# RELATIONSHIP BETWEEN SUCCESSION PLANNING PRACTICES AND EMPLOYEE RETENTION IN LARGE MEDIA HOUSES IN KENYA

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

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# **DECLARATION**

I declare that this is my original work and has not been presented for a degree in any University.

Signed:\_\_\_\_\_ Date:\_\_\_\_\_

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This research project is submitted with my approval as university supervisor.

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# **DEDICATION**

I dedicate this research project to the almighty God for the gift of life and strength, my husband Mwadzombo Mwasambu, children Diana Dzame and Davies Mwaboza as well as my friends who are my inspiration and have always motivated me to accomplish all my life goals.

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# LIST OF ABBREVIATIONS

CEO	-	Chief Executive Officer
CIPD	-	Chartered Institute of Personnel and Development
FM	-	Frequency Modulation
HRD	-	Human Resource Director
HRM	-	Human Resource Manager
HR	-	Human Resource (s)
KARF	-	Kenya Audience Research Foundation
KTN	-	Kenya Television Network
LPC	-	Least Preferred Co-worker
М	-	Mean
NMG	-	Nation Media Group
NTV	-	Nation Television
SPSS	-	Statistics Package for Social Science
SD	-	Standard Deviation
Sig.	-	Significance
TV	-	Television
UAE	-	United Arab Emirates

#### ABSTRACT

The objective of the study was to establish the relationship between succession planning practices and employee retention in large media houses in Kenya. The study adopted a descriptive survey design. This design was suitable for the study since it involved collecting data from several respondents. Primary data was obtained using selfadministered semi structured questionnaire which was the main data collection instrument. The study targeted 3,000 permanent employees working in the media houses. The researcher used Mugenda and Mugenda (1999) percentage formula and employed a stratified proportionate sampling design to select the sample size. Data was then analyzed using descriptive statistics and analysis of variances. Tables, pie charts and graphs were used to present the findings. From the study, the findings reveal that there is a positive relationship between succession planning practices and employee retention. Additionally, the findings suggest that succession planning practices are evidently implemented in the media houses though only for key positions and not all positions. The findings also suggest that career management is critical as majority of the employees feel that there are no clear career paths and if they exist, they are too narrow. This is evident in that though it has been implied that employees leave in search of better benefits and pay the strong reason why they leave is mostly for career progression. Recommendations that were drawn from the study were that; clear career paths need to be put in place and promotions should always not only be on merit but consider seniority and experience. Pay should always be benchmarked with the market rate and also be based on performance. The current succession planning policy should clearly be known to all employees from the day of induction and be reviewed after two years for it to be practical. It is not enough for managers to have good management skills but time should be allocated for training and grooming of employees who have potential for leadership. Head-hunting and networking has contributed to retention of key talent but has also brought about demotivation of other employees who play a key role in increasing the productivity of the organizations. In this regard, management should exhaust all internal talent before considering external talent. The conclusion of this study is that there exists a positive relationship between succession planning practices and employee retention as confirmed by the correlation analysis where (R = 0.274). In this regards, all managers need to identify their own successors in every position and manage the career progress of their team members so as to avoid career stagnation and losing key talent.

#### **CHAPTER ONE**

#### **INTRODUCTION**

# 1.1 Background of the Study

Human Resource Planning aims to ensure that an organization has the number of people with the right skills needed to meet forecast requirements. Several activities involve HR Planning and they include scenario planning, demand and forecast planning as well as action planning. Action planning entails preparation of plans to deal with forecast deficits through internal promotion, training and external recruitment as well as developing retention and flexibility strategies Armstrong, (2009). According to Ruthwell (2005), succession planning and employee retention form part of action HR planning which is concerned with staffing and both have a direct impact on reducing staff turnover. Armstrong (2003) says the main aim of succession planning is to ensure that suitable managers are available to fill vacancies created by promotion, retirement, death or leaving and ensures that a cadre of managers is available to fill the new appointments that may be established in the future.

John (2007) says it often takes years of grooming to develop effective senior managers thus a succession plan exists mainly for the purpose of assured continuity in leadership. Additionally, succession planning helps organisations to plan for any disasters brought about by abrupt losses of employees especially caused by death and early retirements. Charan, Drotter and Noel (2001), say succession planning increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. The implementation of succession planning relates to the actual practices carried out in any firm Downs, (2012). An effective implementation of a succession plan helps to build strong leadership and departmental relationships and enables an organization to frequently review the organizational goals Pooja, (2013). On the other hand, employee retention relates to all management efforts needed to ensure employees do not leave the organization Nzuve, (2010). It is beneficial for the business because retaining employees reduces costs spent in hiring and training new employees to replace lost ones Nzuve, (2008).

#### 1.1.1 Succession Planning

The term succession refers to a systematic process of identifying and developing candidates for leadership or management positions Sheila and Bentham (1999). Armstrong (2003) refers to succession planning as a process whereby an organization ensures that employees are recruited and constantly developed to fill each key role within the company. According to Armstrong (2012) succession planning is a process of identifying successors for key posts and then planning career moves and /or development activities for the potential successors thus career management is complementary to management of succession planning. Succession planning as defined by Pooja (2013) involves having senior executives review their top executives and those in the next level to determine several backups for each senior level. Charan, Drotter and Noel (2001), define succession planning as a process for identifying and developing internal people with the potential to fill key business leadership positions in the company.

According to Dessler (2000) succession planning is the process of ensuring a suitable supply for current and future key jobs successors so that the career of individuals can be managed to optimize the organizations needs and the individual inspirations. Armstrong (2012) defines management succession planning as the process of assessing and auditing the talent in the organization in order to answer three fundamental questions: Are there enough potential successors available who can take roles in the longer term? Are they good enough? Do they have the right skills and competences for the future? Bernardin (2007) cites two types of succession planning namely; formal and informal succession plans where the former an individual manager identifies and grooms his or her own replacement and the latter involves an examination of strategic plans and human resource forecast, talent pool and implementation of promotion from within policy.

### **1.1.2 Succession Planning Practices**

Sheila and Bernthal (1999) list some of the succession planning practices to be involving the Chief Executive Officer, having a support system with senior management, involving line managers in identifying candidates using development assignments and linking the succession management plans to business strategies. Pooja (2013) identified other succession planning initiatives which must be followed for any full implementation of a succession plan to be realized. These include: employee commitment to selfdevelopment, partnership of senior leaders with the Human Resource Department, talent development, coaching, mentorship, diversity management and job rotation. Karen and Leah (2011) identified some of the emerging best practices in succession planning which include; top management involvement, targeted processes to focus on clearly defined specific goals and comprehensive assessment programs based upon competencies. Downs (2012) cites assessment as a key practice in effective succession planning.

### **1.1.3 Employee Retention**

Abbasi and Hollman (2000) refer to employee retention as the ability of an organization to retain its employees or the practice of reducing turnover of employees. Heneman and Judge (2006) highlight four distinct types of employee turnover categorized as: involuntary turnover, instigated by the employer that comprises of discharge or downsizing and voluntary turnover categorized as avoidable and unavoidable turnover. Beardwell, Holden and Clayton (2004) say some of the components of a retention plan largely are determined by the outcome of labour turnover and risk analyses which should periodically be conducted. According to Milkovich and Boundreau (1988) employee retention entails paying attention to efficiency and equity. In this regard, the simplest way to retain employees is to increase satisfaction levels of employees Denisi and Griffin, (2008). Additionally, Wayne (2007) says employee retention requires a clear definition of the organization's culture and its effective implementation.

Retention management is defined as a strategic, coherent process that starts with an examination of the reasons why employees join an organisation (Davies, 2001; Solomon, 1999). Armstrong (2012), puts an emphasis on selection and promotion procedures which he says should always meet the capacities of individuals and demands of work. He adds that management ought to conduct attitude and opinion surveys on potentially employees at risk who are usually the key talent of the organization.

#### 1.1.4 Large Media Houses in Kenya

According to research findings by Kenya Audience Research Foundation (KARF) (2014), large media houses in Kenya are listed as Nation Media Group, The Standard Group, Royal Media Services, The Radio Africa Group and Media Max. The basis for this categorization relates to their audience sizes. Nation Media Group (NMG) owns The Daily Nation, Business Daily, Taifa Leo, The East African, NTV, QTV, QFM, NTV–Uganda, KFM, The Monitor, Mwananchi, Mwanaspoti, The Citizen and YFM. The Standard Group's owns The Standard, KTN, Radio Maisha, The County Weekly and The Nairobian. Royal Media Services owns Citizen TV, Inooro FM (Kikuyu), Ramogi FM (Luo), Mrembe FM (Luhya), Musyi FM (Kamba),Muuga FM (Meru), Chamgei FM (Kalenjin), Egesa FM (Kisii), Wimwaro FM (Embu) and Bahari FM (Swahili and Mijikenda). Radio Africa Group owns Kiss FM and Classic 105 as well as Radio Jambo, X FM, East FM, Relax FM, Kiss TV and The Star newspaper. Mediamax Network Limited owns K24, Kameme FM, Meru FM, The People Daily, Milele FM and Mayian FM.

#### **1.2 Research Problem**

The implementation of succession planning may be limited in todays' more flexible and rapidly changing organizations where elaborate succession plans become outdated as soon as they are made. Most organizations put a lot of focus on talent management and development processes forgetting that talented and ambitious employees do not like to wait for long to secure management positions Armstrong, (2012). Today, majority of firms do not implement succession practices which are meant to help them create "a feeder system" of high potential employees into management positions Downs, (2012). This makes them struggle to fill vacancies particularly at the management level and tends to lead into deep dissatisfaction among employees resulting to poor performance and low retention of talented employees Eshiteti et al, (2013).

