures of filling gaps easy when there is a vacancy.

Kama Health Services Limited however also had an additional practice in the form of development centres like that of the British Council and other training centers. This helps the employees to have practical skills in short courses organised by the training centers.

However all pharmacists in all the three organisations, were required yearly to partake in a yearly continuous programme as mandated by the Pharmacy Council. Again, off-site development programmes being expensive were not normally undertaken often by this organisation.



4.5 Preparation succession planning process

Table 4.2 Preparation succession planning process

Kinapharma Ltd	Ernest Chemists Ltd	Kama Healthcare Ltd
Department in charge with inputs from employees	Board of Directors	Board of Directors
Chief Executive Officer	Chief Executive Officer	Chief Executive Officer
Family Members	Family Members	Family Members
Management Staff	Management Staff	Management Staff
Board of Directors		

(source: Field Survey, 2009)

From the research, it was realised that none of the organisations had a formal document. With Kinapharma Limited there was a department which was the Administrative and Human Resource Department which is responsible for preparing the succession planning process in the organisation with inputs from some employees. However this was not the case for the other two organisations - Ernest Chemists and Kama Health Services (Pharmacy).

At all three organisations, most of decisions taken were by the Chief Executive Officers who were all the owners of their various organisations. Again due to the family owned model of the organisations, the family members contribute to decision making in the organisations. At Ernest Chemists Limited decision making was more in the hands of the nuclear family. It was however revealed that at Kinapharma Limited and Kama Health Services both the extended and the nuclear families were involved in the decision making at the organisations.

Management staff also played a role in the succession planning process and its implementation. By this, the management identifies the various positions which are vacant or are about to be vacant. Then they contribute to the job description of the position and make policies on how to fill these vacancies in the various organisations.

Finally all decisions taken and implemented on the succession planning process are submitted to the Board of Directors for all the organisations. The proposals are studied and the various changes that have to be made are executed by the boards. After their approval, their decisions are made known to the entire staff.

The three models - Position-Management Driven, Succession Planning Pools and Top-down or bottom-up succession planning were applied in all the three organisations (eowa, 2001). The position-management driven model is commonly used by family businesses. Again these organisations are not large so it is easier for the incumbent to have personal relationship with the subordinates as was the case of all the three organisations.

Only Kinapharma Limited was practising the succession planning pool method. The Administration/ Human Resource Department is in charge of collating the pool for succession.

4.6 Identification for candidates for leadership positions

Identification for leadership positions (Kinapharma Ltd, Ernest Chemists Ltd & Kama Healthcare Services (Pharmacy)

Table 4.3 Educational level

Methods
Family Ties
Succession Planning Pools
External Labour Market
Performance Appraisal

(source: Field Survey, 2009)

For succession in the organisation, those who qualified for leadership positions were identified through family ties. This was strictly for family members only. However this was based on the qualification and performance of the employees. There were also situations where younger family members who were not yet employees of the organisation were trained to take up leadership positions since it was a family business and they wanted it to remain as such.

Though there was no documented succession plan in the three organisations, however the organisations had succession planning pool where those who had leadership traits in the organisations, had their names compiled and the necessary actions taken to help with the required training to aid them in performing in their leadership positions.

Again, in instances where there were leadership vacancies in the organisations that could not be filled by anyone in the organisation, a job posting is issued to so that qualified professionals can apply for the position.

Finally, performance appraisals were undertaken in the entire three organisations to help in the identification of qualified employees for leadership positions through performance reports in the year.

The methods used by all the three organisations were effective for the immediate replacements in organisations although there are situations in which replacement was difficult as there were no competent employees to fill the vacancies. In such circumstances, these organisations reached out to the external labour market. Such situations did not adversely affect their operations in the long run.

