

SUCCESSION PLANNING AND STAFF RETENTION CHALLENGES: AN INDUSTRIAL OUTLOOK AND MAJOR RISKS

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Abstract

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The sugar manufacturing industry in the emerging economy is potentially at high risk of not achieving its goals of increasing production output. This is due to higher than average age of growers, nonexistence of effective succession planning to expedite the transition to a new generation of growers, related increasing departure of farmers from the industry and difficulty in attracting new talent to the industry due to the high cost of entry. This research sought to explore managements' perceptions of succession planning and the impact it has on retention at a Sugar Manufacturing Company. In order to achieve the research aim and objectives, a qualitative approach was utilised in the form of an exploratory case study. A single case study was also chosen because this is a critical, unique and revelatory case and the researchers had access to the case previously inaccessible to empirical research. Purposive sampling was used and total of 15 managers participated in this study. The study found that the company is not doing enough to implement succession planning programmes even though there are potential candidates who can be trained and developed into management positions.

Keywords: Emerging Economy, Staff Retention, Succession Planning, Sugar Manufacturing Industry

1. INTRODUCTION

In today's world, most organisations' staff turnover is on the increase due to the unstable and highly competitive business environment (Sullivan, 2008, as cited in Eshiteti, Okaka, Maragia, Odera and Akerlele, 2013). Mehrabani and Mohamad (2011) state that some factors that cause the instability in an organisation's workforce include illnesses, retirements, attritions or finding better jobs. Garg and Van Weele (2012) assert that the lack of proper succession planning in an organisation can have a direct effect of causing business to collapse upon departure of key players. A lot of companies in the manufacturing sector are experiencing a shortage of skilled employees owing to retirements; deaths, talent poaching and changing of jobs (Human Resource Development Council, HRDC, 2012). The Sugar Manufacturing Company, the organisation under study, has not been immune to such unfortunate events. Research shows that many organisations are not ready or well equipped to confront the talent crisis when it occurs as they usually lack official succession planning programmes aimed at creating "a feeder pool" of

highly capable staff members who would be able to occupy management positions in the future (Eshiteti *et al.*, 2013).

Even though most companies have succession planning programmes in place as per their policies, it is not clear how effective these programmes are (Gulzar & Durrani, 2014). The company other study is no exception to this phenomenon. All that is revealed by the organisation through records and practices is that the organisation has various development programmes that include Internships, Learner-ships and Engineers-In-Training (EIT) platforms. However, these interventions do not form part of a long term strategic plan which will benefit the company in the future as these trainees are normally released after the programme has been completed. Succession planning is thus, vital to instil stability in an organisation since a need for succession can confront any business at any time irrespective of their magnitude or size (Durst and Wilhelm, 2012: 639). Hall-Ellis (2015) affirms that departures of retiring employees and co-workers leaving the company can have significant consequences. A reflection on previous studies relating to succession planning indicates that, as

organisational circumstances changes through business growth, promotions and resignations of key staff, proactive succession planning will provide a guarantee that the company will have a backup pool of talent ready to fulfil new roles (Mathur, 2011).

The Sugar Manufacturing Company being investigated has recently lost a number of key employees in managerial and other critical positions due to deaths, retirements, dismissals and resignations. This in turn has forced the company to, at times, reinstate retired employees or hire externally due to lack of suitable replacements from internal workforce. This is a persistent problem within the sugar manufacturing industry. According to Blazevic (2013), the sugar industry is potentially at high risk of not achieving its goals of increasing production output since there is a related increasing departure of farmers from the industry and difficulty in attracting new talent. The unprecedented early retirement by managers at all levels and failure by the organisation to fill the vacant positions created by early retirement is a cause for concern at this company under study. Research has been conducted on succession planning in the past, however, minimum research has been done in the sugar manufacturing industry (Mathur & Agarwal, 2013).

The aim of this study is to explore management's perceptions regarding succession planning at a Sugar Manufacturing Company and the impact succession planning has on staff retention.

Objectives of the study:

- To determine the perceptions of employees at management level on the current succession planning practices using a case of a Sugar Manufacturing Company.
- To determine the factors hindering successful implementation of succession planning using a case of a Sugar Manufacturing Company.