The "war for talent" has posed a big challenge to large media houses operating in Kenya. The need to attract and retain talented employees has been the genesis of rampant "headhunting" amongst large media houses. Consequently, employees exit to join one media house to another in search of "greener pastures" and better conditions of work. Additionally, they have been facing a challenge of establishing the extent to which effective implementation of the succession planning largely boosts retention. They have focused on talent management and left out the other succession planning practices which also affect staff retention and this has cost them loss of revenue. Attempts to address this problem were done in a study by Wangethi (2009) on factors affecting talent management at the Nation Media Group (the largest media house in Kenya). He concluded that staff rewards scheme, conduciveness of the physical working environment and organizational culture directly affect talent management while leadership styles of management had little contribution to talent retention. Indeed large media firms are faced with the challenge of ensuring they effectively implement the succession plan and retain more employees so as to gain a competitive advantage over their competitors.

In the recent past, a significant number of empirical studies on succession planning and employee retention have tended to focus on the relationship between succession planning programs and staff retention (Eshiteti et al 2013, Chepkwony 2012, K'Obonyo et al 2013). These studies have however reported mixed findings with some reporting a positive relationship while others reporting a negative relationship. Eshiteti et al (2013) researched on effects of succession planning programs on staff retention amongst sugar companies in Kenya and concluded that more employees had high job satisfaction because of going through the succession planning process with the hope of being next in line of management. This had a positive effect on the retention of staff in the sugar firms under study. Chepkwony (2012) researched on the link between talent management practices, succession planning and corporate strategy amongst commercial banks in Kenya and found that there is a direct link between talent management practices, succession planning and corporate strategy. In this sense, management trainees have been the beneficiaries of the succession plan of the organizations and other practices are hardly implemented. K'Obonyo et al (2013) researched on succession strategy and performance of small and medium family businesses in Nairobi, Kenya and concluded that the relationship between succession planning and performance is not conclusive as to establish a clear causal relationship that can be modeled.

There is no known study done locally that has examined the relationship between succession planning practices and employee retention in large media houses in Kenya. This study is therefore an attempt to fill this gap in knowledge and will seek to answer the question: What is the relationship between succession planning practices and employee retention in large media houses in Kenya?

# **1.3 Research Objective**

To establish the relationship between succession planning practices and employee retention in large media houses in Kenya.

# 1.4 The Value of the Study

The study will be useful to senior managers and board of directors of all other media houses who will be given insights on how to ensure their succession plans are well implemented geared towards employee retention.

The Government of Kenya specifically policy makers will benefit from this study in that they will be better informed when they craft policies that uphold professionalism especially during implementation of succession planning.

Scholars and Academicians will benefit from this study as they will be furnished with information which can form a basis for further research.

Public and private institutions especially public universities will also benefit from this study as they will be provided with information on how to effectively manage succession planning so as to enhance retention of employees.

### **CHAPTER TWO**

### LITERATURE REVIEW

# 2.1 INTRODUCTION

This chapter presents the literature review and presents the theoretical foundation of the study, succession planning practices, factors influencing employee retention and the relationship between succession planning practices and employee retention. The literature has been reviewed from journals, reference books, working papers and reports.

### 2.2 Theoretical Foundation of the Study

This research study will use leadership development theories and motivation theories to advance the literature review. This is because succession planning is all about developing of leaders at all levels and motivation of employees when managing their retention in the organization. Armstrong (2009) defines leadership as the process of inspiring people to do their best to achieve a desired result. According to Shackleton (1995:2) leadership is the process in which an individual influences other group members towards the attainment of group or organizational goals thus managers may or may not be leaders and leaders may or may not be managers. Beardwell (2007) says leadership affects retention as employees leave managers not companies. Avolio and Gardner (2005) say numerous leadership theories describe the characteristics, values, attitudes, and behaviors that are indicative of leadership.

Lord and Hall (2005) contend that majority of the leadership theories have neglected to address the deeper aspects of character that develop over a lifetime. In this regard, Clinton (1988) identified the leadership emergence theory of leadership development that is based on the experience of Christian ministry leaders over a lifetime. Stadler (2008) found out that this theory is applicable to the development of leaders who work in the corporate environment as it broadens their corporate leadership development approaches, enhance executive coaching programs, revitalize mentoring initiatives and improves succession planning strategies. Gary (2010) view leadership in terms of traits and behaviors where he lists six contingency theories of effective leadership namely; (Least Preferred Co-worker) LPC theory, path - goal theory, situational leadership theory, leadership substitutes theory, multiple linkage model and cognitive resources theory.

Sandra and Graham (2012) expound on Lutherans motivation theories by defining motivation as the study of why people think and behave as they do. Ozgurzan (2011) says motivation theories can be classified broadly into two different perspectives namely content and process theories. In this case content theories deal with "what" motivates people and are concerned with individual needs and goals such as propounded by Maslow (1943)-Hierarchy of needs, Alderfer (1969) – ERG theory, Herzberg (1959) – Two factor Theory and McCelland (1961) –Achievement need theory. On the other hand, process theories deal with the "process" of motivation and is concerned with "how" motivation occurs as propounded by Vroom (1964) – Expectancy theory, Porter & Lawler (1968) - Goal Theory, Adams and Locke (1963) – Equity Theory. Contemporary theories on motivation include self – worthy theory by Covington (1992) which asserts

that people are believed to be primarily motivated by the need to perceive themselves as competent.

#### **2.3 Succession Planning Practices**

M'Cathy (2013) says that companies that do it right as measured by bottom-line results seem to follow all if not most of the following ten best practices in implementation of succession planning. These include: commitment and involvement of the CEO and Board, regular talent reviews, identifying viable successors for key positions, taking a "pipeline" approach to development, holding the executive team accountable, aligning the succession plan with business strategy, managing the irrational, political, and emotional dynamics of succession, assessing performance of potential successors, integrating succession planning with performance management, recruitment, selection, development and rewards and making a serious commitment to development in terms of time and resources. Molina (2013) cites three succession planning best practices geared towards growth and business continuity namely: Benchmarking, looking into the future and keeping it dynamic. In summary, the below succession planning practices are discussed in details as follows:

#### 2.3.1 Human Resource Planning

Bulla and Scott (1994) define human resource planning as the process in which human resource requirements of an organization are identified and plans are made for satisfying them. According to Reilly (2003) human resource planning is a process in which an organization attempts to estimate the demand for labour and evaluate the size and nature of the sources of supply which will be required to meet the demand. Torrington et al (2011) say to enhance recruitment and retention, organizations need to make themselves attractive to talent and current thinking focusing on employer branding through marketing the organization to their employees and potential employees in the same way they market their brands to customers. They cite that human resource planning requires talented people to be matched to the right jobs at the right time doing the right things.

According to White (1999) the primary means of achieving a diverse workforce requires a company to expand its recruitment efforts. However, the key challenge for human resources is not only the attraction of the right candidates to the right jobs but also retention of diverse employees in the organization. D'Souza (2008) cites costs associated with recruiting and developing people within an organization. He says specialist organizational knowledge that creates value and maintains competitive advantage are two factors to be considered in HR planning and retention of employees which cannot be ignored.

### 2.3.2 Talent Management

Stuart - Kotze and Dann (2008:2) say there is no shortage of talented people but there is a shortage of people who know how to identify, develop, recruit and retain talent. As defined by CIPD (2007f) talent consists of those individuals who can make a difference to the organizational performance, either through their immediate contribution or in longer term by demonstrating the highest levels potential. Armstrong (2009) refers to talent management as the process of identifying, developing, recruiting and deploying the

talented people in an organization. On the other hand, talent relationship management is a process of building effective relationships with people in their roles with an aim to achieve talent engagement where talented employees remain committed to the organization. Story (2007) says talent management has various meanings both theoretical and in practice. In its broad sense it is concerned with identification, development, engagement, retention and deployment of 'talent' within a specific organizations context (CIPD 2006 P.1). Talent management is also presented as a new way of managing succession planning, forecasting on fast tracking career opportunities of high potential employees (CIPD 2006).

According to Morton (2005 p.11) talent management is integral to engaging employees in the organization. This includes the following: Attracting and retaining talent, developing talent and managing talent. Bratnagar (2004) says in attracting talent, one should note that talent has become a key differentiator of human capital management and for leveraging competitive advantage. Employer branding has also become a key strategy. Brawester et al (2005) say it is important to attract and retain the right talent as people want to work for great brands. Networking is also a preferred method of recruiting top job talent today. In developing talent Dell and Hickey (2002) suggest the development of an employees' talent is an important component in corporate strategy and in succession planning which cannot be avoided. Talent retention entails a thorough look at the challenges currently facing retention within any industry (Chriteenn Huges 2005, Kuslluvan 2000). These include; lack of job security Lasley (2002), lack of opportunities for promotion from within Rirely (1996), poor working conditions in general, unsocial working hours, health and safety concerns, harassment, lack of employee engagement Branham (2005) and poor work life balance Guerrier, (1999).

#### **2.3.3 Career Management**

Inkson (1995) defines a career as a succession of related jobs arranged in a hierarchy of prestige, through which persons move in an ordered more or less predictable sequence. According to Armstrong (2009) career management encompasses recruitment, personal development, lateral moves, special assignments at home and abroad, development positions, career bridges and support for employees who want to develop. He lists several career management practices as formal mentoring, career counseling, performance appraisal, assessment centers, succession planning, retirement preparation, career workshop amongst others. Walker (1985) argues that a persons individual thinking about careers is influenced by ageing. As one matures, thoughts of career progression are affected by psychological feelings of recognition for status, opportunities for growth and need for self-actualization. Additionally, Tim (1998) and Kotler (1973) cite attitude and psychological contract as major factors affecting career progression.