4.7 Benefits of Succession planning

The investigations from the survey conducted in the three organisations revealed that the employees were aware of some of the benefits of succession planning policy in the organisations. The responses given were as follows;

4.7.1 Ernest Chemists Limited

1. Succession planning policy helps with organisational continuity. It was realised that the employees in the three organisations were aware of the key purpose of succession planning which is to ensure business continuity.
2. Succession planning also contributes in the retention of leaders and those who have the potential of becoming leaders. Rothwell, 2005 buttress the above point that succession planning contributes to retaining a talent pool of employees in order to ensure a continuity of leadership for all critical positions.
3. It takes care of pitfalls by providing a comprehensive analysis of the skills, talents and personalities of employees.

4. Finally it helps improve the performance of the employees

4.7.2 Kama Health Services (Pharmacy Division)

1. Succession planning practices helps with organisational continuity. It was realised that the vision of the organisation is to expand its business to other West African countries and also to dominate the market seen.
2. With a comprehensive analysis of the skills, talents and personalities of employees, it is easy to identify potential leaders in organisations for training into leadership roles.
3. It serves as motivation for employees to strive to be recognized in the organisation. Thus helps improve the performance of the employees

4.7.3 Kinapharma Limited

1. Succession planning policy helps with organisational continuity. It was realised that the employees in the three organisations were aware of the key purpose of succession planning which is to ensure business continuity.
2. Succession planning helps in the implementation of the organisation's strategic plan. According to Rothwell (2005), an organisation plan helps the organisation to compete and survive in the market.
3. Recruiting externally is expensive. Succession planning reduces the cost of recruiting outside and develops the employees internally.
4. Contributes to the assessment of the competencies required of those who are potential leaders
5. Helps in the identification of vacant key positions in the organisation.
6. Succession planning also contributes in the retention of leaders and those who have the potential of becoming leaders. Rothwell, 2005 buttress the above point that succession

planning contributes to retaining a talent pool of employees in order to ensure a continuity of leadership for all critical positions.

4.8 Demerits of succession planning

4.8.1 Kinapharma Limited

1. Focuses only on the 'technical competencies' and failing to consider the team building and leadership development requirements.
2. Creating a development programme that only offers leadership training programmes.

4.8.2 Kama Health Services (Pharmacy Division)

1. It is very expensive undertaking succession planning.
2. Succession plan when known to employees does not motivate those who do not qualify for leadership positions.
3. Succession plan when not well managed brings about disunity among employees.

4.9 Role of Family in the Organisations

A family business is a business with majority of the ownership or control in the task system with the family members (Bowman- Upton, 1991). The three organisations had their ownership and control by the CEO's in the persons of, Mr Bediako Sampong of Ernest Chemists Limited, Dr Kwesi Addo Agyekum of Kama Health Services and Mr Kofi Nsiah of Kinapharma Limited. These entire organisations had their wives and some of their children working in the organisations. Aside the nuclear family, there was also some extended family members also working in the organisation. This is in consonance with Bowman- Upton in terms of the composition of family business and definition of family business.

5.0 Availability of Succession plan

Ernest Chemists Limited, Kinapharma Limited and Kama Health Services (Pharmacy Division) did not have a written succession plan which is a document. The small business, 2001 which confirmed that most businesses neglect to develop a succession plan. This is normally due to the difficulty of the CEO accepting their mortality. This is evident on the issue of few organisations having a plan. This is the same for organisation which still have their founders alive. All these organisations had their founders alive and currently manning the operations of their various organisations.

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CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter brings out the key findings of the study and appropriate recommendations to address those findings, as well as the conclusion. The recommendations when addressed will strengthen succession planning and enhance its use in family owned businesses in Ghana.

5.1 Summary of Findings

The findings from the survey indicated that the organisations studied had five main departments being Administration, Finance, Sales/ Marketing, Production and Operations. The following are the findings that were revealed in the three organisations. The organisations are Kinapharma Limited, Ernest Chemists Limited and Kama Health Services Limited.

