SUCCESSION PLANNING AND MANAGEMENT IN KENYA: A CASE STUDY OF QUANTITY SURVEYING FIRMS

Submitted by:

CHARLES OTIENO OGUTU

B53/81544/2012

Research Project Submitted in Partial Fulfillment for the Award of the Degree of Master of Arts Construction Management in the Department of Real Estate and Construction Management

September, 2016

DECLARATION

Declaration by the candidate

I Charles Otieno Ogutu, hereby declare that this thesis is my original work and has not been presented for award of degree in this university or any other institution.

Signed:……………………….….... Date:………9\9\2016……..

Charles Otieno Ogutu

Declaration by the supervisor

This project has been submitted for examination with my approval as a University of Nairobi supervisor.

Signed:…………………………….. Date:……………………………..

Isabella Njeri Wachira-Towey (PhD)

(Registered Quantity Surveyor, Construction manager and Senior Lecturer University of Nairobi)

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

Majority of Quantity Surveying (QS) firms in Kenya are faced with the possibility of winding up with their founders exit while other firms have turned into vocational practices with the founders facing their sunset days with no hopes of retiring. Concurrently, there is growing chorus on the need for older professionals to develop, groom and integrate the younger professionals into more responsibilities to progressively take over the QS practices to ensure continuity. Current dynamics in the construction industry also demand that firms attract, retain and internally develop potential partners/talent as key to the firm's future success. Yet, notwithstanding the call for generational transfer of leadership and the market dynamics, Succession Planning and Management has largely remained on the back burners.

This research sought to investigate how succession occurred in QS firms, the benefits and the challenges of succession planning and management (SP&M). The study employed a qualitative research methodology based on grounded theory approach. This was necessary to describe and understand the succession phenomena as understood and practised by Kenyan QS firms. Data was collected via questionnaires administered to 30 firms.

The findings indicate that succession in majority of QS firms is largely unsystematic, informal and accidental as only 32% of firms had systematic SP&M programs. There was a weak correlation between the ages of firms, number of directors and adoption of SP&M although private limited companies were most likely (75 percent) to have a systematic succession plan than partnerships. The firms with SP&M were driven by the realization of difficulties in talent/HiPos attraction and retention in an increasingly competitive labour market and the need to have the bench strength as they strategize on future expansion. The firms enjoyed several benefits, among them: continuity and sustained business, consistency in output and operations, improved employee morale and retention and expansion of firms' directorship. The challenges to SP&M efforts were mostly lack of coordinated follow-through on employee developmental programs, difficulty in identifying true successors and HiPos, insincere discussion, founder's syndrome, nepotism, mistrust, impatience of younger professionals and lack of capacity by HiPos to buy into firms. The implications of these findings point to the need for sensitization of QS firms on systematic SP&M programs and how to avoid common pitfalls in the succession planning and management effort.

ACKNOWLEDGEMENTS

DEDICATION

To Dr. Isabella Njeri-Towey for her love of education and inspiration.

ACRONYMS

ABCD	Adopters, Black Box, Change Agent, Domain
ASTD	American Society for Training and Development
Baby Boomers	Born between 1946 -1964
CEO	Chief Executive Officer
CIQS	Canadian Institute of Quantity Surveyors
Generation X	Born between 1965 - 1979
Generation Y	Born between 1980s - 1990s
HiPos	High Potential Employees
HR	Human Resources
IQSK	Institute of Quantity Surveyors of Kenya
LLP	Limited Liability Partnership
QS	Quantity Surveying
RR	Response Rate
SHRM	Society for Human Resources Management (SHRM)
SP	Succession Planning
SP&M	Succession Planning and Management

CHAPTER ONE - INTRODUCTION

1.1   INTRODUCTION

Chapter one introduces the topic of research – Succession Planning and Management (SP&M). This study seeks to investigate how succession occurs in the Quantity Surveying practices in Kenya. The study will also report on the benefits and challenges of systematic Succession Planning and Management programs.

1.1.1   BACKGROUND INFORMATION

Rothwell (2010) defines succession planning as a comprehensive and systematic approach to building a leadership and talent pool to ensure that both current and future leadership needs are met in a way that ensures continuity. Succession planning is a conscious decision by an organization to foster and promote the continual development of employees, and ensure that key positions maintain some measure of stability, thus enabling an organization to achieve its business objectives while at the same time building capacity to address any emerging issues that can affect business continuity (Edna 2006; Rothwell & Pudoch 2004; Cahoone, Gibbs & DeFluri 2002). Succession planning thus entails identifying potential successors and developing them in ways that best fit their strengths. Rothwell (2010) contends that succession planning in the business world has been practised due to the recognition that some jobs are the lifeblood of organizations and too critical to be left vacant. He identifies the following stages for the succession planning process:

- Step 1: Identifying key positions or groups (current and future)
- Step 2: Identifying competencies
- Step 3: Identifying and assessing potential candidates
- Step 4: Learning and development plans
- Step 5: Implementation and evaluation

Consultancy firms comprise experts who provide professional services to other organizations or individuals for a fee. Their main purpose is to provide access to industry-specific consultancy and subject matter expertise. Quantity Surveying firms largely provide services in the following areas: construction cost advice, cost management and contract administration (IQSK 2015; CIQS 2013). Historically, Quantity Surveying practices have been organized as partnerships, sole proprietorships, and private limited companies. There is, however, increasing flexibility in the

structures of firms as they seek to take advantage of emerging trends and opportunities in the market place. This has led to firms forming strategic alliances thorough consortiums, mergers, joint ventures and acquisitions.

1.2   THE STUDY

1.2.1   Study focus

The Association of South African Quantity Surveyors (2015) documents the practice of Quantity Surveying as having emerged in England at the beginning of the nineteenth century but, the firm of Henry Cooper and Sons of Reading was established as early as 1785. In Kenya, the Architects and Quantity Surveyors Act (Cap 525 Laws of Kenya) that regulates the practice of quantity surveyors was enacted in 1934 (The Architects and Quantity Surveyors Act, 1934). Quantity Surveying firms, as in most consultancies and sole proprietorship firms, have tended to be associated with the person of the partners and upon their retirement, disability or demise, the firms also decline or die with them.

Succession planning is not an issue that many Quantity Surveying firms address in any systematic way. This may be attributed to the small number of employees who in most cases are fewer than ten and therefore thinking of who the next director will be does not feature high on the priority list. However, there are changing realities at the work place, with majority of workforce are now the generation Y as the baby boomers are largely retiring. There is need to incorporate the generation Y into leadership positions to enable the firms to outlive their founders. Employees have largely become global and there is increased competition among industry players and from international companies for talent. Consequently, employee retention, which is a major factor in succession planning and management, has become a major issue to firms seeking to have and maintain a competitive edge in the industry.

Quantity Surveying Consultancies need to rethink Succession Planning and Management practices. Most firms expediently rely on few key staff to carry out the firm's assignment and mission to provide services to their clientele. It would be prudent for firms to think about the effects of exit or sudden incapacity of such key staff (Human Resource Institute of New Zealand, 2011; HR Council, 2015). Although the type and extent of planning will be different Quantity Surveying firms in Kenya both large and small need to have systematic succession plans. Effective succession

planning supports organizational stability and sustainability by ensuring that there is an established process to meet staffing requirements. Principals and directors of firms can demonstrate leadership by having the strategies and processes in place to ensure that these transitions occur smoothly, with little disruption to the organization. Further, the changing demographics at the workforce the increasing employee mobility and the call for generational transfer of leadership can be adequately managed with careful planning and preparation (Rothwell 2010)

1.2.2 Problem statement

Succession planning is a key issue facing firms but one that is rarely discussed. Practices with high proportion of partners in the 50 plus age bracket should be looking to appoint younger replacements in order to develop the business. In partnerships, most partners do not have clear ideas of when they want to retire thus in the event of retirement or untimely deaths, firms are destabilized. Lack of succession planning means that it is not only the firms that are facing problems; the elderly practitioners are also facing their sunset days with prospects of working into their late years and dwindling hopes of retirement. Most Quantity Surveying firms in Kenya have been plagued by succession problems. To contextualize the problem, few illustrations have been given below: -

Vignette 1

A Quantity Surveying firm hitherto run by a sole practitioner who had made his intention clear to a senior QS employee to incorporate him into partnership, however, before this happens the sole proprietor dies. The deceased wife (not a quantity surveyor) claims ownership of the firm and the firm is thrown to operational turmoil. Within a very short time, the firm dies down.

Vignette 2

A once vibrant firm B during the youthful life of the principal had its operations reduced to his home as he grew elderly, eventually even the clients diminished and the firm is on its death bed.

Vignette 3

Few Quantity Surveying firms have however managed to transition from the original founders to about second to third generation of directors and they are very vibrant in the industry. It will be interesting for this study to document their succession practice.

The Kenyan construction industry has experienced growth over the last decade; this has however come with a widening gap between high earning Quantity Surveying firms and the majority of average performers. As a result, prospective partners have a wide choice of employment prospects without the risk of financial commitment associated with an equity partnership. This has made the attraction of right caliber of prospective partners very difficult. Many young quantity surveyors cannot take the responsibilities and risks associated with partnerships. Firms are also increasingly looking for prospective partners' ability to make positive contributions to the development and profitability of the practice.

Talent identification and retention, which is the centerpiece of succession planning, has increasingly proved difficult with changing work preferences for the majority of Generation Y's/millennials, those born in 1980s – 1990s, (Oxford Dictionary 2010). Few firms have managed to nurture and develop leadership talent in–house. Those who have not are forced to go into the market place to find it. Unfortunately, quantity surveyors are currently scarce and the competition for the few prospective talents is high. The implication for most firms is therefore that they must change their attitudes and make greater efforts to create structures and culture that will make them an attractive proposition for the young and talented people that they so desperately need. There are still far too many quantity surveyors mired in the old ways who will soon simply be unable to compete with those firms that have changed. Current dynamics in the construction industry demand that firms develop potential partners within the firm or appoint new partners as key to the firm's future success. There is compelling evidence that those consultancy firms that have achieved successful organic growth have done so because they have created a business of value not only in terms of their financial worth, but also in terms of the value they offer to employees, business partners and clients at every level.

Majority of quantity surveying firms' owners are in the 50 plus age bracket and the grim picture of quantity surveyors working to their late years and eventually dying with their firms necessitates

the need for this study to investigate how succession planning is currently being done and how it can be improved.

1.2.3   Research questions

This research will address the following questions: -

i.   Is current succession planning by design or accident in Quantity Surveying firms?

ii.   What are the benefits of having succession plans in Quantity Surveying firms?

iii.   What are the challenges of implementing succession plans?

1.2.4   Research objectives

This research has the following goals: -

i.   To ascertain how succession is practised in Quantity Surveying firms.

ii.   To investigate the benefits of succession planning.

iii.   To establish the challenges of implementing succession plans.

1.2.5   Research Propositions

The research hypotheses to be tested are:

i.   Null hypothesis (H_O): The lack of succession plans in QS firms increases their exposure to economic and operational risks.

ii.   Alternative hypothesis (H_A): Quantity Surveying firms in Kenya have succession plans, a practice that has ensured sustainable growth and continuity of the firms.

1.2.6   Research methodology

This research seeks to establish succession-planning practices of Quantity Surveying firms in Kenya, the benefits and the challenges facing firms. Questionnaires will be administered to Quantity Surveying firms to gather primary data relevant to the study. The data so collected will be analyzed using statistical methods and inferences shall be drawn forming the basis for analysis. Secondary data from published sources such as books, studies, internet and journals will be used to enrich and externalize the primary data.

1.3   SCOPE AND BENEFITS

1.3.1   Physical scope

This research will be limited to investigating succession-planning practices in a sample of registered Quantity Surveying firms in Kenya.

1.3.2   Subject Scope/theoretical framework

This research provides a study of human resource management practices in Quantity Surveying firms in Kenya with specific regard to succession planning. The study will establish the approach and the tools used in succession planning, the benefits associated with having succession plans and the challenges facing firms in designing and implementing succession plans.

1.3.3   Significance of the study

The knowledge from this study will be instrumental in sensitizing partners and directors of Kenyan Quantity Surveying firms on the benefits of having systematic succession planning and management programs and help ensure long term sustainability of the firms.

1.4   STRUCTURE OF THE STUDY

The study is structured into five sections; Chapter one introduces the topic of research - Succession Planning and Management -, identifies the problem and sets the objectives of the study. Chapter two reviews background information by defining SP&M, presents approaches to and models of SP&M. The challenges of SP&M are also discussed and lastly, the modes of incorporation of QS firms and their impact on SP&M is also reviewed in this chapter. Chapter three explains the research design and methodology including data collection methods, procedures and sampling. Limitations of the study are also highlighted. Chapter four presents the study findings in relation to the objectives (occurrence, benefits and challenges of SP&M) and compares these to the data in literature review (chapter 2). The implication of the findings on the study hypothesis is also analyzed and finally, the emerging themes are explored. Chapter five summarizes the research findings, derives conclusions and recommends course of action to be taken and suggests area of future research.

CHAPTER TWO – LITERATURE REVIEW

2.1   INTRODUCTION

This chapter consists of four major sections consisting of thirteen sub-sections. The first section reviews background information and defines SP&M. The second section details the approaches to SP&M, key trends influencing SP&M, and the models in SP&M programs. The third section looks into the problems that plague SP&M and lastly, section four looks at the ownership structures of QS firms and their impact on Succession Planning and Management.

2.2   DEFINING SUCCESSION PLANNING AND MANAGEMENT

Organizations must plan for talent to assume key leadership positions or backup positions on temporary or permanent basis to avoid the risk of not having the knowledge and infrastructure to drive the business forward in the long term. Among the first management writers to recognize the universal need for organizations and management to strive for stability of tenure for employees was Henri Fayol (1841-1925) in his classic fourteen principles of management first enunciated early in the twentieth century and still widely regarded today. Fayol believed that if personnel planning was not prioritized, key positions would end up being filled by ill prepared people (Rothwell 2010).

Succession planning

Succession planning includes a wide variety of activities that entail planning for key transitions in leadership within organizations (Garman & Glawe 2004). Traditionally, the term succession planning has referred to planning for leadership continuity at the top levels like CEO, but current succession planning provides for leadership continuity at all levels in an organization (Cooke 1995).

Rothwell (2005) defines succession planning as the process of identifying the key need for intellectual talent and leadership throughout the organization over time and preparing individuals for present and future work responsibilities needed by the organization. Succession planning process also defines management positions to provide maximum flexibility in lateral management moves and to ensure that as individuals achieve greater seniority, their management skills will develop and become more generalized in relation to total organizational objectives rather than purely departmental objectives (Carter 1986).

Succession Management

Leibman (1996) supports the view that succession planning should not be done in isolation but must be paired with succession management which presumes a more dynamic business environment as it recognizes the consequences of the new employment contract where firms no longer (implicitly) assure anyone continued employment even if he or she is doing a good job.

Succession management goes a step further than succession planning as it is more encompassing. It has been defined by Kim (2006) and Rothwell (2010) as a deliberate and systematic effort by an organization to encourage individual advancement and ensure continuity in key positions, including management, technical, and professional specialist roles. It is the process by which firms assure that they have sufficient, capable, and experienced people to fill senior management and executive positions (Rothwell 2010).

In order to meet the challenges of today's organization, firms need to develop strong leadership teams for strategic tasks instead of just focusing on the right person for the right position at the right time (Leibman, Roth & Maki 1996). Leading a firm requires a constellation of skills and talents resident in more than one person and in more than one strata of an organization. It also calls for re-engineering succession planning appropriately for today's dynamic organizational environment. For succession planning to flourish, in such environment a much more active orientation is required, one that is characterized by succession management and emphasis on ongoing and integrated processes (Leibman, Roth & Maki 1996).

Succession planning and management (SP&M)

Rothwell (2010) has defined succession planning and management (SP&M) as the conscious decision by an organization to foster and promote the continual development of employees, and ensure that key positions maintain some measure of stability, thus enabling an organization to achieve business objectives. Rothwell (2010, p6) further qualifies SP&M as:

An effort designed to ensure the continued effective performance of an organization, department or work group by making provisions for the development, replacement and strategic application of key people over time.

Succession planning and management has further been defined by Leibman (1996) as:

> A means of identifying critical management positions, starting at the levels of project manager and supervisor and extending up to the highest position in the organization. Succession planning also describes management position to provide maximum flexibility in lateral management moves and to ensure that as individuals achieve greater seniority their management skills will broaden and become more generalized in relation to total organizational objectives rather than to purely departmental objectives.

Succession Planning and Management Program

An SP&M program is a deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage individual advancement (Rothwell 2005). Systematic succession planning occurs when an organization adopts specific procedures to ensure the identification, development and long-term retention of talented individuals (Hansen & Wexler 1989).

As organizations take active steps to build high performance and high involvement work environments, SP&M must be broadened beyond the management hierarchy to include the needs for critical backups and individual development in any job category so that decision making is decentralized and leadership is diffused through an empowered workforce (Hansen & Wexler 1989).

Distinguishing SP&M from replacement planning

Until 1980s, the terms succession planning and replacement planning were used interchangeably. Researchers such as Carnazza (1982) titled his research "Succession/replacement planning" and did not differentiate between the two terms despite the fact that his study encompassed more than just an organizational replacement chart. Further, Zaich's (1986) research considered replacement planning to be a part of succession planning. In recent times, however, Rothwell (2001, 2010) has explained the need to differentiate succession planning and management from replacement planning. He acknowledges that the need for replacement planning is frequently a driving force behind efforts that eventually turn into SP&M programs but explains that replacement planning is a form of risk management whose primary aim is to reduce the chance of catastrophe stemming from the immediate and unplanned loss of key incumbent. Though SP&M and replacement

planning are compatible and often overlap, SP&M goes beyond simple replacement planning as it is a proactive attempt to ensure the continuity of leadership by cultivating talent from within the organization through planned development activities (Rothwell 2010; Kim 2006).

2.3   AIMS OF SP&M

Various management gurus have outlined the following as the major aims of succession planning and management (Rothwell 2010; Mines & Kent 2002):

i.   To match the organization's available (present) talent to its needed (future) talent

ii.   To help the organization meet strategic and operational challenges facing it by having the right people at the right places at the right times to do the right things.

iii. To be a fundamental tool for organizational learning because SP&M should ensure that the lessons of organizational experience (institutional memory) will be preserved and combined with reflections on that experience to achieve continuous improvement in work results -double loop learning (Deegan 1986).

iv.   To ensure the continued cultivation of leadership and intellectual talent and manage the critically important knowledge assets of organizations.

2.4   IMPORTANCE OF SP&M

Mahler and Drotter (1986) liken succession planning to a relay race, which has to do with passing on responsibility, drop the baton and you lose. Numerous surveys over the years have emphasized the importance of SP&M as well as leadership succession to corporate boards. A survey done in 2010 by Korn/Ferry International of corporate board member policies and practices asked chairpersons to assess the importance of issues facing their companies in the next five years. The billion dollar companies seen as trendsetters rated succession planning as the third most important issue, on the heels of financial results and strategic planning. According to Lessor Korn, the Chief Executive Officer of the research firm, 'boards are beginning to realize that they have the same obligations to protect the human resource asset base for shareholders as they do protect the balance sheet of the corporation' (Korn/Ferry Institute, 2010; Forum Newsletter 1989).

The research by Korn/Ferry International and Rothwell (2010) reported the major importance of SP&M to include:

i. Top managers are increasingly aware that continued survival of the organizations depend on having the right people in the right places at the right time. Strategic success is in large measure, a function of having the right leadership. While ignoring the development of leaders and leaving their development to chance and depending on head-hunters to find replacement for key people and hoping for the best may have worked at one time. These approaches have been outlived and effort must be made to ensure that an organization is systematically identifying and preparing high potential candidates for key positions (Rothwell 2010).

ii. The effect of continuing downsizing and other cost containment efforts has been reductions in the middle management ranks which is a traditional training ground and source of top management talent. The implication is that there are simply fewer people available to advance to the top ranks from within. Consequently, great care must be taken to identify promising candidates early and actively cultivate their development. In a seller's labour market where talented workers can barter their abilities with other companies, individuals who are both high performers on their present jobs and high potentials for future leadership positions should not be taken for granted. Members of this group are differentially affected by downsizing, because as work is redistributed after downsizing, high, performers end up shouldering more of the burden to get the work out and in most cases the rewards they receive are held constant. As a result, they are more likely to become dissatisfied and leave the organization than their less productive peers. To avert such problems and the disaster they portend for the future leadership continuity of the organization, top managers must take active steps to reward and advance them through vertical and horizontal career moves in a manner commensurate with their increased contributions (Rothwell 2010).

iii. Moore (1962) and Kanter (1977) are unanimous in the view that when SP&M is left informal, job incumbents tend to identify and groom successors who are remarkably like themselves in appearance, background, and values leading to the establishment of. bureaucratic kinship system that is based on homo-social reproduction which perpetuate glass ceilings and employment discrimination. Systematic efforts must be made to eradicate these problems and promote diversity and multi-culturism in the organization.

Carter (1986) recognizes SP&M as being important as it forms the basis of:

iv. Communicating career path to other individuals,

v. Establishing career paths and individual job moves,

vi. Establishing development and training plans,

vii. Creating a more comprehensive human resource planning system.

2.5 REASONS FOR A SP&M PROGRAM

Rothwell (2010) noted that research done in the nineties and early two thousand among the American Society for Training and Development (ASTD) and the Society for Human Resources Management (SHRM) recorded the most important reasons for systematic SP&M to include:

i. Providing increased opportunities for employees with high potential of future advancement (HiPo). SP&M identifies appropriate ways to accelerate the development of and improve the retention of HiPos (Capeli 2000).

ii. A driving force to identify Replacement needs as a means of targeting justifiable training necessary for helping employees meet their current job responsibilities. Focusing on employee education which prepares them to advance to future responsibilities and employee development which can be used as a tool for individual enlightenment and organizational learning (Rothwell 2010).

iii. Increasing the talent pool of promotable employees since SP&M formalizes the process of preparing people to fill key positions in the future.

iv. Being supportive of and linked to the organizations strategic business plans and human resource development plans and other organizational planning activities.

v. Assisting individuals realize their career plans within the organization. Firms commit substantial investment in the training of employees whose performance may improve with experience as they advance along a learning curve where they master organization specific and job specific knowledge. When individuals exit an organization, their loss can be measured, on the other hand if they remain with one employer to realize their career plans, then the employer benefits from their experiences. In this regard, SP&M can serve as a tool by which employees can be prepared for realizing their career plans within the organization (Time 1993).

vi.   Tap the potential for intellectual capital - value of the human talent - in the organization. Which is a critical strategy in making and realizing investments in intellectual capital in the organization.

vii.   SP&M encourages the advancement of diverse group. There is an increasing consciousness and appreciation of differences associated with the heritage, characteristics and values of many different groups as well as respecting the uniqueness of each individual, consequently organizations have a responsibility to pursue diversity at all levels (Morrison 1992, p. 1 & 7).

viii.   Improve employees' ability to respond to changing environmental demands. Firms undertake SP&M as a means to prepare people to respond to and even anticipate changing environmental demands. People groomed for key positions/leaders transform the ambiguity and uncertainty of changing external environmental demands into vision and direction thereby shielding organizations so that people can do their work (Gilmore 1988).

ix.   Improve employee morale: succession planning encourages promotion from within which enables an organization to utilize the skills and abilities of individuals more effectively. The opportunity for promotion can serve as an incentive and promoted employee's example also heartens others. Moreover, particularly during times of forced layoffs, promotions from within and in-placement (movements from within of individuals otherwise slated for layoff) can boost morale and help offset the negative effects of survivor syndrome (Sherman, Bohlander & Chruden 1988; Boroson & Burgess 1992)

x.   Cope with the effects of voluntary separation programs. Voluntary separation is always a preliminary step to forced layoffs. In voluntary separation, employees are offered incentives to leave the organization, such as prorated pay by years of service or years added to retirement. When productive employees leave the organization, work must be re-allocated and this requires some efforts to identify successors. SP&M can thus be valuable in identifying how and to whom work should be reallocated after workforce re-structuring.

xi.   Decide which workers can be terminated without damage to the organization. When making decisions, employers have long considered an individual's potential for long term advancement as well as his or her suitability for filling an immediate job vacancy.

xii.   Cope with the effects of downsizing. Downsizing has continued unabated in the corporate world. Middle managers and professionals have been particularly affected and while jobs

can be eliminated, work does not go away. As a consequence, there is often a need to identify those who can perform activities even when nobody is assigned special responsibilities for them (Boroson & Burgess 1992).

xiii. Reduce headcount to essential workers only. With increasingly cutthroat competition, processes must be re-engineered to decrease cost, reduce cycle time and increase quality and output. Processes must be re-examined in light of results required rather than the activities that have traditionally been performed. In these dynamic environments, firms don't need people to fill a slot because the slot will only be roughly defined, rather, they will need people who can figure out what that job takes and execute it (Morrison 1992).

2.6   APPROACHES TO SUCCESSION PLANNING

Rothwell (2010) contends that there are numerous approaches to succession planning but distinction can be made by direction, timing, planning, scope degree of dissemination and amount of individual discretion.

2.6.1   Direction

This approach seeks to answer who should make the final decision in SP&M? The answer to that question has to do with direction. *A top down approach* to SP&M is directed from the highest ranks. The board of directors, CEO and other top managers oversee program operations with or without the assistance of a part time or full time SP&M coordinator, a leadership development specialist or a human resource generalist assigned to help with the program. The highest-level leaders make decisions about how competence and performance will be assessed for present position, how future competence and potential will be identified and what developmental activities if any will be conducted with a view of readying individuals for advancement and building the organization's bench strength of leadership talent (Rothwell 2010).

On the other hand, a *bottom up approach to* SP&M is directed from the lowest levels where employees and immediate supervisors actively participate in all activities pertaining to SP&M. They are also on the lookout for promising people to assume leadership positions. Decisions about SP&M are closely tied to individual career planning programs, which help individual's asses their present strength and weakness and future potential. The top managers receive and act on decisions made at lower levels (Rothwell 2010).

A combination approach attempts to integrate both top-down and bottom up approaches. Top managers are actively involved in establishing SP&M procedures and remain involved in the SP&M program. Concurrently, Employees and their immediate supervisors are also actively involved in every step of the process and effort is made to integrate SP&M and individual career planning.

2.6.2 Timing

Timing as an approach to succession planning has to do with how much time is devoted to SP&M issues. Succession planning and management may be handled fitfully, where no effort is made to plan for succession with the possibility that every vacancy has the potential of being a crisis. It can also be conducted periodically on a fixed schedule like quarterly or annually, in which case it resembles an employee appraisal program, which is typically part of SP&M effort. Finally, succession planning can also be a continuous affair which requires ongoing decision making, information gathering and action taking. More attention is devoted to results and developmental activities. Employees at all levels are expected to contribute to the continuous improvement of themselves and others in the organization through mentoring, networking sponsorship, training, education, development and other means (Rothwell 2010).

2.6.3 Planning

This has to do with how much planning is conducted for succession program. Succession planning and management may be a systematic effort that is deliberately planned and is driven by a written organization wide statement of purpose and a policy. On the other hand, it may be unsystematic effort that is left unplanned and informal driven by the idiosyncrasies of individual managers rather than by a deliberate plan and strategy for preparing individuals for advancement and for ensuring leadership continuity (Rothwell 2010).

2.6.4 Scope

The scope of an SP&M program has to do with how many and what kind of people in the organization are covered by succession plans. Succession planning and management may range from the specialized to the generalized. A specialized program targets leadership continuity in selected job categories, job levels, functions or locations and such programs usually grow out of crisis such as excessive turnover in selected areas of the organization. A generalized program on the other hand aims to prepare individuals for advancement in all job categories, job levels,

function and locations. It is often a starting point for identifying individualized training, education and development needs and for meeting individual career goals (Rothwell 2010).

2.6.5   Degree of dissemination

Determining how many people participate in SP&M process is a philosophical issue that arises from and influences the organization's culture.

The degree of dissemination may range from open to closed. A closed SP&M is treated as top secret. Managers asses the individual potential of their employees without the input of those affected by the assessment process. Decisions about who to develop and how to develop them are limited to a need to know basis. Individual career goals may or may not influence these decisions. Top managers are the sole owners of the SP&M program and permit little or no communication about it. According to Rothwell (2010), this level of secrecy is justified on two counts:

a) succession issues are proprietary to the organization and may reveal important information about strategic plans that should be kept out of hands of competitors and,

b) Decision makers worry that employees who are aware of their status in succession plans may develop unrealistic expectations or may hold themselves hostage and so to avert these problems, decision makers keep the SP&M process and its outcomes confidential.

On the other hand, an open SP&M program is treated with candor. Work requirements, competencies, and success factors at all levels are identified and communicated. The SP&M process and its possible outcome are described to all who ask. Individuals are told how they are regarded. However, decision makers do not promise high performers with high potential that they are guaranteed advancement: rather, they send the message that you must continue to perform in an exemplary way in your current job and take active steps to prepare yourself for the future to benefit from it. Rothwell (2010) notes that preparing oneself for the future will usually help an individual qualify for advancement better than not preparing.

2.6.6   Amount of individual discretion

The amount of individual discretion answers the question of how say individuals have in assessing their current jobs performance and their future advancement potential in a succession planning and management program. It is not safe anymore to presume that everyone wants to advance to higher

levels or responsibility. Not everyone is willing to make the sacrifice that go with increased responsibility and not everyone is willing to sacrifice work-life balance.

In mandated succession planning and management, decision makers ignore individual career goals and identify the best candidates for jobs regardless of individual preferences. Whenever a vacancy occurs internal candidates are approached first while given right of refusal they may also be pressured to accept a job change for the god of the organization (Rothwell 2010). On the other hand, verified succession planning and management appreciates the importance of the individual in SP&M. Decision makers identify desirable candidates for each job and then verify their interests in it by conducting career planning interviews or discussions. When a vacancy occurs, internal candidates are approached but decision makers are already aware of individual preferences, career goals and interests and no pressure is extended to individuals, rather, decision makers seek a balance in meeting organizational needs and individual career goal (Rothwell 2010).

2.7   ENSURING LEADERSHIP CONTINUITY IN ORGANIZATIONS

Leadership continuity in many firms has been achieved over the years through traditional approaches, however, there are emerging and increasingly popular alternative approaches of ensuring leadership continuity and filling critically important positions (Rothwell 2010).