According to Wilensky (1961: 523) some of the career management interventions in organizations include internal vacancy notification, clear career paths, career workbooks, career planning, workshops, computer assisted career management, opportunities for training and development, personal development plans, career action centres, development centres, mentoring programs, job assignments and rotation and outplacement career planning. Kanard (1988) says before coaching and counseling, it is

important to identify characteristic career path that the employee tends to follow. He says career paths should be established and must have four basic elements namely: real progression, be flexible to respond to job content changes, organization structure and management needs and should include specific skills, knowledge, educational training and career development experience and other attributes required.

#### **2.3.4** Performance Management

Cascio (2006) defines performance as working effectiveness, that is, the way in which somebody does a job, judged by its effectiveness. Armstrong (2009) says a principle feature of performance management is that it connects the objectives of the organization to a systematic work targets for individual employees. Effective performance management can make a major contribution towards the achievement of business objective while maximizing the contribution of employees Cornelius, (1999). Tom Watling (1977) states that performance appraisal provides a record of how each employee has performed against set objectives. The employee should be allowed to express his or her ambitions and ideas as to how they are progressing in their careers.

Schuler et al (1992) say good managers therefore should encourage and couch the middle aged potential employees so as to ensure that there is stability within the organization. A good performance appraisal system can help enhance employee performance and such a system should be objective not subjective, relevant to the job and fair to all employees. Recent developments of performance appraisal encompass upward appraisal which involves employees rating their managers' performance in most cases using an anonymous questionnaire. This is mainly aimed at improving managerial effectiveness and leadership through "make -you - better feedback" and increased employee voice and empowerment. Fulkerson and Schuler (1992) argue that the appraisal process should be as culturally neutral as possible.

# 2.3.5 Training and Development

Reid and Barrington (2001) suggest that organizations that have a reputation for training find it easier to recruit high quality staff. This is because trained workers are likely to be more flexible and able to undertake a range of jobs within the organisation. Trained employees may also be more committed to the organization and less likely to leave for other jobs. Sahun (2006) says training in a work organization essentially is a learning process, in which learning opportunities are purposely structured by the managerial, Human Resource and training staff working in collaboration or by external agents acting on their behalf. Organizations need to conduct learning sessions among staff during which employees share with each other how their varying beliefs, cultures and traditions shape their professional and personal lives. An analysis of training needs is an essential prerequisite to the design and provision of effective training. Robbins (2005) says organizations should develop training programmes to equip employees and managers with the skills to be more effective in working with and leading diverse teams.

Raymond et al (2011) say many approaches on employee development fall into four broad categories: formal education, assessment, job experiences and interpersonal relationships. Assessment as a development initiative entails collecting information and providing feedback to employees about their behavior, communication style or skills. Some organizations organize for assessment centers where employees performance is assessed using multiple raters while offsite. Cox (1993), Griggs and Louw (1995) suggest that diversity training and development programs should be integrated with the organization's diversity strategy. This is because diversity training helps to create awareness to employees hence developing a greater sensitivity to the challenges and opportunities presented by working in an increasingly dynamic, global and diverse organization.

#### 2.3.6 Management Involvement

Benson et al (2006) define high involvement work practices as specific set of human resource practices that focus on employee decision making, power, access to information, training and incentives. Armstrong (2009) says the underlying hypothesis is that employees will increase their involvement with the company if they are given the opportunity to control and understand their work. In this case, employees are treated as partners of the business whose interest is respected and who have a voice on matters that concern them. In this sense, management involvement is mainly concerned with communication and involvement. The main aim is to create a climate in which a continuing dialogue between managers and members of their teams takes place in order to define expectations and share information on the organizations' mission, values and objectives.

According to Armstrong (2009) management and employees can create blockages and barriers hence their support and commitment needs to be gained. Managers in this case refers to line managers, senior managers and the Board of Directors. Employee commitment is more assured if the employees participate in the development of new employment practices and if they know that their contributions have been welcomed and acted upon. Armstrong (2010) says that gaining line management support requires a thorough analysis of the benefits that will accrue when they support any new human resource practice. By and large, gaining support from all top and line management will always entail market research, networking, creativity, innovation and flexibility at implementation.

#### 2.3.7 Rewards Management

According to Thompson (2002) reward management is concerned with the formulation and implementation of strategies and policies the purpose of which are to reward employees fairly, equitably, transparently and consistently in accordance with their value to the organization and to help the organization to achieve its strategic goals. Equity is achieved when people are rewarded appropriately in relation to others within the organization. A consistent approach to the provision of rewards means that decisions on pay should not vary arbitrarily and without due cause between different people or at different times. They should not deviate irrationally from what would be generally regarded as fair. Transparency means that people understand how reward process operates and how they are affected by them. Employees should be given a voice in the development of reward policies and practices and have a right to be given explanations of how decisions are made. They should also be given a platform which allows them to make comments of matters affecting them especially during policy implementation

Armstrong (2009) says rewards play a more significant role in staff retention. In the sense that, if employees do not find their work to be rewarding, they will most likely begin to look for more alternatives. In this sense, managers have a big task of ensuing they give their subordinates rewarding work in a bid to assist in retaining them. This is because it is harder for would be competitors to imitate the effective motivation of an employee than it is to increase the salary that a person is paid. D'Souza (2008) says that focus on effective rewards always requires a package which is attractive enough to prevent people from becoming dissatisfied looking elsewhere for career development opportunities. In some organizations they develop policies which reward seniority so as to provide incentive for staff to stay and when they might otherwise consider for alternative work.

# 2.3.8 Diversity Management

Managing diversity refers to systematic and planned commitments on the part of the organization to recruit and retain employees from diverse demographic backgrounds Thomas, (1992). He says that one of the prime aims of managing diversity is to ensure that all the talent within the company work force is appropriately harnessed towards company objectives. According to Gormley and Linda (2003) implementing a diversity management program successfully is a long term process that takes time, commitment and dedication. They say successful diversity management requires human resource

managers to possess skills in leadership, organizational development, change management, psychology, communication, measurement and assessment.

Organizations that have put in place diversity management practices have remained relevant amidst the contemporary challenges Hayles and Mendez, (1997). Thompson (1992) says that benefits of diversity management include: increased adaptability, attraction and retention of highly qualified and committed staff, increased morale of staff, increased productivity, improved decision making, enhanced problem solving skills and legal protection. On the other hand, Cordridge and Pilbeam (1998) point out that networking and headhunting are inevitably discriminatory practices as they involve recruitment of colleagues and social acquaintances and leave out other talented employees from other diverse backgrounds.

# **2.4 Employee Retention**

Employee retention refers to the various policies and practices which let the employees stick to an organisation for a longer period of time Sandhya and Kumar (2011). Armstrong (2009) says employee engagement and organizational commitment are two important components affecting work performance, attraction and retention of employees. He says organisations' commitment requires focus on employee retention, company image, recruitment, selection, deployment, leadership, learning opportunities, performance management, recognition and rewards. Holbeche (1998) adds providing challenging and achievement opportunities, mentoring, realistic self-assessment and feedback processes help in retention and motivation of talented employees. Macleod and

Clarke (2009) define employee engagement as a workplace approach designed to ensure that employees are committed to the organizations' goals and values, motivated to contribute to organization success and are able to enhance their own sense of belonging. In this regard, for employee retention to be realized, the following retention strategies should be implemented as discussed below:

#### 2.4.1 Pay and Benefits

Raymond et al (2011) says that pay is an indicator of status within the organization and in society at large as it contributes to some peoples' self-worth. For this reason, satisfaction with pay is significant for retaining employees. Torrington et al (2011) says that pay has a role to play as a satisfier but it will not usually have an effect when other factors are pushing an individual towards quitting. In this sense, raising the pay levels may thus result in greater job satisfaction where the employee is already happy with their work but it will not deter unhappy employees from leaving. Sturges and Guest (1999) say that while challenging work will compensate for pay, pay will never compensate for having to do boring and unstimulating work.

According to Herzberg (2006) cites pay as a hygiene factor rather than a motivator. This means that it can be a cause of dissatisfaction at work, but not of positive job satisfaction. People may be motivated to leave an employer who is perceived as paying badly, but once they are satisfied with their pay additional increases have little effect. Raymond et al (2011) say it is important to help employees build more satisfaction on pay by communicating the reasons behind the organizations pay structure and pay rises. They

add pay is in most cases matched by the competitors, thus employers should benchmark with the labour market competitors. An employer who allows employees to choose how they make up their own remuneration package will generally be more attractive than one who offers a one set of benefits for all employees for example share option, union joining, bonuses, generous pension schemes among others.

### 2.4.2 Managing Expectations

Raymond et al (2011) say for some years research has strongly suggested that employers benefit from ensuring that potential employees gain a realistic job preview before they take up a job offer. The purpose is to make sure new staff enter the organization with their eyes wide open and do not find that the job fails to meet their expectations. They define a psychological contract as a description of what an employee expects to contribute in an employment relationship and what the employer will provide the employee in exchange for those contributions. According to Armstrong (2009) a psychological contract constitutes a set of unwritten expectations that exist between and employee and their employers. He adds that at recruitment level the employees should be given an accurate picture of the job and HR Managers should always carryout effective job design and job specification. Buckingham and Vosburgh (2001) state that an organization is completely at a loss when employees leave their jobs once they have fully been trained.