5.1.1 Availability of Succession Planning Policies

There was some form of succession planning in the three organisations. From the research carried out, it was observed that Kinapharma Limited had 45% of the employees employed for 1-4 years while 5-10 years constituted 55% of the population. This shows that most of the employees had been in the organisation for a long time and that made it easier promotions to managerial positions from within the company. In the case of the other two organisations, it was the other way round. Ernest Chemists Limited had 54% of the employees who had worked for a duration of 1-4 years which is more than the number of employees who had been in the

organisation for a long time. This was partly because there had been an expansion both in the form of labour and physical structure. The organisations had also embarked on personal sales where by sales representatives went to the customers instead of the customers coming to them. Kama Health Service Limited has a form of succession planning process in place though there is no written document to testify to its existence. 54% of the respondents had been working in the organisation for less than 5years. This was partly due to the opening up of a new branch and expansion of the business.

Kinapharma Limited had 20% of the employees having worked with the organisation for 9-10 years. This was because their labour policy contained favourable conditions of work. Ernest Chemists on the other hand had more than half the employees, that is, 54% in the age range of 30-41 years and the lowest of 2% of the employees ranging between 51-60 years. The age distribution compared with the other organisations was better because the identification of leadership qualities was based on performance.

5.1.2 Availability of Succession Plan in the organisation

There were no succession plan documents in the three organisations the author researched on. Policies found in the organisations were part of documents like employment contracts, job descriptions, job design, and training manuals. The employees had some knowledge of what succession planning was but their idea was more of the succession of the Chief Executive Officer of the organisation but not the other key positions in the organisations.

5.1.3 Evaluation of development approaches to succession planning

The organisations had development approaches in place to help with the development of employees for succession planning. They had the job-site methods which comprised of job rotation, coaching, assistant-to, committee assignment and mentoring while the off-site method was only classroom courses and degrees. The off-site courses were normally made compulsory for family members chosen for leadership roles and optional for non-family members though there were instances where some non-family members were made to undertake the course. There was no formal development approaches with respect to non-family members in the off-site approach.

5.1.4 Identification of candidates for leadership positions

The data revealed that the identification of leaders using the succession planning pools were done by the Board of Directors, Family members, Management staff and inputs from the staff. However since all of them had the survival of the businesses at heart, the ultimate goal was to keep the organisations still family owed. Even though these bodies were undertaking decisions especially with succession, the families which were more of the nuclear took the final decision with the recommendation from the other bodies. All the three organisations had gone beyond the first generations and were in the second. Candidates who were not yet part of the organisations were identified by family members. The employees were identified through mainly their performance. However, this procedure does not encourage non-family members since those who have the requisite qualifications may never be picked. Again, due to the age trend in the organisations, employees are not well motivated for leadership positions.

5.1.5 Investment in younger generations

The three organisations invested more in their younger generation because they were next in line to take over the reins of the companies. In Ernest Chemists, investments were not only in the core business of the organisation, i.e. pharmacy, but in other courses and management training. Kinapharma Limited and Kama Health Service (Pharmacy) were also interested in the training of both pharmacists and managerial staff.

5.1.6 Retention of employees

Investigations conducted revealed that the organisations' retention of staff needs more room for improvement. In order for the organisations to take care of emergency vacancies, it requires the staff should be retained to help with the continuity of the organisations.

5.1.7 Availability of Board of Directors

All the three organisations had Board of Directors taking final decisions in the operations of the various organisations. However it was realised that the even though the BOD was the highest decision making body yet the CEOs' were those with those powers.

5.1.8 Working conditions in the organisations

The working conditions of the employees were not very good thus contributing to high employee turn over in the three organisations. The level of motivation was low and more skewed towards the family members' employees than that of the non-family members' employees. Bowman-Upton, 1991 confirms instances where family members employees tend to be treated differently from regularly employees without family ties.

5.1.9 Young Labour force

The organisations had very youthful labour force. This is evident in the age range between 21-40 years having the highest number of employees. Kama Health Service (Pharmacy Division) and Kinapharma Limited both had 80% of their employees in this age range with Ernest Chemists Limited had 72% of its employees. This helps in the further development of employees who have the leadership potentials.