2.7.1   Traditional approaches

Haire (cited in Rothwell 2010, p. 25-27) noted that people can only make 6 types of job movements in any organization. In (entry), out (termination), up (promotion), down (demotion), across (lateral transfer) or progress in place (development in current position). Any one or all of these traditional approaches can be used as a means to meet succession needs for key positions.

Entry (moving people into an organization) is associated with recruitment and selection -hiring off the street- and is one way to find successors. People hired from outside may have valuable knowledge in which the organization is otherwise deficient but may present a gamble: because they have little stake in the organization's status quo and may generate conflict (constructive or destructive) trying to put new ideas into action. Their track records are also hard to verify and their ability to work harmoniously in new corporate culture maybe difficult to assess. Consequently, top managers may be reluctant to hire more than a certain percentage of outsiders for key positions.

Promotion (moving people up in an organization) is associated with upward mobility, advancement and increased responsibility. Succession planning and management has long been linked with this approach more than any other. While replacements charts may be considered as relics, they still remain tools of SP&M in many organizations. They usually imply an upward progression from within the organization and often within the same division, department or work unit. Job posting programs can also be paired with replacement charting or career maps so as to communicate vacancies and provide a means of allowing movement across functions, departments and locations.

Promotion from within approach to succession planning and management sustains and improves employee morale and smoothens transition by ensuring that key positions are filled by those whose personalities, philosophies and skills are already known to others in the organization. However, some experts argue that only a limited percentage of positions should be filled through internal promotion as it tends to reinforce the existing culture and ends up perpetuating the homo-social bias already present in the leadership hierarchy. Further, it should be noted that exemplary job performance in one position is no guarantee of success in a higher-level position since requirements at different organizational level are not identical and this is particularly true in management. Effective promotion from within thus requires planning and rarely occurs by chance (Rothwell 2010).

Termination (moving people out of an organization) is associated with layoffs, downsizing, and reduction in force, firings and employee buyouts which can be used effectively as a tool for removing less effective performers from their positions, thereby opening up opportunities for promising high potential employees with proven track records. However, termination is generally viewed negatively, and carries a social stigma for those let go and can presents a public relations concern for organizations that regularly terminate individuals with or without cause.

Demotion (moving people down in an organization) like terminating them, is commonly viewed negatively but it can be an effective source of leadership talent. For instance, when an organizational unit is being disbanded, effective performers from that unit may fill vacancies in other parts of the organization.

In the wake of downsizing, lateral transfer (moving people across an organization) is becoming more common as a valuable means by which to cross fertilize the organization giving new perspective to old functions or activities. Job rotations either temporary or permanent, from one position to another as a means of relieving ennui or building individual skills are a unique form of transfer that can be used in succession planning and management (Stuller 1993; Rothwell, Kazanas & Haines 1992; Stuller 1993).

Increasing global competition has brought with it diminishing opportunities for individual's advancement. Organizations have thus adopted progress in place (development in the current position) as a middle ground between lateral transfer and upward mobility. Progress in place is based on the central premise that no job no matter how broad or complex fully taps individual potential. As a result, individuals can be developed for future while remaining where they are doing what they have always done and gradually shouldering new duties or assignments. Stagnation is thus avoided by loading the job either horizontally - adding job responsibilities similar to what the individual has already done - or vertically - offering new job responsibilities that challenge the individual to learn more (Kim 2006; Rothwell 2010).

Progress in place presents an opportunity for dual career ladders since individuals may advance along two different career tracks. A management track in which advancement is linked to increasing responsibility for people and a technical track in which advancement is linked to increasingly sophisticated responsibility within a given function or area of expertise. In order to encourage advancement along dual career tracks, organizations may establish special rewards, incentives and compensation programs (Kim 2006; Rothwell 2010).

2.7.2 Alternative approaches

Experienced and accomplished managers know that the traditional approaches are not the only way to fill critical positions in an organization, there are other alternative approaches that are increasingly being used as managers in cost sensitive organizations struggle to meet SP&M challenges.

i.   Organizational redesign

When vacancy occurs in key position, decision makers do not automatically move someone into that place, instead they break up the work duties and reallocate them across the remaining key

positions or people with a desired result of reduced headcount while holding the results constant. This helps in developing the remaining people by giving them exposure to a new function, activity or responsibility. However, if rewards do not match the growing workload, exemplary performers who have been asked to do more may grow disenchanted (Kim 2006; Rothwell 2010).

ii. Process redesign

When a position becomes vacant, decision makers do not automatically assume that all key positions needs to be replaced, they review that function from top to bottom determining whether it is necessary at all and if it can be done in ways that require fewer people (Rothwell 2010).

iii. Outsourcing

Instead of performing all key positions internally, decision makers periodically reassess whether activities can be more cost effectively handled externally through outsourcing. Outsourcing reduces headcount and can decrease succession demands (Rothwell 2005).

iv. Trading personnel temporarily with other organizations

The approach builds on the idea that organizations can temporarily trade resources for their mutual benefit. Excess capacity in one organization is tapped temporarily by others. The approach has an advantage that high performers or high potentials who are not immediately needed by one organization can be pooled for use by others who often offset their salaries and benefits. The disadvantage is that lending organization risk losing these talented workers completely if they are spirited away by those having greater need of their services and greater ability to reward and advance them (Rothwell 2005).

v. Establishing talent pools

Instead of identifying one likely successor for key position, the organization sets out to develop many people for many positions. This is achieved through mandated job rotations so that high potentials gain exposure to many organizational areas and are capable of making multifaceted contributions. However, this approach may be disadvantageous because production can be lost as new leaders play musical chairs and learn the ropes in new organizational settings (Rothwell 2005).

vi.   Two in the box arrangement

The approach entails overstaffing by having a manager and an assistant manager, the assistant position is used to move executives from one business to another for few years so they can gain a variety of experiences. It permits individual development through job rotations while preserving leadership continuity (Henecke 1991; Ancona & Nadler 1989).

vii.   Competitive skill inventory

In this approach, rather than develop organizational talent over time, an organization identifies predictable sources of high potential workers outside the organization and establishes a skill inventory, in the event of need, they are recruited on short notice. A disadvantage of this approach is that it can engender counter attacks by organizations that have been robbed of talent (Rothwell 2005; 2010).

viii.   Temping

The organization makes it a practice to hire individuals from outside on a short-term basis to fill in during a search for a successor. The temps become candidates for consideration, if they do not work out, the arrangement can be severed on short notice (Rothwell 2005; 2010).

ix.   Job sharing

An experienced employee in a key position temporarily shares the job with another as a means of on the job training or assessing how well the candidate can perform (Rothwell 2005; 2010).

x.   Part time employment

Prospective candidates for key positions are brought in on a part time basis and are carefully assessed before employment is made (Rothwell 2005; 2010).

xi.   Consulting

Prospective candidates for key positions are brought in as consultants on projects related to the position duties and their performance is carefully assessed before employment offers are made (Rothwell 2005; 2010).

xii.   Overtime

Prospective candidates from within the organization are asked to work on other capacities in addition to their current jobs. This represents overtime work. The employer then asses how well the individual can perform in the key position, making allowances from the unusual pressure under which they are functioning (Rothwell 2005, 2010).

xiii.   Job rotation

Prospective candidates for key positions are developed from within by rotating, for an extended time span, into another job or series of jobs in preparation for the future.

xiv.   Retirees

The use of retirees involves looking for individuals with proven track records to return to critical positions temporarily or permanently.

2.8   KEY TRENDS INFLUENCING SP&M

Organizations are increasingly dynamic in the wake of myriad of changes in their environments. Firms are therefore responding either proactively or reactively to these dynamic environments filled with global competition and business discontinuities. SP&M must therefore flourish in this arena and to do so, a more active orientation is required, one that is characterized by succession management with emphasis on ongoing and integrated process. Succession management is more active than succession planning and must be carried out in a way that is tied to organization strategy and responsive enough to deal with rapidly changing organizational settings. To be effective, SP&M programs must anticipate and not just react to the changes brought by an increasingly dynamic business environment (Rothwell 2000; Leibman 1996).

2.8.1   Need for speed

Time has emerged as a key strategic resource, reducing the cycle time is seen as a goal in its own right. This includes finding faster ways to adopt technology, entering new markets faster and reducing unnecessary or redundant steps in production process (Smith & Reinertsen 1991).

Speed is now as important in managing succession issues as it is managing other aspects of organizational practices. Managers must manage against the possibility that they may lose valuable talent if they do not identify it quickly and offer prompt rewards and development opportunities

(Densford 1999). Yet speed is even poised to become more important in the future, the sensitivity to speed is largely affecting Human Resource practices. Many organizations are now keeping statistics to see how long it takes to justify a position, recruit and fill a vacancy and train people (Fitz-Enz 1984).

In a more stable era, it might have been acceptable to permit a long lead time between the justification and filling of a position, the selection of a qualified person to do the work and the realization of full productivity from a worker as he undergoes training and moves up the experience learning curve but stable times are gone. Time is a wasting resource and people must be found and oriented so that they can become proactive as quickly as possible. Succession planning and management must be based on sensitivity to the need for speed.

2.8.2   A seller's market for skills

Traditionally most employers have taken employees for granted, they still assume that if their organizations will only pay enough, they can always find the people they need to fill any position but that assumption is not valid anymore: - The new workers (Generation Y) entering the market have a different work ethic and values different from those of previous generations. Many prize a balance of work and personal life in a way that does not match up well to the crazy pace in many organizations today, where hours of work for the average manager are on the rise (Workforce Strategies 1999; Tolbize 2008).

Quantity surveying as a profession in Kenya has seen sustained employment especially with the stabilizing of the Kenyan Economy since 2002 meaning that virtually any quantity surveyor looking for employment today can find one. Workers are thus more selective about where they work which creates a sellers' market. Managers in Quantity Surveying firms must therefore change their attitude and align their firms with individual needs to be responsive to a sellers' market for skills in ways to give people hope for the future and an SP&M program is one such way.

2.8.3   Reduced loyalty among employers and employees

There was a time when a stable employment record was considered an advantage during job interviews and employers often assumed that when they extended a job offer, they were establishing a long-term relationship with the worker. Even poor performers were tolerated and at times moved into harmless positions so as to preserve a worker feeling of trust and security with

their employers. Things have since changed and the employment contract has also changed. As competitive conditions become fiercer and organizational conditions become less stable, no longer are employees making long-term commitments (Solomon 1992; Tolbize 2008). The legacy of this change in common business practice is that employees have become more interested in short term gains in pay, title and development opportunities and benefits. They want immediate reward for good performance since they don't trust their employer's ability to reward them in the future for hard work performed in the present. They have changed from showing a willingness to tolerate delayed gratification to demanding immediate gratification since they cannot be sure that they will be around with the employer to reap future rewards (Stum 1989).

This change in the employment contract has had profound implications for traditional SP&M practices, employees can no longer trust their employers to make good on promise of future advancement and given that attitude, employers can no longer count on high potentials or exemplary performers to patiently perform for long periods before expecting rewards, advancement or professional development.

2.8.4 The importance of intellectual capital and knowledge

Intellectual capital can be understood as the collective economic value of an organization's workforce. The effective use of intellectual capital is knowledge management (Stewart 1999; McDermott 1999). In an organizational and operations environment, the speed in decision making increases because customers must deal with workers who know how to serve them quickly and effectively. This demands improved knowledge management of the workforce.

Traditional managers may view people as a cost of doing business but thought leaders have realized that people represent the only asset that really matters in a competitive environment. People come up with technological advancements and use those advancements to achieve productivity and quality. Intellectual capital as a tool of knowledge management thus has important implications to SP&M.

2.8.5 The key importance of values and competencies

People in organizations have high expectation of their leaders. People want leaders who can get results and can at the same time model appropriate ethics. For these reasons, values and competencies have emerged as crucial to success in organizations and key to management decision

making, human resource practice and SP&M programs. Values represent a moral dimension to the way leadership is exercised and work performed while competencies represent the distinguishing feature between high performers, average or below average performers. Competency models are the glue that holds together a succession planning effort (Agle 1999).

2.9   MAJOR MODELS IN SUCCESSION PLANNING AND MANAGEMENT

Kim (2006) contends that since Succession Planning and Management is a process and system, like other HR activities, there are several models and approaches and no single model or approach can fit all organizations and situations because succession planning is influenced by national culture, organizational culture and top management values. However, three models of succession planning and management have been widely used in practice: The Seven-Pointed Star Model by Rothwell (2003, 2005, 2010), Leadership Pipeline Model by Charan, Drotter and Noel (2001), and Acceleration Pool Model by Byham, Smith and Paese (2002).

2.9.1   The Seven-Pointed Star Model

Rothwell (2010) notes that many decision makers in organizations that possess no SP&M program would normally like to leap from a state of no program to a state-of-the-art program. This approach he quips, is rarely possible or realistic and metaphorically likens it to trying to accelerate an automobile from a standing stop to 100 miles per hour in a second. He suggests five generations phased-in roll-out approach where organizations go through a life cycle of development in their succession planning and management programs. These generations have been summarized in table 2.9-1. At each generation, organizations gain sophistication about what to do, how to do it and why it is worth doing (Rothwell 2005).

i.   **The first generation of SP&M**

The target for the SP&M program is the CEO only and the program is simply a replacement plan for the CEO with the realization of what would happen to organizations in the event of sudden incapacitation. The CEO must be involved to ensure he or she properly assumes an important leadership role for the program and does not try to delegate it prematurely to human resource or other groups. The HR does not own the effort but plays an important supportive role in coordinating the effort once leadership has been exercised by the CEO. They can also provide counsel about what to do, why it should be done and how it should be done. When the SP&M effort begins with the CEO, he or she understands what is involved in establishing a state of the

art SP&M program and is able to tailor it to fit his vision and the organizations strategy. Moreover, the CEO sets an example and sends a powerful message of personal commitment and support needed to make subsequent generations of such effort successful (Kim 2006).

Table 2.9-1: Generation of SP&M Life Cycle

Life Cycle of SP	Typical Implementation plan	Major components
First generation	A single replacement plan for CEO	• A single replacement plan for CEO
Second generation	A replacement plan for the CEO and his or her immediate reports	• Simple Replacement plan for CEO and his or her immediate reports (the senior leaders, the senior executive team) • Involvement of Senior managers
Third generation	A succession planning and management program for middle managers and perhaps their key reports	• Succession planning and management program for middle managers • Drafts of Policies and procedures for succession planning and management • Use of competency Models • Value statement
Fourth generation	A talent pool approach focused inside the organization	• Focusing on development of internal talent pools • Everyone in organization considered a possible successor for key position • Provide tool for career development for future • No more organization chart • Use of competency model, performance appraisal, individual development plan, full-cycle multi-rater assessment, and other sophisticated method for development
Fifth generation	A proactive talent pool approach focused inside and outside	• Include external talent pool

Source: Kim (2006, p.26).

ii. The first generation of SP&M

The target for the SP&M program is the CEO only and the program is simply a replacement plan for the CEO with the realization of what would happen to organizations in the event of sudden incapacitation. The CEO must be involved to ensure he or she properly assumes an important leadership role for the program and does not try to delegate it prematurely to human resource or other groups. The HR does not own the effort but plays an important supportive role in coordinating the effort once leadership has been exercised by the CEO. They can also provide counsel about what to do, why it should be done and how it should be done. When the SP&M

effort begins with the CEO, he or she understands what is involved in establishing a state of the art SP&M program and is able to tailor it to fit his vision and the organizations strategy. Moreover, the CEO sets an example and sends a powerful message of personal commitment and support needed to make subsequent generations of such effort successful (Kim, 2006).

iii.   The second generation

In the second generation, the target for the program is the CEO and his or her immediate reports. By extending the SP&M effort to the management tier below the CEO and by identifying successors of that group, senior managers are involved first hand in designing and implementing a succession effort. They thus develop a thorough understanding of it and can communicate to others in the third generation (Kim 2006).

The advantages of using the senior executive team is that they are usually already well developed in their position and are highly knowledgeable about what it takes to succeed in the business, industry and corporate culture. Their participation in the development of the SP&M program ensures that it fits the corporate culture and aligns with organizational strategy. Furthermore, they set a good example and send a powerful message to others in the organization that the SP&M effort is important and worthy of action, interest and participation (Kim 2006).

iv.   The third generation

This is a program for middle managers who report to the senior executive team. At the third generation, policies and procedures for SP&M are drafted if they had not been prepared formally in the earlier generations. Competency models by departments or hierarchical level are also developed, value statements are crafted and other key components of modern SP&M program are designed, developed and refined. By extending to this tier and by identifying successors to that group, middle managers come to understand the SP&M program and help refine it for their level and for those below them in the organization chart. This generation is the riskiest because many people are involved; moreover, many new policies, procedures and practices are first established, tested and implemented (Kim 2006).

v. The fourth generation

In this generation, the program moves from simple replacement plans to focus on the development of internal talent pools. Everyone in the organization is considered a possible successor and given such tools as career maps to help them prepare themselves for the future. In this generation, succession issues are divorced from the chart. Instead of targeting specific individual succors, the organization's decision makers us the many tools put in place in the third generation. The use of competency models, performance appraisals, individual development plans, full cycle multi-rater assessment and other sophisticated methods can be used in this generation to help workers develop and realize their potential (Kim 2006).

vi. The fifth generation

This is the most sophisticated and focuses on the development of internal as well as external talent pools. External talent pools are group of people outside the organization who are possible sources of talent for the future, instead of waiting until key positions become open to source for talent, the organization decision makers include in their talent pools temporary and contingent workers, retired workers, outsourcing agents, vendors, consultants and perhaps even members of their organizations supply and distribution channel. In other words, the decision makers look around both the internal and external environment to see what talent exists that can be tapped (Kim 2006).

For this fifth-generation SP&M effort to work, a lot of infrastructure, management support and learning are needed. The risks of failure are also very high. Yet this would be the best approach for Kenyan Quantity Surveying firms by virtue that they are relatively small with staff mostly ranging from between two to thirty. Their market is also largely stable and the practice is characterized by very slow turnover in the management ranks (Kim 2006).

Requirements of a fifth-generation approach

A minimum requirement to a fifth-generation approach to SP&M according to Kim (2006) include:

i.   A policy and procedure statement in writing to govern SP&M
ii. A statement of value governing the effort
iii. Competency models for the groups targeted

iv. Full circle multi rater assessment efforts (or other ways to assess individual potential)

v. Individual development plans

vi. Skill inventories for talent pool inside and outside the organization.

vii. Senior management involvement and support

Key steps in carrying out a systematic succession planning and management

Rothwell (2010) suggests that organizations can carry out their systematic succession planning and management by using the "Seven Pointed Star Model" illustrated in figure 2.9-1 below: The discussion on the activity at each of the seven steps is detailed in sub-topic 2.10 of this study.

Figure 2.9-1: Seven Star Pointed Model

step 1
make the commitment to systematic SP&M
and establish an SP&M program

step 7
Evaluate the SP&M program

step 2
Assess present work requirements

step 6
close the developmental gap
so as to meet SP&M needs

step 3
appraise individual job perfomance

step 5
Asses individual potential

step 4
asses future work requirements
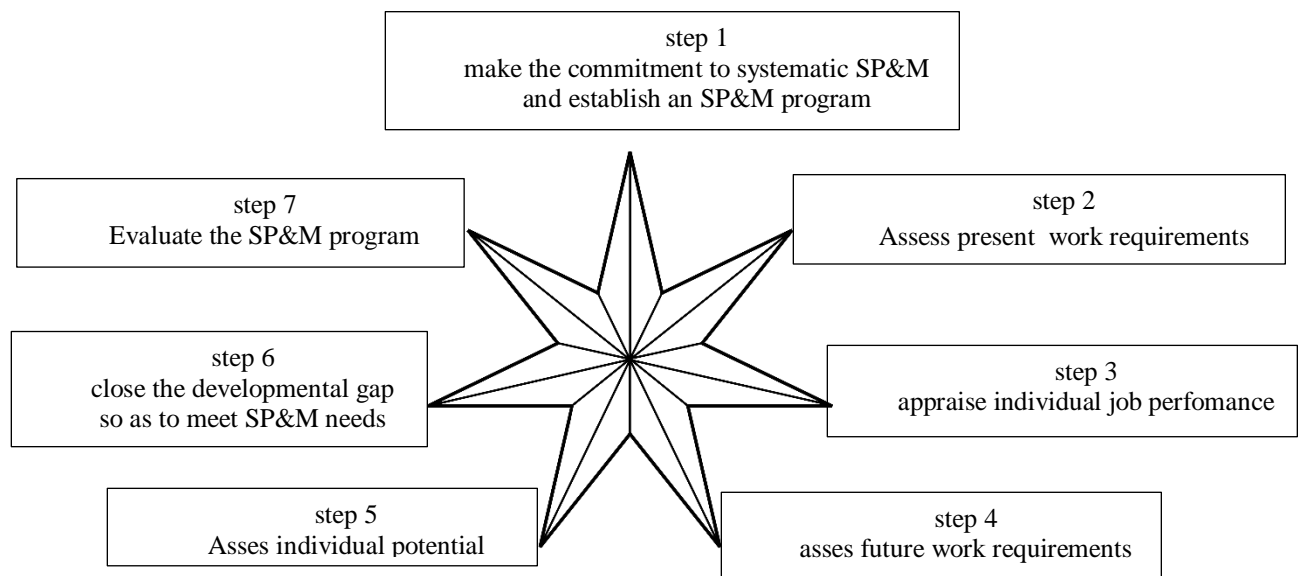
Source: Rothwell (2010).

2.9.2 Acceleration Pools Model

Pointing out that traditional succession planning has failed organization due to their focus on identifying rather than developing future leaders, Ten Step Inc. and C & K Management Ltd (2003) suggested a different approach to grooming executive talent – Acceleration Pool Model. Rather than targeting one or two handpicked people for each executive position, an Accelerate Pool emphasizes the development of a group of high-potential candidates for executive positions in general. Byham, Smith and Paese (2002) explained the process of the Acceleration Pool in five

phases. Figure 2.9-2 below shows a brief summary of the five phases of the Acceleration Pool and sub-processes in each phase

Figure 2.9-2: Summation of Acceleration Pool Model Phases

| **Phase 1: nominating, identifying high potentials** |
| Business Units or functions nominate potential pool candidate |
| ⬇ |
| Executive resource board screens candidates and makes final decisions |
| ⬇ |
| Pros and cons explained to candidates, who makes decision to enter or not to enter the pool |
| ⬇ |
| **Phase 2: Diagnosing development opportunities** |
| Assessment of strength and developments needs using and acceleration centre |
| ⬇ |
| Feedback of assessment results and determination of development priorities |
| ⬇ |
| **Phase 3: prescribing solutions to development opportunities** |
| Executive resource board decision on pool members' assignments, special training or executive coaching and monitors progress and completion |
| ⬇ |
| Development goals on current on new job assignment are framed relative to diagnosis |
| ⬇ |
| Pool member targets areas and strategies for development with the help of manager and mentor |
| ⬇ |

Phase 4: ensuring that development takes place/ documenting development		
Pool member measures and reports results of new behaviour or knowledge	Pool members applies behaviour or knowledge in assignment or short term experience	Pool member develops needed behaviour and knowledge through training ad executive coaching
Each pool member starts building a career development portfolio and meets with manager and mentor to review program and set new development goals		

Phase 5: reviewing progress and New assignment
Executive resource board audits pool members progress and decides on new/next assignment

Source: Kim (2006).

The model highlights the accelerated development of pool members through stretch jobs and task-force assignments that offer the best learning, including mentoring, coaching, training, and special developmental activities such as university executive programs and in-company action learning sessions, and highest visibility opportunities. Acceleration pool members are not evaluated by completing a training program, but on how they apply the training concepts in a measurable way

back on the job. Acceleration pools are an attractive alternative because they cater to today's young managers. They are intensive and provide them with self-development, job flexibility and self-management of their careers.

2.9.3   Leadership Pipeline Model

The Leadership Pipeline Model focuses on leadership development rather than succession planning and management. Charan, Drotter, and Noel (2001, 2011) developed the Leadership Pipeline Model, based on 30 years of consulting work with Fortune 500 companies. The model helps organizations grow leaders internally at every level, from entry level team leaders to senior managers. It provides a framework that organizations can use to identify future leaders, assess their competence, plan their development, and measure results. In simple terms, organizations can use the model to think about how they will train their people to take the next step up the leadership ladder.

Figure 2.9-3: Critical Career Pipeline Turns
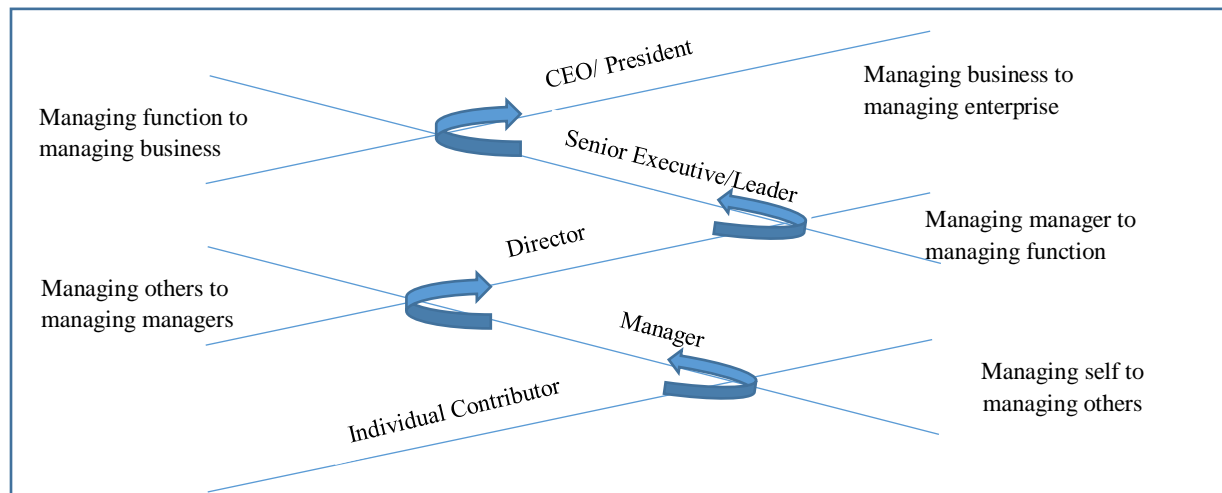
Source: Kim (2006)

According to the model's developers, leaders progress through six key transitions, or passages in order to succeed. The pipeline is not a straight cylinder but rather one that is bent in six places. Each of these passages represents a change in organizational position -a different level and complexity of leadership - where a significant turn has to be made. These turns involve a major change in job requirements, demanding new skills, time applications, and work value (Byham, Smith and Paese 2001, p. 20–21).

2.9.4 Application to QS firms

This study suggests the use of the seven-point star model for succession planning as it is more robust compared to the remaining two models. Moreover, Kim (2006, p. 31) argued that the Leadership Pipeline Model focused more on leadership development than on succession planning and management.

2.10 LAYING THE FOUNDATION FOR SP&M PROGRAM

The seven-step model shown above in the fifth-generation approach to succession planning (section 2.9.1), forms the foundation for a succession planning and management program as advanced by Rothwell (2010).

2.10.1 Step 1: Make the commitment

As a first step, the organization decision makers should commit to and lay the foundation to systematic succession planning and management and establish a SP&M program. This step represents a leap of faith in the value of planned over unplanned approaches to SP&M. In this step, the organization decision makers should undertake the following:

2.10.1.1 Making the case for change
a) Assess the current problems and practices

In order to build a convincing case for change and plan for the future, information about current problems and practices must be established. Some of the problems that should worry organizations and call for urgent SP&M program are inter alia:- key positions are filled after long delays, key positions can only be through hiring from outside, Key positions have few people ready to fill them, vacancy in key positions cannot be filled with confidence in the abilities of those chosen for them, key position are subject to frequent or unexpected turnover, high performers or HiPos are leaving the organization in droves, employees and decision makers complain about discrimination and expediency in decisions about whom to promote into key positions.

b) Asses and demonstrate the need for the program

It is important to tie SP&M issues directly to pressing organizational problems and to the organizations core mission. Not many decision makers are willing to invest time, money and effort

in any activity that they believe will only accrue few benefits. To demonstrate the need for SP&M program few approaches can be used, this include;

i. Hitchhiking on crisis: As key position become vacant, seize the opportunity to poll decision makers informally. Commence by summarizing the recent crisis and contrasting it to what could have happened if a systematic approach to SP&M had been used. Detail the impact of poorly planned SP&M on all stakeholders and then illustrate possible future conditions.

ii. Seize opportunities: one should study the key positions and the incumbents and establish the developmental needs of successors and subject them to developmental activities to increase their skills.

iii. Show the bottom line Value: determine the workload (how many positions need to be filled), the speed of filing positions and the results (how many positions were filled over a given time span). An alternative way of demonstrating the need for SP&M program is to draw comparison between the expenses of operating the program and the benefits accruing from the program (Fitz-Enz 2000; Brauchle 1992).

c) Determine the organizations exact SP&M requirements

Organizations have varied requirements for SP&M programs. These differences exist due to organizations industry, size, and stage of maturity, management values, internally available experts, cost, time and other considerations all of which affect the appropriate design for SP&M program (Derr, Jones & Toomey 1988; Journal of Financial and Quantitative Analysis 2015). However, the key essentials for a SP&M program top managers should be seeking answers to include:

i. The eagerness of top managers and other decision makers to systematize the organization SP&M processes.

ii. How much time and attention are they willing and able to devote to; assessing key position requirements, identifying leadership competencies, identifying success factors for advancement in the organization, conducting multi-rater assessments, appraising individual performance, preparing and implementing Individual Developmental Plans. All of these activities are aimed at ensuring efficient preparation of individuals for advancement into key position

iii.   The stability of the current organizational structure and work processes and assess whether either or both can be reliably used to plan for leadership continuity or replacements.

iv.   Their willingness to devote resources to cultivate talent from within.

 v.   How much do decision makers prefer to fill key positions vacancies from inside rather than from outside the organization. How willing are they to adopt innovative alternatives to simple replacement from within.

d) Link the SP&M program directly to organizational and human resource strategic plans

SP&M issues must be taken into consideration when formulating strategic plans, for instance, when reviewing organizational strength and weaknesses the organizational leadership talent must be taken into account. Identification of talent, imparting knowledge and skills into human assets and taking active steps to narrow the gap between available and necessary talent will help organizations link their strategies and succession planning and management. HR strategy of selection, training, compensation and benefits must also be examined against the succession planning and management needs. Only those practices that facilitate long term effort to groom talent from within must be adopted.

e) Benchmark SP&M practices in other organizations

Reviewing industry best practices from other organizations leads to improved performance by adoption of better and more effective methods of SP&M practices. Benchmarking provides fresh perspectives and point of comparison from other organizations and can thereby accelerate the process of introducing a state of the art program by comparing the practices in an organization to the best practices already in use in other organizations. Camp (1989) contends that only the approach of establishing operating targets and productivity programs based on industry best practice leads to superior performance. He suggests that benchmarking should be conducted in the following way:

i.   Identify what is to be benchmarked

ii.   Identify comparative companies

iii.   Determine a data collection method and collect data

iv.   Determine the current performance gap

v.   Project future performance levels

vi.   Communicate benchmark findings and gain acceptance

vii.   Establish functional goals (based on the results of the benchmarking study)

viii.   Develop action plans

ix.   Implement specific action and monitor progress

x.   Recalibrate benchmark

f) Obtaining and building management commitment to systematic SP&M

A SP&M program will only be effective when it enjoys the support from its stakeholders. Stakeholders must own the process and obtaining and building the management commitment to SP&M is thus essential for a systematic program to work.