Spindler (1994) categorizes three types of psychological contract as follows: transitional, transactional and relational types. Armstrong (2006) says the nature of psychological

contracts is changing in many organizations due to changes in the internal and external environments faced by the organizations. According to Torrington et al (2011) two major concerns of employees in term of their expectations include opportunities for training and career advancement. Green et al (2000) says the source of sponsorship for training can trigger retention or employee turnover. In this sense, self-sponsored employees always will leave voluntarily more as opposed to the employees who are sponsored due to the effect of bonding.

### 2.4.3 Induction

According to Torrington et al (2011) induction is a process often credited with the reduction of turnover early in the employment relationship only if it is effective and timely. They say the purpose of induction is to help new employees to adjust emotionally, enable dissemination of information about the organization and enables new employees to know about the corporate culture of an organization. Researchers say that the first three to four months are crucial for a new employee and it is at this time when it becomes easier to lose a new staff member if they are not been engaged and properly inducted into the organisation. Most employers recognise the fact that their staff is their greatest asset therefore induction is vital in ensuring that the new employee becomes effective in the shortest time. Dagg (2013) says many managers and employers see the employee induction process as tedious, time-consuming and an overall waste of resources, but there is evidence that when the induction process is done correctly, employee retention is highly successful.

According to Brown (2010) a well thought out orientation program, whether it lasts one day or six months, will help not only in retention of employees, but also in productivity. By effectively planning employee induction and adding a personal touch to the process, one can increase employee retention and ensure that you get the most out of your people. Many companies invest large amounts of money as well as their time into the recruitment process but fail to follow through with employee induction. Without engaging properly with new employees and ensuring you provide them with the knowledge and skills to truly become a part of the organisation, you are much more likely to lose new employees within the first few months. Although employee induction programs vary from organisation to organisation, three key elements should be present in all. These include an introduction and familiarization with colleagues and managers, personal follow-up sessions between the hiring manager and new employee and mentoring.

### 2.4.4 Quality of Line Management and Work - Life Balance

According to Torrington et al (2011) most voluntary resignations are explained by dissatisfaction on the part of employees with their supervisors, it follows that most effective means of reducing staff turnover in organizations is to improve the performance of line managers. Efforts to improve effectiveness of managers would be selecting managers after an assessment of their capabilities, training is provided in the art of effective supervision and regular appraisal of the managers supervisory skills. They say coaching refers to enhancing and developing the performance of an individual through learning that is highly personal, flexible and individualized. This is a skill which every manager should have but most managers do not like it. Schein (1990) came up with the

concept of career anchors which refers to a persons' talents, abilities, motives, needs, attitudes and values. According to him, all coaches and mentors need to identify these career anchors for the individual they are coaching so as to build trust in the relationship.

Di Petro et al (2007) say research indicates that one of the reasons for voluntary resignations from jobs is the inability to jungle the demands of a job and those of the family. It is thus important to consider ways in which employment can be made family friendly. Indeed providing flexible working opportunities is a very good way of retaining staff, particularly when organizations do more than their competitors. Some of the examples include, flexible working hours for nursing mothers, crèche in the office premises, career breaks for nursing mothers and being re-employed back by the same employer amongst others.

# 2.5 Relationship between Succession Planning Practices and Employee Retention

Chew (2005) did a comparative study on achieving organisational prosperity through employee motivation and retention at Malaysian Institutions and found that while focus on competitive pay packages to attract and retain talented cadres is clearly effective in manifesting job motivation, complimentary strategic HR practices are profoundly important in reducing staff turnover. Waleed (2011) did an exploratory study on the relationship between human resource practices and employee retention in public organisations at the United Arab Emirates and established that lack of empowerment and management style are factors that influenced the retention of employees in UAE public organisations. Nyamekye (2012) did a study on impact of motivation on employee retention at standard chartered bank in Ghana and concluded that 65% of the workforce had no intention to leave their organization and they all had long-term career plans. This was attributed to the fact that the organisation appropriately redirects its retention intervention strategy in consonance with the valence of employees such that pay rise always factors in the inflation rates. Chikumbi (2012) investigated on talent management and staff retention at the bank of Zambia and concluded that employees felt motivated by realistic objective setting, continuous learning opportunities, valued ideas and encouraging creativity which largely contributed to their retention.

K'Obonyo et al (2013) researched on succession strategy and performance of small and medium family businesses in Nairobi, Kenya and concluded that the relationship between succession and performance is not conclusive as to establish a clear causal relationship that can be modeled. They observed that succession strategy should not be considered under the simplistic labels of either planned or emergent where planned is considered as those deliberately considered and formally documented. Chepkwony (2012) did a study on the link between talent management practices, succession planning and corporate strategy amongst commercial banks in Kenya and found that there is a direct link between talent management practices, succession planning and corporate strategy. He also found out that banks rely on management trainees as part of the retention strategy of which only as small percentage are retained over a period of five years.

Anyika (2012), researched on perceived relationship between psychological contract and employee retention at Barclays Bank of Kenya and concluded that 60% were dissatisfied with the current psychological contract and wished to leave the organization. The perceived relationship depicted that psychological contract was not the sole reason employees wished to leave the organization as other factors contributed to voluntary exit of employees. Kataike (2013), researched on relationship between talent management and employee retention in commercial banks in Kenya and concluded that talent management cannot be separated from employee retention. In this case, training opportunities emerged as one of the factors which affected retention of employees of which management had neglected. Eshiteti et al (2013) researched on effects of succession planning programs on staff retention amongst sugar companies in Kenya and concluded that succession planning programs emerged as a strong factor influencing staff retention mainly through provision of employee growth opportunities and job satisfaction. This was enabled through programs such as job rotation, mentoring, coaching and learning programs.

## **CHAPTER THREE**

## **RESEARCH METHODOLOGY**

## **3.1 INTRODUCTION**

This chapter describes the methodology used in conducting the study successfully. It describes the research design, target population, sampling design, data collection and analysis methods.

## **3.2 Research Design**

This study was a descriptive survey conducted within the large media houses in Kenya. According to Cooper and Schindler (2003), descriptive research design defines a subject, often by creating a profile of a group of people or events through collection of data and tabulation of frequencies on research variables or their interaction. The design was used because there exists some knowledge and information on succession planning practices and employee retention. This design allowed the study of proposition of the representative population and the findings were deemed to apply for the entire population.

# **3.3 Target Population**

The target population comprised of 3,000 permanent employees working in the five large media houses in Kenya. This was categorised as senior management staff middle

management staff and junior staff. The headcount numbers were derived from the HR records of the large media houses.

# **3.4 Sampling Design**

This study used Mugenda and Mugenda (1999) percentage formula to determine the sample size. According to Mugenda and Mugenda (1999), a representative sample should be between 10-30 percent of the target population. This study used 20 percent of 3,000 employees equaling to 600 employees which was sufficient based on the large population. The 600 employees were further sampled through stratified proportionate sampling and comprised of senior managers, middle level managers and junior staff as presented in Table 3.1:

<b>Target Population</b>				Sample size			
		Total	Senior	Middle Level	Junior	Total	
No	Media House	Staff	managers	managers	staff	Sample	
1	Nation Media Group	854	13	26	132	171	
2	Standard Group	862	9	17	146	172	
3	Royal Media	736	3	10	134	147	
4	Media Max	420	3	5	76	84	
5	Radio Africa Group	128	2	3	21	26	
	Total	3,000	30	61	509	600	

**Table: 3.1: Total Sample Size** 

Source: Author (2014).

## **3.5 Data Collection**

The study used collection of primary data using a structured questionnaire which was qualitative and quantitative in nature. The questionnaire comprised of three sections, section one involved the background information, section two focused on the succession planning practices and section three comprised of applied strategies in employee retention. The questionnaire was administered in two ways, drop and pick and electronic mail for those who were far. The responses were then rated using Linkert scale which response options were strongly disagree, disagree, neither agree nor disagree, agree, strongly agree.

#### **3.6 Data Analysis and Presentation**

The collected data was checked for completeness and comprehensibility. It was then summarized, coded and tabulated and entered into SPSS (Statistics Package for Social Science) analysis. Descriptive statistics especially frequencies, mean scores, standard deviation and frequency percentages were applied to establish the patterns and trends so as to make it easier to understand and interpret the implications of the findings. Spearman correlation analysis was used to establish the relationship between succession planning practices and employee retention. The significance of the relationship between succession planning t-values.

To establish the extent to which each practice contributes to retention, a regression analysis model was used and the below formula was applied:

 $Y_i = A + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 N + e$ 

Where:

- R =Employee Retention
- b<sub>1 =</sub>Beta Coefficient
- X<sub>1 =</sub>Talent Management
- $X_2 = Career Management$
- $X_3 =$  Rewards Management
- $X_{3}$  = Performance Management
- A = Constant Term
- e = Constant Error

For more analysis of the variances, the study applied Scheffe Post Hoc analysis method to derive the significance of the variables guided by a significance of 0.05. The summarized data was presented out in tables, charts and graphs.

# **CHAPTER FOUR**

# DATA ANALYSIS, RESULTS AND DISCUSSION

## **4.1 INTRODUCTION**

This chapter presents the findings of the analyzed data together with their interpretations. The chapter begins by analyzing the background information of the respondents followed by presentations, interpretation and discussions of research findings based on the research questions.

# 4.2 Response Rate

Out of the sample size of 600 permanent employees working in five large media houses 330 respondents filled and returned the questionnaires. This translated to (55%) response rate and (11%) of the total population which was deemed representative for the study according to Mugenda and Mugenda (1999).

# **4.3 Demographic Characteristics**

This section presents general information of the respondents and organisations. It included level of management, education level, length of service in the organisation, age group and gender of the respondents.