2. LITERATURE REVIEW

Definition of Terms

In order to get a better insight to this study, it is important to define the two key terms that are applicable: succession planning and staff retention.

Succession Planning

Mehrabani and Mohamad (2011) suggests that the key to the future success of an organisation is determined by how it assesses and understands the value of the people it has and what resources it will need in the future. The aforementioned authors further state that the one human resource tool which can assist to determine the current and future needs of the organisation is succession planning. Collins (2009) as referred by Adewale, Abolaji and Kolade (2011) views succession planning as a practice that can offer seamless leadership transition throughout the company. Rothwell (2011) as cited in Garg and Weele (2012) supports the above authors stating that "succession planning is a deliberate and systematic effort by an organisation to ensure leadership continuity in key positions, retention and development of intellectual and knowledge capital for the future, and

encouragement of individual advancement".

According to King (2005), as cited in Garg and Weele (2012), succession planning is actually a practice that warrants uninterrupted effective functioning of an organisation by instituting a process that assists in developing and replacing key staff members over time. Mathur (2011) is in agreement with these writers stating that succession planning system is intended to ensure that skilled and talented employees are prepared to take over each key role in the event of sudden loss of efficiency created by retirements, death, serious illnesses or promotions. The aforementioned author further explains succession planning as some form of internal recruitment where highly capable employees have their abilities, skills and knowledge developed to prepare them to fill-in more challenging and exciting roles.

Staff Retention

"Turnover is very costly to the organisation in terms of financial bearings, its implications on employee morale and customer satisfaction" (Eshiteti *et al.*, 2013). Tunje (2014), thus, refer to staff retention as the capability of a company to keep its employees from leaving the company while reducing staff turnover. Schroeder, Goldstein, and Rungtusanatham (2013) state that employee retention and low employee turnover assist in driving production efficiency and customer value. Chitsaz-Isfahani and Boustani (2014) on the other hand state that "employee retention is commonly considered to mean the ability to maintain a stable human resource". The above mentioned authors further refer to employee retention as all that energy exerted by the organisation to alleviate the chances of an individual to remain longer within the company.

Succession Planning Practices

Mathur (2011) concedes that finding suitable replacements is a process that requires complex design and strategy. The author further suggests a three phase model of succession planning which companies use to characterise their succession and development practises as follows:

- Phase I - Identify key roles for succession or replacement planning and define the competencies and motivational profile required to undertake those roles.

- Phase II - Assess people against these criteria - with a future orientation.

- Phase III - Identify pools of talent that could potentially fill and perform highly in key roles and develop employees to be ready for advancement into key.

Rothwell (2002) as cited in Mehrabani and Mohamad (2013), affirm that there are other common practices that can assist in successfully achieving effective succession planning efforts. These include:

- Clarifying the aim and the desired results of the effort.
- Determining the requirements of the current performance.
- Measuring the performance and determining the performance that might be needed in the future.

- Assessing the potential, establishing a way to narrow the gaps, following up and documenting competence.
- Making and maintaining rewards for developing people, evaluating results and leading from the front (Mehrabani & Mohamad, 2013).

Main Components of Succession Planning

Stadler (2011) acclaims that succession planning and management should be in line with the organisation’s strategic vision and objectives. Mutunga and Gachunga (2013) suggest four main components to Leadership Succession Planning:

- The first component is identifying the potential successor - this is the process of selecting a suitable candidate to take over in the event that a key leadership position becomes vacant. This involves identifying at least one or preferable more than one candidate who should begin the succession process as soon as possible and long before the

predecessor decides to step down

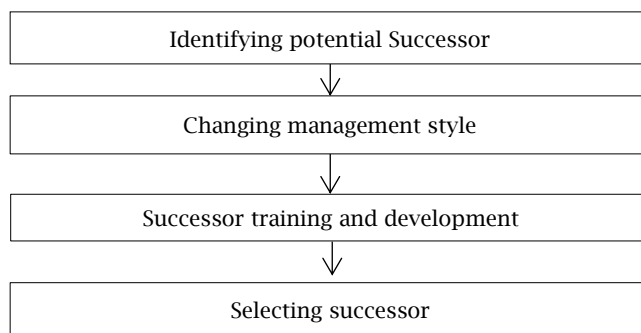
- The second component involves changing management style - The succession process requires an incumbent to be taught how to lead and manage, the predecessor must at times forgo their personal leadership and management style and become the teacher and mentor for the candidate.