In 1986 Dormant developed a helpful model (ABCD) for securing management's commitment to SP&M. ABCD is an acronym based on the first letters of several key words. She suggests that large scale organizational change such as introduction of a systematic SP&M processes can be understood by examining *adopters* (those affected by the change), *black box* (the change process), *change agent* (who is conducting the change) and *domain* (the change context).

A valuable feature in Dormant's model is the view that different strategies are appropriate at different stages in the introduction of a change. The change agent should thus take actions to facilitate change that is keyed to the adopters stage in accepting an innovation. Dormant believes that adopter progress through identifiable ways in accepting innovation.

- First stage, awareness. Adaptors have little information about the innovation are passive and generally unwilling to seek information. During this stage change agents should advertise the innovation making efforts to attract attention and provide positive information

- Second stage, self-concern, adopters are more active, they express concern about how they will be individually affected by a change and ask questions about the consequences of an innovation. At this stage the change agent plays the role of a counselor answering questions and providing relevant information.

- Third stage, metal tryout, adopter remain active and ask questions related to their own applications of an innovation. The change agents adopt a demonstrative role showing adopters how to adapt an innovation to their unique situation.

- Fourth stage, hand-on trial. During this stage, adopters want to learn how to apply an innovation to their own situations and opinion about innovations are being formed from personal experiences. The Change agents provides them with training and detailed feedback about how well they are applying the innovation. Testimonials of success will be persuasive during this stage and will help shape the conclusions reached by the adopters about an innovation.

- The fifth and final stage is adoption. By this stage, adopters have integrated the innovation into their work and are interested in specific problem solving that is related to their own applications. Change agents provide personal support, help adopters find the resources they need to perform effectively and provide rewards for successful implementation.

2.10.1.2 Starting up a systematic succession planning and management program
g) Clarify the roles of different groups in the program

Organization members must know their roles (expected pattern of behavior, attitudes and values) in an SP&M program so as to support the effort. Performance is influenced by shared role expectations and understanding. To establish systematic SP&M, program roles, expected individual actions and behavior must be clarified to all individuals throughout the organization (Gibson, Ivancevich & Donnelly-Jr. 1985). There are three target groups in role enactment:

i. *Management employees:* the management employees' roles range from active to passive and supporter to opponent. Those who take an active role dedicate their time to SP&M, they define present work requirements, plan future work requirements, appraise individual performance, assess individual potential, plan individual development and participate in development activities. On the other hand, a passive management employee doesn't allow time for SP&M. A supporter sees SP&M as a valuable activity while an opponent has reservations about it.

ii. *Program facilitators*: The program facilitator's roles range from directive to non-directive. Facilitators who assume a directive role indicate what they expect from the participants of a systematic SP&M program. They then attempt to enforce these

expectations, provide briefings, trainings or written directions to help others understand what they are supposed to do. Non-directive facilitators on the other hand attempt to identify what various stakeholders want from the program and the behaviour associated with those desired program results. The facilitators collect information from stakeholders, feed it back to them and help them establish their own roles and action plans. The facilitators therefore spend much time individually helping managers and employees at different levels to understand what their roles should be.

iii. *Program participants*. These are those tapped by the organization to be involved in an SP&M process and are designated and developed for future positions. Their roles range from being aware to unaware that they have been designated by the organization as possible successors. Their role can also be organizationally focused or individually focused.

h) Formulate a program mission statement

According to Mahler and Drotter (1986), the program mission must be adequately clarified at the outset to achieve agreement among stakeholders about the program purposes, desired results and why those outcomes are valuable. Because of the differences in organizations, SP&M mission statement vary and are designed to serve different purposes. However, in formulating the program mission, decision makers must focus on the following matters of particular importance to any organization: -

i. What is a key position?
ii. What is the definition of HiPo?
iii. What is the organization's responsibility in identifying HiPos and what should it be?
iv. What is the definition of an exemplary performer?
v. What is the organization's responsibility in identifying and rewarding exemplary performers? What should it be?
vi. How should the organization fill key positions?
vii. What percentage of vacancies in key positions should be filled from within? From without? Handled through other means?
viii. What percentage of position should have at least one identifiable backup successor?

ix.   In what percentage of key position should there be no designated successors?

x.   What is the maximum time that exemplary performers should remain in their positions?

xi.   What should be the maximum allowable percentage of avoidable turnover among high potentials? Exemplary performers? What should be done to reduce it?

xii.   What should be the maximum allowable percentage of failures in key positions after individual advancement?

xiii.   What percentage of key positions should be filled with employees from legally protected labour groups such as women, minorities and the disabled?

xiv.   How should HiPos be prepared for advancement?

xv.   What should be the role and responsibility of each employee and the HR department in the process of developing HiPos?

xvi.   How openly should the organization communicate with individuals who are identifiable to be HiPos about their status?

xvii.   How desirable are international assignments for designated successors?

xviii.   How much should individual career goals be surfaced, considered and tracked in succession planning?

i) Write a policy and procedures to guide the program

SP&M program policies are natural outgrowth of the mission and places the organization in record as supporting or opposing an approach to action. Procedures stem from policy and provide guidelines for applying it. A written policy on SP&M clarifies what the organization seeks to do while a written procedure clarifies how the policy will be applied.

j) Identify target groups to be served by the program

Identifying the target group can only be possible by answering who should be the focus of SP&M program and whether it should be geared to top level executive only or encompass other levels or parts of the organization. Greater effort, time and resources must be geared towards systematically developing human capabilities at all levels across all groups. In establishing the initial target, areas of organizations' weakest bench strength must be established. Direct attention must first be directed to three common areas of problems, successors for top managers, successors first line supervisory position and successor for unique, tough to fill technical or professional position.

Top management positions are few in absolute numbers but are usually critically important for formulating and implementing organizational strategy. Supervisory positions are fewest in absolute numbers, so continuing turnover and other personnel movements leave these ranks subject to greatest need for replacement. This level is also critical because it serves as point of entry to top management. They are areas of weakness in organizations that have not planned management development program or that provide little incentive for movement into supervision. Tough-to-fill technical professional positions are often limited in number yet they present a crisis by the mere thought that someone could leave in this group.

k) Establish program priorities

In order to accomplish a systematic SP&M program, much work has to be done but because not all of it can be achieved at once, priorities must be prioritized as either short term or long term. The initial priorities must be set to address the organization most pressing problem and to rectify the most serious weakness in bench strength. Subsequent priorities should be set to reflect long term plan to systematic SP&M in the organization.

l) Addressing the legal framework in SP&M

Legal issues should not be overlooked in SP&M. Employee complaints are on the rise and those formulating and implementing SP&M programs must familiarize themselves with government rules, laws and regulations. The familiarity with laws and provisions is critically important especially in engagements with foreign nationals and as business grow to international levels. Employers must ensure that there is no real or perceived discrimination of all kinds of employments and SP&M matters.

m) Establishing strategies for rolling out a succession planning and management program

As organizations adopt and implement SP&M programs, they face dilemma on how to roll them out, the best strategy according to Rothwell (2010) is to start with the CEO then follow the generations (his or her immediate successors/reports) in a roll out strategy. The middle managers are then included (third generation) and later on the fourth and fifth generations.

The communication strategy and the action plan should both be addressed separately and carefully. The CEO and senior executives must pay attention to how the SP&M program should be described to middle managers and other stakeholders in and outside the organization so as to make clear the business goals and procedures. If they don't they risk a broad-scale failure of the plan.

2.10.1.3 Refining the program

n) Prepare an action plan to guide the program

Turning priorities into realties require dedication, hard work and effective strategy. Preparing a program action plan helps conceptualize the strategy for implementing systematic SP&M in the organization. After listing the priorities organizations must indicate actions to be taken to achieve the priorities, responsibility must also be assigned and where the action must be performed must also be indicated. An effective action plan provides a basis for program accountability and must answer the following questions:

- Who should take action,
- What action should be taken,
- When should action be taken,
- Where should the action be taken,
- Why should the action be taken,
- How the action should be taken.

o) Communicate the action plan

Organizations will not achieve much if the action plan is formulated then kept. It must be communicated to the participants of the SP&M program. However, caution must be taken because information about succession plans can reveal too much about the organization strategic plan to the external environment and competitors. Internally this information may also create undesired consequences, designated successors may become complacent because they think advancement is guaranteed (crown prince phenomenon) while those left out may become disenchanted and so will the designated successors should organizational condition change and negatively affect their status. The designated successors can also hold themselves for ransom by threatening to leave

unless they receive escalating raises or advancement opportunities. Keeping the HiPos in their current status can also make them seek advancement opportunities elsewhere.

p) Conduct SP&M meetings as necessary to unveil the program and review progress continually

Ordinarily, organization would need at least four meeting to lay the foundation of an SP&M program.

i. Verifying the need - during start up, a handpicked group limited to the top management meets to verify that there exists a genuine need for a systematic SP&M process. The current practices and problems that stem from informal approach to SP&M are also reviewed.

ii. Seeking input - a larger meeting to seek input from major stakeholders is assembled to surface SP&M problems and to galvanize action. Executives must be properly involved in the program formulation process because such program has important strategic implications for the organization and creates a natural bridge between SP&M and strategic planning since key players in organization's strategic planning are involved. From this meeting, the need for a systematic approach to SP&M is explained, a draft program mission statement is formulated, initial target group to be served by the program are identified and the initial program priorities are set (Kraut et al. 1989; Smither 1991).

iii. Hammering out a proposal - a standing SP&M committee should be established to advance the program formulation process begun in the earlier meeting (the seeking input). The idea of a committee is important because it maintains high level commitment and support, conserve the time required to review fruits of the committee's investigation and provides a means of senior level involvement in SP&M. The CEO should preferably be the chair of that committee while the members should be carefully chosen for their interest in SP&M, track record of exemplary performance and proven ability to develop people and their keen insight into organizational culture (Rothwell 2010).

iv. The kick off meeting - in this meeting the program is introduced to those previously involved in the second meeting and any other as appropriate. This meeting focuses on program details and the meeting participants should play to ensure program success. This

meeting seeks to answer two questions: what is the SP&M program in the organization and what do the participants have to do to make the program successful.

v. Periodic review meetings - these meetings are conducted after the SP&M program is established and focus on: the linkage between SP&M program and the organizational strategic plan, any need for revisions to the program's mission statement, governing policy and procedures, target groups, priorities, action plans, communication strategies and training relevant to the succession planning process (Rothwell 2010).

q) **Train those involved in the program as necessary**

To implement a systematic approach to SP&M, means must be found to train those expected to cultivate the organizations internal talent. The training will impart them with new skills and knowledge which will enhance their efficiency and effectiveness in their new roles. The training to support SP&M should be designed to match program priorities.

r) **Counsel Managers about SP&M problems in their areas of responsibility**

SP&M coordinators should meet periodically with managers to discuss SP&M issues in their works areas and to offer individualized counselling about how to deal with those problems. If that counseling is requested, it indicates that managers have accepted SP&M and are making honest efforts to meet the SP&M needs of the organization. They thus value advice about people management issues that will facilitate the program success.

2.10.2 Step 2: Assess present work requirements

Before planning for the future, leaders must know what the present is and must be realistically aware of the organizations work requirements, strength and weaknesses of its available leadership talent before they can navigate around future external threats and seize the advantage presented by external opportunities (Pastin 1982). Assessing the present requirements in key positions help in preparing the individuals for advancement in a way that is solidly grounded on work requirements.

Decision makers should in this step clarify where key leadership positions exist in the organizations and apply more approaches in determining work requirements and ways of appraising individual performance in these positions.

2.10.2.1 Identifying key positions

Key positions have traditionally been viewed as those at the pinnacle of the organization chain of command. This has been because important decision making has been done at the top of most organizations and imposed downwards. However, as a result of increasing employee involvement and the application of principles linked to high involvement work organization, key positions have become diffused throughout the organization and decision making has become more decentralized.

Key positions are unique across organizations and this is because not all organizations allocate work in exactly the same way. Positions sharing same job titles in different organizations do not necessarily perform identical duties. Secondly, top managers in different organizations do not share the same values and may thus bestow job incumbent with more or less responsibility, which is influenced by their own perception about which activities are most important. Thirdly, organizations do not share strengths and weaknesses or face identical environmental threats and opportunities, consequently a key position in one organization may not be key in another.

Ways of identifying key positions

a) By the consequence/uproar resulting from a pending or existing vacancy

A vacancy in key position subjects the organization into a turmoil because important activities are placed on hold. When an organization lacks a key position incumbent, important decisions cannot be reached, production cannot proceed and customer needs cannot be satisfied. This delay can prove costly placing organization at risk to competitors who do not face such a handicap with possible results of loss of customers and market share.

b) By organization charting

Preparation of current organization chart helps show all functions and by answering how those functions uniquely contribute to the organization's mission and if those functions could still operate if the leaders were gone could provide clues about the organizational processes and key positions. Each key position is tied to a critically important organizational function, result or work process. A vacancy in a key position represents a gap between an organizational requirement and the human talent needed to meet that requirement.

c) By questioning

Asking senior executives what areas (not names of people) they regard as key positions within their own areas of responsibility is likely to lead to best information because executive's have a keen grasp of their areas of responsibility.

d) By historical evidence

Use evidence of past uproars occasioned by the departure of key job incumbents as indicators of where key positions are located. By scanning the files of those who left the organizational and asking their former supervisors which departures posed the greatest problems and why. Were they in tough to fill positions? Did they possess unique tough to replace knowledge and skills? How was the uproar handled and if a vacancy occurred today in the same position would it still cause uproar? Compiling the answers to these questions give evidence of key positions.

e) By network charting

Network charting is a technique of communication analysis that is used in identifying employment discrimination but has found more application as a powerful in charting the decision-making process in the organization. The idea is to trace the path of communication flows during one or more decisions to answer such questions as who is included, who is excluded, and why some individuals included are or excluded (Stephenson & Krebs 1993).

The key assumption of network charting is that decision makers will seek information from only individuals who occupy important positions and or who are viewed as credible, trustworthy and knowledgeable about the issues on which decisions are required. The result from network charting can be used to determine which positions are considered key to decision making in each part of the organization.

f) By combination

Baker, Grubbs and Ahern (1990) proposes a combination of all the approaches listed above (triangulation) as the best way to obtain a definite fix of key positions as it entails double checking from multiple sources. However, it is not practical most of the time because organizations do not have time nor resources to double check key positions and often use only one approach.

The following information should be maintained by organizations about key positions;

i. Who occupies key positions now? What are their qualifications, education background, experience or other specialized knowledge they bring to their positions?

ii. When are those key positions likely to become vacant?

iii. Where are key positions located in the organization?

iv. How is performance appraised in the organization and how well do performance appraisal practices match up to information about work requirements by position?

v. How well are the key position incumbents presently performing? Did their background, education and experience properly equip them to perform, if not what are they lacking?

vi. How did the key incumbents secure their position? Were they groomed to assume their positions, recruited from outside, transferred from within or did they reach positions through other means?

2.10.2.2 Approaches to determining work requirements in key positions
a) Conduction job and task analysis

Job analysis summarizes the activities, responsibilities, duties and essential functions of a job. Task analysis goes a step beyond job analysis to determine what must be done to carry out each activity or meet each responsibility or duty or essential function. The result of a job analysis is job description whilst the result of task analysis is task inventory (Dubois & Rothwell 2000).

b) Identifying competencies and developing a competency model

Job competency has been defined by Boyatzis (1982) as an underlying characteristic of an employee (motive, trait, and skill, aspects of one's self image, social role or body of knowledge) which results in effective and or superior performance in a job. Competency identification pinpoints competencies while a competency model entails those competencies that are required for satisfactory or exemplary job performance within the context of a person's job roles, responsibilities and relationships in an organization and its internal and external environment. Competency models are a result of competency identification and have emerged as the mainstream approach used in many organizations to integrate all facets of human resource management (Boyatzis 1982; Dubois & Rothwell 2000; Dubois 1993).

c) Rapid result assessment

New flexible approaches to competency modelling such as McLagan's approach with the DACUM method have emerged to maximize the strengths and minimize the weaknesses of traditional approaches (Dubois 1993).

DACUM is an acronym formed from the letters in the phrase Developing A Curriculum. The method has been widely used in job and task analysis for technical positions and in establishing occupational curricula at community colleges. It has however, not been often described as a means of determining work requirements in management or professional positions. In order to use DACUM in its traditional sense, a facilitator trained in the approach must be selected and a panel of between eight to twelve experts in the job convened then the following are taken (Norton 1991):

    i.   Orient the committee to DACUM

    ii.   Review the job or occupational area of concern

    iii.   Identify the general areas of responsibility of the job

    iv.   Identify the specific tasks performed in each area of responsibility

    v.   Review and refine task and duty statements

    vi.   Sequence task and duty statements

    vii.   Identify entry - level tasks

The result of a typical DACUM panel is a detailed matrix illustrating work activities arranged in order of difficulty from the simplest to the most complex activities.

Rapid result assessment can provide valuable information for succession planning and management. If the assessment process is focused on key positions and DACUM panels include immediate superiors, peers, incumbents and even subordinates, it can yield powerful information about role expectations for incumbents in these positions. It can also provide the basis to select, appraise, train, reward and develop people who are being groomed for key positions (Kim 2006).

2.10.2.3 Using Full-Circle, Multi-Rater Assessments

Full-circle multi-rater assessment can be used as a means to appraise individual's present performance or future potential (Cox, Nielsen & Sundstorm 1999). Such assessments are sometimes called 360 degrees assessment because they examine an individual from a full circle

around him or her and are useful ways to collect information about individuals from organizational superiors, subordinates, peers, colleagues, customers and even suppliers and family members. They indicate how well an individual is performing or has the potential to perform when compared to competency models or work requirements.

2.10.3 Step 3: Appraise individual performance

For an SP&M program to be effective, it must be based on information about work requirements in key positions and about the performance of incumbents and prospective successors. Organizations must assess how individuals are performing and additionally begin to establish an inventory of talent so that it is clear what human assets are already available. This is critical because SP&M programs assume that individuals must be performing well in their present jobs in order to qualify for advancement.

Performance appraisal is the process of determining how well individuals are meeting the work requirements of their jobs. Performance appraisal are properly viewed within the context of performance management which is the process of creating a work environment which people want to perform to their peak abilities and are encouraged to develop themselves for the future. Performance management addresses the question of what is necessary to encourage performance now and in the future (Taylor & Pierce 1999). Performance appraisal are important as they are used to justify pay raises, promotion and other personnel decisions but it is also critically important to SP&M since few organizations would advance individuals into key positions when they are not performing their present job adequately.

Performance appraisals are increasingly being criticized as being wasteful, counterproductive among other shortcomings. Several critics, among them Coens and Jenking (2001) and Deming (2012) among a growing voice have steadfastly criticized employee performance appraisal on the basis that it leads to management by fear and encourages short term performance at the expense of long term planning. Further he argues that when performance appraisal is conducted in highly critical manner, it has the potential to demotivate and demoralize people. Indeed, research evidence indicate that performance appraisal interviews focusing on what people are doing wrong can actually lead to worse performance.

Figure 2.10-1: Relationship between performance management and performance appraisal
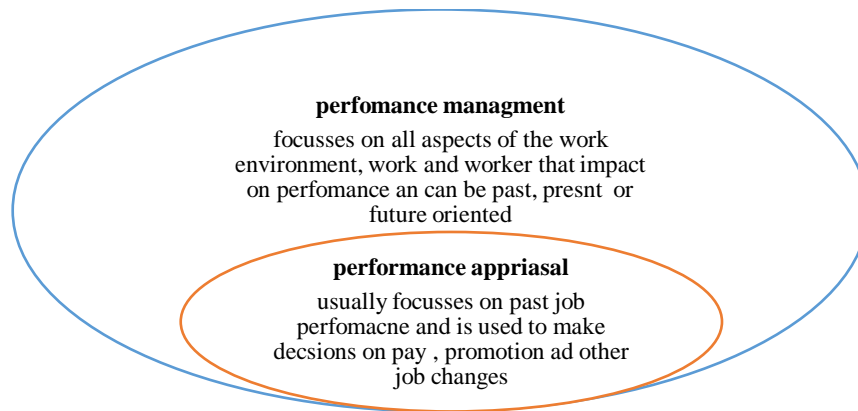
Source: Rothwell (2010).

Proponents of performance appraisal on the other hand have remained steadfast and argue that performance appraisal are very vital to organizational life and should be used to help employees develop. They opine that without performance appraisal, organization will have no records of employees' performance other than the faulty memories and articulated impression of supervisors and other employees on which to base pay raise, promotion, transfer or other decisions (Cunningham 1991; Lawler III 2012).

2.10.4 Step 4: Assess future works requirements

Laying the foundation for succession planning and management requires information. The information about present work requirements or competencies and individual job performance maybe critical but it provides only one-dimensional picture. To have a holistic picture more information is also needed about future work requirements and individual potential to form the basis of succession planning and management (Rothwell & Kazanas 1994).

2.10.4.1 Identifying key positions for the future

Neither key positions nor their work requirements will remain forever static, this is because organizations are faced with dynamic business and operational environment and must response to pressures exerted internally and externally. As a result, SP&M coordinators need to identify future key positions and determine future work requirements and competencies in key leadership position if they are to be successful in preparing individuals to assume key positions. They in a sense cope

with a moving target aspect in which work requirement, key positions and even high potential employees are changing (Rothwell & Kazanas 1993).

The question then is how can they be certain what position would be key to the organization in the future? Unfortunately, the unsettling fact is that no fool proof way exists to predict key positions with absolute certainty. About the best that can be done is to conduct careful reviews of changes in work and people and draw some conclusions about the likely consequences of change. The following are ways of identifying key positions for the future:

a) Applying environmental scanning

Peery and Salem (1993) suggest environmental scanning as a first step to predict key positions in the future. It entails a systematic process of examining external trends focusing attention on economic, governmental/legal, technological, social, geographical and other issues and trends affecting the organization's external environment.

b) Applying organizational analysis

Organizational analysis follows environmental scanning and is the systematic process of examining how an organization is positioning itself to address future challenges. It has also been described by Levinson (1988) as any effort made to assess an organizations strengths and weaknesses. In organizational analysis, one should consider the following questions:

i.   How well positioned is the organization presently to respond to the effects of future trends?

ii. What action steps can the organization take to meet the threats and opportunities posed by future trends?

iii. How can the organization maximize its strength and minimize its weaknesses as the future unfolds in the present?

As these questions are answered, one should pay particular attention to likely changes in:

i.   Organizational structure (what will be the reporting relationships? How will division, departments, work units and jobs be designed) and,

ii. Work processes (how will work flow into each part of the organization? What will the work flow to?

Structure and processes are important issues because key positions result from decisions made about how to structure responsibility and organize the work process (Chandler 1962). Decision makers should examine the organizations response to external pressures and restructure responsibilities and organize work process in a way that directs attention to likely key positions in the future. Key positions may emerge as old ones fade away based on the manner the organization chooses to respond to environmental demands.

c) **Preparing realistic future scenarios**

As a third and final step in predicting key positions in the future, compare the results obtained from environmental scanning and organizational analysis. Draw an organization chart as decision makers believe it should appear in future if the organization is to be successful. Write the expected future mission of each organizational function in the chart. Make several versions of that chart at difference future time intervals at say one year, three years, five years and ten years into the future then add the names of possible leaders and their successors. This process is called preparing realistic future scenarios and is based on scenario analysis which has been widely applied to future research and strategic planning (Heijden 1996). While not fool proof or failsafe, this approach is one way to move beyond traditional thinking about SP&M.

2.10.4.2 Approaches to identifying future work requirements in Key positions
Determine future work requirements by predicting possible or probable work activities, duties and responsibilities in future key positions. Upon identification of likely future key positions, attention must be directed to predicting work requirements for those positions. Firms must then move beyond present or past oriented descriptions to assess future work requirements in key positions and to do that they apply the three approaches described below: -

a) **Conducting future oriented job and task analysis**

Conduct future oriented job and task analysis for key positions by focusing attention on summarizing expected future activities, responsibilities, duties or essential functions. Extend the analysis by examining future tasks linked to those activities, responsibilities, duties or essential

job functions. Write position description as they should exist at a future time if the organization is to be successful in meeting the competitive challenges it faces. This way the effect of organizational strategic plans on key positions can be mirrored and thereby reinforced, in position descriptions and task inventories. By comparing present and future position descriptions, decision makers should be able to uncover important disparities and accordingly information about desirable developmental opportunities to groom individuals for advancement (Wissema, Brand & Der Pol 1981).

However, future oriented position descriptions are no panacea. They are prone to the same disadvantage as traditional (present oriented) position descriptions:

   i.   Focus on activities not results.

  ii.   Lack of details about all elements essential for success including personal characteristics and attitudes.

 iii.   A requirement for continual and time consuming revision because they date so rapidly.

 iv.   Additionally, they may be based on inaccurate (or simply wrong head) assumptions about the future. However, such disadvantages may be outweighed by their specificity and by helping officials to a future into which they and their organizations are headed.

b) Assessing future competencies

According to Davis and McCallon (1974), competency assessment lends itself to future orientation better than any other approach. To give a future orientation to competency models, simply direct attention to the future rather than to the present or past. Ask the organizations strategists to review each key position for underlying employee characteristics (including motive, traits, and skills aspects of self-image, social roles or bodies of knowledge) which should if assumptions about the future prove correct simultaneously result in superior performance and actions consistent with organizational strategy. Apply each approach shown on the exhibit below with an emphasis on future, rather than past or present competencies. Then use the resulting competency model as guide to prepare individuals for advancement into key positions.

Future competencies may not be identical to present or past competencies, they may even conflict with them. For instance, in the case of IBM (International Business Machines) and AT&T Inc. (an

American multinational telecommunication conglomerate) after deregulation and downsizing respectively. What was required for future success was not what had been historically required or even desired by the organization. Managers who succeeded under the old conditions were suddenly outmoded and were even unfit to counsel a new generation about what it would take for them to succeed. In these settings managers had to identify and cultivate talent that was quite different from their own if their organizations were to survive. Exemplary future competency, then moving represents a moving target, an ideal, a description of what people will probably have to know, do or feel to perform successfully amid the vague uncertainties of the future (Rothwell & Kazanas 1999).

Future oriented competency models like future oriented position descriptions, suffers from the same strength and weakness as its traditional counterpart. Given, they are more rigorous than job analysis, but competency model can be confusing especially to those who do not clearly understand what it is. Further, future oriented competency models often require strategists to devote significant time and resources to it, which they may be reluctant to do.

c) Applying future oriented rapid result assessment

This approach to competency identification has very real potential to help decision makers plan for future work requirement in key positions nor does it require substantial expertise, time or resources to carry out. To use it, simply focus attention on and examine desirable future competencies in each key position in the organization and use the results as a basis to plan for individual development and organizational SP&M generally (Rothwell & Kazanas 1999).

Rapid result assessment enjoys important advantages. It can be conducted quickly; it enjoys high face validity because it uses experienced job incumbents (or other knowledgeable people) on which to base position specific information. It permits the personal involvement of key decision makers thereby building their ownership in the results and it can be used to move beyond a focus on mere work activities or tasks to include descriptions of underlying characteristics or work output. However, it shares the disadvantages of its associated with the traditional approaches. The results are not as rigorous nor as complete as other competency modelling methods will yield and the results are heavily dependent on the credibility of the individual panelists. Additionally, as in

other future oriented approaches it is only good as the assumptions about the future on which it is based.

2.10.5 Step 5: assess future individual potential

The centerpiece of most SP&M programs is some means by which to assess individual potential. Organizations must establish process of determining the preparedness and potential of individuals for advancement, the talents they possess and how those talents match up to the future work requirements. This process should however not be confused by present oriented performance appraisal. Performance appraisal is linked to present job performance. Individual potential assessment is a systematic process of examining individual possibilities for job change or movement. It is often associated with determining whether individuals have what it takes to advance to greater management responsibility or positions demanding greater technical knowledge. Potential assessment is a critically important activity because as many as one third of all leadership positions would not be filled by present incumbents if decision makers had to do it over again. It should be linked to and serve as one basis for determining employee training, education and development activities, which collectively help an individual qualify for advancement. Assessment of future potential should also be linked to individuals' career planning activities (Sorcher 1985; Rothwell & Kazanas 1999).

2.10.5.1 Distinguish between exemplary performers and high potential

High potential individuals are often exemplary performers who are identified through the performance appraisal process and who exceed minimum job expectations. Exceptional performance in the current job is regularly a necessary prerequisite to advancement. However, not all exemplary performers are high potentials because advancement potential is based on different criteria from present performance (Lindsey, Homes & McCall 1987).

In any organization or department, individuals may be classified into four distinct groups based on their performance and their potential (Odiorne 1984). Table 2.10-1 illustrates the classification:

One of the two axes represent present performance and is divided into high and low; the other axis represents future potential and is also divided into high and low. The result is a performance/potential grid that closely resembles the Boston Consulting Group's widely used portfolio analysis technique for use in strategic planning.