# 4.3.1 Level of Management

The researcher sought to establish the level of management each respondent was at and Table 4.1 indicates that a smaller proportion of the respondents at (8.5%) comprised of Senior Managers, (18.5%) were in middle level management while the majority of (73.0%) were junior staff. This implies that both Junior staff and Managers expressed a lot of interest in the study as they saw it as an opportunity to voice their recommendations for improving the current status squo.

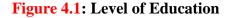
Management Level	Frequency	Percentage (%)
Senior Level	28	8.5
Middle Level	61	18.5
Junior Level	241	73.0
Total	330	100

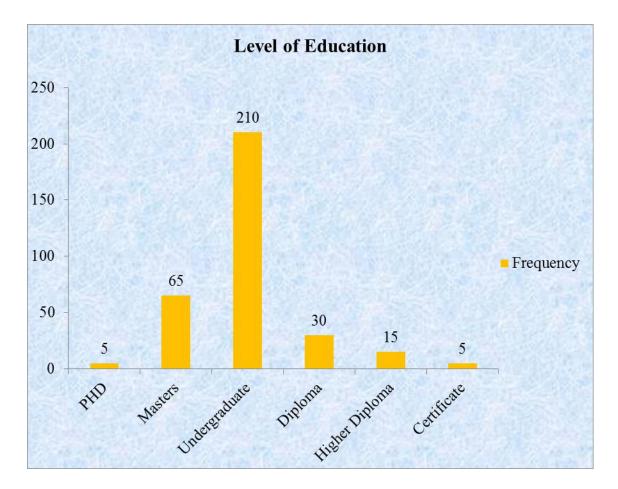
**Table 4.1: Level of Management** 

Source: Author (2014).

## 4.3.2 Level of Education

The data in Figure 4.1 presents the findings on the highest levels of education achieved by the respondents. Based on the data, (210) of the respondent had Bachelors degrees, (30) had Diplomas while (65) had Master degrees. The findings imply that large Media houses recruit employees with varying educational qualifications which ensures there are diverse professional skills and expertise within the workforce.



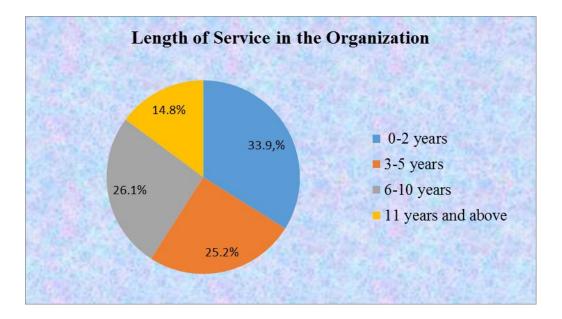


Source: Author (2014).

# **4.3.3** Length of Service in the Organisation

The researcher sought to establish the number of years the respondents had worked in the respective organizations. Based on the findings presented in Figure 4.2, a greater proportion of the respondents (33.9%) had worked in the respective organizations for a period between 0-2 years, (26.1%) had worked for a period of 3-5 years, while (25.2%) had worked for over 6-10 years in the organizations. A significant (14.8%) of the respondents had worked for over 11 years. This implies that the respondents gave

accurate information about succession planning and retention of employees based on their experiences and how long they have worked in those organisations.



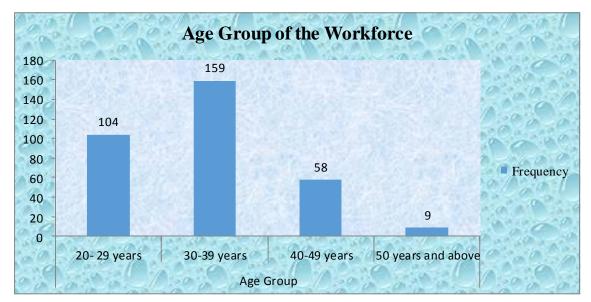
#### Figure 4.2: Length of Service in the Organization

Source: Author (2014).

# 4.3.4 Age Group of the Workforce

The results in Figure 4.3 reveals that the age group of majority of employees in the large media houses lie between 30-39 years at (48.2%), another (31.5%) represented the age group of 20-29 years, while (17.6%) represented the age between 40-49 years. This implies that the workforce in the organizations was youthful.

Figure 4.3: Age Group of the Workforce



Source: Author (2014).

# 4.3.5. Gender of the Respondents

The researcher sought to determine the gender representation of the respondents and established that (44%) were female while (56%) were male as shown in Table 4.2. This implies that there is gender balance as the gap between the genders is minimal.

 Table 4.2: Gender of the Respondents

Gender	Frequency	Percentage (%)
Male	184	55.8
Female	146	44.2
Total	330	100

Source: Author (2014).

## **4.4 Succession Planning Practices**

The objective of the study was to establish the relationship between succession planning practices and employee retention in large media houses in Kenya. In order to establish how well each succession practice is implemented towards employee retention, respondents were instructed to respond to statements on a 5 point Likert scale of 1 to 5 where, 1. Strongly disagree 2. Disagree 3. Neither Agree nor Disagree 4. Agree and 5. Strongly agree.

For purpose of interpretation, a mean score of (M)  $0 \le 1.5$  means that the respondents strongly disagreed, between  $1.50 \le 2.50$  means they disagreed,  $2.50 \le 3.50$  means the respondents were neutral,  $3.50 \le 4.50$  means they agreed, and a mean above 4.50 means they strongly agreed.

# 4.4.1 Human Resource Planning

To establish how well Human Resource Planning is implemented, the researcher sought to find out how succession planning, job rotation, internal promotion and diversity in recruitment were implemented in the large media houses. The findings in Table 4.3 showed that, respondents agreed that employees are usually recruited from diverse demographic backgrounds (M =3.94; SD=0.964). Some of them were neutral and felt that succession planning puts into consideration key positions (M =3.08; SD = 1.099) and that it is strictly for top management (M=3.19; SD = 1.119). Additionally, they said that the existing succession planning encourages promotion from within strictly based on merit (M =3.39; SD=1.082). It is worth noting that they were neutral to the fact that job rotation

is well implemented across all departments (M =2.64; SD =1.154) though this value is closer to the highest value of disagree.

#### **Table 4.3: Human Resource Planning**

Statement	Μ	SD	N
In my organization, succession planning puts into	3.08	1.099	330
consideration all key positions			
In my organization, succession planning is strictly considered	3.19	1.119	330
for top level management			
Job rotation is well implemented across all departments in	2.64	1.154	330
my organization			
In my organization, the succession plan encourages	3.39	1.082	330
promotion from within strictly based on merit			
In my organisation, employees are usually recruited from	3.94	0.964	330
diverse demographic backgrounds			

## Source: Author (2014).

The analysis above implies that large media houses in Kenya have in place succession planning policies which consider diversity aspects of management during recruitment as result this has contributed to employee retention. It is also implied that the succession policy is not clear to employees if it applies to all top management positions or all key positions. Evidently, it is implied that job rotation has contributed to retention although it is not well implemented in all departments as is expected.

# **4.4.2 Talent Management**

In order to establish how well Talent Management is implemented, Table 4.4 shows the summarized findings of the respondents.

#### Table 4.4: Talent Management

Statement	Μ	SD	Ν
Talented employees are always attracted to join my organization due	3.08	1.099	330
to its good reputation in retaining talent			
In my organization, talented employees are always considered for	2.98	2.523	330
sponsorships			
In my organisation, every year employees are always given	3.07	1.226	330
feedback about their talent reviews			

Source: Author (2014).

As shown in Table 4.4, respondents were neutral and felt that talented employees are always attracted to join their organizations due to its good reputation in retaining talent (M =3.08; SD =1.099). They also felt that employees are always given feedback about their talent reviews (M =3.07; SD =1.226). It is worth noting that to some extent the respondent were not sure that talented employees are always considered for sponsorships (M =2.98; SD = 0.964).

The analysis above implies that large media houses in Kenya are keen in managing key talent. This they do through frequent feedback on individual performance and annual

talent reviews. On the other hand, it is implied that not all the times the talented employees are considered for sponsorships. Additionally, they are not convinced reputation of an organization on employee retention determines if talented employee join an organization.

# 4.4.3 Career Management

Career Management if well implemented affects employee retention. Table 4.5, shows the summarized findings of the respondents.

#### Table 4.5: Career Management

Statement	Μ	SD	Ν
In my organization, employee career paths are clearly	3.01	1.173	330
defined and are available from the HR Department			
In my organization, management supports employees who	3.42	1.272	330
wish to advance in their careers through the Education			
Policy and sponsorships for training			
In my organization, employees are internally offered	3.28	1.130	330
internship opportunities so as to assist them advance their			
careers			

## Source: Author (2014).

As shown in Table 4.5, respondents were not sure if career paths are clearly defined and are available from the HR Department (M= 3.01; SD =1.173), and that management supports employees who wish to advance in their careers through the Education Policy

and sponsorships for training (M =3.42; SD = 1.272). They were neutral to the fact that employees are internally offered internship opportunities so as to assist them advance their careers (M =3.28; SD = 1.130).

The analysis above implies that large media houses in Kenya to some extent consider career progression of employees. However, it is noted that a number of them are not aware of the existing career paths for their positions. Additionally, it is implied that Education policies allow all employees to be considered for sponsorship when making training decisions, unfortunately this is not clear to some of the employees. It is also implied that though internship opportunities are available in the large media houses, employees are not sure if this assists them in career progression and employee retention.