- The third component is successor training and development - The success of the potential descendent lies in getting the appropriate leadership development training.

- The fourth and final component is selecting the successor - There are many factors to consider when qualifying an individual to lead and manage, these include knowledge, skills, abilities, motivation, ambition, temperament, formal education and experience.

The above can be further simplified as in Fig 1 - Main components to leadership succession planning.

Figure 1. Main components to leadership succession planning



Source: Adopted from Mutunga and Gachunga (2013)

The influence of succession planning on staff retention

Imna and Hassan (2015) affirm that one of the main critical issues companies face today, particularly in the sugar manufacturing industry, is to retain their workforce. Das and Baruah (2013) points out that the weathering life-long success of an organisation rest upon retaining of the key role players. Gulzar and Durrani (2014) assert that organisations need to invest in human capital, however, this call for proper planning. Gulzar and Durrani (2014) further stipulate that appropriate talent management policies and practices that exhibit commitment to employee development produce more committed staff members within the organisation and reduce staff turnover. Tunje (2014: 61) asserts that for succession planning to be implemented in an effort to retain employees, focus needs to be laid on career management and talent management. The aforementioned author emphasised that the existing succession planning practices should always lead to employee retention and therefore, conscious decisions need to be made when promoting talented employees. The outcomes of the research done by Eshiteti *et al.* (2013) indicate that succession planning programmes enable employee development opportunities and job satisfaction which in turn has a great influence on staff retention.

Stadler (2011) affirms that employees with high job satisfaction are normally committed to the company as they believe the company has great future for them and in the end will care about their contribution to the organisation. Committed employees are more likely to excel in their jobs, remain in employment longer and resist job offers, subsequently increasing retention rates and productivity (Stadler, 2011). Oladapo (2014) asserts that successful retention practices begin with good hiring practices since competent and motivated people will stay longer. Branham (2005) as quoted in Oladapo (2014) ascertain that poor hiring practices escalates turnover in two ways: new recruits that are incompatible and disorientated tend to leave quickly; experienced staff, on the other hand, can become highly frustrated at the revolving door of newcomers that places a continual burden on their time and performance.

Factors affecting succession planning

Mutunga and Gachunga (2013) views succession planning as a unique process where one-size-fits-all approach is simply not appropriate. Mathur (2011: 55) adds that there are several factors which affect the process of succession planning. These factors do not only affect the productivity, reputation, brand image and morale of employees but affect the

overall organisation. These factors include succession plan, size of company and leadership development. These are discussed as follows:

- **Succession plan:** It offers a blueprint for the growth of the organisation and is vital to the prolonged existence of any business. Executing a succession strategy can be daunting as it is not a one-size-fits-all but needs to be customized for each particular organisation. It should be considered that what works well for one company might not work for the other (Mathur, 2011). The important factors that assist to guide organisation in undertaking succession planning include having a strong human resources (HR) that will take succession planning practices very seriously (Mehrabani & Mohamad, 2011). Succession planning as part of Recruitment Plan, Training Plan and Career Growth Management Plan with Performance Appraisal and HRMS tools assists to ensure that the right kind of people in right numbers at the right time is available to help in sustaining continuity of strength and vitality of an organisation (Mateso, 2010).

- **Size of company:** According to Mathur (2011:55), a large size company must ensure that it has a larger pool of potential successors to choose from. The organisation may in the beginning identify several candidates followed by monitoring their performance and later make a decision when it is closer to time for them to take over. With smaller organisations, however, designating a replacement may be more challenging. The organisation might have a shortage of employees prepared to take over, and there may be a need to employ someone precisely for the position, or hire employees based not only on how qualified they are for the job, but on how qualified they are to move up to higher-level positions (Mateso, 2010).