Table 2.10-1: Exemplary performance versus future potential

Present performance		Future potential	
		High	Low
	High	**Stars** HR strategy ▪ Keep turnover low ▪ Take steps to accelerate their development	**Workhorses** ▪ Keep turnover low ▪ Keep them motivated and productive where they are
	Low	**Question marks** HR strategy ▪ Convert them to stars ▪ Counsel them to accelerate their development	**Deadwood** ▪ Convert them to workhorse ▪ Terminate them if they cannot be salvaged

Source: Odiorne (1984)

Stars (upper left cell) are exemplary individual performers in their present positions. They are also perceived to have high potential for future advancement. A major corporate asset, they are properly regarded as high potentials and are a source of replacement for key positions. An effective HR strategy for stars involves a twofold effort to make the most of their current performance while systematically preparing them for advancement and even accelerating their development. If possible, the organization should make every effort to seek to recruit and retain them keeping and keep turnover minimal in their ranks (Odiorne 1984).

Workhorses (upper right cell) are exemplary performers in their current job who are perceived to have poor future potential. Since they are highly productive where they are, they should remain there. An effective strategy for workhorse is to harness their skills while keeping them motivated and productive. Turnover in their ranks should also be kept minimal (Odiorne 1984).

Question marks: (lower left cell) are poor performers in their present positions who are perceived to have high future potential. The best HR strategy for dealing with them is to focus on improving their present performance, thereby turning them into stars. Their immediate supervisors should be trained to apply appropriate techniques. Such as coaching, mentoring and when warranted disciplinary steps to make them more productive (Odiorne 1984).

Finally, deadwood (lower right cell) consists of individuals who are neither good performers in their current jobs nor perceived to have future advancement potential. A twofold HR strategy is effective with deadwoods; first their immediate organizational superiors should make every effort to help them improve their present performance. If successful, that strategy would convert deadwoods to workhorse. If unsuccessful, that strategy should be followed by fair and even handed efforts, consistent with the organizations disciplinary policies and practices to move them out of the job or even out of the organization (Odiorne 1984).

2.10.5.2 Approaches to assessing individual potential

a) Global assessment

Global assessment entails asking senior executives to furnish the names of staff in their areas who they feel have high potential as defied by the organization. It is a simple approach but not very effective due to shortcomings. First, few senior executives (except those in very small organizations) will know everyone in their areas of responsibilities. Second, unless the definition of high potential is made clear, senior executives are likely to respond to a request of names based on their perceptions. Those perceptions about individuals can be colored too much by recent events (recency bias), extremely bad incidents (the horn effect) or extremely good incidents (the halo effect). Perceptions can also lead to favouritism, discrimination or pigeonholing in which individual potential is difficult to change once assessed.

b) Success factor analysis

According to Kim (2006) the second approach is based on success factor analysis which is the process of examining traits or other characteristics perceived to lead to organizational success or advancement.

2.10.6 Step 6: close developmental gap

After analyzing work requirements, job performance and individual potential, the organization is ready to close individual developmental gaps. At this point the organization is ready to operate a succession planning and management program. To that end decision makers should begin by: -

2.10.6.1 Testing bench strength

Bench strength is the organization's ability to fill vacancies from within. Testing the bench strength involves determining the ability of the organization to fill vacancies in key positions from within. Turnover saps bench strength and may be unavoidable and outside the immediate control of the organization such as loss of personnel through death, disability, retirement, buyout or other organizational action such as lay-off. Avoidable turnover is initiated by employees and is a loss resulting from employee's resignation. Avoidable turnover in key positions is particularly distressing because it creates unnecessary crises (Mahler & Drotter 1986). One aim of any SP&M program should thus be to find ways to reduce avoidable turnover among key positions incumbents or at least find the means to keep it stable.

Approaches to testing bench strength

Rothwell (2005, 2010) advances the following as the approaches to testing the bench strength;

a) By replacement charting

The replacement chart encompasses the preparation of an organization chart so as to show the range of possible replacements for each key position in a work area. The number of holes (a position in which no internal replacement can be identified) are noted and the lower the percentage of holes relative to key positions, the greater is the organization's bench strength.

b) By questioning

Bench strength can also be tested by asking senior executives individuals who will replace key position incumbents in key areas in the event of a vacancy. Note how many holes by function can be identified and track the hole. The lower the percentage of holes to key positions, the greater is the organization's bench strength.

c) By evidence

Using the results of an analysis of personnel records over the last few years. Find out which departures crated the worst problems for the organization. Note the number of such problems relative to total departures. The higher the percentage, the weaker the bench strength.

d) By combination

Using a combination of the methods identified above to assess bench strength. The percentage of holes is noted and that information is fed back to decision makers to dramatize the value and importance of the SP&M program.

2.10.6.2 Formulating internal promotion policy

The centerpiece of a systematic SP&M program is a written policy favoring internal promotion. Lacking such a policy, organizations may have difficulties keeping ambitious high potentials and exemplary performers who seek advancement. If they grow discouraged, they can contribute to devastating avoidable and critical turnover. Promotion from within policy motivates employees knowing that their efforts can pay off and it also saves the organization money in recruiting selecting and training a newcomer (Drucker 1985). To be effective, an internal promotion policy should:

i.   Unequivocally state the organization's commitment to promoting employees from within whenever possible and whenever they are qualified to meet the work requirements of new positions.
ii. Define internal promotion.
iii. Explain the business reasons for that policy.
iv. Explain the legitimate condition under which that policy can be waived and an external candidate can be selected.

2.10.6.3 Preparing individual development plans (IDPs)

An individual development plan results from comparing individual strength and weakness on the current job and individual potential for advancement to possible key positions in the future. Preparing an Individual Development Plan is a process that narrows the gap between what individuals can already do and what they should do to meet future work requirements in one or more positions.

Table 2.10 -2 on the next page summarizes the steps in preparing an individual development Plan

Table 2.10-2: A simplified model of steps in preparing individual development plan

Step 1	Selecting possible key positions for which to prepare the individual
Step 2	Considering the likely time during which the individual must be prepared
Step 3	Diagnosing learning needs
Step 4	Specifying learning objectives based on the results of step 3
Step5	Specifying learning resources and strategies needed to achieve learning objectives
Step 6	Specifying evidence of accomplishment
Step 7	Specifying how the evidence will be validated
Step 8	Reviewing the contract with consultants
Step 9	Carrying out the contract
Step 10	Evaluating learning and outcomes

Source: Rothwell (2010).

2.10.6.4 Developing successors internally

Internal development refers to those developmental activities sponsored by the organization that are intended to help an individual qualify for advancement by closing the gap between present work requirements/performance and future work requirements/potential. There are many approaches to internal development and some of them are discussed below:

i. Who based strategies: that focus on pairing high potentials with individuals who have special talents or management styles worthy of emulation.

ii. What based strategies: focusing on giving high potentials exposure to specific types of experiences such as project, task force, committees, jobs or assignments that require the individual to master or demonstrate analytical skills, leadership skills or skills in starting up operations among other as may be desired.

iii. When based strategies: that focus on giving high potentials exposure to time pressure such as meeting a nearly impossible a deadline or eating a wily competitor to market.

iv. Where based strategies: centered on giving high-potentials exposure to special locations or cultures such as sending high potentials to international job rotations or assignment.

International assignments should be preceded by a well prepared plan that clarifies hat the individual is to do and learn and why that is worth doing or learning.

v. Why based strategies: targeting exposing high-potentials to mission-driven change efforts that are in turn learning experiences. These may include asking high-potentials to pioneer start-up efforts or to visit a competitor or best in class organizations to find out why they do what they do.

2.10.6.5 Assessing alternatives to internal development

Organization must establish a continuing program for leadership development to cultivate future leaders internally but should also explore alternatives to traditional promotion from within methods of meeting succession needs.

2.10.6.6 Applying online and high tech approaches to SP&M programs

Online and high tech approaches have had a dramatic impact on succession planning and management practices and can be applied in:

i. Formulating SP&M program policy,
ii. Formulating procedures and action plans,
iii. Assessing present work requirements,
iv. Evaluating current employee performance,
v. Determining future work requirements,
vi. Assessing potentials,
vii. Closing developmental gaps,
viii. Maintaining talent inventory,
ix. Evaluating the program,
x. Communicating about a succession program,
xi. Providing training and skill building or even real time coaching.

2.10.6.7 Evaluating SP&M programs

The SP&M program must be subjected to continued evaluation to assess how well it is working and to improve it. The results of evaluation should in turn be used to make program refinements and to maintain a commitment to systematic SP&M.

2.10.6.8 Taking steps to address predictions about the possible future of SP&M programs

No organization is immune to changing external environmental conditions. However, what external condition affect an organization will vary depending on such variables as the organizations industry, size and relative market dominance. Moreover, how those conditions affect an organization will depend on the ways in which its leaders and workers choose to address them. Rothwell (2010) predicts that the changing external environmental conditions would have the following impacts on SP&M programs:

i.   Lead to integrated retention policies and procedures that are intended to identify high potential talent earlier, retain that talent and preserve older high potential workers,

ii.   Increasingly be integrated with career development issues,

iii.   Be influenced by increasingly real time technological innovations,

iv.   Promote efforts by decision makers to find flexible strategies to address future organizational talent needs,

v.   Lead to increasing organizational openness about possible successors,

vi.   Be heavily influenced in the future by concerns about work/family balance and spiritual issues,

vii.   Become an issue in government agencies, academic institutions and nonprofit enterprisers in a way never before seen, business will not be the only organizations interested in succession issues,

viii. Have a global impact.

2.10.7 Step 7: evaluating the succession planning program

After the implementation of an SP&M program it is worth asking whether it was worth the effort. How well it is working and whether it is meeting the organizational needs. Evaluation means determining how much value or worth is being added to an activity by a program. It is through evaluation that the need for a program improvement is identified and such improvements are eventually made (Rothwell & Sredl 1992). To be carried out effectively, evaluation for SP&M should focus on several key questions among them:

i.   Who will use the results (audience?)

ii.   How will the results be used (what decisions will be made based on evaluation results)?

iii.   What do the program's client expect from it?

iv.   Who is carrying out the evaluation (this provides clues about the appropriate evaluation techniques based on the expertise of the chosen evaluators).

What should be evaluated?

Kirkpatrick (1960), developed a four level hierarchy of training evaluation that may be usefully modified to help conceptualize what should be evaluated in SP&M. The four levels are; *reaction, learning, behavior* and *organizational outcome or results*. Reaction forms the base of the hierarchy and is easiest to measure. It examines customer satisfaction in terms of how much the participants like what they learned. Learning, the second level on the hierarchy has to do with immediate change, that is, how well did participants master the information or skills they were supposed to learn in training? The third level of hierarchy, behavior, has to do with on-the-job application. It evaluates the extent of change occurred on the job as a result of learner participation in training. The highest level of hierarchy is organizational outcome or results and is the most difficult to measure. It seeks to measure the effect of the training to the organization.

Rothwell (2010) suggests modification of Kirkpatrick's Hierarchy of training to provide a conceptual basis for evaluation for SP&M program:

i.   Making the first level *customer satisfaction* which corresponds to Kirkpatrick's reaction level and posing the following questions:
- How satisfied the chief customers of SP&M are with the SP&M program?
- How satisfied the customers are with each program component-such as job description, competency models, performance appraisal processes, individual potential assessment process, individual development forms and individual development activities?
- How well the SP&M matches up to individual's career plans and employees' perception of SP&M?

ii.   Make the second level *program progress* corresponding to learning in Kirkpatrick's learning level and pose the following questions:
- How well is each part of the SP&M program working compared to stated program objectives?
- How well are individuals progressing through their developmental experiences in preparation for future advancement into key positions.

iii.   Make the third level *effective placement* corresponding to Kirkpatrick's behavior level and pose the following questions:

- What percentage of vacancies in key positions is the organization able to fill internally?

- How quickly is the organization able to fill vacancies in key positions?

- What percentage of vacancies in key positions is the organization able to fill successfully (that is without avoidable turnover in the first two years in the position)

- How quickly are internal replacements for key positions able to perform at the level required for the organization?

- What savings if any can be demonstrated from not filling key positions from which alternative and more innovative approaches were used to achieve results.

iv.   Make the fourth level *organizational results* which corresponds to outcomes/results in Kirkpatrick hierarchy and consider the following questions:

- How is SP&M contributing, if at all to documentable organizational results?

- What success or failures in organizational strategic plans if any can be attributed to SP&M.

How evaluation should be conducted

Evaluations may be conducted anecdotally, periodically or programmatically.

i.   Anecdotal evaluation

It is akin to testimonials in evaluation training. It examines the operation of the SP&M program on a case-by-case basis. As vacancies occur in key positions, the SP&M coordinator, documents in incidents and reports how they are filled. The incident reports are eventually brought to the organizations SP&M committee for review and discussion. The reports provide a solid foundation for troubleshooting problems in SP&M that the organization is confronting which can then be used as basis for planning to handle similar problems in the future (Brinkerhoff 1983).

Anecdotal evaluation dramatizes especially good and bad practices and draws attention to them and provides impetus for change. It however suffers from lack of search rigor and is not necessarily representative of typical SP&M practices in the organization and focuses on special cases.

ii.   Periodic evaluation

It examines components of the SP&M at different times focusing attention on program operations at present or in the recent past. Rather than evaluate critical incidents (as anecdotal evaluation does), periodic evaluation examines isolated program components. For instance, the SP&M coordinator may direct attention to:

- The program mission statement
- Program objectives, policy and philosophy
- Methods of determining work requirements for key positions
- Employee performance appraisal
- Employee potential assessment
- Individual development planning
- Individual development activities.

Periodic evaluation may be conducted during regular SP&M meetings and or in SP&M committee. Its chief advantage is that it provides occasional formal monitoring of the SP&M program. That process can build involvement and thus ownership of key stakeholders while simultaneously surfacing important problems in the operation of the SP&M program (Rothwell 2010).

However, its disadvantage is that it makes the improvement of SP&M an incremental rather than a continuous effort. Further, problems may be left to fester for too long before they are targeted for investigation.

iii.   Programmatic evaluation

Programmatic evaluation examines the SP&M program comprehensively against its stated mission, objectives and activities, it is an in-depth program review and resembles the Human resource audit that may be conducted of all HR activities (Rothwell & Kazanas 1994).

Programmatic evaluation is usually carried out by a formally appointed committee or by an external consultant. The SP&M coordinator, representative of key line management areas as the CEO or members of the corporate board of directors are usually a member of that committee.

2.11 CHARACTERISTICS OF EFFECTIVE SP&M PROGRAMS

2.11.1 Top management participation and support

For SP&M to be effective, CEOs must demonstrate strong personal support, effort, commitment and leadership for it, otherwise it will receive far less attention and thus bound to fail. If the CEO is personally committed to succession planning and management, he will send a powerful message needed to make the effort successful (Rothwell 2010).

2.11.2 Needs-Driven with external benchmarking

An SP&M program must take into account the specific business needs that the programs is designed to serve but must also simultaneously take advantage of the state-of-the-art approaches that could be usefully adapted from organizations with more mature programs.

2.11.3 Focused attention

Firms must not be content to allow succession planning to occur serendipitously on its own. A systematic effort must be made, one that is focused on accelerating the development of individuals with verified advancement potential.

2.11.4 Dedicated responsibility

If a goal deserves attention, someone must be held responsible for achieving it. In most cases, either the CEO, the board or a special corporate officer is charged with high level responsibility for SP&M and that ensures that the issue is given full time attention by someone with close access to the top management team.

2.11.5 Succession planning and management extends to all levels

SP&M must not be restricted to the top rungs of the corporate ladder. It must extend to all levels and great emphasis must be placed at the lowest management levels where most positions and people exist or where business needs are greatest.

2.11.6 A systematic approach

Continuing process must be in place to focus attention on succession planning. For example, senior offices can be made to participate by forwarding completed forms to a central office which are then used to identify high potential employees. The HiPos are then taken through a developmental program that is specifically geared to them.

2.11.7 A comparison of present performance and future potential

Management succession is not a function of personal favouritism or seniority. Instead, the organization has mechanisms for comparing present job performance and future potential. It identifies individual development needs for top level talent.

2.11.8 Clarification of high level replacement needs

Organizations must make effort to determine the retirement plans for key officers, this way the organization is better able to identify developmental time spans for specific key positions.

2.11.9 Each executive has an obligation to identify and prepare a successor

Each executive must strive to identify, prepare and pick their successors, though not many executives would be receptive of the idea, holding regular accountability meetings could help ensure executive's commitment and attention to SP&M.

2.11.10 Specific developmental program is established and conducted

Employees thought to have high potential participate in a developmental program, such program may be viewed in three stages. In stage 1, there are relatively large pool of prospective high potentials and mostly comprise those with little experience in the organization. These lot are taught general management skills and a small percentage advances to stage 2 where they participate in tailor made development experiences, intensive on the job development and specialized courses and are allowed to occupy important positions. A comparatively smaller percentage from this group makes it to stage 3 where they occupy important positions while being groomed for more senior positions (Derr, Jones & Toomey 1988).

2.11.11 High potentials work while developing

Instead of taking high potentials to classrooms or enrolling them in off-the-job development, they can simultaneously produce and participate in developmental programs through action learning or learning from experience (Rothwell 2010).

2.11.12 Developmental programs establish familiarity with who, what, when, where, why and how

Some developmental programs emphasize developmental experience as key to familiarize future leaders with the corporate environment. Individual with developmental experience are more knowledgeable about the corporate culture, who does what, when they do it, where business related

activities are and how they are accomplished. In this way, the internal development program emphasizes knowledge, skills and abilities unique to the organization and essential to success in performing at higher organizational levels (Rothwell 2010).

2.11.13 Succession planning emphasizes qualities necessary to surpass movement to the next higher level job

Exemplary SP&M program emphasize more than merely preparing individuals to move from one box on the organization chart to the next higher level box. Instead, they are long term and strategic in scope geared towards emphasizing building of competencies leading to advancement beyond the next job in line with company values (Rothwell 2010).

2.11.14 Formal mentoring emphasized

There is a growing appreciation of the impact of on-the-job work environment as compared to off-the-job training, education or developmental experiences on individual development. Management writers have opined that, as much as 90% of an individual development occurs on the job. This has brought to the fore the importance of mentoring and coaching. A mentor or coach provides advice about dealing with challenges presented by the work environment including interpersonal problems (Cunningham 1991; Watson 1979).

2.11.15 Other characteristics

According to McElwain (1991) other essentials to any good plan and succession process include the following:

i.   A systematic (rather than anecdotal) way of identifying candidates,
ii. Cross divisional sharing of people and information,
iii. Leadership that rewards managers for promoting rather than holding on to their best employees),
iv. Career paths that move not just up a specialized ladder but across the company,
v.   Frequent opportunities for employees to accept new challenges,
vi. Recognition that employees have a stake in the company and share in its success.

2.12 PROBLEMS WITH VARIOUS APPROACHES TO SP&M

2.12.1 Lack of support

If top managers in a company do not support a systematic succession plan or adopt a why bother attitude, then succession planning cannot succeed. The best strategy is to try to win over one or more credible idea champions like top managers who have personally experienced the work related problems that stem from having no successor prepared to assume a critically important position when a vacancy occurs (Fraze, 1988).

2.12.2 Corporate politics

Succession planning can be affected by corporate politics. Managers may use the corporate ladder to promote friends and allies while punishing enemies regardless of talent or qualification. If not checked, corporate politics can supplant performance and potential as an advancement criterion (Fraze 1988).

To solve this problem, decision makers must demand formal ways of identifying work requirements and assessing performance and potential. They must not permit subjective judgment to prevail. Informal judgment are notoriously prone to numerous problems such as recency bias (performance or potential is assessed with a heavier-than-desirable emphasis on recent and singular success or failures), pigeon holing or stereotyping (supervisors develop stereotypes about individuals that are difficult to change), the halo or horn effect (supervisors are overly influenced in their judgment of individuals by singular events), the Pygmalion effect (supervisors see what they want to see), and discrimination (treating people differently solely as a function of sex, race, age or other factors unrelated to job performance). Left unchecked, informal judgments can also lead supervisors to pick successors exactly like themselves.

2.12.3 Quick fix attitudes

Traditional approach to succession planning can also encourage quick fix attitude. Effectiveness is sacrificed to expediency and this can lead to having ill-chosen leaders with dire consequences of prompting higher than normal turnover among their followers, creating employee morale problems and even bankrupt otherwise sound business (Gilmore 1988).

2.12.4 Low visibility

Top level managers do not always see direct benefits of SP&M. The further they are removed from daily operations and numerous direct reports the less valuable SP&M can seem to be to them (Fraze 1988). To solve this problem, succession must be made a highly visible issue and must enjoy the active support and direct participation of workers at all levels.

2.12.5 Rapid pace of organizational change

Traditional replacement planning once worked well in stable environments and organizations where vacancies could be predicted, candidates could be trained for targeted jobs, and a homogenous workforce led to easy transition and assured continuity. Organizations are however faced with a rapid pace of organizational change which has raised serious questions about the value of the traditional fill in the box organization chart approach to replacement oriented succession planning. In the era of constant change succession planning is fast becoming an impossibility (Rhodes 1988).

To solve this problem, decisions makers need to look beyond a simple technological solution such as the use of succession planning software designed to the organization's ability to keep pace with staffing needs and changes. To have an effective SP&M program in these settings, decision maker need to focus on work requirements, competencies and success factors so as to maximize the value of developmental activities, use full cycle, multi rater assessment, increase the use of job rotation to prompt management employees to become more flexible, use action learning and real time education to equip management employees with flexibility they need to cope with rapid change: establish team based management so that key work requirements develop and are spread across different individuals and move beyond a focus on filling boxes on organization chart, meeting work requirements through innovative means (Rhodes 1988).

2.12.6 Too much paper work

Traditional approach to succession planning can create resistance due to massive paperwork it generates, this is because most top managers in most organizations are overburdened by paperwork and have low tolerance for paperwork. The technological development has further added to this overload with emails, calls and so forth. Yet the traditional approach to succession planning may require substantial paperwork to: -

i.   Asses present work requirements or competencies,

ii.   Appraise current individual performance,

iii.   Assess future work requirements or competences,

iv.   Prepare replacement charts or career maps,

v.   Identify key position requiring replacement,

vi.   Establish individual development plans to help individuals narrow the gap between their present work requirements performance and future work requirements/potentials,

vii.   Follow up on individual development plans.

To help with this problem full time specialists or HR strategists can provide assistance in record keeping.

2.12.7 Too many meetings

Traditional approach to succession planning requires management employees to participate in numerous time consuming meetings such as: -

i.   Kick off meeting: intended to reinforce the importance of SP&M effort by the CEO,

ii.   Organizational, divisional, functional or other meetings: Focus on SP&M for each job category, organizational level or location,

iii.   Work requirements meeting: held to identify work requirements, competencies, success factors or some other objective criteria,

iv.   Employee performance appraisal meetings: for management employees to appraise the performance of their immediate subordinates,

v.   Career path meeting: intended for identifying predicable, desirable or historical relationship between jobs,

vi.   Career planning meetings: for management employees to meet and carry out a reality check on possible successors whose individual career gals and interests have been identified,

vii.   Potential assessment meetings: for assessing individual potentials for future,

viii.   Development meetings: held to narrow the gap between what individuals know or do presently and what they must know or do to qualify for advancement,

ix.   Training, education and developmental meetings: this meeting are center around trainings, education and development.

2.13 MODE OF INCORPORATION OF QS FIRMS AND IMPACT ON SP&M

Most Kenyan Quantity Surveying firms are run as sole proprietorships, partnerships or registered private limited companies. However, there are other emerging trends of association of Quantity Surveying consultancy firms through arrangements such as joint venture, consortium and mergers. The study will review the ownership and management structure of these forms of business and review their impact on succession planning and management in Kenyan Quantity Surveying firms.

2.13.1 Sole proprietorship

a) Ownership, formation, management and duration

This is a firm in which an individual owns all the business and it is him who operates the business. No business structure or entity separates the business assets and operations from the individual and for all practical purposes, the individual and the business are the same (Cahoone, Gibbs & DeFluri 2002).

Sole proprietorship is generally managed by its owner. Nevertheless, its typically normal for a sole proprietorship to have few employees, the owner could delegate management of the company to employees. However, the ultimate responsibility for operations and therefore liability rests with the owner (Cahoone, Gibbs & DeFluri 2002). A sole proprietorship continues until the owner either dies, stops doing business, sells it, liquidates it or converts it to a different entity or ownership structure.

b) Impact on Succession planning

Sole proprietorships do not have to maintain any documents owing to how management decisions are made. As such they provide few succession planning opportunities. Nonetheless, the business succession plan can be designed to allow qualified quantity surveyors the option to purchase the business at the terms set by the owner in advance (Swartz 2009). It is important to note that although a sole proprietor may leave the business assets at death by way of will or trust, he or she cannot leave the ongoing business itself.

2.13.2 Partnerships

Partnerships are defined under Section 3 of the partnership Act (Chapter 29 Laws of Kenya) as a unique, personal and voluntary association between two to twenty persons (who can be a natural

person, another general partnership, another limited partnership, a limited liability company, a trust, an estate, an association or a corporation) who have carry on business as co-owners for profits and have reciprocal rights and duties.

For quantity surveyors, there is a statutory limit contained in Section 45 A part 1 to 4 of the Architects and Quantity Surveyors Act cap 525 laws of Kenya which strictly controls partnerships between licensed professionals Quantity Surveyors and nonprofessionals.

Partnerships have long history with distinct body of law attached to their development from creation to termination, in Kenya, the law relating to partnership is largely contained in the Partnership Act 1981. There are three types of partnership: - General partnership, Limited Liability Partnership and Limited Partnership.

i.   General partnerships

This is an association where partners have generally not entered into a written agreement governing their relationship. A general partnership is controlled and managed equally by its partners who own equal distributive interest and management rights in the business. Each partner has the authority to obligate the partnership for matters in the normal course of the business, including signing agreements such as contracts and leases in the name of the partnership. Each partner has legal obligation to the partnership and must be loyal to the partnership in their business dealings. The law creates a fiduciary relationship among partners and between partners and the partnership.

Most general partnership agreements prohibit the transfer of a general partner's interest without the consent of all the other partners. The reason being that all general partnerships are established by people who want to do business together, and also all partners are liable for any action of any one general partner if the partner is acting within the scope of his or her authority, thus partners would want to make sure that all their partners are of their choosing. None of the current registered Quantity Surveying firms in Kenya operate as general partnership.

ii.   Limited liability partnership LLP

It is similar to a general partnership in all respects except that the partnership interest must be owned by two or more individuals in the same profession. The names of the business must include the words Limited Liability Partnership or the abbreviations LLP and the partners must file a

71

certificate of limited liability partnership with the relevant state organ. LLP statutes require that the partners make decisions by majority vote on the basis of their percentage ownership of the partnership. Like in the previous case, none of the current registered Quantity Surveying firms in Kenya operate as limited liability partnership.

iii.   Limited partnership

This is the most common partnership among registered Quantity Surveying firms and is a special type of partnership that has two classes of partners, one or more general partners and one or more limited partners that altogether hold 100% of the business interest. The general partner(s) control the operations of the partnership and has full personal liability for its debts and obligations. The limited partners are passive investors and their liability is limited to their individual capital investment in the business. Limited partnerships are governed by the Limited Partnership Act (chapter 30 of the Laws of Kenya). Typically, on the formation of limited partnership, each of the partners contribute money, property or services to the partnership in exchange for his or her general or limited partnership interest. Generally, the partnership agreement among other issues must address how management and other partnership affairs are controlled. It should specify any restrictions or rights regarding partner's transfer of his or her shares.

Partnerships and succession planning

Partnerships do not have perpetual existence and may be dissolved when certain events occur. In the absence of any provisions to the contrary, these may include:

- The conclusion of a stated term or stated objective of the partnership,
- A partner express will for dissolution, if the partnership is without a definite term or particular undertaking,
- A partner's violation of certain provisions of the partnership agreement,
- The resignation or death of a partner,
- The partnerships bankruptcy,
- The order of a court with appropriate jurisdiction.

Partnership that are not project specific must have Buy-Sell-Agreements as the basis of the business succession plan. This agreement will lay out the terms of sale between the surviving

partner(s) or named third parties and the deceased partner's heirs or estate. It can also designate what rights the heirs have in the business and participation in the management. In Quantity Surveying firms, having a systematic succession plan would help the surviving partner(s) identify a suitable Star/HiPo to incorporate as a partner, this will ensure stability for the business and minimize possible dispute between partners. In addition, the buy-sell- agreement provides a financing mechanism for the surviving partners to acquire the shares of the deceased partner. Partnerships must also have employee stock ownership plan – ESOP to facilitate the transfer of ownership or part ownership of a firm to star employees. (Swartz 2009; MorganStanley SmithBarney 2011).

2.13.3 Registered Companies

Companies are registered and regulated by the Companies Act (Cap 486 Laws of Kenya). Section 4 (i) of the Act classifies registered companies into:

i. Public company- a company formed by any seven or more persons and
ii. Private company- a company formed by any two or more persons.

A private company or a public company may be:

- Limited by shares – if the liability of its members is limited by its memorandum to the amount if any unpaid on the shares held by them or
- Limited by guarantee - if the liability of its members is limited by its memorandum to an amount which the members have undertaken to contribute to the assets of the company in the event of its being wound up. These firms do not have share capital and are normally used for the formation of charitable foundations and not-for-profit entities
- Unlimited - if it does not have any limit on the liability of its members.

It is important to note that Quantity Surveying consultancies can only operate as private companies and not public due to the management structure of these two forms.

According to section 30 (1) of the Act, a private company means a company which by its articles:

i. Restricts the right to transfer its shares.
ii. Limits the number of its members to fifty not including persons who are in employment of the company.

iii. Prohibits any invitation to the public to subscribe for any shares or debentures of the company.

iv. Restrict the right of members of transferring the shares.

Private Companies and Succession planning

A private company has perpetual succession. This means that in the event of a director's exit, incapacity or death, there exists structures that would guide the replacement/succession of directors. These structures should however follow a systematic succession planning and management program.

2.13.4 Joint venture

Legally a joint venture is a general partnership that is formed for a short time, usually to complete a particular project. It is formed by joint venture agreement which cover such topics as capital contribution, control of operations, distribution of profits and losses, management decisions, and duration of the project. A fictitious business name for the joint would have to be registered and employees working in the joint venture are employed directly by one of the firms in the joint venture. A joint venture enables business to exploit a particular business opportunity without getting tied into a long-term association. Usually, each company in the venture looks to the other company to provide a resource needed in one project. In joint venture, both businesses have a direct interest in the project (Farm Credit Canada 2015; Pakistan Engineering Council 2010).