#### **4.4.4 Performance Management**

Table 4.6 shows the summarized findings of the respondents' views on how well Performance Management is implemented. The respondents agreed that performance appraisals are always conducted annually (M =4.08; SD = 1.124). However, they were not sure if bonuses and incentives are benefits given to all employees based on their performance (M =3.37; SD = 1.246).

This analysis implies that large media houses in Kenya put a lot of emphasis on performance management and performance appraisals are key parameters for assessing individual employees' performance every year. Notably, it is implied that employees are always paid bonuses and incentives which are tagged to performance appraisals but they are not sure if this affects their retention.

# Table 4.6: Performance Management

Statement	Μ	SD	Ν
In my organization, performance appraisals are always	4.08	1.124	330
conducted annually			
Bonuses and incentives are benefits given to all employees	3.37	1.246	330
based on their performance in my organization			

Source: Author (2014).

# 4.4.5Training and Development

On how well Training and Development is implemented in the large media houses, respondents were neutral and felt that opportunities for employees to continuously improve their skills are available (M=3.46; SD=1.035) and that training and development opportunities are available to all employees (M =3.24; SD =1.132) as shown in Table 4.7.

# **Table 4.7: Training and Development**

Statement		SD	Ν
In my organisation, there are opportunities for employees to	3.46	1.035	330
continuously improve their skills			
In my organization, training and development opportunities are	3.24	1.132	330
available to all employees			

Source: Author (2014).

The above analysis implies that there is no discrimination when it comes to selection of who should be considered for training within the large media houses in Kenya. It also creates an impression that continuous learning is practiced in the media industry.

# 4.4.6 Management Involvement

In order to establish how well Management gets involved in implementation of succession planning, the respondents views were sought on how well management implemented 'open door' policy, mentored and coached staff using their leadership and management skills and communicated HR policies to all staff.

Statement	Μ	SD	Ν
In my organization, we have an "open door policy" which	3.96	2.450	330
enables smooth communication between management and			
employees			
In my organization, mentoring and coaching is well practiced by	3.12	1.054	330
most managers and supervisors			
In my organization, it is evident that managers and supervisors	3.28	1.072	330
have effective management and leadership skills			
In my organization, any changes in HR policies are	3.98	1.019	330
communicated to all employees			

<b>Table 4.8:</b>	Management	Invo	lvement
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Source: Author (2014).

As shown in Table 4.8, respondents agreed that any changes in HR policies are communicated to all employees (M =3.98; SD=1.019) and that there is in place an "open door policy" which enables smooth communication between management and employees (M=3.96; SD=2.450). It is worth noting that they were neutral and felt that managers and supervisors have effective management and leadership skills (M=3.28; SD=1.072) and that mentoring and coaching is well practiced by most managers and supervisors (M =3.12; SD =1.054).

This implies that large media houses in Kenya recognise the key role played by managers in determining the rate at which employees are retained as it is said that "employees do not leave their organization but their bosses". In this connection, management ensures that there is free communication between them and the employees. However, the analysis gives suggest that mentoring and coaching have not fully been embraced by Managers hence affecting succession planning implementation and employee retention in this industry.

## 4.4.7 Rewards Management

As shown in Table 4.9, respondents were neutral and felt rewards are given to all employees without any form of discrimination (M=3.32; SD=1.154) and that occasionally employees are allowed to define their own rewards (M =2.57; SD =1.189). However, it is worth noting that they disagreed to say that pay and grading structures allow employees to define their own remunerations (M=2.47; SD =1.180).

#### **Table 4.9: Rewards Management**

Statement	Μ	SD	N
In my organization, rewards are given to all employees	3.32	1.154	330
without any form of discrimination			
In my organization, the pay and grading structures allow	2.47	1.180	330
employees to define their own remunerations			
In my organization, occasionally employees are allowed to	2.57	1.189	330
define their own rewards			

Source: Author (2014).

The analysis above implies that large media houses in Kenya incorporate in their rewards systems pay and grading structures which are not flexible. However, it is implied that for other forms of rewards, employees once in a while are allowed to give their preferences without discriminating any employee hence attracting key talent especially the young generation who value flexibility.

# **4.4.8 Diversity Management**

In order to establish how well Diversity Management is implemented, Table 4.10 shows the summarized findings of the respondents.

#### **Table 4.10: Diversity Management**

Statement	Μ	SD	Ν
In my organisation, employees are usually recruited from diverse	3.94	0.964	330
demographic backgrounds			
In my organization, diversity management policy disregards any	3.89	1.033	330
form of discrimination against gender, religion and sex			

#### Source: Author (2014).

As shown in Table 4.10, respondents agreed that employees are usually recruited from diverse demographic backgrounds (M=3.94; SD=0.964) and that diversity management policy disregards any form of discrimination against gender, religion and sex (M =33.89; SD =1.033).

The analysis above implies that large media houses in Kenya put a lot of emphasis in diversity management within the succession planning policy. This gives an impression that most employees believe that recruitment disregards discrimination against gender, religion and sex which enhances team work. Consequently, this is implied that diversity composition of the workforce has resulted to social cohesion and to a large extent retention in the media industry.

## **4.5 Employee Retention Strategies**

The objective of the study was to establish the employee retention strategies applied to enhance employee retention in large media houses in Kenya. In order to establish how well employee retention strategies are implemented respondents were instructed to respond to statements on a 5 point Likert scale of 1 to 5 where, 1. Strongly Disagree,

2. Disagree, 3. Neither Agree nor Disagree, 4. Agree and 5. Strongly agree.

For purpose of interpretation, a mean score of mean (M) score of  $0 \le 1.5$  means that the respondents strongly disagreed, between  $1.50 \le 2.50$  means they disagreed,  $2.50 \le 3.50$  means the respondents were neutral,  $3.50 \le 4.50$  means they agreed, and a mean above 4.50 means they strongly agreed.

# 4.5.1 Pay and Benefits

The extent at which pay and benefits contribute to employee retention is summarized in Table 4.11. As shown in Table 4.11, respondents were neutral and felt that pay is always based on performance which has helped to retain most of the employees (M = 3.07; SD = 1.223) and that salaries are always benchmarked with the market rate which has boosted retention of employees (M=2.74; SD=1.160). Additionally, they felt that internship programmes have largely enabled management to retain key talent and that sponsorship for training opportunities are available to only the talented employees (M=2.98;SD = 2.523).

#### **Table 4.11: Pay and Benefits**

Statement	Μ	SD	Ν
In my organization, salaries are always benchmarked with the	2.74	1.160	330
market rate and this has boosted retention of employees			
In my organisation, pay is always based on performance which	3.07	1.223	330
has helped to retain most of the employees			
In my organization, sponsorship for training opportunities are	2.98	2.523	330
available to only the talented employees			
The internship programme has largely enabled management to	3.34	1.076	330
retain key talent in my organisation			

# Source: Author (2014).

The analysis above implies that within the large media houses in Kenya, pay is based on performance and to some extent it is benchmarked with the market rate. However, a number of employees are not clear to what extent internship programmes have contributed to employee retention. In addition to that, it is implied that employees are not sure if indeed sponsorship is restricted for key talent.

# 4.5.2 Managing Expectations

In order to establish how well managing expectations as a retention strategy contributes to employee retention, Table 4.12 shows the summarized findings of the respondents.

#### **Table 4.12: Managing Expectations**

Statement	Μ	SD	N
My organization ensures there is no breach of psychological	3.24	1.035	330
contracts and most of employees' expectations are met			
In my organization, employee offered overseas trainings are	3.05	1.176	330
usually bonded and this assists in retaining them			
In my organization, performance appraisals are always done to	3.27	1.150	330
facilitate promotions and transfers of employees			

Source: Author (2014).

As shown in Table 4.12, respondents were neutral and felt that there is no breach of psychological contracts and most of employees' expectations are met (M =3.24; SD = 1.035) and that performance appraisals are always done to facilitate promotions and transfers of employees(M =3.27; SD =1.150). It is worth noting that employee were not sure if bonded employees who have undergone overseas trainings stand a high chance of being retained (M=3.05; SD =1.176).

The analysis above implies that large media houses in Kenya have in place a Training and Development policy is incorporated within the HR Policy which allows employees to be sponsored for overseas training although it is not clear to what extent this has contributed to retention as some of the affected still exit anyway. It is also implied that employees are not very certain that promotions and transfers are based on the performance of individual employees. Notably, some of the employees feel that there is no breach of psychological contract hence retention has somehow been realized in the media Industry.

# 4.5.3 Induction

In order to establish how well induction as a retention strategy contributes to employee retention, Table 4.13 shows the summarized findings of the respondents.

#### Table 4.13: Induction

Statement	Μ	SD	N
In my organization, induction programmes are well conducted	3.65	1.122	330
which motivates new employees to stay			
In my organisation, the vision, mission and values are clear and	3.68	1.163	330
are well displayed to all employees			
The corporate culture in my organization allows employees to	3.73	2.458	330
work in a very friendly environment which motivates them to stay			

## Source: Author (2014).

As shown in Table 4.13, respondents agreed that the corporate culture organization allows employees to work in a very friendly environment which motivates them to stay (M=3.73; SD=2.458) and that the vision, mission and values are clear and are well displayed to all employees (M =3.68; SD =1.163). It is worth noting that they also agreed that induction programmes are well conducted which motivates new employees to stay (M =3.65; SD =1.122).

The analysis above implies that large media houses in Kenya value the corporate culture which has played a role in retaining new and old employees. It also implies that the vision, mission and values of the specific organization are well known to the employees. It is also clear that during induction employees are given a lot of support and this encourages them to continue to stay hence boosting employee retention.