- **Leadership development:** Successful succession planning does not only depend on identifying suitable candidates to take over, but mentoring potential successors to ensure they are well equipped (Koranteng, 2014). The biggest mistake that most companies do, is simply replacing key executives instead of assessing all employees and identifying and training any person with potential to move up (Mathur, 2011). Organisations with leadership development programmes in place normally will have a much larger feeder of successors from which to choose from, and who will be better trained to take on a greater variety of roles.

3. RESEARCH METHODOLOGY

The research consisted of literature review and empirical study. The historical review laid a foundation that guided empirical study and provided an insight and understanding into the research problem.

Qualitative exploratory case study research

method has been adopted in this study. This type of case study is used to explore those situations in which the intervention being evaluated has no clear, single set of outcomes (Yin, 2012). The use of case study as a research methodology to collect data is appropriate for this study because it is a means to provide rich drawings, descriptions, considerations and clarifications of the events being investigated. The primary data collection for this study came in the form of in-depth interviews using semi-structured questions. Furthermore, additional documents were analysed. These included the company's succession planning policy, employment equity policy, corporate governance guidelines, and company commitments guidelines. Tracy (2013) writes that an underlying principle in the collection of data in case research is that of triangulation, i.e., the use and combination of different methods to study the same phenomenon and it is considered worthwhile because a key concern for good research is its reliability and formal generalisability.

Purposive sampling was used in this study because, with purposive sampling, one needs to use one's judgement to select cases that will best enable the researcher to answer research questions and to meet objectives (Saunders, Lewis, and Thornhill, 2012). The participants in this study were managers, supervisors, assistant supervisors and foremen because of their vast knowledge and experience that was considered valuable for this study, hence judgemental. This consisted of Human Resources Manager, Research and Development Manager, Production Manager, Training Manager, Sales Manager, Plant Engineer, Project Engineer, Safety, Health and Environmental (SHE) Officer, Stores Controller, Extract Factory Foreman, SPP supervisor, Assistant Production Manager - Extract, Assistant Production Manager - Sugar, Technical Assistant: Quality Control (QC), and Management Accountant. A total of 15 individuals participated in this study. According to Saunders et al. (2012), this sample size is sufficient and appropriate. The interviews were conducted between May and June 2016 based on the availability of the informants using an audio recorder.

4. RESEARCH FINDINGS

To ensure triangulation, field notes from direct observation and company policies were incorporated into the analysis of data to complement in-depth interviews. This exercise was performed to ensure reliability and validity of the findings and thus address bias. The results were analysed in accordance to the themes, objectives, and questions set out for this research, using a tabular approach. The study themes, objectives and interview questions are as shown in Table 1 below:

Table 1. Themes, objectives and interview questions

| <i>Themes</i> | <i>Objectives</i> | <i>Interview questions</i> |
|---|---|---|
| 1. Perceptions on the available succession planning programmes | To determine the perceptions of employees at management level on the current succession planning practices using a case of a Sugar Manufacturing Company. | <ul style="list-style-type: none"> ❖ Does the organisation have internal candidates who can succeed the current managers or be placed in key positions over the short and long term? ❖ What action has been taken to assess and develop internal candidates? |
| 2. Factors that influence the successful implementation of succession planning. | To explore whether succession planning practices influence staff retention using a case of a Sugar Manufacturing Company. | <ul style="list-style-type: none"> ❖ How does the top management ensure that they put in place the process/programmes necessary to create room for future leadership talent? ❖ What are the internal factors affecting the successful implementation of succession planning within the company? ❖ Do you think there is sufficient awareness among employees within the company regarding the succession planning issues? ❖ Are there any retention challenges pertinent to the current managers? ❖ Are there challenges outside the company affecting the company's ability to recruit needed talent? |

The results are discussed as follows:

Theme 1. Perceptions on the available succession planning programmes

Table 2. Availability of internal candidates to succeed current managers

| <i>Question</i> | <i>Does the organisation have internal candidates who can succeed the current managers or be placed in key positions over the short or long-term?</i> |
|-------------------------|---|
| Participant | Response |
| Technical Assistant: QC | No. There are no skilled people available in this department. |
| APM Sugar | No. In this department, people are restricted to what they are hired for. <i>"We are historically not good at giving the guys a nice overview of the entire section so that they experience other position"</i> . |
| APM Extract | Yes. However, training and guidance needs to be provided. |
| SPP Supervisor | Yes, <i>"provided they are given a chance"</i> |
| Extract Factory Foreman | Yes. There are however, limited at this stage. |
| Stores controller | Yes. It depends on departments |
| SHE Officer | Yes, in this department. There are no people available in other departments such as production and engineering. |
| Plant Engineer | <i>"In some departments there are people available but not in my department"</i> . |
| Project Engineer | <i>"it depends on the positions. Higher management positions in my department require skills that the company doesn't have at the moment"</i> . |
| Sales Manager | Yes. |
| Training Manager | Yes (in this department). |
| Production Manager | No. <i>"Currently we don't have the general manager, engineering manager, and electrical manager. These skills will have to be acquired externally"</i> . |
| R and D Manager | In other departments yes, but not in this department |
| HR Manager | Yes. <i>"Below management positions there are assistants and foremen"</i> |
| Management Accountant | Yes (in this department). Not in other departments |

It is evident from Table 2 that there is no consensus agreement in terms of managers' responses regarding the availability of candidates internally to succeed the current managers. The company's management accountant concedes that within her department there are good potential candidates to succeed the current manager, however, in the production department there is no one groomed to take over from the current manager. The Production Manager adds that *"In my department, if I were loose an APM (Assistant Production Manager), I don't have someone who would fill that position"*. Likewise, the Research and

Development Manager asserts *"There is no one currently, who can take over my current position"*. The informants' responses were based on their experiences within their respective departments. The majority that agreed that they have internal candidates who can succeed the current managers in their departments, also pointed out that in other departments such as production, engineering and electrical, there are no candidates available. It can therefore be concluded that certain departments with the company, have candidates internally, who can succeed the current managers or who could be placed in key positions.

Table 3. Actions taken to develop internal candidates

| Question | What action has been taken to assess and develop internal candidates? |
|-------------------------|---|
| Participant | Response |
| Technical Assistant: QC | Nothing formal |
| APM Sugar | Encouraging staff members to further their studies. |
| APM Extract | "It's generally quite shallow. We simply make our guys aware of how they can move up." |
| SPP Supervisor | Offering training courses such as management development. |
| Extract Factory Foreman | Training and development of employees. |
| Stores controller | "We have not been exposed to that in my department". |
| SHE Officer | "There has been training done to develop employees within this department but at an informal level. There are no formal plans in place to assess and develop internal candidates". |
| Plant Engineer | "Nothing has been done presently except the identification of training needs for the development of individuals". |
| Project Engineer | "We use the Engineers In Training (EIT) programme, UCL bursaries in the engineering department and artisan programmes. Other than that we don't have anything that prepares one for a management position". |
| Sales Manager | "I have not seen anything at all". |
| Training Manager | "Skills gap analysis was performed and then created a multi-skill programme for the employees, which is not implemented". |
| Production Manager | Supervisory courses and management courses are offered to supervisors and foremen. |
| R and D Manager | "I can't think of anything within this division. However, in the sugar production, they have a 10 week course." |
| HR Manager | "The employment committee looks at those issues and the training and development department helps us in this regard". |
| Management Accountant | "There has not been much action happening". |

Table 3 shows that the majority of respondents does not see much action being taken at the Sugar Manufacturing Company, to assess and develop internal candidates. However, some informants mentioned that there are programmes available for employees such as opportunities for staff members to further their studies, management courses for supervisor and foremen and artisan programmes. The general view is that the majority of these programmes are done informally. For example, the SHE officer and the Training Manager are in

agreement that there are no formal programmes in place to assess and develop internal candidates within the company. Despite the company's commitment to developing its staff through various programmes as is indicated in the Corporate Governance Policies and Guidance Manual (2010), there seem to be a lack of implementation of these programmes.

Theme 2. Factors that influence the successful implementation of succession planning.