Duration and succession planning

Since Joint ventures are formed for the execution of specific projects and end upon the completion of such projects, it is impossible to have a systematic SP&M program. Moreover, joint venture firms normally have no say in the internal affairs or operations of their partners.

2.13.5 Consortium
Formation

Consortium are a different form of collaborative working between two or more organizations in order to better fulfill their purposes, while remaining as separate organizations. They are part of a spectrum of joint working options, ranging from informal networks and alliances, through joint delivery of projects, to full merger. Different types of collaboration can last for a fixed length of

time or become a permanent arrangement. Due to the emerging global competition, especially in the construction sector and the influx of international firms particularly in Kenya, the need for firms to collaborate and work with a defined structure and governance arrangements has become increasingly important. Forming consortiums increases firms' capacity and give them an edge when tendering for international and big projects (The National Federation of Community Organization 2010; Pakistan Engineering Council 2010).

Consortium fall into three main categories:

i. A 'lead partner' consortium

In this model, organizations could come together to form a consortium and nominate a 'lead organization' which the others agree to work through. The consortium is led by a joint steering committee comprising members of each organization. The consortium has no separate legal status. A consortium agreement would be put in place among members of the consortium, which would set out their legal rights and obligations. All partners would be allocated areas of work based on specialism and capacity (The National Federation of Community Organization 2010).

ii. Supply chain consortia

This arrangement Similar to the one above, but the lead organization does not deliver a service, rather, it manages the supply chain. That is, the consortia are managed through the lead organization establishing links with relevant delivery bodies pertinent to the service or project being delivered, either prior to or following the award of the tender.

iii. A new legal body is established to manage a contract

Contrary to the first two, organizations may choose to form a consortium, which would be formally constituted as an independent legal entity with representatives from each partner playing a part in the new entity. Under this form of consortium, a new company would be set up and an operating model would have to be agreed (The National Federation of Community Organization 2010).

Duration of consortiums and succession planning

As elaborated under the three different forms of consortia, the duration can be fixed for just delivering on a specific project or the arrangement can be on a permanent basis. It would be pointless to have succession plans for the short-term engagements, rather, the most suitable would be to have a replacement plans. On the other hand, for the long-term engagements, a systematic SP&M is important because such consortiums have long life and the smooth continuity of operations must not be overlooked. Individual organizations could have their own internal SP&M programs which should be integrated and harmonized. Forming committee where every entity is represented would be the best approach so that there is inclusivity.

2.14 SUCCESSION PLANNING IN OTHER JURISDICTIONS

A journal article by Heaton (2016) focusing on succession planning in architectural firms in Australia documented the experiences of commercial law firms on matters succession planning in architectural firms. The paper reported that Architectural firms which have a closer association with quantity surveying firms in terms of their operations and management had greater challenges in developing and transitioning into new leadership. They lacked succession plans or where they existed, it was very ad-hoc. Founders and principals struggled with several legal and transactional issues related to succession.

With regards to finances, business valuation especially the worth of the business goodwill, how new owners would pay for the business and source of working capital were major concern because the new owners likely to be in their 30s were mostly tied up with other financial commitments like mortgage and so forth. The degree of financial information principals were willing to divulge and level of exposure mattered when it came to commercial aspects of running and building the practice because firms were not solely driven by profit making motives.

Leadership perspectives and philosophies also affected succession planning as it was hard for founders to progressively cede control by delegating levels of responsibilities and client 'ownership' to less experienced individuals. Too much reluctance by principals to delegate responsibility and authority and the financial rewards that comes with them led to frustrations and exit by suited new managers.

When looking for those to take over, there was a problem of tendency to choose excellent performers who might not have been necessarily suitable to direct the business from a business perspective. This ignored the conventional wisdom that many a times those suited to take over possess some other characteristics such as accountability, responsibility desire to grow and develop, innovative ability, ability to develop strong client relationships and understanding of the commercial and financial issues attendant with running a practice. Balancing diversity in the leadership in terms of age, gender, culture and work life balance also mattered to firms. Finally, firms grappled with the timing of succession planning, some did not know the ideal time to set up succession planning program after firm's inception, consequently founders went into their fifties without thinking of who would take the practice forward and what will happen to the practice after they leave.

The Australian experience with architectural firms gives impetus to the study to find out the succession situation in Kenyan Quantity Surveying practices. This is so because the architectural and quantity surveying practices in Kenya are governed by the same regulations and body as set out in the Architects and Quantity Surveyors Act cap 525 laws of Kenya.

2.15 SUMMARY

This chapter has defined and introduced the topic of study – systematic succession planning and management. The chapter has presented the driving needs, benefits and importance of SP&M globally. The approaches to succession planning have been looked at and the major models presented with suggested for adoption of the Seven-Pointed Star model. The process of laying the foundation for a succession planning and management program have also been discussed. The chapter also presents the teething problems that have been noted to bedevil succession planning and analyzes the ownership structures of quantity surveying firms and their possible impact on succession planning and management. Finally, the chapter concludes by reporting on the Australian succession planning experience and uses it as a trigger to study the occurrence of succession in Kenyan QS firms.

CHAPTER THREE – RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter describes the research design. First, the general qualitative design is described followed by an explanation of grounded theory and the rationale for both. The data collection procedure (sampling of informants) and the methods of data collection are also delineated. Finally, the limitation and assumptions of the study are reported.

3.2 RESEARCH DESIGN

Restatement of objectives of study

Clarification of the research objective is important because the research objectives inform decisions about design, measurements, analysis and reporting (Patton, 2002). The objectives of this research are to establish the succession planning and management practices of Quantity Surveying firms in Kenya. In addition, the study also seeks to investigate the benefits and challenges facing firms in adopting and implementing systematic Succession Planning and Management programs. These issues are addressed through qualitative research process.

3.2.1 Research Method – Qualitative Research

3.2.1.1 Definition

Qualitative research has been defined by Denzin and Lincoln (2000) as a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a series of representations including field notes, interviews, conversations, photographs, recording and memos to the self. At this level, qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative research study things in their natural setting, attempting to make sense of, or interpret a phenomenon in terms of the meaning people bring to them.

Creswell (2013) builds on some of the elements in the definition by Denzin and Lincoln (2000) but with emphasis on the design of research and use of distinct approaches to inquiry. His definition is that qualitative research begins with assumptions and the use of interpretive/theoretical frameworks that inform the study of research problem addressing the meaning individuals or groups ascribe to a social or human problem. To study this problem,

qualitative researchers use an emerging qualitative approach to inquiry, the collection of data in a natural setting sensitive to the people and places under study and data analysis that is both inductive and deductive and establishes patterns or themes. The final written report or presentation includes the voices of participants, the reflexivity of the researcher, a complex description and interpretation of the problem, and its contribution to the literature or a call for change.

Boeije (2010) contends that the purpose of qualitative research is to describe and understand social phenomena in terms of the meaning people bring to them. The research questions are studied through flexible methods enabling contact with the people involved to an extent that is necessary to grasp what is going on in the field. The methods produce rich, descriptive data that need to be interpreted through the identification and coding of themes and categories leading to findings that can contribute to theoretical knowledge and practical use.

3.2.1.2 The qualitative research process

Qualitative data analysis is considered an ongoing process occurring over the life cycle of a research project as depicted in the Figure 3.2-1 below:

Figure 3.2-1: Overview of Qualitative Research Process
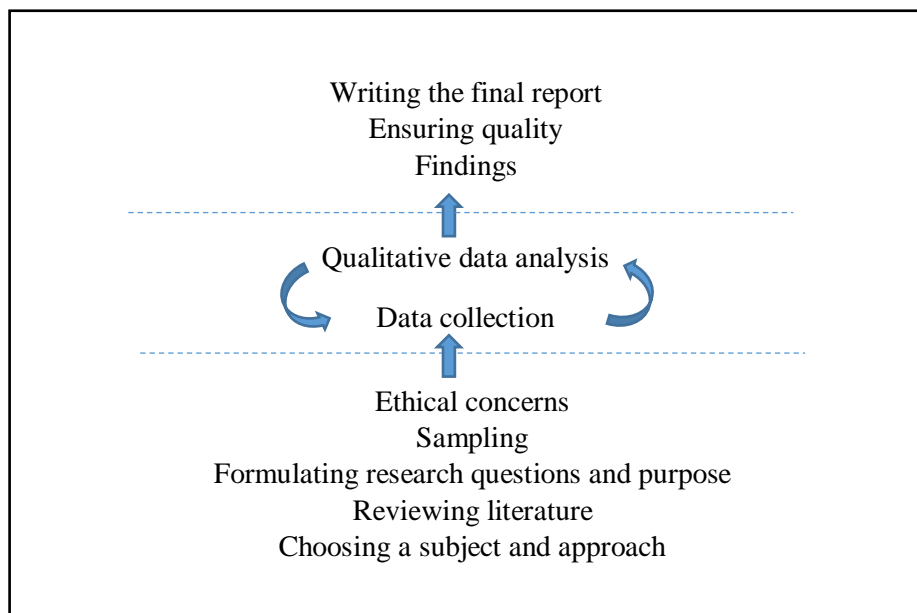
Source: Boeije (2010).

3.2.1.3 Characteristics of qualitative design

Creswell (2013) borrowing from several authors arrived at the following characteristics of qualitative research:

i.   Participants' meanings. In the entire qualitative research process, the researchers keep a focus on learning the meaning that the participants hold about the problem or issue, not the meaning that the researchers bring to the research or writers from the literature. The participant meanings further suggest multiple perspectives on a topic and diverse views. This is why a theme developed in a qualitative report should reflect multiple perspectives of the participants in the study.

ii. Emergent design. The research process for qualitative researchers is emergent. This means that the initial plan for research cannot be tightly prescribed, and that all phases of the process may change or shift after the researcher enters the field and begin to collect data. For example, the questions may change, the forms of data collection may be altered, and the individuals studied and the sites visited may be modified during the process of conducting the study. The key idea behind qualitative research is to learn about the problem or issue from participants and engage in the best practices to obtain that information.

iii. Complex reasoning through inductive and deductive logic. Qualitative researchers build their patterns, categories, and themes from the bottom-up by organizing the data inductively into increasingly more abstract units of information. This inductive process involves researchers working back and forth between the themes and the database until they establish a comprehensive set of themes. It may also involve collaborating with the participants interactively, so that they have a chance to shape the themes or abstractions that emerge from the process. Researchers also use deductive thinking in that they build themes that are constantly being checked against the data. The inductive-deductive logic process means that the qualitative researcher uses complex reasoning skills throughout the process of research.

iv. Reflexivity. Researchers position themselves in a qualitative research study. This means that researchers convey their background - for instance work experiences, cultural experiences and history-, how it informs their interpretation of the information in a study, and what they have to gain from the study. This argument is supported by Wolcott (2009) when he posits that readers of a qualitative research want to know what prompts

researchers' interest in the topics they investigate, to whom they are reporting, and what they personally stand to gain from their study.

v. Holistic account. Qualitative researchers try to develop a complex picture of the problem or issue under study. This involves reporting multiple perspectives, identifying the many factors involved in a situation, and generally sketching the larger picture that emerges. Researchers are bound not by tight cause-and-effect relationships among factors, but rather by identifying the complex interactions of factors in any situation.

vi. Researcher as key instrument. The qualitative researcher must commit to extensive time in data collection, must engage in sorting out and coding large texts to few themes and have to write long passages as evidence to substantiate claims and also due to the need to show multiple perspectives.

3.2.1.4 Advantages of Using Qualitative Research

An outstanding advantage of qualitative research is that it provides a means of attempting to understand a world that cannot be understood in terms of numbers and objectivity   Quantitative measures and the statistical analysis at times do not fit the problem, interactions among people for instance are difficult to capture with existing measures. These measures may not be sensitive to issues such as gender differences, race, economic status and individual differences. To level all individuals to a statistical mean overlooks the uniqueness of individuals in a study (Creswell 2013). Qualitative design also gives a detailed understanding of a complex issue which is established by talking directly with people, going to their homes or places of work and allowing them to tell their stories unencumbered by what we expect to find out or what we have read in the literature (Creswell 2013). This is important because it helps us understand the context or settings in which participants in a study address a problem or issue. In this study, qualitative research therefore appears to be the best route to take because it provides an understanding that takes into account the fact that every owner of a Quantity Surveying firm is an individual with a unique perspective on the world, different reactions to occurrences, and different opinions on how the world should be (Creswell 2013). Quantitative research would have hardly, if ever, taken any of these variables into account.

3.2.1.5 Disadvantages of qualitative research

Notable disadvantage of qualitative research stem from the fact that if a researcher is only working with one person, or even a small focus group, the results are likely to be only valid for that particular person or focus group and one cannot necessarily make a generalization from the results in the way that one could with the results of a quantitative research study (Boeije 2010).

Peck and Secker (1999) listed the following as additional disadvantages of qualitative research:

i. The fact that current techniques of data collection typically involve semi-structured interviews that can place considerable demands on participants' time, making it difficult to recruit managers and others for whom time is often at a premium.

ii. Because qualitative research focuses on depth, a researcher must spend a significant amount of time with the research, which often causes a rise in the cost of the research.

iii. Qualitative research is a time-consuming exercise, not only in relation to the data collection process, but also because the process of analysis involves continual movement between the data and emerging themes to adapt and verify the analytical framework being developed.

iv. The conclusions of qualitative research typically are disseminated through academic publications and papers, which people, not familiar with the academic repertoire, can find difficult to follow.

3.2.1.6 Rationale for qualitative Design

Qualitative research was adopted for this study largely because it is well suited for the exploration of unchartered areas of inquiry such as succession planning and management (Boeije 2010). Qualitative research has also been touted to give a better understanding of a qualitative phenomenon such as human behavior (Guba 1981; Kothari 2011). Further, Kim (2006) contends that most SP&M studies have adopted qualitative approach.

The following reasons informed the use of qualitative inquiry:

i. The nature of research question: In a qualitative study, the research questions often start with how or what. In this study, the first question seeks to establish how succession planning occurs in Kenyan Quantity Surveying firms, the second and third questions pose what the benefits and challenges of succession planning are respectively.

ii.   Need to present a detailed view of the topic: this is the case in which distant panoramic view is not enough to present answers to the problem. The research reports firsthand account of succession practices, the driving force behind systematic succession planning programs, benefits and challenges firms enjoy or suffer as result of having or not having systematic succession planning and management program. Such details would normally not easily discernible from mere observation.

iii.   Need to explore topics: This is a situation in which variables cannot be easily identified and theories are not available to explain behavior of participants or population of the study. Succession is not a topic most people tackle systematically; this study will therefore explore the attitudes and commitment of top management towards succession.

iv.   Need to study individuals in their natural settings: When individuals are removed from their natural settings, most study findings would be out of context. This research met the practitioners and candidates of succession planning in their places of work where succession actually occurs.

3.2.1.7   Grounded theory approach of qualitative research

Conducting a good qualitative study requires the researcher to use a recognized approach which enhances the rigour and sophistication of the research design. The use of a recognized approach further provides some means of evaluating the qualitative study. This study employed the use of grounded theory approach to qualitative research.

Corbin and Strauss (2007) advanced that the use of grounded theory helps a researcher move beyond descriptions of individual stories and common experiences for a number of individuals within a group, to generate or discover a theory which is a unified theoretical explanation for a process or action which for purpose of this study is the occurrence and process of succession in Kenyan Quantity Surveying firms. Participants in the study would have all experienced the process and the development of the theory might help explain the practice or provide framework for further research. A key idea is that this theory developed does not come off the shelf but rather is generated or grounded in data from participants who have experienced the process. Grounded theory therefore is a qualitative research design in which the inquirer generates a general explanation (a theory) of a process, an action or interaction shaped by the views of a large number of participants (Creswell 2013).

Defining features of grounded theory

According to Creswell (2013), there are several major characteristics of grounded theory that might be incorporated into a research study. These include: -

i. The researcher focuses in a process or action that has distinct steps or phases that occur over time. Thus, a grounded theory study has movement or some action that the researcher is attempting to explain.

ii. The researcher also seeks, in the end to develop a theory (explanation or understanding) of this process or action.

iii. Memoing becomes part of developing the theory as the researcher writes down ideas as data are collected and analyzed. In these memos, the ideas attempt to formulate the process that is being seen by the researcher and to sketch out the flow of this process.

iv. Data analysis can be structured and follow the pattern of developing open categories, selecting one category to be the focus of the theory, and then detailing additional categories (axial coding) to form a theoretical model. The intersection of the categories becomes the theory (called selective coding). This theory can be presented as a diagram, as proposition (or hypothesis) or as a discussion. Data analysis can be less structured and based on developing a theory by piecing together implicit meaning about category (Charmaz 2006).

v. The primary form of data collection is often interviewing in which the researcher is constantly comparing data gleaned from participants with ideas about emerging theory. The process involves going back and forth between the participants, gathering new interviews and then returning to the evolving theory to fill the gaps and to elaborate on how it works.

Rational for conducting a grounded theory research

Succession Planning and Management in Kenyan QS firms is relatively undocumented. Of major interest to this study therefore is establishing how succession occurs in Kenyan QS firms. To understand this phenomenon, the study adopted grounded theory which is a good design to use when a theory is not available to explain or understand a process. The literature review presented in chapter two of the study has models and approaches to SP&M but these were developed and

tested on samples and populations other than those of interest to the qualitative researcher (Creswell 2013).

3.3   POPULATION

The researcher must determine what type of information is needed and who is most likely to have it (Boeije 2010). According to Nachmias & Nachmias (1996):

> The population is the aggregate of all cases that conform to some designated set of specifications. It consists of the entire set of relevant units of analysis and it does not matter if the population is broad or narrow, only that it includes every individual that fits the description of the group being studied.

This research studies SP&M in Kenyan Quantity Surveying firms. The register of Quantity Surveying firms as documented by the Board of Registration of Architects and Quantity Surveyors (BORAQS, 2015) formed the population from which the sample was drawn. The number of registered Quantity Surveying firms is 218. However, 10 firms out of these have double registration having changed their ownership structures over time. This leaves 208 registered firms. Of the 208 one firm confirmed to have left the practice and so the effective number of registered firms is 207. 181 firms were contacted but only the ownership structures of 141 firms could be positively identified as the rest either declined to divulge or were unreachable on phone and emails. The identification of ownership structures of the firms was necessary as it enabled stratification of these firms for purposes of sampling as discussed later on in this chapter. Essentially the population N is **141** but it is impractical to study everyone in the population because of resource constraints and therefore only representative sample was chosen from the population.

3.4   SAMPLING

Sampling is the process of selecting a sub-group to represent the population from which inferences are drawn about the entire population. Ideally, the sample should be representative and allow the researcher to make accurate estimates of the thoughts and behavior of the larger population (Boeije 2010).

3.4.1   Sample size

The size question is important because it influences the sampling strategy and data collection process. In qualitative research a general guideline for sample size is not only to study a few sites

or individuals but to also to collect extensive detail about each site or individual studied (Creswell 2013). Patton (1990) says that the intent in qualitative research is not to generalize information, but to elucidate the particular, and the specific as such, there are no rules for sample size in qualitative inquiry. Sample size depends on what you want to know, the purpose of the inquiry, what's at stake, what will be useful, what will have credibility, and what can be done with available time and resources. However, some researchers such as Creswell, (2013) and Charmaz (2006) have recommended the use of 20 to 30 individuals (though the number maybe larger) in order to develop a well saturated theory in grounded theory. In deciding the sample size, the researcher adopted a sample size *n* of 30.

3.4.2 Choosing the sample

    i.   Stratification of the population

The population as extracted from BORAQS records was divided into mutually three exclusive groups based on forms of ownership of the firms (sole proprietorship, partnership and private limited companies). Stratification of the population was important because the population from which the sample was drawn does not constitute a homogenous group and therefore the method was used to obtain a representative sample. Stratification involved dividing the population into several sub-population (strata) that were individually more homogenous than the total population and then items from each stratum were selected to constitute a sample (Kothari 2011). Since each stratum was more homogenous than the total population, the researcher was able to get more precise estimates for each stratum and by estimating more accurately each of the components parts, got a better estimate of the whole.

    ii.   Selection of items from each stratum

For the selection of items for the sample from each stratum, simple random sampling was used. This gave each individual from the population an equal probability of being selected (Creswell, 2003).

    iii.   Allocation of sample size from each stratum

Proportional allocation under which the sizes of the samples from the different strata are kept proportional to the size of the strata was adopted in the study. That is if P_i represents the proportion

of population included in stratum i and n represents the total sample size, the number of elements selected from stratum i is $n.P_i$

The number of registered firms (population) as derived from BORAQS is $N = 141$. The population is made up of three strata (Sole proprietorships, Partnerships and Private Limited Companies) as per details below: -

    i.   Sole proprietorship $= N_1 = 15$

    ii.   Partnerships $= N_2 = 43$

    iii.   Private limited companies $= N_3 = 83$

Adopting proportional allocation, we shall get sample sizes as under for the different strata:

For strata with $N_1 = 15$,

       we have $P_1 = 15/141$

       and hence $n_1 = n.P_1 = 30(15/114)$

       $= 3$

Similarly, for strata with $N_2 = 43$,

       we have $n_2 = n.P_2 = 30(43/141)$

       $= 9$

For strata with $N_3 = 83$

       we have $n_3 = n.P_3 = 30(83/141)$

       $= 18$

Thus, using proportional allocation, the sample sizes for the different strata are: 3, 9 and 18 respectively which is in proportion to the sizes of the strata viz: - 15: 43:83

In each of the firms sampled in all the different strata, only one respondent per firm was contacted.

3.5   METHODS AND TOOLS OF DATA COLLECTION

Kothari (2011) contends that data collection begins after a research problem has been defined and research design chalked out. There are two major approaches to information gathering and subsequent data categorization about a situation; information gathered from second-hand sources yields secondary data while data collected first-hand gives primary data. Primary data is collected afresh and for the first time and as such is original in character (Kothari 2011; Yin 2003). Questionnaires have been used extensively as the source of primary data after interviews proved a challenge from the pilot study. The data from secondary sources such as books, journals and other

researchers have only been used to contextualize the research problem, study findings and for reviewing literature on the subject.

Collection of primary data

3.5.1.1   Questionnaire Method

As an inductive research design, grounded theory includes the use of documents, observation, and interview (Corbin and Strauss 1990). For this study, interview was planned to be the major source of data but was shelved for questionnaires after pilot tests gave frustrating results on approachability of subjects and their gate keepers/secretaries, scheduling and honouring interviews. A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms and sent to the persons concerned with a request to answer. The respondents are expected to read and understand the questions and write down response in the spaces provided (Kothari 2011).

The questionnaires were addressed to partners, directors/CEOs of Quantity Surveying firms and human resources executives or persons responsible for SP&M programs and in some cases the senior employees who are candidates of such programs. The delivery was by courier and email so candidates had either option of response, this was to maximize the benefits of both traditional mail survey and email.

Rationale for using questionnaire in the study:

The use of questionnaires facilitated the potential of collecting information from large portion of the executives group who scheduling interview meetings with proved a big challenge in the pilot study. Most importantly though was the usefulness of questionnaire as a tool in organizational research as Kraut (1996) contends that questionnaire have been extensively used in organizational research because of their strength in assessing organizational concerns, observing trends and evaluating progress. Baruch and Holtom (2008) also reinforces this argument by agreeing that questionnaires can provide insights into individual perceptions and attitudes as well as organizational policies and practices.

Further, the use of questionnaires is reinforced by the fact that other researchers on SP&M also adopted questionnaires as a major tool of data collection, for instance, Rothwell (2010) used

88

questionnaires to investigate the characteristics of effective succession planning and management programs and the importance of succession planning among the billion dollar companies in America seen as the trendsetters in their respective industries.

The questions sought to establish existence of systematic succession planning and management programs In Quantity Surveying firms by asking questions on trends in succession (whether they were planned or accidental), the making of successor decisions, current HiPos development programs and the characteristics of SP&M programs. The motivation to having succession plans, objectives and benefits of SP&M were also interrogated. Finally, the challenges facing adoption and implementation of systematic SP&M programs were also asked.

The questionnaires were largely open ended to aid an in-depth exploration of an aspect of life (succession planning and management) in terms of the approach, patterns, preference, attitude, experience, perceptions and the meaning firms and participants brought to succession planning and management. Open ended questions were also used as triggers to discussion of difficult topics. Few specific questions were however standardized to provide a fruitful and easy method to explore research issues. The standardized survey also provided a platform where the responses and information are gathered in a standardized way because there was a shared understanding of questions and response options.

Design of questionnaire

This study borrowed from protocols suggested by Creswell (1998) which comprise open ended questions and ample space between the questions to write responses and comments. Corbin and Strauss (1990) explained four types of questions; sensitizing, theoretical, structural and guiding questions. Sensitizing questions tune the researcher into what the data might be indicating for example, "What are the qualities you consider before assigning more responsibilities to an individual/successor?" Who are responsible for successor decisions?" Theoretical questions help the researcher see the process, variation and the like and to make connections among concepts, for instance, "What would happen to the practice if a highly valued employee or partner suddenly left?" Structural questions are more practical and provide direction for sampling and help with development of the structure of the evolving theory, for example, "Do you have a systematic

SP&M program in this firm?" Guiding questions were not used in this study. A total of 24 questions were created under 13 parent questions (see appendix 1- Questionnaire).

To collect data on research question i: "Is current succession planning by design or accident in Quantity Surveying firms?" respondents were asked the following questions:

i. How SP&M is carried out in their firms with options to mark 'Yes' or 'No' by describing the characteristics of systematic succession planning and management program.
ii. Their opinion on how well their organization was presently conducting SP&M and brief explanation on why they felt so.
iii. Their thoughts about approaching succession planning and management in their organization in a planned manner?
iv. How decisions about successors for positions in their organization were made?

To collect data on research question ii: "What are the benefits of having succession plans in Quantity Surveying firms?" respondents were asked the following questions:

i. Has succession planning become more important to your organization over the past few years? If yes, briefly tell why; if no briefly tell why not.
ii. How has your firm benefited/expected to benefit by virtue of having a systematic succession planning and management program?
iii. What crises, if any have occurred in replacing high-potential individuals or filling key positions in recent years? Describe the situation and how the organization coped with them. Then describe what happened (the outcome of those strategies).

To answer research question iii, "What are the challenges of implementing succession plans?" respondents were asked the following question:

i. What are the chief difficulties that your organization has experienced with a succession planning program? Respondents were given options to choose from and room to weigh in and share their experience.

Other general questions such as age of firm, origin of firm and the generation of managers, composition of the top management of firms, level of entry and turnover were asked to help contextualize the characteristics of the respondents.

90

3.6   ASSUMPTIONS

Creswell (2013) reckoned that in any research, the need for the research and the research questions are both influenced by past experiences, value, and beliefs. In this study, the researcher's bias was rooted in his experience as a quantity surveyor and current candidate for succession planning program in a Kenyan Quantity Surveying firm and lastly as student in human resource practices. This study also operated under the assumption that the directors of Quantity Surveying firms are directly involved in SP&M in their firms, they therefore formed a core target for the questionnaires. But to get a wholesome view, the candidate of succession (senior employees) were also reached to help corroborate or provide insights into the process of succession planning, after all, they were the ones directly affected by the Succession Planning and Management Programs or lack thereof. Further, before the questionnaire, the terms Succession Planning and Management were explained and clarified to respondents so that the research topic was clearly understood. The study therefore assumes that no misunderstanding occurred on the meaning of the topic or intention of the study.

3.7   SUMMARY

This chapter has presented the research methodology – qualitative design using grounded theory approach and justification for its adoption in the study. The population and sapling procedure has also been demonstrated. A sample size of 30 was used with proportional allocation to the different sub-groups in QS firms, based on mode of incorporation. The chapter has also explained the data collection tool – questionnaires and the design of most questions in relation to the study objectives.

CHAPTER FOUR - DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

This study aims at establishing; the Succession Planning and Management practices of Quantity Surveying firms in Kenya, the benefits of systematic succession planning and management programs and the challenges facing firms in adopting and implementing systematic succession planning and management programs. The data collected was thus aimed at investigating how succession occurred in QS firms, the benefits and challenges facing succession planning. In addition, emerging theories and concerns were explored. Accordingly, this chapter contains a presentation, discussion and analysis of the results drawn from the survey data. The analysis reveals four themes. Three main themes with emergent sub themes – how succession occurs in QS firms, benefits of systematic SP&M programs and challenges facing the adoption and implementation of SP&M programs. The fourth theme is on general emerging issues.

4.2 SURVEY RESPONSE RATE

The response rate to questionnaires depends on the willingness of the people to respond to the questionnaires. Studies using questionnaires such as this expect a higher response rate that leads to larger data samples and statistical power as well as smaller confidence intervals around sample statistics. Further, higher response rates tend towards findings that have greater credibility among key stakeholders. However, even if the questionnaires are administered to the target population and incentives such as reminders used, a response rate of 100% is rarely achieved (Rogelberg & Stanton 2007). This fact has been further acknowledged by Baruch (1999) who reported that the average response rate for questionnaires used, as the basis for published academic studies is significantly less than 100 percent and even more troubling, from 1975 to 1995 declined from 64.4 percent to 48.4 percent. A study by Baruch and Holtom in 2008 aimed at assessing the long-term trends in response rates to surveys used in management and behavioral science research found out that whereas Baruch (1999) pointed out to a clear trend of decline in response rate through the years, response rate for behavioral science had stabilized at an average aggregate of 50 percent by 2008. Other scholars such as Cook et al. (2000) have argued that the response representativeness is more important than response rate in survey research but only if it bears on representativeness of the population being studied. The response rate in this study is presented in table 4.2-1 on the next page.

Table 4.2-1: Survey response Rate

Strata	Number of issued Questionnaire	Number of Returned Questionnaire	Usable Questionnaire	Return rate per strata
Sole Proprietorship	3	0	0	0%
Partnerships	9	9	7	78%
Companies	18	18	18	100%
Total	**30**	**27**	**25**	**83%**

Source: Field Survey, 2016

The response rate of 83percent surpasses the 50 percent response rate established by Baruch and Holtom (2008) and is thus considered adequate to test the hypothesis. The lack of response from the sole proprietorship is likely that; the directors (sole proprietors) were too busy, it was company policy not to complete questionnaires or 'succession' was a dreaded word hence the reluctance to talk about it. Two questionnaires out of the 27 received were rejected due to inconsistencies in the information provided.