## 4.5.4 Quality of Line Management and Work - Life Balance

Improving the performance of Line Managers and proving opportunities for employees to balance work and other social activities help to reduce staff turnover (Torrington et al 2011, De Petro et al, 2007).

As shown in Table 4.14, respondents agreed that leave is well managed and employees are encouraged to take leave so as to avoid overwork and burnout (M =3.88; SD=1.154) and that Line Managers always support employees and are willing to assist them anytime they seek guidance (M=3.67; SD=0.914). They were neutral and felt that employees are always given a chance to express their suggestions which makes them feel valued (M=3.46; SD=1.076) and that managers motivate employees to stay as they groom them to take management positions (M =3.26; SD =2.423). It is worth noting that, they were not certainly sure if flexible working hours and employee wellness programmes have contributed to employee retention (M =3.21; SD=1.096).

Statement	Μ	SD	Ν
In my organisation, managers motivate employees to stay as	3.26	2.423	330
they groom them to take management positions			
In my organization, employees are always given a chance to	3.46	1.076	330
express their suggestions which makes them feel valued			
Flexible working hours and employee wellness programmes	3.21	1.096	330
have contributed to employee retention in my organization			
In my organization, Line Managers always support employees	3.67	0.914	330
and are willing to assist them anytime they seek guidance			
In my organization, leave is well managed and employees are	3.88	1.129	330
encouraged to take leave so as to avoid overwork and burnout			

#### Table 4.14: Quality of Line Management and Work-Life Balance

Source: Author (2014).

The analysis above implies that leave is well managed within the large media houses in Kenya and employees appreciate how it has contributed to their productivity. It is also implied that managers take active role in supporting employees in their day to day challenges but they occasionally mentor nor coach them so as to identify leaders within their teams. This has significantly affected employee retention at all levels of management. Employee and wellness programmes also exist in the media industry but a good number of employees do not seem to agree that they pay any significant role in retaining employees.

# 4.5.5 Relationship between Succession Planning and Employee

## Retention

Table 4.15 shows the relationship between succession planning practices and employee retention.

Statement	Μ	SD	Ν
The existing succession plan in my organization motivates	2.84	1.161	330
employees to consider working until retirement age			
"Headhunting" and Networking has enabled management	3.40	1.056	330
to attract and retain key talent in my organization			

#### Source: Author (2014).

As shown in Table 4.15, respondents were not sure if "Headhunting" and Networking has enabled management to attract and retain key talent (M=3.40; SD=1.056) and that the existing succession plan motivates employees to consider working until retirement age (M=2.84; SD=1.161).

The analysis above implies that large media houses in Kenya have relied on head-hunting and networking when recruiting key talent from the market. However, it is implied that majority of the employees are not sure if the existing succession planning policy actually motivates them to work until retirement age. In this regard, the relationship between succession planning practices is positive as some employees agree that the succession planning practices indeed contribute to employee retention.

## 4.6 Effects of Succession Planning on Employee Retention

To establish the effects of succession planning on employee retention, both regression and correlation analyses ware conducted. A multivariate regression model was applied to determine the relative importance of selected independent variables with respect to relationship between succession planning practices and employee retention.

The Regression model was as follows:

 $Y_i = A + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 N + e$ 

#### Where:

R=Employee Retention

b<sub>1</sub> =Beta Coefficient

 $X_{1=}$  Talent Management

- $X_2 = Career Management$
- X<sub>3</sub> =Rewards Management

 $X_4 =$  Performance Management

E= Constant Error

The established multiple linear regression equation becomes:

 $Y_i = 0.546 + 0.298X_1$ 

In this case, the constant = 0.546, that if succession planning practices were all rated as zero employee retention rating would be A = 0.546 where X1 = 0.298, shows that if one

unit change in succession planning practice results in 0. 298 units increase in employee retention.

Table 4.16a: Test of Goodness-of-fit for the Effect of Succession Planning Practiceson Employee Retention

Model			Mean		
	Sum of Squares	Df	Square	F	Significance
1 Regression	117.855	10	11.786	12.462	0.000
Residual	278.033	294	0.946		
Total	395.889	304			

Source: Author (2014).

The multiple regression model produced  $R^2 = (0.298)$ , F = (12.462) p>0.05. The results of the regression as shown in Table 4.16b indicated that selected succession planning practices explained (29.8%) of the variance in employee retention ( $R^2 = 0.298$ ). The overall model reveals a statistically significant relationship between succession planning practices and employee retention since p-value (0.546) > 0.5 (Table 4.16b).

Table 4.16b: Regression Results between Dependent and Independent Variables

Model		R		Standard Error
	R	Square	Adjusted R Square	of the Estimate
dimension0 <sup>1</sup>	0.546	0.298	0.274	0.972

Source: Author (2014).

# 4.7 Regression coefficient of the Relationship between Selected

# **Succession Planning Practices and Employee Retention**

The below Table 4.18 shows results of the analysis of regression coefficient where it is statistically significant at 0.05.

# Table 4.17: Regression Coefficient on Effect of Succession Planning Practices onEmployee Retention

Model	Unstandardized		Standardized		
	Coefficients		Coefficients		
		Std.			
	В	Error	Beta	t	Sig.
(Constant)	.747	.293		2.550	.011
Staff define own rewards	.093	.058	.096	1.617	.107
All staff rewarded	.165	.066	.164	2.513	.013
Bonuses for all staff	051	.056	056	903	.367
Rewards only for key talent	.144	.061	.145	2.374	.018
Flexible rewards	.077	.056	.075	1.367	.173
Support for career progression	056	.053	062	-1.044	.297
Clear career paths	.197	.056	.202	3.519	.001
Annual performance Appraisal	.083	.058	.080	1.423	.156
Pay for performance	.043	.055	.046	.784	.434
Key talent are sponsored for	.182	.060	.161	3.053	.002
training					

Source: Author (2014)

According to this study, it was found out that even though on overall, selected succession planning practices do not predict employee retention, clear career paths ( $\beta = 0.197$ , t = 3.519, p< .05) and sponsorship for key talent ( $\beta = .182$ , t = 3.053, p<.05) significantly affect employee retention as shown in Table 4.17 above. Rewarding all staff ( $\beta = -0.165$ , t =2.513, p<.05) and rewards for only key talent ( $\beta = -0.144$ , t = 2.374, p>.05), are also significant predictors of employee retention. Their beta coefficients are not different from zero since p<0.05. This implies that they significantly predict employee retention.

## **4.8 Analysis of Variance**

To establish the effects of succession planning on employee retention, an analysis of the variances was conducted using Scheffe's Post hoc Multiple Comparisons of individuals in different ages in Relation to Career Management.

#### Anova Analysis

The results of Scheffe's post hoc multiple comparisons for clear career paths with respect to age are set out in Table 4.18 indicating that there were no statistically significant differences in mean scores between the 20-29 years age bracket and all other age brackets (p>0.05). Similarly, there were no statistically significant differences in mean scores between the 30- 39 years, 40 - 49 years, 50 years and above and all age brackets (p>0.05).

Table 4.18: Scheffe's Post Hoc Multiple Comparisons of Individuals in DifferentAges in Relation to Career Management

(I) Age	(J) Age bracket				95% Co	nfidence
bracket		Mean			Inte	rval
		Difference	Std.		Lower	Upper
		( <b>I-J</b> )	Error	Sig.	Bound	Bound
20 - 29	30- 39 years	.117	.148	.893	30	.53
years	40 – 49 years	.289	.193	.523	25	.83
	50 years and	.005	.408	1.000	-1.14	1.15
	above					
30- 39 years	20 – 29 years	117	.148	.893	53	.30
	40 – 49 years	.172	.180	.821	33	.68
	50 years and	111	.402	.995	-1.24	1.02
	above					
40-49	20 – 29 years	289	.193	.523	83	.25
years	30- 39 years	172	.180	.821	68	.33
	50 years and	284	.421	.929	-1.47	.90
	above					
50 years	20 – 29 years	005	.408	1.000	-1.15	1.14
and above	30- 39 years	.111	.402	.995	-1.02	1.24
	40 – 49 years	.284	.421	.929	90	1.47
Source: Auth	(2014)					

Source: Author (2014).

The above analysis in Table 4.18 implies that at any age employees in the media industry are concerned about their career growth. There being no statistical significance implies that employees will not stop to think about career progression even if they turn 50 years and above. In this sense therefore, efforts by management to retain employees have no impact on any specific age bracket but all ages are concerned about clear career paths that exist for each position.

# 4.9 Correlation Analysis for the Relationship between Succession

# **Planning Practices and Employee Retention**

The analysis as shown in Table 4.19 indicates that there is significant relationship between succession planning practices and employee retention (r = 0.274, p < 0.001). Therefore, it can be deduced that succession planning practices contribute (27.4%) to employee retention.

Table 4.19: Results of Spearman Correlation	Analysis for	Relationship	between
Succession Planning Practices and Employee Ref	tention		

		Succession planning practices	Employee Retention
Succession planning	Sig.(2-Tailed)	1	0.274**
practices			
			0.000
	Ν	330	330
Employee Retention	Sig.(2-Tailed)	0.274**	1
		0.000	
	Ν	330	330

Source: Author (2014).

#### **CHAPTER FIVE**

# SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### **5.1 INTRODUCTION**

This chapter presents a summary of the findings of the study, conclusions, recommendations and suggestions for further research.

## **5.2 Summary of the Findings**

The objective of this research was to establish the relationship between employee succession planning practices and employee retention in large media houses in Kenya. Most respondents were junior staff who held undergraduate degrees. The respondents were well conversant with issues relating to succession planning and employee retention which motivated them to fill the questionnaires hence providing a response rate at (11%) of the total population.