Table 4. Programmes put in place for future leadership

| Question | How does the top management ensure that they put in place the process/programmes necessary to create room for future leadership talent? |
|-------------------------|---|
| Participant | Response |
| Technical Assistant: QC | Commitment from top management in terms of providing funding for training and development and releasing employees from their current roles to further their studies. |
| APM Sugar | Study incentives. |
| APM Extract | "We provide an opportunity to our guys to interact with each other". |
| SPP Supervisor | Selecting and sending candidates to management development courses |
| Extract Factory Foreman | "We put employees through training" |
| Stores controller | Training programmes |
| SHE Officer | "We don't have formal and structured programmes". |
| Plant Engineer | "Currently, we give artisans an opportunity to act as managers whenever one of the managers is off duty." |
| Project Engineer | "We have the EIT programme, but nothing is formal and structured. The implementation of these programmes depends on managers in their respective departments and they also depend on the availability of time." |
| Sales Manager | "I have not seen anything yet". |
| Training Manager | By using management development courses. |
| Production Manager | Training and development of foremen and supervisors. |
| R and D Manager | "I am not aware of what they do at UCL." |
| HR Manager | Study incentive schemes and training and development programmes. |
| Management Accountant | Through training and development. |

In Table 4, it appears that the majority of respondents share the same view that the top management ensures that they put in place the

process/programmes necessary to create room for future leadership talent mainly by offering training and development programmes or offering study

incentive schemes. According to the company's Annual Report (2014), there were 516 employees who benefited from training and development interventions in 2014. Stahl, Björkman, Farndale, Morris, Paauwe, Stiles, Trevor and Wright (2012) maintain that most companies invest heavily on training and development to show their commitment to succession planning. Hall-Ellis (2015) refers to

succession planning and training and development as a winning combination. Stahl et al. (2012) argue that "although investment in training and development is important, training programs, tools, and practices alone are insufficient; companies that excel in talent management make leadership development an integral part of their culture and actively involve their senior leaders in the process".

Table 5. Internal factors affecting successful implementation of succession planning

| <i>Question</i> | <i>What are internal factors affecting the successful implementation of succession planning within the company?</i> |
|-------------------------|---|
| Participant | Response |
| Technical Assistant: QC | Lack of time and energy. The process is not done correctly to identify candidates. |
| APM Sugar | Overlooking capable candidates. Preferential treatment based on race. |
| APM Extract | Willingness of employees to improve themselves. |
| SPP Supervisor | Succession planning not communicated and implemented. |
| Extract Factory Foreman | Employees lack motivation. |
| Stores controller | Poor management and lack of motivation by management. |
| SHE Officer | Lack of knowledge by top management. Preferential treatment and favouritism Implementation costs The organisational culture. |
| Plant Engineer | No policy documents or guidelines regarding succession planning. |
| Project Engineer | Lack of emphasis from top management. Formalisation of it is lacking. |
| Sales Manager | Company's refusal to accept new ideas and refusal to share information. |
| Training Manager | The retention strategy is not effective. |
| Production Manager | Limited skills to choose from. Willingness of people to participate. Financial constraints. Lack of strategy from top management |
| R and D Manager | The workload is too much for the managers to train their successors. |
| HR Manager | Lack of plans in place for each management positions |
| Management Accountant | Unwillingness to share knowledge. |

Table 5 shows that all respondents are in agreement that there are internal factors affecting the successful implementation of succession planning within the company. These include lack of knowledge and motivation by top management, lack of time and willingness of employees to participate in training and development programmes, lack of succession planning strategy from top management and costs of implementing succession planning programmes. The aforementioned factors are consistent with those found by Mateso (2010) to be prevalent factors hindering the successful

implementation of succession planning. According to Mateso (2010) these factors are:

- Lack of suitable culture to support succession planning.
- Lack of support of succession planning from top management.
- Unethical hiring and promotion practices such as favouritism, nepotism, corruption, and internal politics.
- Budget and financial limitations.