4.3   GENERAL INFORMATION

The purpose of this section was to collect general information and demographic data from the respondents. Additionally, the section was intended to set the context for the questions in the subsequent sections. The survey for this study was conducted with 30 different firms over four months' period from February to May 2016.

4.3.1   Age of firms

32 percent of the respondent firms had been in practice for over 31 years. Generally, the firms with more than 11 years of practice were over 72 percent. This group is considered likely to have experienced succession or the need for a succession plan more than the rest of the segment who have been in practice for not more than 10 years. The data on the figure 4.3-1 summarizes the spread in terms of age of the respondent firms.

Figure 4.3-1: Age spread of respondent firms
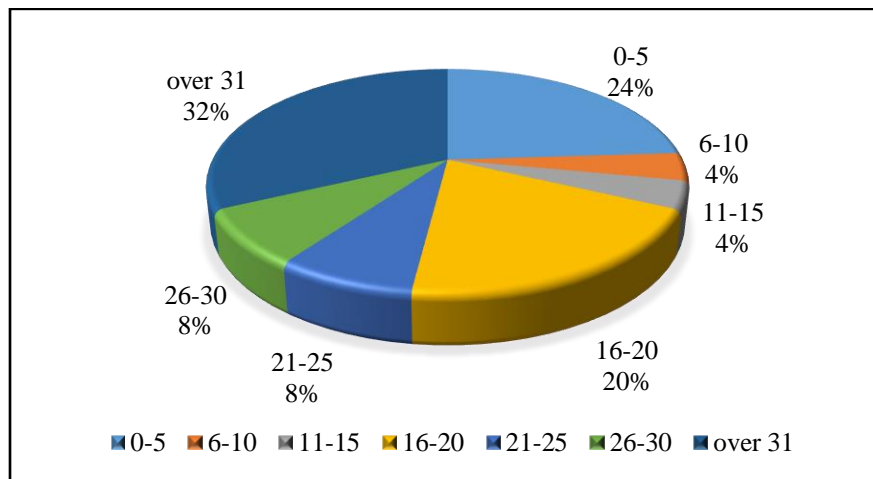
Source: Field Survey, 2016

4.3.2 Origin of the firm and generation of managers

Of the firms surveyed, four (16 percent) were inherited from non-indigenous managers, all British citizens and the firms had been in practice for over 31 years. These firms had experienced successions over time since three of them were on the third-generation managers while the fourth was on its second-generation managers.

Only one indigenous firm had third generation managers and it has also been in practice for more than 31 years. All the other firms were indigenous and were all run by the first-generation managers including those that were in the 21-25 and 26-30 years of operation bracket. The tendency not to co-opt next generations by the generation one managers in indigenous firms denotes the culture of unwillingness to retire and assertion of absolute control in their practices perhaps with the belief that only they know what is best for the firms.

4.3.3 Level of entry, years of practice and its implication on career progression

The firms were divided into three major subgroups, startups (10 years and below), established practices 11-20 years and seasoned practices 21 years and above for ease of analysis.

a) Startups (10years and below)

The firms under this category had all respondents come into the firms as directors, partners and associate partners. None came in at a lower level of management. Due to the relatively less years

94

of practice, most of the respondents could not relate their years of service to the firms as being the reason for their current positions in the firms but rather their shareholding.

b) Established practices 11-20 years

73 percent of the respondents joined the firms as graduate quantity surveyors and all of them though have diverse years of practice post registration with BORAQS had done at least five years with their current firms and most of them had advanced to senior quantity surveyors which placed them two tiers from assuming top management. Majority of them believed that their years of service to the firms influenced their career progression to current position. Some of them however felt that it was more of their experience than years of service that charted their path to their current positions. The remaining 27 percent of the respondents were founders of the practice and came in through shareholding. By virtue of their years of service, they had now all attained the title of Managing Directors. The responses from this group on whether they would use the same criteria in deciding which employee to develop and advance was equally split in five categories as follows;

i. Those who though attained their current position through shares, would not use the share buying capacity of an employee in deciding whether to develop and advance them while a similar percentage would use that as a basis.

ii. Those who were not sure if they would use years of service as criteria for deciding which employee to advance and develop even though this was the criteria used in their case.

iii. Those who were affirmative that they would use the same criteria (years of service to the firm) in deciding which employee to develop and advance to administrative and management roles.

iv. The rest who believed it was their experience rather than the years of service to the firm that advanced them and reported they would use the same criteria in deciding who to develop and advance.

The split in this group in the criteria to use in deciding employee development and advancement typifies the lack of standard norms in the realm of succession planning and management. It shows that succession planning and management is not approached from a common objective yet the firms all operate in the same industry facing same opportunities and threats. This situation is however not unique to the Kenyan QS firms as Derr, Jones & Toomey (1988) concurred that

organizations do not share identical requirements for SP&M programs. This is because differences exist due to organizations industry, size, and stage of maturity, management values, internally available experts, cost, time and other considerations all of which affect the appropriate design for SP&M.

c) Seasoned practices 21 years and above

Table 4.3-1 below shows the level of entry of current directors of firms which have been in operation for over 21 years.

Table 4.3-1: Years of service and its influence on succession/career progression

Case	Age of Firm	Level of entry	Years with firm	Did Number of years with firm determine current position	Would you use years of service as criteria on others
Firm 1	26-30	Grad. Qs	5	Yes	Yes
Firm 2	26-30	Grad. Qs	2	No	No
Firm 8	over 31	Regd. Qs	2	Yes	Yes
Firm 9	over 32	Regd. Qs	6	No	Yes
Firm 14	over 33	Sen. Qs	4	No	Yes
Firm 15	over 34	Trainee Qs	48	Yes	Yes
Firm 16	21-25	Grad. Qs	4	No	Yes
Firm 17	21-25	Grad. Qs	3	No	No
Firm 18	over 31	Grad. Qs	Over 30	Yes	Yes
Firm 23	over 32	Founder	Over 30	Yes	Yes
Firm 24	over 31	Grad. Qs	12	Yes, and No	Yes
Firm 25	over 32	Grad. Qs	5	No	Yes

Source: Field Survey, 2016

In Firm 15, one of the directors had joined as a trainee quantity surveyor. This case was of particular interest to the study because it shows that one can rise from the lowest level of entry as an intern to the top management of a firm.

58 percent of the respondents joined as graduate quantity surveyors, 17 percent joined as quantity surveyors, 8 percent joined as senior quantity surveyor and a similar percentage were the founders

of their practice. The trend indicates that most directors joined the practices fresh from college and have risen over time to their current positions. This suggests that one is likely to advance to senior management if he or she is able to adapt well to the firm he or she joins after college and sticks around.

42 percent of the respondents were positive that the number of years of service to the firms had influenced their career advancement to the top echelons of the firms. However, there were no magic years of service considered adequate before advancement/career progression as firms 1 and 8 only had five and two years with the firms respectively. 50 percent of the respondents recognized time as being vital in gaining experience but believed that their technical ability, commitment and their value to the firm were the reasons for their advancement. These results indicate that although technical ability/value and commitment are important, employee performance may improve with experience demonstrated over years of service as individuals advance along a learning curve in which they master organization specific and job specific knowledge.

83 percent of the respondents reported that they would use the same scale of measure (years of service to the firm) to determine which employee to develop and advance. This clearly shows the difference in approach to succession planning and management among the seasoned practitioners and the latter group of 11-20years. The unanimity in using years of service as an approach to SP&M further emphasizes the need to have systematic approach to succession planning and management programs in firms so that all firms have a uniform approach to SP&M with minimal unique tweaks to suit each firm's needs. This would remove biases in SP&M programs and lead to improved performance by adoption of better and more effective methods of SP&M practices.

4.3.4   Turnover

From the table 4.3-2 on the next page, it is deducible that the highest employee turnover is in the categories of Registered Quantity Surveyors and graduate Quantity Surveyors. The modal years of service for the graduate Quantity Surveyor was two years. Those who held the title of quantity surveyors were likely to stay in the firm for between one-three years. Senior Quantity Surveyors were likely to stay for five years before moving on to other engagements outside the firms.

Table 4.3-2: Turnover among different cadres of employees

Case	Graduate QS	Registered QS	Senior QS	Associate QS	Associate Partner	Partner
Firm 1	2	2	2	2	-	-
Firm 2	-	1	-	-	-	-
Firm 4	1	1	-	-	-	-
Firm 7	-	3	5	-	-	-
Firm 8	1	3	5	-	-	-
Firm 10	2	3	-	-	-	-
Firm 12	4	3	3	-	-	-
Firm 14	3	1	-	-	-	-
Firm 15	2-4	5-9	5-9	10-19	-	Over 20
Firm 16	2	1	-	-	< 1	-
Firm 17	3	1	-	-	-	-
Firm 18	2	4	5	5-10	15	Over 30
Firm 20	None	None	None	None	None	None
Firm 22	1	2	2	2	2	2
Firm 23	Low	Low	Low	None	None	None
Firm 24	2	5	-	-	-	-
Firm 25	0-3	3	-	-	-	-

- *Turnover is given by number of years of service*

Source: Field Survey, 2016

Both Associate Quantity Surveyors and associate partners were less likely to leave their firms, however, those who left did so early or after more than 10 years of service in those positions. Their behavior indicates that after incorporation into senior positions, issues of non-compatibility arose and they had to exit under two years. Those who weathered the early stages stayed for longer but eventually left due to lack of advancement. Partners did not leave but when they did it was most likely after more than 20 years in that position and it was occasioned by retirement and disagreement with other partners.

The lesser years of service in the graduate quantity surveyors and quantity surveyor's cadre is a compelling proof of the changing demographics in the work place and changing work preferences among the generation Y (born within 1980s – 1990s) and the earlier generations such as,

Generation X (born within 1965-1979) and the Baby Boomers (born within 1946 -1964). The generation Y does not value employee/employer loyalty as key to one's career progression. They are driven by the need for instant appreciation and fast achievement. The fact that even at senior levels, employees such as senior quantity surveyors, associate partners and even partners who have demonstrated more patience in waiting still leave their firms for other ventures is more significant and point to a grimmer picture of firms not being able to retain talent despite these cadres' willingness to do their time. The question then begs, does the years of service actually impact your career advancement/succession within the firm? The response to this question was very varied and perception of adequate time served to guarantee succession also varied a lot as presented in table 4.3-2.

4.3.4.1   Reasons for exit

The responses on the reasons for turnover among the different groups of employees are discussed below: -

a) Assistant QS

Figure 4.3-2 below presents the various reasons given by respondents as the cause of exit by assistant QS from QS firms.

Figure 4.3-2: Reason for Assistant QS exiting QS firms
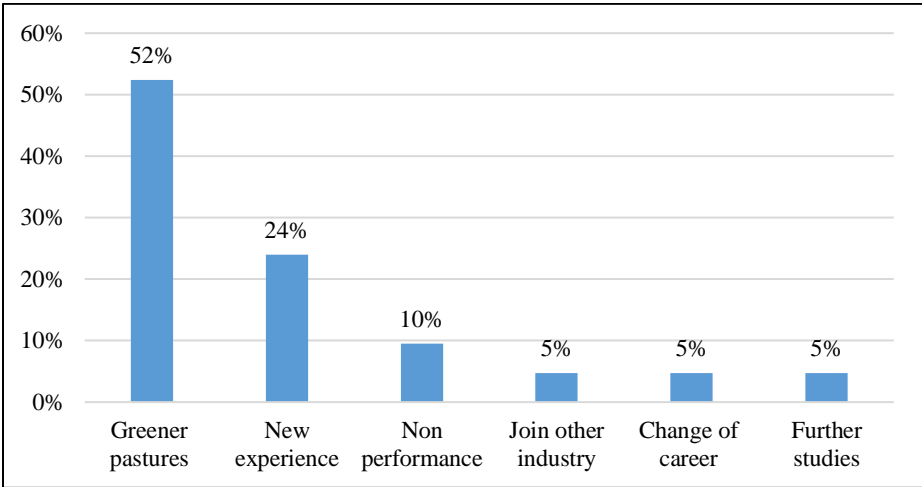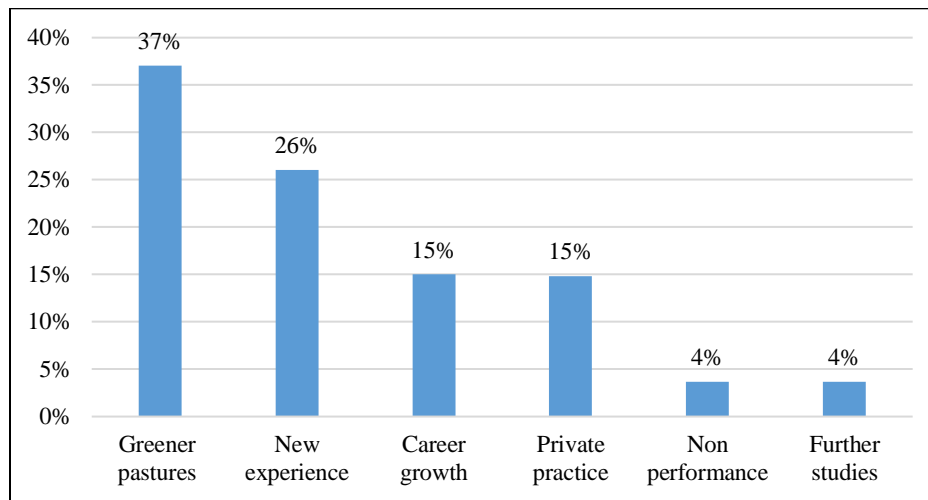

Source: Field Survey, 2016

The graduate quantity surveyors left for different reasons and this exemplifies the restlessness among this group. Majority left to seek better remuneration and opportunities elsewhere. Some

also left to gain new industry experience/exposure when they felt their current postings were lacking. Evidently this group of fresh graduates are still getting settled in working life after college and are motivated by higher pay to among other things buy items like furniture, cars, houses and getting married. They have not invested too much in any one profession and can therefore easily change.

b) Registered QS

Most employees in the quantity surveyor's cadre left when they felt their remuneration was not commensurate to their worth – generally their professional trainers were unlikely to offer them significantly higher pay after registration as they felt that they had contributed to their training. Most of their reasons for exit were centered on improving their practice either through seeking advancement, post registration experience of further studies. From industry observations, there is a trend of post registration exodus to contractor's QS by this group, as the latter tend to offer higher pay. Some of them leave to start their private practices while some are laid off for non-performance.

*Figure 4.3-3: Reason for Registered QS exiting QS firms*

Source: Field Survey, 2016

c) Senior QS

When senior quantity surveyors left, a large number did so to start their own practice and gain autonomy or due to dissatisfaction with their remuneration and employment terms. Lack of growth, conflict of interest, new experience, and at times death were also reasons for exit.

100

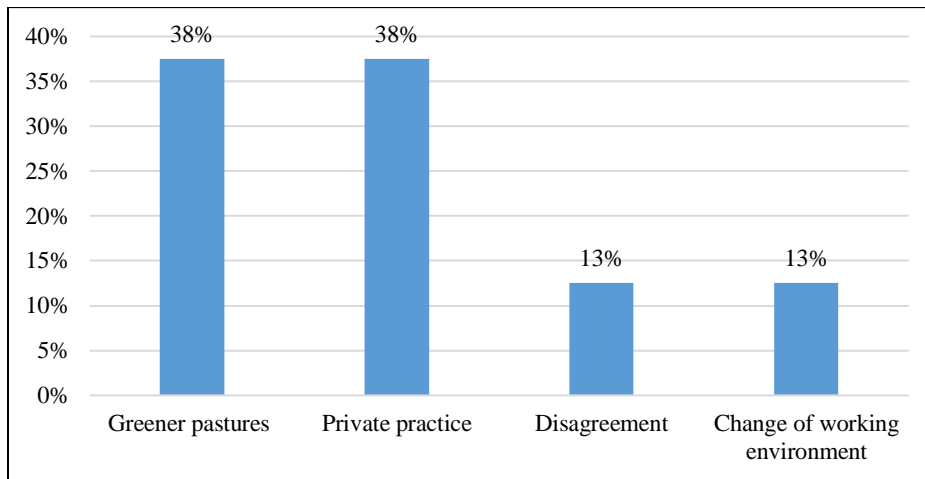*Figure 4.3-4: Reason for Senior QS exiting QS firms*
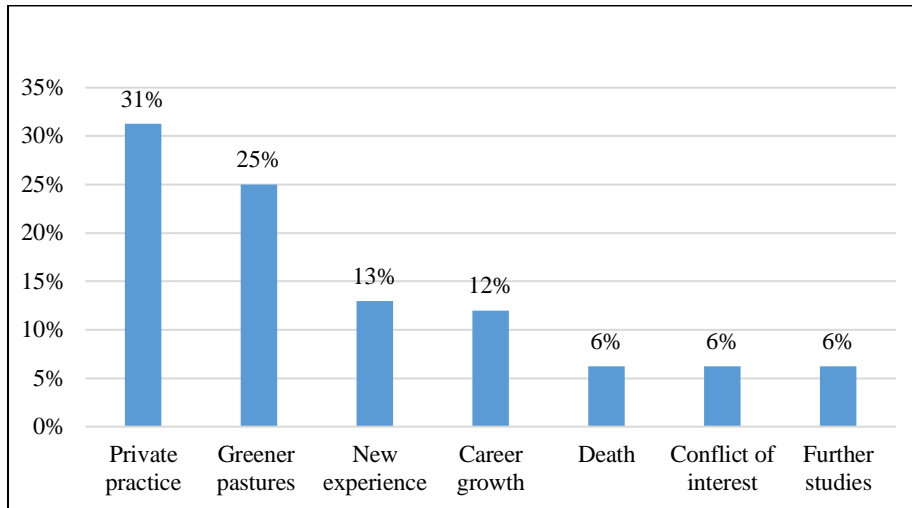
Source: Field Survey, 2016

d) Associate Quantity Surveyors

Associate Quantity Surveyors left to either start their private practice or seek greener pastures, both at 38 percent score.

Figure 4.3-5: Reason for Associate QS exiting QS firms
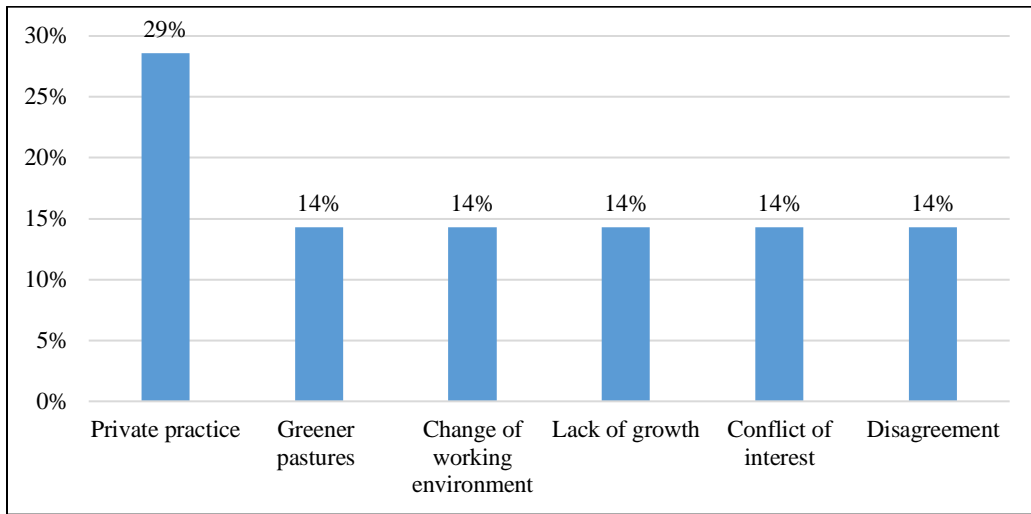

Source: Field Survey, 2016

The exit by senior QS and Associate QS (to start private practice) who are traditionally the source prospective partners, confirms the position that the Kenyan construction industry has experienced growth over the last decade and there is a sellers' market for skills where talented workers can barter their abilities with other companies. Consequently, prospective partners have a wide choice

of employment prospects without the risk of financial commitment associated with an equity partnership in the already established firms. Further, many of the employed Quantity surveyors from assistant QS, Registered QS, Senior QS and associate QS consider themselves lowly paid relative to the money they make for the firms hence the flight in search of greener pastures. This fact is confirmed by the lesser importance of this factor amongst the associate partners and partners as presented below.

e) Associate partners

Associate partners largely left to start their own practice. The exit to set own shop was largely influenced by factors such as: conflict of interest, desire for new working environment and better prospects and disagreements, all with equal weight.

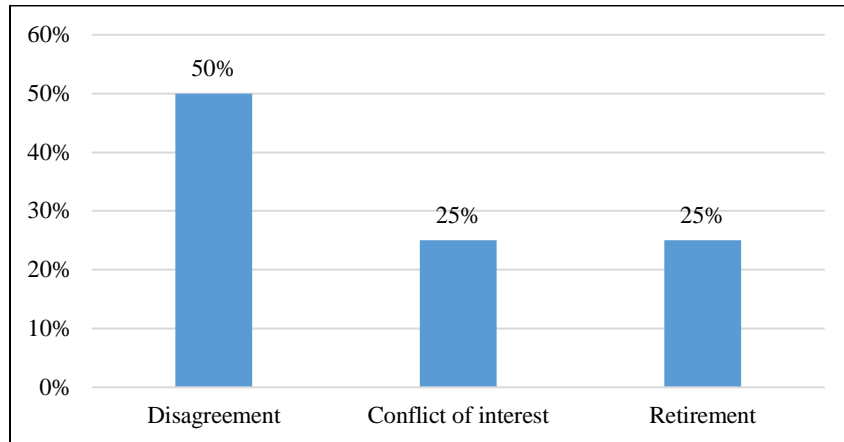*Figure 4.3-6: Reason for Associate Partners exiting QS firms*

Source: Field Survey, 2016

f) Partners

Partners seldom exited but when they did it was occasioned by disagreements and conflicts of interest at 50 percent and 25 percent respectively. Some partners opted to retire.

*Figure 4.3-7: Reasons for Partners exiting QS firms*

Source: Field Survey, 2016

The results in this section indicate that as people stabilize in their practices, their focus changes to individual actualization. When this is not forthcoming despite the relatively longer years they give to see this come to fruition. They either leave to start their own practice and gain more autonomy or seek better prospects in other firms. Disagreements are also more common as people advances towards senior management levels, whether these have to do with authority or finances was not investigated by this study.

4.3.5   Administration of firms

Figure 4.3-8: Composition of firms' management
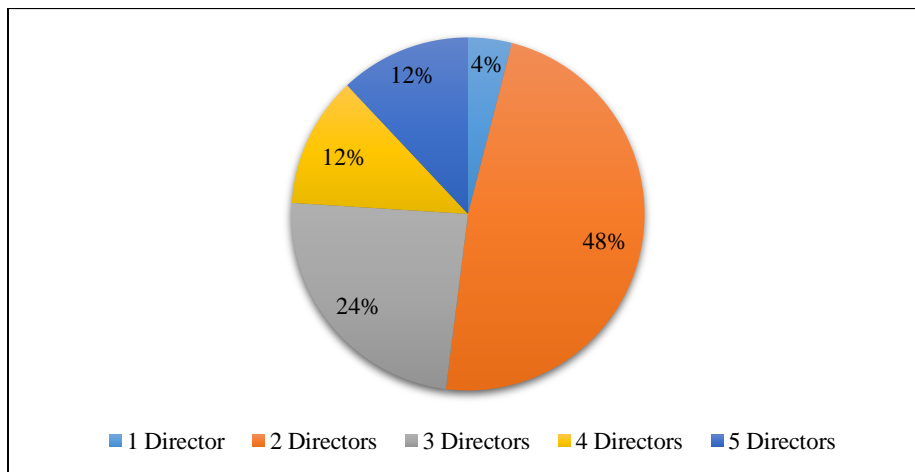
Source: Field Survey, 2016

The survey on the composition of the firms revealed that majority of firms (48 percent) predominantly had two partners/directors at the top management level. 24 percent three directors, 12 percent had four directors a similar percentage had five directors only 4 percent had one director despite not being registered as sole proprietorship.

The startup firms (6 number) had exclusively two partners and only one firm reported to be actively grooming someone into more responsibility and advancement. Most of them cited their young age and uncertainties for not having thought about systematic succession planning and management while other said they would start grooming and developing HiPos in future.

The established firms (7 number) had between two to four partners and only three firms were actively seeking or grooming a definite number of people to take up more responsibilities within the firm. Two firms though reported to be seeking/ grooming someone, were not committal on the exact number they were seeking or grooming. Two firms were categorical they were not seeking or grooming anyone to assume more roles and responsibilities within the firm.

The seasoned firms (12 number) had between two-five partners/directors with three partners being the mode. Three of these firms were clear they were not grooming or seeking anyone into management of the firms some of them expressed despair with the fact that despite their excellent record in talent retention (not having experienced any turnover in the last 10 years) no employee had shown interest in buying into the practice.

Representative quote from the responses is offered below:

> Firm 15: We have not had any senior employee who is prepared to invest in buying into the partnership. The only option we have for succession is:
>
> - Selling the practice in its entirety.
> - Giving employees partnership without any compensation.

The majority (75 percent) of these firms confirmed to be grooming HiPos into more responsibilities within the firms with most of them grooming 1 more person to incorporate into management while others reported to be grooming at least two people. Two firms were modestly coy about the number.

*Figure 4.3-9: Firms actively grooming/ seeking partners*
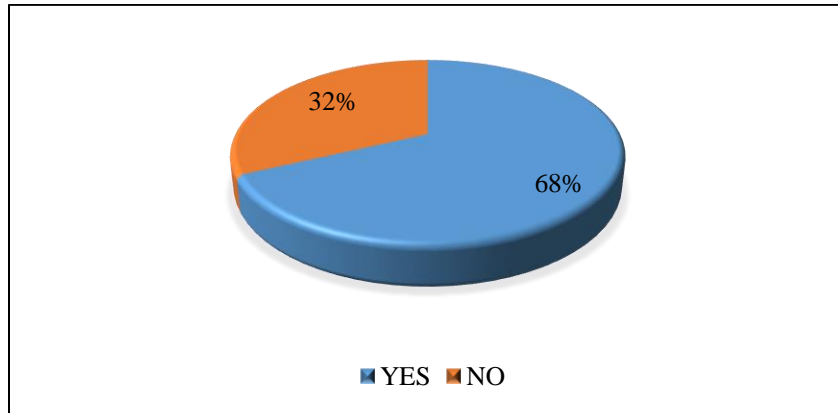
Source: Field Survey, 2016

4.3.5.1   Qualities considered in succession and advancement to senior positions

Most of the firms who are actively grooming and developing employees into managerial and administrative roles listed the following qualities as the most critical to determining one's chances of advancement. The qualities have been presented in bar graph below indicating order of priority. The lesser the score out of 13 the more important a factor was to the respondents.

Figure 4.3-10: Qualities of Considered in Succession Planning
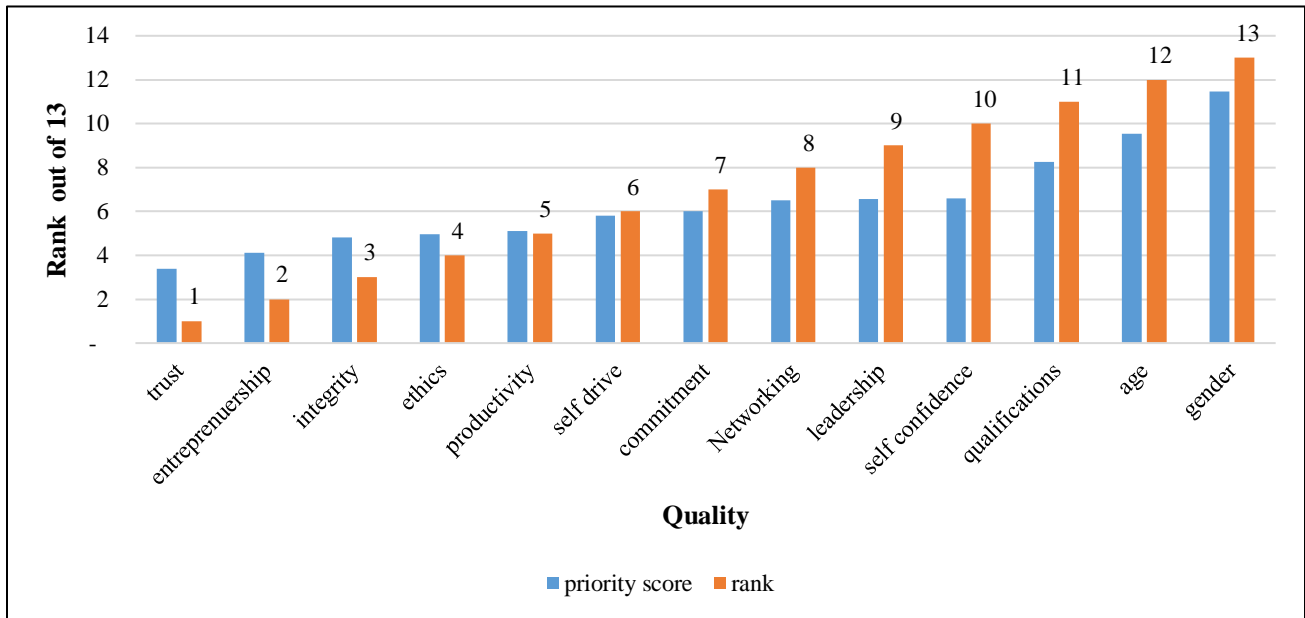
Source: Field Survey, 2016

The results point to the fact that partnerships or directorship in Quantity Surveying firms are first and foremost dependent on a personal relationship before they are business ventures. Partners or prospective partners and directors must fully be trusted to be part owners first before their entrepreneurial ability and strategic value is taken into consideration. Someone's gender had no importance in influencing his or her incorporation into management.

The study findings support the data presented in section 2.8.5 in that, trust, represent a moral dimension of an individual and his philosophy towards work is far much valued than other qualities. Entrepreneurship is a competency increasingly valued by firms since it adds to the firm's bottom line and can be a distinguishing factor for HiPos with ability to make positive contributions to the development and profitability of the practice.