5.2 Conclusion

Any organisation serious about continuity will have planned for succession. Succession planning has always been considered as essentially a strategic activity, which in the past has focused mainly on targeting key management positions. Organisations are now realising that there is a need to expand the scope of this activity to cover key positions and key persons across the entire organisation. This involves a deliberate attempt at developing fully the skills and abilities of identified successors. Having a workable succession plan ensures that, at all times, core skills needed for the smooth operation of the organisation is available. Succession planning helps organisations prepare for expected and unexpected events.

In Kinapharma Limited, Ernest Chemists Limited and Kama Health Services (Pharmacy), succession planning policies do exist in practise but not in writing. This is evident in the manner vacancies are filled promptly in both the short and long-run.

The family businesses researched on, offered training and developments programmes on a larger scale for family members than for non-family employees. The organisations had a youthful labour force due to the nature of the work performed in these organisations. With a youthful

labour force, training and development should be encouraged for those willing to undertake them.

Finally, succession planning is very important in family-owned organisations because they all want to stay in operation and expand to West African sub region. This encourages expansion and continuity of the organisations and can be realised if employees are developed and retained. It was observed that although all three businesses are family owned business with majority of the employees not family members, emphasizing the importance of non-family employees.

5.3 Recommendations

The following recommendations were made based on the findings, the objectives and literature review of the researcher.

5.3.1 Improvement in conditions of service including rewards and compensations

The non-family employees should be encouraged and made to feel as part of the organisation. This can be done by improving the conditions of service and involving non-family employees in decision making. This would help in retaining staff and ultimately help in the sustenance of the organisation. This will contribute to the successful growth of the company and continued employment opportunities for many professionals in the long run.

5.3.2 Formulation of a succession planning policy plan and documentation

The researcher realised in the three organisations, there was no specific policy governing Succession Planning solely. However, different policy documents contained portions of Succession Planning procedures. The organisations should be encouraged to have a system in place to facilitate the process of loan applications from financial institutions.

5.3.3 Encouraging the approach of diversification of the development of family members

Family members should be encouraged to undertake development approaches not only in the pharmacy department but also in the other departments of the organisation. This is essential because all the different departments contribute to the survival of the organisation. Ernest Chemists Limited is already pursuing this approach and it should be encouraged.

5.3.4 Review non-employee's training and development

Employee training and development should be encouraged with policies like leave with pay in place for employee training done off-site. In addition, there can be some privileges given to them at work to encourage them develop professionally. The organisations should also have scholarship schemes for the non- family employees because this will improve their skill set.

5.3.5 Effective Boards of Directors in decision making in the organisation

The Board of Directors in the three organisations should be given the necessary authority to make the final decisions in the operations of the organisations.

5.3.6 Rules governing family members

Rules should be made to govern the family members in the organisations. They should acknowledge on the job that they are employees first before family members.

5.3.7 Education of employees on succession planning

Succession planning is a human resource practice which is not known to most of the employees. Thus the employees should be educated on succession planning. This can be done by getting them involve in the process by their inputs.

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KNUST SCHOOL OF BUSINESS
DEPARTMENT OF MANAGEMENT SCIENCE

Good Morning/ Afternoon, I am a student of KNUST School of Business offering Master of Business Administration (MBA), Human Resource Option. I want to undertake a research in Succession Planning with my thesis topic, 'Succession Planning as a tool for Organisational Continuity in some selected SME Family Businesses.' Your organisation also happens to be one of the study institutions. I would be grateful if you will participate in the research.

Any personal information given as a result of the research would be held strictly confidential.

Please read each question and those that are not applicable to you should be indicated N/A (not applicable) as the response.

CONTACT

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Thank you.