Table 6. Succession planning awareness

| <i>Question</i> | <i>Do you think there is sufficient awareness among employees within the company regarding the succession planning issues?</i> |
|-------------------------|--|
| Participant | Response |
| Technical Assistant: QC | No |
| APM Sugar | Definitely not |
| APM Extract | No |
| SPP Supervisor | No |
| Extract Factory Foreman | No |
| Stores controller | No |
| SHE Officer | No |
| Plant Engineer | "I don't think so." |
| Project Engineer | "There is no clarity about the existence of succession planning." |
| Sales Manager | "It is none existent". |
| Training Manager | No |
| Production Manager | No |
| R and D Manager | No |
| HR Manager | No |
| Management Accountant | "This is lacking within this company." |

In Table 6 it is clear that all the respondents think that there is no sufficient awareness among employees within the investigated company regarding the succession planning issues. The Technical Assistant: QC responded to the question by saying that *“Even myself I am not really familiar with it”*. The Extract Factory Foremen stated that *“I don't think it is filtered down to the employees”*. The

plant engineer added that *“Maybe the top management has the awareness”*. The company's Human Resources Report (2014) asserts that employees are engaged on internal matters using management and shop stewards' meetings, communications on notices and bill boards and internal newsletters. However, it appears that this is not the case except on paper.

Table 7. Retention challenges pertaining current managers

| Question | Are there any retention challenges pertinent to the current managers? |
|-------------------------|--|
| Participant | Response |
| Technical Assistant: QC | Yes. Job satisfaction and financial circumstances. |
| APM Sugar | Yes. |
| APM Extract | Yes. Uncertainty because of restructuring within the company. |
| SPP Supervisor | Yes. |
| Extract Factory Foreman | Yes. Salary issues |
| Stores controller | Yes. Remuneration issues. |
| SHE Officer | Yes. Work environment, organisational culture and salary issues. |
| Plant Engineer | Yes. Market related packages, organisational culture. |
| Project Engineer | Yes. Remuneration and size of the company limiting promotion prospects. |
| Sales Manager | Yes. |
| Training Manager | Yes. Geographical location and remuneration issues. |
| Production Manager | Yes. Lack of growth within the company, lack of strong family support base, and financial rewards. |
| R and D Manager | <i>“Yes. Recently, two managers left within one month”</i> . |
| HR Manager | Yes. Location and financial rewards. |
| Management Accountant | Yes. Accommodation issues. |

Table 7 shows uniformity in informants' responses to the question. It is evident that there are challenges with regards to retaining current managers within the company. The mostly cited challenge is remuneration. Terera and Ngirande (2014) point out that, financial rewards play a significant role in employee retention. This view is supported by Selesho and Naile (2014) who state that unattractive remuneration packages contribute to staff migration in most industries. “Compensation is a major factor employees consider when making

the decision to leave or remain in an organisation” Terera and Ngilande, 2014). Over and above financial related issues, respondents cited job satisfaction, lack of growth within the company, location and accommodation issues as some of the factors that affect staff retention within the company. The APM Extract added that some managers leave because of uncertainties within the company due to restructuring. Other managers cited organisational culture is a challenge within the company and as such some managers leave the company.

Table 8. Challenges outside the company affecting recruitment

| Question | Are there challenges outside the company affecting the company's ability to recruit needed talent? Explain |
|-------------------------|---|
| Participant | Response |
| Technical Assistant: QC | Yes. Shortage of skilled people in the country. <i>“Financial rewards are also a challenge; people take up jobs where they are paid well”</i> . |
| APM Sugar | Yes. Geographical location |
| APM Extract | Yes. Salaries are not competitive and work environment |
| SPP Supervisor | Yes. No competitive remuneration packages. |
| Extract Factory Foreman | Yes. Salary structure. |
| Stores controller | Yes. Shortage of skilled, qualified and experienced people in the country. |
| SHE Officer | Yes. Scarcity of skills in the country, remuneration, and geographic location. |
| Plant Engineer | Yes. Accommodation (Geographic location). |
| Project Engineer | Yes. The way of life due to geographic location. |
| Sales Manager | Yes. Remuneration is not competitive and no benefits and incentives. |
| Training Manager | Yes. Geographical location |
| Production Manager | Yes. Quality of life because the company is located in the rural area. No good schools. |
| R and D Manager | Yes. Geographical location. |
| HR Manager | Yes. Competition with other employers. |
| Management Accountant | Location. |

All respondents in Table 8 agreed that there are challenges outside the company affecting its ability to recruit needed talent. Ten out fifteen participants pointed out that the company's geographical location is the main challenge. This is due to the fact

that the company is located in a rural area. According to the participants, the location affects the quality of life and there is no variety of good schools for their children in the village at which the company is situated. The Training Manager revealed

that “managers from the city find it difficult to adopt in such an area”. She added that “the geographical location is not friendly to young potential managers”. Apart from geographically related challenges, it also emerges that, other challenges relate to the scarcity of skills in the country and as such there is competition amongst employers for these skills. Adding to these challenges, are remuneration related challenges. According to van Dyk, Coetzee and Takawira (2013), retention challenges such as remuneration and work-life balance have affected employees’ decisions of whether to continue working for the company or leave.