4.4 OCCURRENCE OF SUCCESSION IN QS FIRMS

4.4.1 Planned vs accidental succession

Analysis of the responses of firms on this issue was to establish if firms exhibited the attributes associated with a systematic succession planning and management programs. Firms were asked if in their organization: SP&M: -

i.   Enjoys top management participation, involvement and support? 67 percent of the respondents were affirmative. However, despite the involvement of top management SP&M was not a major focus of the management attention. Further, in most cases SP&M was not a dedicated responsibility of at least a specific high level management employee. In fact, even in the firms where SP&M occurred systematically the executives did not individually have an obligation to identify and prepare successors.

ii.   Is carried out systematically? The importance of this question was not to establish the average but to identify the occurrence of systematic S&P&M programs. It is the study's finding that only eight firms out of the twenty-five had systematic succession planning and management programs. One firm was in the process of restructuring to incorporate succession planning and management into its strategic plan but had not reached the implementation stage. Among the eight firms only one firm had its SP&M program benchmarked with the best market practices. In three firms, succession planning and management extended to all levels of the organization while the remaining five firms only

focused on top levels. Half of these firms who actively pursued systematic SP&M programs agreed that the succession decisions were influenced by comparison of an individual present performance and future potential but were unanimous that their SP&M programs were influenced by the high-level replacement needs.

iii. Among the respondent firms only seven firms had established and conducted specific developmental programs that were designed to accelerate the development of high potential employees. This implies that even among the eight firms who have a systematic succession planning and management program, two of them had not focused on developmental programs.

iv. Whether succession was systematically planned as is the case eight firms or occurred accidentally it was still geared towards meeting each organizations' unique needs. Firms were split at 41 percent as to whether the need for succession planning had prompted a policy of promotion from within even though majority felt that SP&M was driven in part by recognizing that employees have a stake in the organization and share its successes.

4.4.2 Opinion on how firms were conducting SP&M

The general issues that were predominant from the respondents is that all the startup firms had not considered a systematic SP&M program but said they would as they became of age. 36 percent of the firms felt that they had fairly implemented succession in their unique styles because they had managed to transition or incorporate up to third level of mangers. Among these firms; one firm had clearly set entry and exit criteria for all founders and new directors and created new positions to expand its directorship; another had opted to empower their current staff so that they owned the firm by knowing all aspects of the firm's operations; another eliminated organizational titles and only had teams and team leaders; another admitted to be currently restructuring to allow for succession planning but had not implemented any SP&M program. Some firms had opted to train young quantity surveyors over time to gauge their compatibility to their values before advancing into more responsibilities.

Few negatives were reported such as lack of sincerity with which the topic of succession was handled; nepotism and running of firms like family business was also a major concern. It was reported that SP&M programs were not fully incorporated in the strategic plans of most firms.

4.4.3 Thoughts on approaching succession planning in a systematic manner

52 percent of the respondents were of the view that succession planning and management should be considered in the strategic plans of organizations and must not be treated like an afterthought. Firms were expected to equip their employees with management skills in their preparation for more responsibility within the firm. There was also an overriding call for directors and managers to train and develop successors for continuity of firms when the founders either exit, or are facing corporate burnouts. This was the only way firms could outlive their founding directors.

Helping employees to own shares in the firms through setting up of funds to assist in the buying shares was also touted as being a good idea given that some HiPos may not have the financial capability of buying shares. On the other hand, a firm had impliedly given up on pursuing succession and had resigned to selling off the firm.

Representative quote from the responses is offered below:

> *Firm 15: "We do not see a method of succession planning other than selling the practice we have not found any employees who are willing to buy into the partnership and so the opportunity of planning succession has not arisen".*

A firm with a systematic SP&M program in place felt that systematic approach to succession planning was a good but decried the impatience of the HiPos.

Representative quote from the responses is offered below: -

> *Firm23: "It is a good approach but then there is lack of patience in the young professionals who wish to be bosses each day without them getting enough experience in the management of the business".*

### 4.4.4 Decision making about successors

The response to the question on how decisions about successors for positions were made in organizations reflected the spread of age of firms. On average, only 18 firms (72 percent) responded to this question meaning that most startups had no input on this.

Respondents were given five options to choose what best described how successor decisions were made in their firms. The following list ranks the pattern in firms:

i. If the position cannot be eliminated, then internal and external sources are utilized

ii. Whenever a position opens up, we rely on expediency to identify someone to fill it, hoping for the best.

iii. We usually have someone in the background that can fill a position. If not, we do look outside for needed skills

iv. We secretly prepare successors.

v. We usually wait until positions are vacant and then scurry around to find successors.

The survey response is summarized in the figure 4.4-1 below: -

Figure 4.4-1: Responses on HiPos replacement
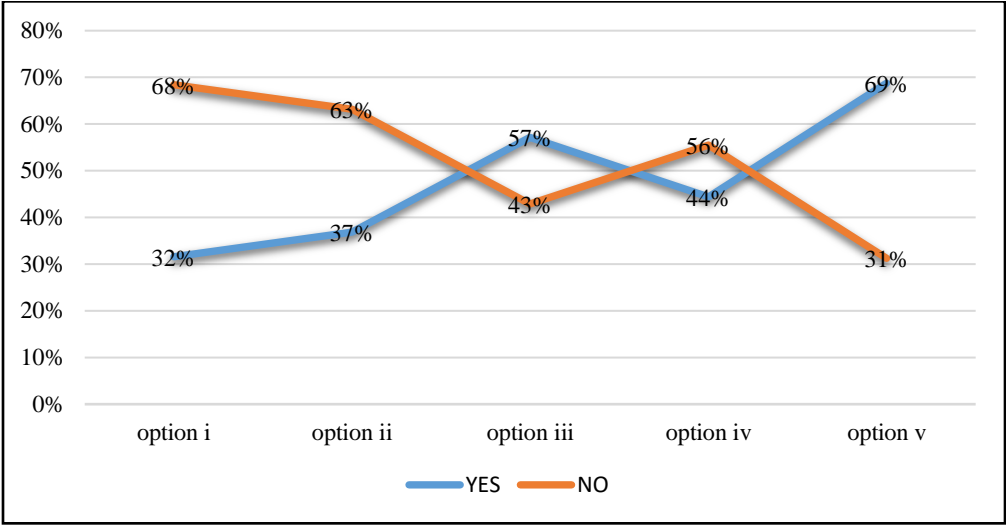
Source: Field Survey, 2016

The results suggest that majority of firms approach HiPos replacement with a quick fix attitude and rely on expediency in identifying someone to fill a position. Traditionally, ignoring the development of leaders and depending on head-hunters to find replacement for key people may have worked, but these approaches are not working now. The reliance on convenience to fill a position leaves firms exposed to the risk of underperforming replacements of senior staff among other challenges as reported in section 4.5.3 of the study. Some effort must thus be made to ensure that QS firms systematically identify and prepare high potential candidates for key positions that are the lifeblood of the organizations.

4.5   BENEFITS OF SUCCESSION

4.5.1   The need for systematic succession planning and management

The official objectives and driving force behind firms having succession plans as identified by the respondents were as below in order of importance: -

i.   Employee recruiting and retention, competitive advantage as a successful company.
ii.   To make sure we have talent we will need for the future.
iii.   Business expansion + aging current executive team.
iv.   Compelling need to develop internal candidates.
v.   Competitive labour market.
vi.   Management has an interest in having the program.
vii.   Lack of available talent in the market.

The figure 4.5-1 below represents the percentage score of each option (corresponding to the objectives enumerated above) given as the driving force for adoption of SP&M:

Figure 4.5-1: Factors driving SP&M
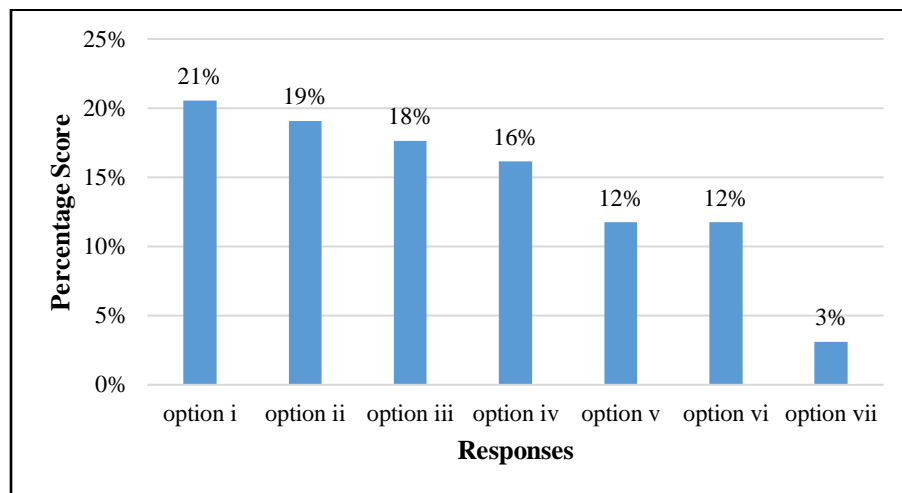
Source: Field Survey, 2016

Continuity of the firms was a major issue and prominently came up. Representative quotes on objectives of having and implementing succession planning programs as cited by some firms included the following:

Firm 18: "Succession is key to <u>continuity</u> and the firm rewards loyal employees who are self-driven and hardworking"

Firm 10; "It is bad in many sole proprietorships when the principals die there are two coffins' one for the principle another for the firm' as the firm dies even where other technical staff are in employment as they have over years been treated as technicians without full responsibility and sense of ownership".

Other unique factor that came up was the need for founders to let others in to do the job.

Representative quote from the responses is offered below:

Firm 10: "Firm's principles must take cognizance to the fact that human beings are finite even where exit is not by death, ill health and even corporate burn out in the job can make a firm lose focus. No matter how good one is there must be others who can do the job to some extent firms must not have secretes.

The factors driving the need for SP&M demonstrate that top manager are increasingly aware that in order to meet strategic and operational challenges and ensure continued survival of the organizations in a competitive environment, firms must have the right people in the right places at the right time doing the right things. Managers have also realized the importance of intellectual capital in an organization and its strategic value to future prosperity of firms.

4.5.2 Objectives/benefits of succession planning

According to the firms who had embraced systematic succession planning and management. There were myriad of benefits being enjoyed which have been grouped into similar themes and listed as per their weights:

i. Continuity and sustained business. Planned succession gives adequate time to train and develop someone into more responsibilities and reduces succession related conflicts thereby ensuring strategic success over generations of managers.

ii. Consistency in product/outcome. Which enhanced the firms' image among its clients and industry stakeholders. Time is a wasting resource and clients are increasingly asking for speedy yet quality service. In an organizational and operations environment, decision making must be fast because customers must deal with workers who know how to serve

them quickly and effectively and this is only achievable through effective succession planning and management which will ensure that the right workforce are available at the right time.

iii. Improved employee loyalty/retention and commitment. This implied reduced turnover, which enhanced the preservation of firms' collective organizational memory and gave the firms a lot of goodwill from the market and turned them into magnets of HiPos.

iv. Expansion of firm's directorship and diversified blend of management. This ensured that the firms' market base/foot print was big as all directors had a larger reach compared to firms with lean number of directors. The diversity in management promoted multi-culturism and eradicated the establishment of bureaucratic kinship systems.
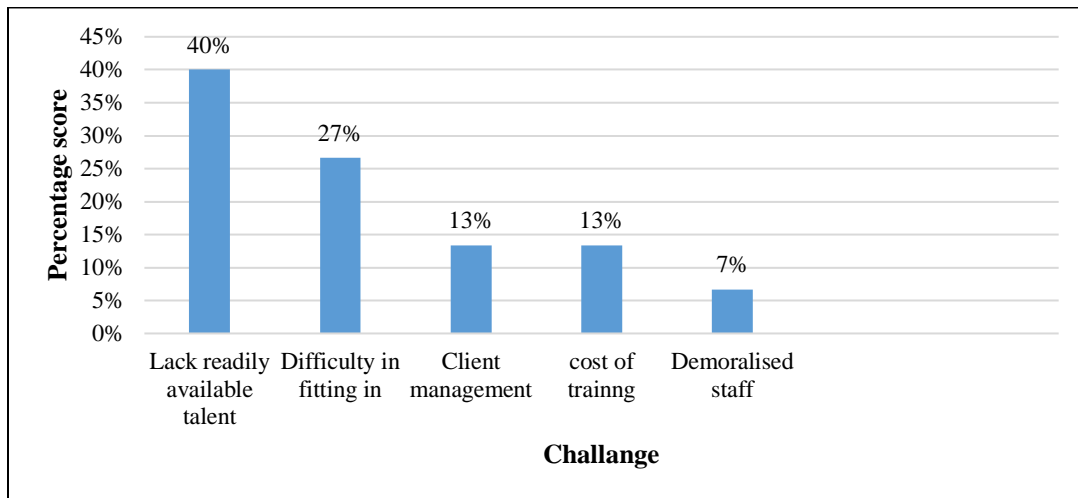
Figure 4.5-2: Benefits of SP&M
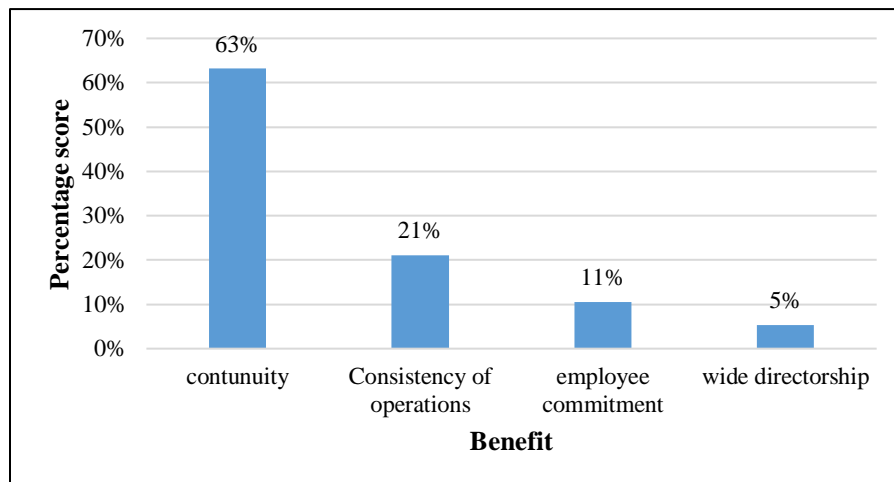
Source: Field Survey, 2016

4.5.3 HiPos replacement crises

The frustration that firms go through in replacing HiPos adds to the need of systematic SP&M programs. Firms were bedeviled with varied challenges when faced with replacement of HiPos as presented and discussed below: -

Figure 4.5-3: Challenges faced in HiPo replacement

Source: Field Survey, 2016

i.   It was not easy to get highly qualified quantity surveyors ready to be absorbed. This is due to high competition for talent in the market and high salary demands. This reinforces the findings presented in figure 4.5-1 that the top factor influencing adoption of SP&M is the challenge of talent recruitment and retention.

ii.   Challenges of finding a perfect fit to replace the exiting HiPos. The notice duration given by the outbound staff is often too short to recruit and prepare the new talent. At times, there are instances of underperformance by the replacements. In a more stable era, it was acceptable to permit a long lead-time between the justification and filling of a position, the selection of a qualified person to do the work and the realization of full productivity from a worker as they underwent training and moved up the experience learning curve. However, the stable times are gone and the rapid pace of organizational change dictates that people must be found and oriented so that they can become proactive as quickly as possible.

iii.   Client reluctance and difficulty in convincing them that the one taking over is as good as the one who left. When a HiPo leaves, the firm is exposed to credibility issues, inconsistency in output and at times unhealthy speculations. Some HiPos may actually leave with the firm's clients.

iv.   Firms make substantial investments in the training of employees. Employee performance may improve with experience as they advance a long a learning curve in which they master organization specific and job specific knowledge. When individuals leave, the firms lose

the benefits from those experiences and the employees leave with firm's trade secrets which undermines the performance of those firms.

v. Flight by high potential employees demoralize and disheartens the remaining employees. Further, remaining employees are likely to shoulder more workload due to work re-distribution often with non-commensurate compensation.

4.6   CHALLENGES IN IMPLEMENTING SP&M PROGRAMS

The challenges below, ranked in order of gravity were listed by respondents as bottlenecks to the implementation of succession planning and management programs: -

i. Lack of coordinated follow-through on developmental programs: In QS firms, SP&M efforts have been understaffed and managers have abdicated their roles and responsibilities in following through the individual development plans and SP&M process. SP&M requires time and effort and must be a dedicated responsibility of at least one senior manager or HR professional that is responsible for the management of the process.

ii. Difficulty in identifying true successor and high potential employees: QS Firms are not adequately conducting performance appraisal to compare present job performance and future potential of their employees. Consequently, they cannot properly distinguish between stars and workhorses and establish individual developmental plans to narrow the gap between what individual can already do and what they should do to meet future work or competency requirement in one or more positions.

iii. Lack of focus on what's important to get the program started. Most succession efforts in QS firms are unsystematic efforts largely driven by the idiosyncrasies of individual managers. When preparing to introduce systematic SP&M program, managers should focus and begin with assessing the organizations current SP&M practices and problems, demonstrating the business need for SP&M, determining the organization's unique SP&M requirements, linking the SP&M program to the organizations strategic plan and HR plans, benchmarking SP&M process in other organizations and obtaining and building management commitment.

iv. Ensuring that action plans are followed through: decisions are of no value if they are not acted upon. Most firms do not pay attention in following up to ensure that actions necessary for systematic succession planning and management are acted on.

v. Different assessment standard. Firms have different preferences for methods of assessing present work requirements and individual job performance and linking this to future work requirement and individual potential. The key competencies also differ from one firm to another and as such there is no one-fit-all assessment method used by firms.

vi. Communication of potential or lack thereof: there is no honest communication on employees' performance and potential, most judgment on performance and potential are usually biased on recent success or failures. There is lack of open, participative and consistent communication that offers context to employees in terms of their roles in the SP&M program, the performance metrics and the results and their impacts moving forward.

vii. Getting the process completed well and evaluations. Evaluation of an SP&M program entails placing value by asking how well it is working and whether it is meeting the organizational needs. Most of the respondents had no clear way of assessing the worth of the SP&M process.

viii. Getting leadership to expect and produce more successors than they have in the past. Most SP&M efforts had not been fully embraced by all managers and their exact roles in the process were unclear. For SP&M to be effective, managers must demonstrate strong personal support, effort, commitment and leadership for it. Senior organizational leaders in QS firms must establish accountability for talent attraction, development and retention as measure of their own performance indicators.

ix. Lack of full participation by all senior leaders the organization: analogous to the challenge of getting leaders to produce more successors is lack of full participation by them. Securing management commitment to systematic SP&M is an uphill task. Many managers are still skeptical on whether succession is worth the time and effort and more need to be done in terms of presenting tangible proof of benefits.

x. Difficulty in measuring effectiveness of the program. There was no standard way of measuring the effectiveness of the program; firms gave varied responses some pointing to anecdotal evaluation based on what the firm prioritized. For instance, the assessment from firm 23 was based on the blend of management:

'… *We are implementing it fairly. The current directors are of varied age group and we are grooming others to be directors'.*

While others indicated a more programmatic evaluation approach, such as firm 12:

> *'...It is well. We have set certain age limits for existing directors to shed off shares and set entry requirements.'*

xi. Time. Most leaders focus only on getting todays work out of the door and seeking more job opportunities. Little or no time is spared for succession programs. Consequently, succession issues are being handled fitfully with the result that every vacancy can become a crisis.

xii. Discussion with candidates and paper work showing the outcome. Often a succession plan without a career plan is a wish list because designated HiPos may not aspire the career goals to which others think they should aspire. From analysis of the responses, managers are indiscriminately including employees in the succession plans some of whom may be disinterested or unmotivated. This crisis was brought to the fore by firm 13:

> *'…The right candidate not sharing the same vision'.*

The challenge of communication and discussion on succession is complicated in part by the hesitation of managers to share information about their programs internally and externally as it may reveal too much and compromise them since succession plans are closely linked to the strategic plan and canny competitors can be tipped off on the organizations intents.

Figure 4.6-1: Challenges in SP&M
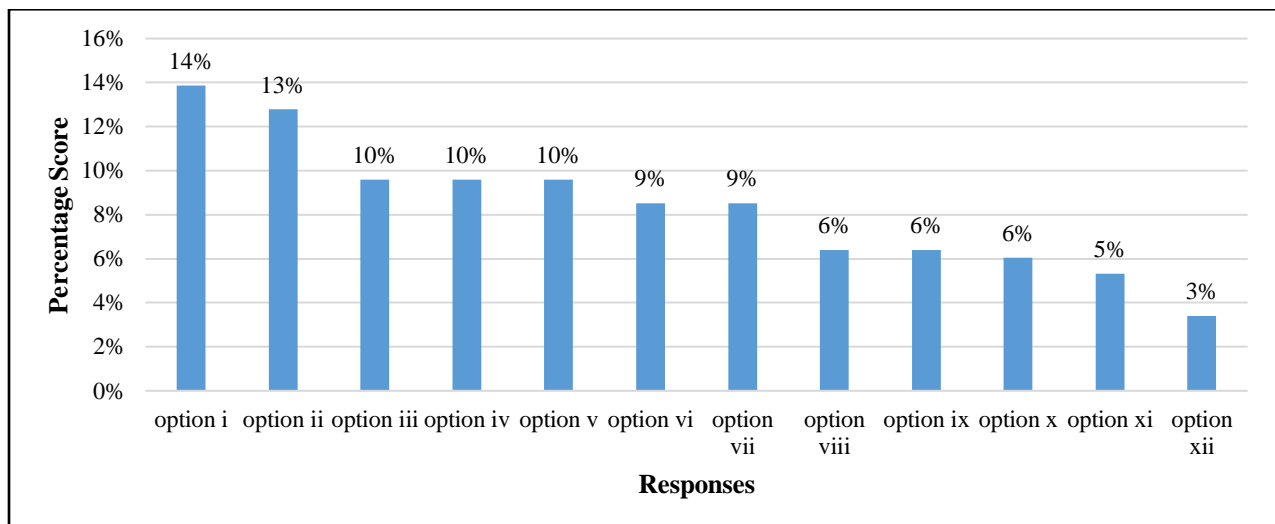
Source: Field Survey, 2016

The score in each option in the figure 4.6-1 above corresponds with the challenges presented in earlier page numbered i-xii.

Other unique challenges faced by firms in the implementation of succession planning programs are as discussed below: -

  i.   Most staff undertook their private works as individual consultants, which undermined the firms they worked in.
 ii.   Nepotism where directors are grooming their kin and not developing HiPos in their firms.
iii.   Distrust and apprehension between management and employees.
iv.   Impatience among young professionals.
  v.   HiPos lack of capacity to buy shares to attain ownership of firms.

4.7   RESEARCH HYPOTHESIS

The research hypotheses to be tested are:

  i.   Null hypothesis (H_O): The lack of succession plans in QS firms increases their exposure to economic and operational risks.
 ii.   Alternative hypothesis (H_A): Quantity Surveying firms in Kenya have succession plans, a practice that has ensured sustainable growth and continuity of the firms.

The study established that eight firms had a systematic succession plan in place while one more had restructured to incorporate succession planning and management program but had not started the implementation. There are no data on the trends of adoption of SP&M programs in Kenyan Quantity Surveying firms, consequently, the study hypotheses that any proportion less than or more than 0.5 would suffice to indicate a general pattern of lack of or adoption of SP&M program in QS firms consecutively.

Is the proportion of Quantity Surveying firms with SP&M different from 0.5? In a sample of 25 firms, 8 firms had SP&M programs

Ho:p=pHo=0.5

Ha:p≠pHo

Hence the probability that a firm has systematic SP&M programs (success) is 50% and the probability that a firm does not have systematic SP&M program (failure) is also 50%

The proportion of firms with SP&M (success) is: p = 0.5

The proportion of firms with no SP&M (failure) is: p = 0.5

and n = 25

Standard error of proportion of success $= \sqrt{\dfrac{p.q}{n}} = \sqrt{\dfrac{0.5 \; x \; 0.5}{25}} = 0.1$

Observed sample proportion of success or

$p\hat{} = 8/25 = 0.32,$

and the test statistic z $= \dfrac{p\hat{}-p}{\sqrt{(p.q)/n}} = 0.32\text{-}0.5/0.1 = \dfrac{0.32-0.5}{\sqrt{(0.5 \; x \; 0.5)/25}} = \text{-}1.8$

Application of a two-tailed test at 5% level of confidence. The rejection region R is given by:

R: |z| > 1.96

The observed value of *z* is -1.8 which falls in the acceptance region since R: |z| > 1.96. As such the null hypothesis is accepted. Therefore, the research fails to reject the null hypothesis and concludes that we do not have sufficient evidence to state that in the population, the proportion of Quantity Surveying firms with SP&M programs is significant.

In examining hypothesis 1, the second part implies that the lack of SP&M increases firms' exposure to economic and operational risks. The books of the firms were not studied to ascertain the financial health of the firms. The firms with SP&M however reported to have enjoyed market diversity, continued business, more business from expanded management shareholding.

On operational stability, the respondent firms with SP&M reported have managed to transition smoothly over time. Among the management team were the first-generation founders and up to second and third generation managers. These firms reported very low employee turnover/increased retention thereby enjoying stability in key positions and consequently mitigated operational risks in events of exit by a member for whatever reason. There was improved chance of promoted

personal fitting in as they have been trained and communicated with over time. Further, these firms enjoyed good image and reputation from the industry and stakeholders, this good image is a necessary ingredient for economic growth and establishment of market dominance.

In conclusion, the study finds that although some firms have Systematic Succession Planning and Management programs, the number is statistically insignificant at 32 percent. In majority of QS firms, succession still occurs serendipitously. Startups firms consciously put off succession planning and the situation is dire in sole proprietorship where death of founders also means death of their practices. The firms that had systematic succession planning and management programs had enjoyed sustained operational and economic growth and stability relative to those that did not have systematic SP&M programs. The null hypothesis that the lack of succession planning in Quantity Surveying firms increases their exposure to economic and operational risks is supported and thus adopted by the study.

4.8   EMERGING THEMES IN SUCCESSION PLANNING

Through analysis of respondent's opinions, five themes consistently emerged across the board as discussed below:

4.8.1   Nepotism

Some respondents decried the lack of sincerity on the topic of succession and reported that partners and directors were preparing their children to take over after them while tactfully baiting current individuals with false promises of advancement. The figure 4.8.1 below is a representation of a query chart of the words immediately before and after 'Children' from the responses.

Figure 4.8-1: Issues around grooming of managements' children
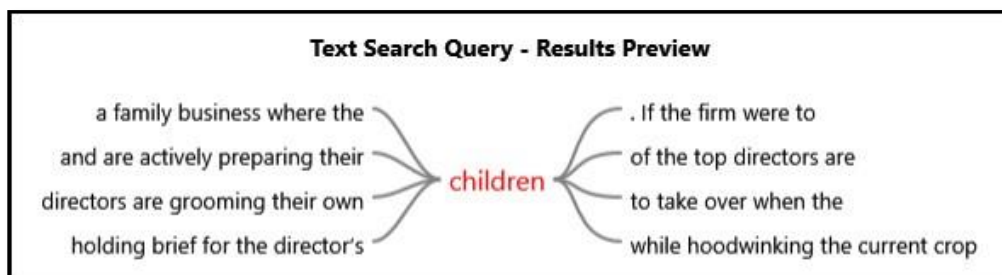
Source: Field Survey, 2016

The study proposes that it is not detrimental for managers to prepare their children to take over their practices since the children are also professional in their own right. However, informal judgment left unchecked portend catastrophic outcome for firms as directors are also likely to cultivate and perpetuate a culture of homosocial reproduction and bias in their firms. The advancement process should thus be formal such that every other deserving employee who meets the desirable qualities stands a fair chance of advancement in the succession equation for firms to avoid being run as family entities.

4.8.2 Impatience of young professionals

The difference between the baby boomers that are the majority of current managers of established and seasoned firms and the generation Y who are the current candidates of succession plans in organizations came out prominently.

Representative quote from the responses are offered below:

Firm 23: It is a good approach but then there is <u>lack of patience</u> in the young professionals who wish to be bosses each day without them getting enough experience in the management of the business.

Firm 18: Succession is key to continuity and the firm rewards <u>loyal</u> employees……

Firm 12: "Most staff undertook their private works as individual consultants which undermined the firms they worked in".

There is a global change in organizational environment and business practices. The generation Y employees want immediate reward for good performance since they don't trust their employer's ability to reward them in the future for hard work performed in the present. They are not showing willingness to tolerate delayed gratification. This generation also differs from the previous ones on the communication style, work life balance and expectations and cultural frames. Because this generation represents the workforce of the future, firms must change stodgy human relation policies in regards to the demand of the generation Y.

4.8.3 Apprehension between generations

25 percent of the established practitioners (firms over 21 years) viewed the younger professionals as disloyal in undertaking their private jobs that undermined the firms they worked for. The latter

group on the other hand felt that their seniors were uneasy to let fresh blood into their practices for fear of losing control. Partners collectively felt invincible but had personal fears of their diminishing stakes in the firm either after retirement, incapacitation or death, this could have reasonably informed the decision by some partners to groom their own children into management of the firms.

For the purpose of clarity, the following conventions are employed for direct quotation of respondents' comments.

> *Firm 12: "Most staff undertook their private works as individual consultants which undermined the firms they worked in".*

> *Firm 12: "Founding directors should not have fear of grooming younger directors with potential".*

> *Firm 16: "Systematic approach to succession would be costly and would require complete change in mindset from running the firm as a family venture to a more open organization where merit would be the key determinant to one's career progression".*

> *Firm 8: "Succession planning should be based on merit".*

> *Firm 17: "SP&M is currently undertaken inadequately, in that the firm (and most of them) is like a family business where the children of the top directors are being trained to take up from their parents in management".*

> *Firm 3: "Poorly because we are looking inward towards family members to succeed in running the firm in future".*

The excerpts above underscore a fundamental distrust and anxiety between the current crop of managers and the future managers who they ought to be developing. This apprehension must be addressed immediately to avoid the suspicion and conflicts that would seriously undermine the management of Quantity Surveying firms. The conflicts are however a global trend and can be managed. The study suggests a change in the culture and management of firms, from that of supervising to welcoming and creating a context in which generation Y can be successful with

their unique attributes of seeking more work –life balance, thirst for skill enhancement, need for immediate feedback, cash and non-cash remuneration, and motivational management style.