Based on the findings, respondents agreed that succession planning exists in the large media houses but a lot of emphasis is put on top positions and key talent. The findings also reveal that effective open communication by management, leave management, diversity management, good corporate culture and promotion from within policy are practices which are put into consideration when implementing succession planning. It is also noted that majority of the respondents believe that their managers support them with ideas of how to improve their performance. However, occasionally they mentor and coach junior staff in a bid to identify a successor or leader of the team. On the other hand,

most respondents believe that in all occasions promoted employees stand a high chance of being retained. All the same, a small number of employees feel that "promotion from within" in some occasions does not consider merit. It is also partly agreed that headhunting and networking has contributed to employee retention.

The findings suggest that for succession planning to be implemented in a bid to retain employees, a lot of focus needs to be laid on career management and talent management. A correlation analysis was done and it indicated that (27.4%) of succession planning practices contribute to employee retention where (R = 0.274; P $\leq 0.000$ ). Specifically, Career Management was the most significant with (P $\leq 0.001$ ) and Scheffe post hoc multiple comparison confirmed that at whatever age employees are always concerned about their career progression. In this connection, a small number of employees consider working till retirement age and they move in search of career progression.

#### **5.3 Conclusion**

Career Management is more critical in ensuring organisations retain majority of employees. However, large media organisations have always focused on talent management and rewards management which has resulted to dissatisfaction amongst employees forcing them to leave for career growth opportunities or stagnate in the organization. In this connection, management must take action and ensure they have in place clear career paths for each position that exists.

#### **5.4 Recommendations and Implications to Theory and Practice**

The existing succession planning policies should clearly be known to all employees from the day of induction and be reviewed after two years as Media is dynamic. It was recommended to managers that good management skills is not enough, they ought to allocate time for training and grooming of employees who have potential for leadership. During recruitment, management should exhaust all internal talent before considering external talent especially when making promotion decisions. A solution to rampant headhunting was provided which suggested that clear guidelines should be incorporate in the employment Act regarding this practice so that professionalism is encouraged. Pay should always be benchmarked with the market rate and be based on performance for employees to feel more valued. As a matter of urgency, it was recommended that clear career paths should be incorporated in the succession planning policies and management should put more focus on career management.

The implication of this study to policy and practice related to career management geared towards employee retention. It is of paramount importance that HR Managers take an initiative in identifying future leaders for their teams by taking keen interest in assisting potential leaders to grow in their careers. Training and development opportunities should be availed to all employees and ensure there is continuous skills improvement of the work force. This will ensure that there are no skill gaps especially when there is an abrupt loss of an employee through death, early retirement or family commitments.

The existing succession planning practices should always lead to employee retention. In this regard, conscious decisions need to be made when promoting talented employees. It has been observed that when promotion is done by merit, employees build confidence with management and remain loyal to the organization and hence employee retention.

In this connection, managers need to be careful when giving counter offers to the headhunted employees. The negative synergy that develops after such decisions are made has resulted to problems in retention in the Media Industry. This research findings have stated that regardless of age, career progression is a major concern of employees in the Media Industry in Kenya. The findings of this study are supported by Walker (1985), who says that thoughts regarding career progression continue to grow as one matures.

#### **5.5 Limitations of the Study**

A limitation of this study is that all variables were measured at the same time and thus one cannot infer any causal relationship. Although it seems likely that effective career management guarantees retention of employees one cannot say this definitely unless it is tested in a longitudinal study. The decision of an employee to stay in an organization was measured based on existing HR Policies yet other factors influence such decisions. In this regard, a longitudinal study in which the media employees are followed throughout their career would yield valuable results. The study is limited to the small sample in the media industry, so the results of the study are only indicative and not conclusive.

## **5.6 Suggestions for Further Study**

The researcher suggests that a further study be carried out to establish the relationship between Career Management and Employee Engagement in the Media Industry in Kenya. The researcher recommends a similar study to be conducted across various sectors in Kenya being the 'horn' of East Africa.

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#### **APPENDICES**

#### **APPENDIX I: LETTER OF INTRODUCTION**



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#### TO WHOM IT MAY CONCERN

The bearer of this letter GRACE SALAMA TUNIE

Registration No. D. 61 / 63 0 38 2011

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABUTO MBA ADMINISTRATOR SCHOOL OF BUSINESS



## **APPENDIX II: LARGE MEDIA HOUSES IN KENYA**

- 1. Nation Media Group
- 2. Standard Group
- 3. Royal Media Service
- 4. Media Max
- 5. Radio Africa Group

Source: Kenya Audience Research Foundation (KARF) (2014)

#### **APPENDIX III: RESEARCH QUESTIONNAIRE**

Kindly tick  $[\sqrt{}]$  the appropriate response or provide information as is relevant. Your responses will be anonymous and confidential and will only be used for the purposes of this study. As such, do not write your name on the questionnaire.

#### Section One: Demographic Information of Respondents

1. Indicate your current level in the organization.

Senior level manager [] Middle level manager [] Junior Staff []

2. Indicate your highest level of education.

 Phd. [] Masters degree []
 Undergraduate degree []
 Diploma []

Other specify:\_\_\_\_\_

3. Indicate your length of service in the organization.

0 - 2 years [] 3 -5 years [] 6 -10 years [] 11 years and above []

4. Indicate your age group.

20 – 29 years [] 30- 39 years [] 40 – 49 years [] 50 years and above []

5. Gender: Male [ ] Female [ ]

### Section Two: Implementation of succession planning practices

This section deals with succession planning practices and how they are implemented in the organization. The following action points are evidence of existence and implementation of succession planning. To what extent do you agree with the below statements?

## 1 =Strongly disagree 2=Disagree 3=neither agree nor disagree 4=Agree 5= Strongly agree

STATEMENT	1	2	3	4	5
In my organization, succession planning puts into consideration all key					
positions					
In my organization, performance appraisals are always conducted annually					
Job rotation is well implemented across all departments in my organisation					
In my organization, rewards are given to all employees without any form of					
discrimination					
Bonuses and incentives are benefits given to all employees in my organization					
based on their performance					
In my organization, management supports employees who wish to advance in					
their careers through the Education Policy and sponsorships for training					
In my organization, employee career paths are clearly defined and are					
available from the HR Department					
In my organisation, every year employees are always given feedback about					
their talent reviews					
In my organization, training and development opportunities are available to					
all employees					
In my organization, it is evident that managers and supervisors have effective					
management and leadership skills					
In my organization, occasionally employees are allowed to define their own					
rewards					

STATEMENT	1	2	3	4	5
In my organization, mentoring and coaching is well practiced by most					
managers and supervisors					
In my organization, talented employees are always considered for					
sponsorships					
In my organisation, there are opportunities for employees to continuously					
improve their skills					
In my organization, the pay and grading structures allow employees to define					
their own remunerations					
In my organization, succession planning is strictly considered for top level					
management					
In my organisation, employees are usually recruited from diverse					
demographic backgrounds					
In my organization, the succession plan encourages promotion from within					
strictly based on merit					
In my organization, rewards are always given to talented employees					
In my organization, any changes in HR policies are communicated to all					
employees					
Talented employees are always attracted to join my organization due to its					
good reputation in retaining talent					
In my organization, diversity management policy disregards any form of					
discrimination against gender, religion and sex					
In my organization, there are flexible rewards and benefits that cater for					
family and individual needs/preferences					
In my organization, we have an "open door policy" which enables smooth					
communication between management and employees					
In my organization, employees are internally offered internship opportunities					
so as to assist them advance their careers					

### Section Three: Implementation of Employee Retention Strategies

This section deals with employee retention strategies employed in the organization. The following action points describe efforts exerted by management to implement employee retention in the organisation. To what extent do you agree with the below statements?

# 1=Strongly disagree 2=Disagree 3=neither agree nor disagree 4= Agree 5=Strongly agree

STATEMENT	1	2	3	4	5
In my organization, induction programmes are well conducted which					
motivates new employees to stay					
In my organization, leave is well managed and employees are					
encouraged to take leave so as to avoid overwork and burnout					
The corporate culture in my organization allows employees to work					
in a very friendly environment which motivates them to stay					
The internship programme has largely enabled management to					
retain key talent in my organization					
My organization ensures there is no breach of psychological					
contracts and most of employees' expectations are met					
In my organization, sponsorship for training opportunities are					
available to only the talented employees					
In my organization, it is evident that management is able to retain					
majority of promoted employees					
In my organization, Line Managers always support employees and					
are willing to assist them anytime they seek guidance					
In my organisation, managers motivate employees to stay as they					
groom them to take management positions					
In my organisation, pay is always based on performance which has					
helped to retain most of the employees					

STATEMENT	1	2	3	4	5
In my organisation, the vision, mission and values are clear and are					
well displayed to all employees					
"Headhunting" and networking has enabled management to attract					
and retain key talent in my organization					
In my organization, employee offered overseas trainings are usually					
bonded and this assists in retaining them					
In my organization, performance appraisals are always done to					
facilitate promotions and transfers of employees					
In my organization, salaries are always benchmarked with the					
market rate and this has boosted retention of employees					
Flexible working hours and employee wellness programmes have					
contributed to employee retention in my organization					
In-house training programmes always bond employees and have					
contributed to retaining key talent in my organisation					
In my organization, employees are always given a chance to express					
their suggestions which makes them feel valued					
The existing succession plan in my organization motivates					
employees to consider working until retirement age					

What do you recommend to management regarding implementation of the following?

i)	Succession planning:
ii)	Employee Retention:

\_\_\_

\_\_\_\_\_

## Thank you very much for your time and cooperation