CONCLUSION

The study has contributed results and a research approach that could stimulate further research on the important issues that affect succession planning practices within the sugar manufacturing sector. The literature review and the empirical study revealed the management’s perceptions on the implementation of succession planning practices at the Sugar Manufacturing Company. The findings from the study helped in meeting all the objectives set for this study. Therefore, it can be concluded that despite the existence of succession planning policies and training and development programmes at the investigated company, there is still lack of effective implementation of such practices within the company. Contributing to the lack of successful implementation of these programmes are several factors which the study found to be limiting factors.

The key findings of this study are presented as follows:

- There is a general understanding of what succession planning is.
- Managers perceive that the company is not doing enough to effectively implement succession planning programmes.
- There are potential internal candidates who can be trained to succeed current managers in the future.
- The current management training and development programmes are not implemented in a transparent and effective manner.
- Several factors affect the successful implementation of succession planning and these include but not limited to lack of top management commitment to succession planning, poor communication, and lack of employee motivation, time and budgetary constraints.
- Retention of managers is a challenge at the Sugar Manufacturing Company under study due to the geographical location of the company, remuneration issues, size of the company (which affects employee-growth prospects), and job satisfaction

This qualitative type of research is subject to criticism because of limitations such as researcher-related problems and fundamental design limitations. The study used in-depth interviews as the primary method of data collection and this is also subject to the same criticisms. During the coding process, interpretations and judgements by the researcher were required to categorise the interview data. Subjectivity was, therefore, unavoidable, which could lead to possible bias in the results. To reduce the level of this subjectivity,

efforts were undertaken to ensure consistency while conducting interviews, and the analytical procedures of this study.

This study was also limited to one sugar manufacturing company within the province of KwaZulu-Natal in South Africa and only 15 individuals participated in this study. Generalisation should be exercised with care in terms of the findings being applicable to all sugar manufacturing companies in South Africa or any emerging market. It may add value to use multiple case studies with a larger sample size in order to increase rigour of the analysis and to compliment this study.

It can be maintained that, in order to successfully implement an effective succession planning programme, this sector needs to have a clear understanding of the relevant succession planning theories and practices that can be utilised to assist the sector in improving its succession planning practices. This study contributes to the identification of staff retention challenges peculiar to sugar manufacturing companies such as quality of life due to the geographic location of such companies. The contribution of this research is to add to the existing theories and concepts in succession planning practices in the sugar manufacturing sector

It is recommended that top management be seen as drivers of succession planning by actively providing platforms that encourage these practices. The study, in line with literature, found that top management are the custodians of succession planning programmes and they are influential. Top managements’ participation will facilitate in providing leadership and direction regarding the implementation of succession planning.

The company is encouraged to improve its communication of information across all divisions and all its employees. This can be achieved by an effective use of staff-portal, emails, notice boards, newsletters and meetings. These channelled are envisaged to improve the dissemination of critical information in as far as succession planning is concerned.

It is recommended that the company develop an internal talent search system. This will help channel the succession planning resources efficiently. This can be achieved by an effective use performance appraisal systems and assessments that would be designed for the identification of suitable candidates that can be developed for future management positions.

A longitudinal case study approach can be used to identify and evaluate the implementation of succession planning within the company. This type of study would provide a much richer and more detailed evaluation of the implementation of succession planning practices by the sugar manufacturing sector. This approach can assist in determining the extent at which these practices are used and how effective are they.

It may be critical that multiple case studies be conducted to evaluate the implementation of succession planning practices in the sugar manufacturing sector and the impact such practices have on staff retention in order to complement this study and to increase rigour of the analysis. This may mean that other provinces be taken into consideration as well.

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