QUESTIONNAIRE

1. Name of Organisation:
2. Number of departments/ divisions?
3. What is your position in the organisation?
.....
4. What is the staff strength of your department?
5. What is your age range?
21-30[], 31-40 [], 41-50 [], 51-60 [], 61-70 [].
6. What is your educational level?
SHS [], Polytechnic [], University Graduate [], Post- Graduate [],
Others []
7. How many year(s) have you worked in this organisation?
One [], Two [], Three [], Four [], Five [], Others specify [].
8. Is there a formal way of allocating duties and responsibilities within the organisation?
Yes [] No [].
9. If yes, how is it done?
.....
.....
.....

10. If no, how are duties and responsibilities allocated?

.....
.....
.....

11. Do you have an idea of what a succession plan is? Yes [] No [].

12. If no, how are gaps in positions filled?

.....
.....
.....
.....

KNUST

13. Does your organisation have a written succession plan? Yes [] No [].

14. If yes, what are some contents of the plan?

.....
.....

15. If no plan, how does succession take place in your organisation when there is a gap?

- Job Rotation []
- Coaching []
- Assistant –to []
- Corporate Universities and Career Development Centers []
- Committee Assignments []
- Managerial Modelling []
- Mentoring []
- Class Course and Degree []
- Simulation Exercise []
- Others []

16. How is the plan prepared?

- Department in charge with inputs from employees []
- Chief Executive Officer only []
- Board of Directors []
- Family Members []
- Management Staff []
- Others, specify []

17. What is the duration of the plan?

18. Has the plan been communicated to the family members and staff? Yes [] No [].

19. What is the development methods used for succession in the organisation?

- Coaching [],
- Corporate Universities and Career Development Centers []
- Committee Assignments []
- Job Rotation []
- Assistant –to Position []
- Managerial Modelling []
- Mentoring []
- Class Course and Degrees []
- Simulation (Business Games)
- Others[]

20. How are the employees identified for leadership positions?

- Performance Appraisal []
- Family Ties []
- Succession Planning Pools []
- External Labour Market []

21. How effective has the method been?

- Very effective []
- Effective []
- Not Effective []

22. Is succession based on family ties or qualification?

- Family, Yes [], No []
- Qualification, Yes [], No []

23. Are these able to take care of sudden gap created?

Yes [], No []

24. If no, how are sudden gaps taken care of?

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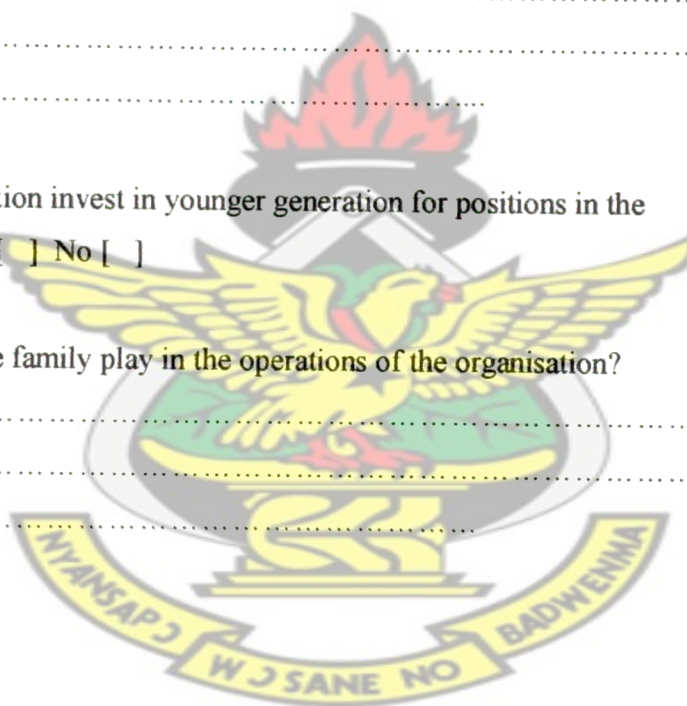
25. Does the organisation invest in younger generation for positions in the organisation? Yes[] No []

26. What role does the family play in the operations of the organisation?

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27. What are some of the benefits of having of a Succession Planning policy in place?

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28. What are some of the defects of not having Succession Planning Policy?

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THANK YOU