4.8.4   Lack of communication

Mismatch between potential candidate's visions and management's vision was cited as just one of the ways ineffective communication could hamper succession planning. This issue relates to the degree of dissemination and amount of individual discretion approaches to SP&M as discussed in section 2.6.5 and 2.6.6 of the literature review. When firms opt for closed SP&M as was reported by some respondents, managers' asses the individual potential of their employees without the input of those affected by the assessment process. However, this level of secrecy has repercussions, as it is no longer safe to assume that everyone wants to advance to higher levels or responsibility. The following representative quotes put the issue into perspective:

> Firm 2: "All staff should be informed when the process is being done unlike what happens in our firm where you just get it as a surprise".

> Firm 9: "Discussions about succession are not held in an open manner, only high echelon employees are involved in a non-systematic way. A more open system would be much better".

The study recommends consistent and constructive feedback and communication between managers and HiPos on areas of career paths, achieving success, mentorship and coaching. This will improve relationships between managers and employees and improve loyalty.

4.8.5   Succession as a dreaded word

Succession as a word elicits uncomfortable feeling among practitioners and some avoided thinking, discussing or implementing succession planning in their practices. The magnitude of this problem was elaborated by some respondents who reported that: -

> Firm 10: "It is bad in many sole proprietorships when the principals die there are two coffins' one for the principle another for the firm' as the firm dies even where other technical staff are in employment as they have over year been treated as technicians without full responsibility and sense of ownership".

122

Firm 24: "This is a very good idea but rarely given a thought. Most consultancy firms especially in the built environment do not have proper succession planning leading to collapse of firms once principal retires or passes on. This should be given a thought and partners/directors should actively do succession planning".

Succession problems may continue to plague QS firms if managers keep shying away from the topic. Firms need to stop burying their heads in the sand hoping that succession related issues would go away. Owners of firms should embrace succession planning and seek professional assistance in understanding and putting in place an effective succession plan ideal to their business.

4.9   AGE OF FIRM, NO OF DIRECTORS AND SP&M

The interaction between age of firms and number of directors and their influence on systematic succession plan is presented in figure 4.9-1 below.

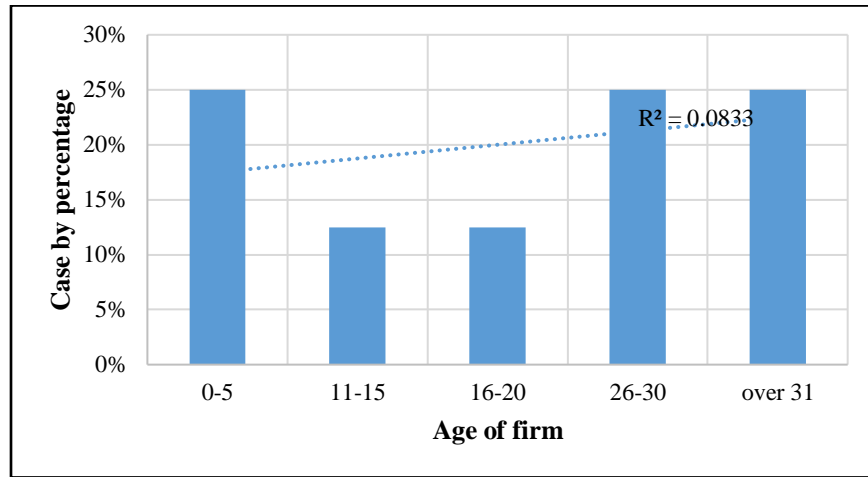With *r* values of 0.32 the study concludes that there is a weak correlation between the number of directors in a firm and adoption of SP&M program.

Figure 4.9-1: Number of directors and relation to SP&M

Source: Field Survey, 2016

123
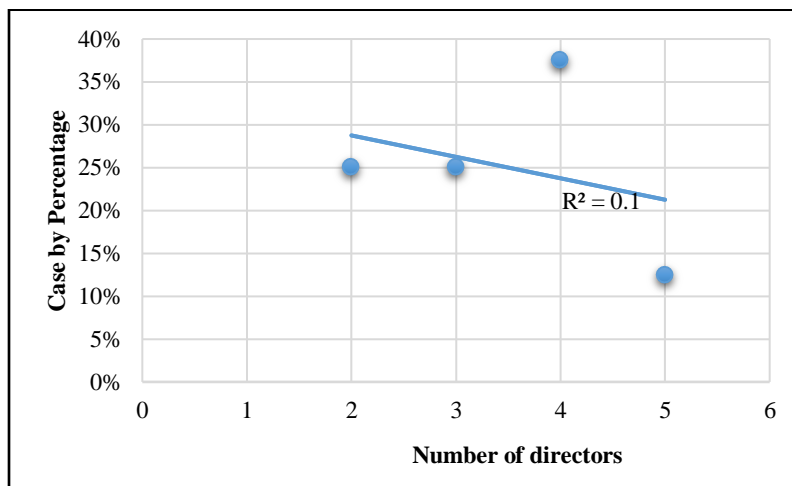
Figure 4.9-2: Age of firm and relation to SP&M

Source: Field Survey, 2016

The study further concludes that with *r* values of 0.29, there is a weak correlation between the age of firm and adoption of SP&M program.

4.10 MODE OF INCORPORATION OF FIRMS AND SP&M

The table 4.10-1 identifies the mode of incorporation of the firms that had Systematic SP&M program:

Table 4.10-1: Mode of incorporation of firms with SP&M

Case	Years of operation	Number of Directors	Mode of Incorporation
FIRM 1	26-30	4	Private Limited Company
FIRM 2	26-30	4	Private Limited Company
FIRM 5	0-5	2	Private Limited Company
FIRM 6	0-5	3	Private Limited Company
FIRM 9	Over 31	5	Partnership
FIRM 10	11-15	4	Private Limited Company
FIRM 12	16-20	3	Private Limited Company
FIRM 18	Over 31	2	Partnership

Source: Field Survey, 2016

124

75 percent of the firms with systematic SP&M programs were private limited companies representing about 33 percent of the total private limited companies sampled. This suggests that a private limited company is thus more likely to have a succession planning and management blueprint than a partnership firm. This maybe because at inception, private limited companies have a perpetual succession plan with clear structures and procedures. Partnerships on the other hand do not have perpetual succession and can be dissolved when some events occur like say death of a partner. Professional Partnerships also tend to be based a lot on personal relations and trust thus the low percentage of partnership firms with SP&M programs.

4.11 SIMILARITIES OR DIVERGENCE OF FINDINGS VS LITERATURE REVIEW

i. Characteristics of systematic SP&M

Table 4.11-1: Characteristics of effective SP&M program

Characteristic of Effective Succession Planning and management program	*Does your organization's SP&M program have this characteristic?*	
	Yes	*No*
Is carried out systematically?	100%	0%
Enjoys top management participation, involvement and support?	88%	22%
Is influenced by high level replacement needs	75%	25%
Is driven, in part by recognizing that employees have a stake in the organization and share its successes?	63%	37%
Is geared to meeting the unique needs of the organization?	63%	37%
Has prompted an explicit policy of promotion from within?	50%	50%
Is heavily influenced by a comparison of present performance and future potential	50%	50%
Extends to all levels other than being restricted to top levels only?	38%	62%
Is a major focus of management attention?	38%	62%
Has prompted the organization to establish and conduct specific developmental programs that are designed to accelerate the development of high potential employees?	38%	62%
Is the dedicated responsibility of at least one high-level management employee?	25%	75%
Has been benchmarked with the best in class organization?	13%	87%
Has sensitized each executive to an obligation to identify and prepare successors?	0%	100%

Source: Field Survey, 2016

The table 4.11-1 on the previous page presents a summary of findings of the characteristics of the succession plans in the eight firms who had systematic SP&M programs, as compared to what was presented in section 2.11 as being the characteristics of effective SP&M program.

The score in most characteristics of effective SP&M program were strong enough to support the concept of systematic succession planning and management. However, some of the firms had not fully espoused what is considered best practice in systematic SP&M programs. For these firms to be fully compliant, they must adopt some fundamental elements of effective SP&M program such as benchmarking, conducting developmental programs, getting top executives to identify and prepare successors at all levels of the organization and bringing SP&M to the forefront of management rather than pushing it to the back burners.

ii.   Need for systematic SP&M

Table 4.11-2: Needs driving adoption of SP&M in Kenya vs. Literature review

What is the most important factor for your organization's adoption of SP&M?	Yes	No	Importance of factor
Employee recruiting and retention, competitive advantage as a successful company.	88%	22%	21%
Make sure we have talent we will need for the future.	81%	19%	19%
Business expansion + aging current executive team	75%	25%	18%
Compelling need to develop internal candidates.	69%	31%	16%
Succession planning is now more important than in the past because our organization is taking steps to expand and our leadership will be scrutinized more closely than ever.	60%	40%	0%
Management has an interest in having the program.	50%	50%	12%
Competitive labour market.	50%	50%	12%
Lack of talent in the industry, lack of available talent in the market	13%	87%	3%

Source: Field Survey, 2016

The general score indicates a higher association between the findings on the driving factors of adoption of SP&M and the literature in sections 2.3, 2.4 and 2.5. This signifies that the basic

compelling needs of SP&M are global to all businesses. Nonetheless, the QS firms in Kenya have almost accepted to bear the threat of lack of talent and competition in the market.

iii. Challenges

From table 4.11-3 it is evident that SP&M effort amongst Kenyan QS firms is bedeviled by the same global challenges as indicated in the Literature review. The scores on importance of individual factors show a closer association between the several bottlenecks in systematic succession planning and management programs.

Table 4.11-3: Challenges of SP&M in Kenya vs. Literature review

Challenges to SP&M	Yes	No	Importance
Lack of coordinated follow-through on developmental programs.	76%	24%	14%
Identifying true successor and high potential employees.	71%	29%	13%
Focusing on what's important to get the program started.	53%	47%	10%
Different assessment standard.	53%	47%	10%
Ensuring that action plans are followed through.	53%	47%	10%
Communication of potential or lack thereof.	47%	53%	9%
Getting the process completed well and evaluations.	47%	53%	9%
Full participation by all senior leaders.	35%	65%	6%
Getting leadership to expect and produce more successors than they have in the past.	35%	65%	6%
Measuring effectiveness of the program.	33%	67%	6%
Time.	29%	71%	5%
Discussion with candidates and paper work showing the outcome.	19%	81%	3%

Source: Field Survey, 2016

There are however some challenges that are unique to the Kenyan QS firms and these include: -

i.   Most staff undertook their private works as individual consultants, which undermined the firms they worked in.
ii. Nepotism where directors are grooming their kin and not developing HiPos in their firms.
iii. Distrust and apprehension between management and employees.
iv. Impatience among young professionals.

v.   HiPos lack of capacity to buy shares to attain ownership of firms.

The uniqueness of the challenge of staff carrying out their private works can be linked to the growth in the construction sector in Kenya. With the improvement of the Kenyan economy since 2002, there has been a lot of construction for both private residences, housing, and commercial buildings. The clients who don't prefer dealing with consulting QS firms either due to bureaucracy or scale of fees, therefore opt for individual consultants QS to handle their projects and this creates a sellers' market for skills where employees are competing against their employers. The increased competition for QS skills due to the construction boom also presents employees with better prospect opportunities and they are not motivated enough to patiently wait in the hope that their employers will appreciate their input. The lack of capacity by HiPos to buy shares has a direct relation with the reasons for exit among the employed QS as reported in section 4.3.4. On one hand, employees are feel they are not fairly remunerated to be able to set aside the normally large capital needed to buy into a firm and their employers on the other hand are reluctant to offer them better terms because they contributed to the training and development.

The challenge of nepotism can be traced to the Kenyan heritage of wanting to pass down your worth to your kin when you exit the stage. After all, these people have painstakingly toiled over the years and endured hardships to build up the firms and it is only proper at least in their eyes to pass over, as inheritance their life work and worth. The distrust and apprehension between different generations is a global phenomenon but one which is also influenced by local culture, the generation Y are more assertive, aggressive and mostly unapologetic, they know what they want and they want it now, this is unsettling to older generations who hitherto believed to be heroes of their practices and who enjoyed unwavering loyalty from their employees.

In comparison to other jurisdictions such as Australia, the study concludes that they are close relationships between the problems faced by construction consultancy firms (architectural and quantity surveying firms) and their approach to succession planning and management in terms of philosophy and attitude notwithstanding the geographical area of operation or market of practice. This can be hinged on the fact that the practice/profession is largely standard worldwide and practitioners are taught from largely same curriculum and taught same professional ethics and philosophies.

4.12 SUMMARY

The findings indicate that succession in majority of Kenyan Quantity Surveying firms widely occur accidentally rather than being a conscious and deliberate effort of the management. Whilst 68 percent of the firms reported to be grooming or seeking more leaders, only 32 percent of the firms had embraced systematic succession planning and management. The few firms that had embraced systematic SP&M reported to enjoy smooth continuity and sustained business, consistency in output and operations, improved employee retention and increased market footprint. The adoption of SP&M was principally influenced by the desire to attract and retain talent needed for the future strategic plans and survival. Trust and entrepreneurial abilities were key competencies in the succession equation.

The dominant challenges that bedeviled the adoption and implementation of systematic SP&M were lack of coordinated follow-through on developmental programs (14 percent). Difficulty in identifying true successor and high potential employees (13 percent). Lack of focus on what is important to get the program started; failure to ensure that action plans are followed through, together with different assessment methods of SP&M, all at 10 percent each.

Other challenges cited were; secrecy and lack of HiPos involvement on succession planning, distrust and apprehension between management and younger practitioners, impatience and dishonesty of the younger professionals, and fear of losing control by the senior counterparts. Lack of capacity by young HiPos to buy into the firms also undermined succession planning efforts. Most of these challenges were common to other global jurisdictions. Finally, concerns were raised on nepotism where senior leaders ran firms like family owned business and groomed their kin to take over the management of their firms.

CHAPTER 5 – CONCLUSIONS AND RECCOMENDATIONS

This chapter contains an overview of the research study, insights gained from the research and recommendations for future research. The chapter has three main sections. The discussion begins by revisiting the objectives of this study, then a summary of the main findings followed by exploration of emerging themes. Additionally, the implication of the study findings on the hypothesis is explained and conclusions derived. In the second section, proposed recommendations that may enhance adoption of systematic succession planning in Quantity Surveying firms are presented. Lastly, the proposed areas of further studies emanating from this research are outlined.

5.1   REVISITING THE RESEARCH OBJECTIVES

The aim of this study was to: establish how succession occurred in Kenyan Quantity Surveying firms, investigate the benefits of succession planning and establish the challenges facing adoption and implementation of systematic secession planning and management. The findings of this study echo and validate the research problem and answer the research questions. The research objectives have also been met as explained hereinafter.

5.1.1   Summary of main findings

In this section, the study findings on the occurrence, benefits and challenges of systematic succession planning and management are presented. The presentation of the benefits of systematic SP&M programs can be the catalyst for firms to give more thoughts to succession planning. At the same time, the analysis of the challenges provides quantity surveying firms with a knowledge base of the likely pitfalls affording them a better position to devise ways of avoiding or tackling those bottlenecks.

i.   General information

The general information was sought to contextualize the study findings. Majority (72 percent) of firms surveyed had been in practice for more than 11 years. Most of the early firms founded by British citizens had largely transitioned to the third generation of managers. Almost all indigenous firms were still run by the founders. The most common level of entry for future firm leaders in established firms was as a graduate quantity surveyor and they worked their way up to top management.

Staff turnover among graduate quantity surveyor's cadres and quantity surveyors was high with the modal years of service being two and three years respectively. The erosion of the value of employee/employer loyalty by this groups was associated with their generations' different work preferences and their need for instant gratification and appreciation of success.

48 percent of firms were run by two directors while others had either one, or three – five directors. 68 percent of the firms reported to be actively grooming or seeking more people into partnership or more responsibilities within the firms. Trust (to be part owners) coupled with one's entrepreneurial ability and strategic value were major consideration for career advancement or adoption into management.

ii. Occurrence of systematic succession planning and management

There isn't much succession planning occurring in the world of Kenyan Quantity Surveying firms as only 32 percent of the firms had embraced systematic Succession Planning and Management. Among these eight firms, not all of them had met the ideal characteristics of an effective systematic SP&M program. Sole proprietorships were not responsive to the topic of SP&M yet they were prominently cited by respondents to be notoriously affected by the detriments of lack of succession plans. Private limited companies were more likely to have systematic succession planning and management blueprints than partnerships. There was a weak correlation between the ages of firms, number of directors and adoption of SP&M.

iii. Benefits of succession planning

The firms that had systematic succession planning and management programs were largely driven by the realization of difficulties in Talent/HiPos attraction and retention in an increasingly competitive labour market (21 percent). This was necessary for strengthening the talent pool needed for future expansion and continued survival.

These firms enjoyed several benefits, top among them was continuity and sustained business, consistency in product, improved employee retention and expansion of firms' directorship that ensured that the firms' market base/foot print was diverse as all directors had a larger reach. In general, all the benefits pointed to enjoyment of stability and growth in the economic/business and operational aspects of the firms.

iv. Challenges in adoption and implementation of systematic succession planning and management

Systematic Succession Planning and Management is evidently a topic seldom on the agenda table of Quantity Surveying firms and this calls for change of mindset to enable full participation and commitment by all senior leaders. Lack of coordinated follow-through on developmental programs was the major challenge at 14 percent. Firms also faced difficulties in identifying true successor and high potential employees (13 percent). Apprehension and mistrust between generations, domineering involvement of founders (founder's syndrome), nepotism and running of firms like family owned business, insincerity and impatience of younger professionals were all nonstarters to SP&M efforts. Lack of capacity by HiPos to buy into firms also complicated succession planning.

v. Emerging themes

This study followed the philosophies and theoretical perspectives of grounded theory to better understand Succession Planning and Management in Kenyan Quantity Surveying firms and to find out the meaning that the Quantity Surveying firms brought to the topic of systematic SP&M. Five themes emerged from the research; nepotism where senior leaders run firms like family owned business and groomed their kin to take over the management of their firms. Apprehension between the older and younger practitioners was prevalent with the former seeing the latter as impatient and dishonest, and the latter viewing the former as unwilling to share responsibility for fear of losing control. Secrecy in communication on succession planning and the shying away from succession topic due to uncomfortable feeling the word elicits especially among sole proprietorship.

5.1.2 Implication of findings on hypothesis

The hypothesis for this study states that: -

  i.   Null hypothesis (H_O): The lack of succession plans in QS firms increases their exposure to economic and operational risks.
  ii. Alternative hypothesis (H_A): Quantity Surveying firms in Kenya have succession plans, a practice that has ensured sustainable growth and continuity of the firms.

The data collected in this study supports the adoption of the first hypothesis. First, with only 32 percent of the firms having active systematic SP&M programs, the number is considered statistically insignificant to point at general trend of adoption of SP&M that would lead to acceptance of hypothesis 2. Secondly, the firms that had systematic SP&M programs reported to have organizational/operational stability, had managed to create business of value to all their stakeholders and enjoyed market dominance and vibrancy - all deducible from their responses as benefits enjoyed.

The study therefore concludes that Kenyan Quantity Surveying firms have not adopted Systematic Succession Planning and Management a fact that has increased their exposure to economic and operational risks.

5.1.3 Conclusion

The conclusion below is presented in relation to the study objectives and hypothesis described previously:

i. How is succession practised in Quantity Surveying firms?

The occurrence of succession in many Quantity Surveying firms is largely accidental and unplanned. Many firms (68 percent) do not have Systematic Succession Planning and Management programs and sole proprietorship firms are consciously avoiding the topic altogether.

ii. Benefits of succession planning

Succession has lots of benefits to Quantity Surveying firms, all which lead to organizational/operational and economic stability and helping in the creation of business of value to all stakeholders. The major benefits are: -

- Continuity and sustained business,
- Consistency in product/outcome,
- Improved employee loyalty/retention and commitment,
- Expansion of firm's directorship and diversified blend of management.

iii. Challenges of implementing and adopting systematic succession planning and management

- Lack of coordinated follow-through on developmental programs,
- Difficulties in identifying true successor and high potential employees,
- Secrecy in communication,
- Founder's syndrome,
- Nepotism,
- Apprehension and mistrust between different generations, and
- Lack of capacity by HiPos to buy into firms.

5.2 RECOMMENDATIONS

From the conclusion, the following recommendation are offered

i. There is need for the governing body of Quantity Surveying practices in Kenya - BORAQS to sensitize practitioners to restructure their firms to adopt less stodgy human relation policies that will ensure incorporation and active operationalization of systematic Succession Planning and Management programs. This will facilitate continuity of firms beyond the lives of their founders. The training institutions such as universities also need to impart adequate knowledge to QS students on the need for sturdy human relation and SP&M practices for their future consultancy firms.

ii. The firms that already have systematic SP&M programs should be encouraged to demonstrate to their contemporaries the business value of the benefits of systematic SP&M programs as a way of encouraging adoption of systematic SP&M programs. This can be done in forums such as BORAQS CPD seminars and through publications such as the IQSK journal.

iii. There is need for change of mindset to enable full participation and full commitment of time and resources by senior managers of quantity surveying firms to facilitate adoption of and proper management of succession programs. Younger professionals should also strive to understand their older counterparts and demonstrate trustworthiness.

iv. Lastly, firms should set up funds or have buy/sell agreements with financing mechanisms to assist internal HiPos to acquire shares.

5.3   AREAS OF FURTHER STUDY

In order to fully understand the approaches to succession among Quantity Surveying firms, the following are suggested as areas of further study:

i.   Assessment of the different succession planning models and approaches employed by Quantity Surveying firms and their effectiveness.

ii.   The effect of gender on succession process in a male dominated field of Quantity Surveying.

REFERENCES

Agle, B., 1999. Understanding Research on Values in Business. *Business and Society,* Vol. 38 (issue 3).

Ancona, D. and Nadler, D., 1989. Top Hats and Executive Talent: Designing the Senior Team. *Sloan Management Review,* Vol. 3.

Association of South African Quantity Surveyors, 2015. *The History of Quantity Surveying.* [online] Available at: < http://www.asaqs.co.za/?page=history> {Accessed 12 May 2015].

Baker, G. E., Grubbs, A. and Ahern, T., 1990. Triangulation Strengthening Your Best Guess. *Performance Improvement Quarterly,* Vol. 3 (issue 3), pp. 27-35.

Baruch, Y., 1999. Response Rate in Academic Studies - A Comparative Analysis. *Human Relations,* Vol. 52, pp.421- 438.

Baruch, Y., Holtom, B. C., 2008. Survey Response Rate Levels and Trends in organizational Research. *Human Relations,* Vol. 61(issue 8), pp. 1139- 1157.

Boeiji, H. R., 2010. *Analysis in Qualitative Research.* University of Utrecht: SAGE publication Ltd.

Boroson, W. and Burgess, L., 1992. Survivors Syndrome. *Across the Board,* Vol. 29 (issue 11), pp.41-45.

Boyatzis. A. R., 1982. *The Competent Manager; A model for Effective Performance.* New York: John Wiley and Sons Inc.

Brauchle, P., 1992. Costing Out the Value of Training. *Technical and Skills Training.*

Brinkerhoff, R., 1983. The Success Case: A Low Cost High Yield Evaluation. *Training and Development Journal.*

Byham, W. C., Smith, A. B. and Paese, M. J., 2002. *Grow Your Own Leaders: How to Identify, Develop, And Retain Leadership Talent.* Upper Saddle River, NJ: Prentice Hall PTR.

Cahoone, D. K. Gibbs L. W. and DeFluri, R. F., 2002. *Strictly Business – Planning Strategies for Privately Owned Business.* Denver Co.: Esperti Peterson Institute/Quantum Press Llc.

Camp, R., 1989. *Benchmarking: The Search for Industry Best Practices That Lead to Superior Performance,* Milwaukee, Wisconsin: Quality Press/ American Society for Quality Control.

Canadian Institute of Quantity Surveyors, 2013. *Professional Quantity Surveyor (PQS) Designation.* [online] Available at: < http://www.ciqs.org/english/designations-defined-professional-quantity-surveyor> [Accessed 5 May 2015].

Capelli, P., 2000. A Market Driven Approach to Retaining Talent. *Harvard Business Review,* Vol. 78 (issue 1), pp.103-111.

Carnazza, J. P., 1982. *Succession/Replacement Planning Programs and Practices: A Report: Center for Research in Career Development.* New York: Columbia University Graduate School of Business.

Carter, N. H., 1986. Guaranteeing Management Future through Succession Planning. *Journal of Information Systems Management,* Vol. 3. (Issue 3), pp. 13-14.

Chandler, A., 1962. *Strategy and Structure: Chapters in the American Industrial Enterprise.* Cambridge, Mass: Massachusetts Institute of Technology.

Charan, R., Drotter, S. J. and Noel, J. L., 2001. *The Leadership Pipeline: How to Build the Leadership-Powered Company.* San Francisco: Jossey-Bass.

Charan, R., Drotter, S. J. and Noel, J. L., 2011. *The Leadership Pipeline: How to Build the Leadership-Powered Company.* rev ed. San Francisco: Jossey-Bass.

Charmaz, K., 2006. *Constructing Grounded Theory.* London: Sage.

Coens, T. and Jenking, M., 2001. Abolishing Performance Appraisal – Why They Backfire and What to Do Instead. *The CEO Refresher,* [online] Available at: < http://www.refresher.com/abolishing-performance-appraisals-by-tom-coens-mary-jenkins/ > [Accessed 4 May 2015].

Cook, C., Heath, F., Thompson, R. L., 2000. A meta-analysis of response rate in web-or internet based surveys. *Educational and Psychological Measurements*, Vol. 60. pp. 821-836.

Cooke, R., 1995. Succession Planning. *Credit Union Management*, Vol.18.

Corbin, J. and Strauss, A., 1990. Grounded Theory Research: Procedures, Canons, and Evaluative Criteria. *Qualitative Sociology,* Vol. 13 (No.1).

Corbin, J. and Strauss, A., 2007. *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*. 3rd ed. Thousand Oaks, CA: Sage.

Cox, H., Nielsen, G. D. and Sundstorm, T. M., 1999. Getting results from Internet Based 360 degrees feedback than coaching. *Human Resource Professional,* Vol. 12 (issue 6).

Creswell, J. W., 1998. *Qualitative Inquiry and Research Design: Choosing Among Five Traditions.* Thousand Oaks, CA: Sage.

Creswell, J. W., 2003. *Qualitative Inquiry and Research Design: Choosing Among Five Traditions.* 2nd ed. Thousand Oaks, CA: Sage.

Creswell, J. W., 2013. *Qualitative Inquiry and Research Design: Choosing Among Five Traditions.* 3rd ed. Thousand Oaks, CA: Sage.

Cunningham. S., 1991. Coaching Today's Executive. *Public Utilities Fortnightly*, Vol. 128 (issue 2), pp. 22-25.

Davis, L. and McCallon, E., 1974. *Planning, Conducting Evaluating Workshops.* Austin, Texas: Learning Concepts.

Deegan, A. X., 1986. *Succession Planning: Key to Corporate Excellence.* New York: Wiley-Interscience.

Deming, W. E., 2012. Elimination of Annual Performance Appraisal. *The W. Edwards Deming Institute Blog,* [blog] 29 October. Available at: < http://blog.deming.org/2012/10/dr-deming-called-for-the-elimination-of-the-annual-performance-appraisal/ > [Accessed 6 May 2015].

Densford, L. E., 1999. Corporate universities Add Value by Helping Recruit Retain Talent. *Corporate University Review.*

Denzin, N. K. and Lincoln, Y.S., 2000. *The Sage Handbook of Qualitative Research*. 2nd ed. Thousand Oaks, CA: Sage.

Der Heijden, K. V., 1996. *Scenarios: The Art of Strategic Conversation.* New York: John-Wiley and Sons, Inc.

Derr, C., Jones, C. and Toomey, E., 1988. Managing High Potential Employees: Current Practices in Thirty-Three U.S. Corporations. *Human Resource Management,* Vol. 27 (issue 3).

Dormant, D., 1986. *The ABCDs of Managing Change. Introduction to Performance Technology*. Washington, D.C.: National Society of Performance and Instruction.

Drucker, P. F., 1985. How to Make People Decisions. *Harvard Business Review,* Vol. 63 (issue 4).

Dubois, D. and Rothwell, W. J., 2000. *The Competency Toolkit*. Amherst, Mass: HRD Press.

Dubois. D., 1993. *Competency-Based Performance Improvement: A strategy for Organizational Change.* Amherst, Mass: HRD Press.

Edna, C., 2006. Succession Planning: Multilevel Organizational Strategies for the New Workforce. *Journal of Nursing Administration,* Vol. 36 (issue 6), pp. 298 -303

Eluwa, S., 2011. *Job Movement Types - Rotation, Promotion*. [online] Ziff Davis LLC. Available at: < http://human-capital-strategy.hr.toolbox.com/groups/strategy-administration/workforce-planning/job-movement-types-rotation-promotion-396457 > [Accessed 12 May 2015].

Farm Credit Canada, 2015. *Joint Venture Agreements Can Have Advantages.* [online] Available at: < https://www.fcc-fac.ca/en/ag-knowledge/business-planning/joint-venture-agreements-can-have-advantages.html> [Accessed 03 May 2015].

Fayol, H., 1949. *General and Industrial management*. [pdf] New York: Pitman. Available at <http://www.esf.edu/for/germain/rodriques_2_14.pdf> [Accessed 10 May 2015].

Fitz-Enz, J., 1984. *How to Measure Human Resources Management.* New York: McGraw Hill.

Fitz-Enz, J., 2000. *The ROI of Human Capital: Measuring the Economic Value of Employee Performance.* New York: AMACOM.

Forum Newsletter, 1989. *Long-Term Business Success Can Hinge on Succession Planning,* Vol. 5 (issue 4), p.1

Fraze, J., 1988. Succession Planning Should be a Priority for HR Professionals. *Resources.*

Garman, A. N. and Glawe, J., 2004. Succession Planning. *Consulting Psychology Journal: Practice and Research,* Vol. 56(issue 2), pp. 119-128

Gibson, J.L., Ivancevich, J. M. and Donnelly-Jr, J. H., 1985. *Organization Behavior, Structure, Process.* 5th ed. Plano, Texas: Business Publications Inc.

Gilmore, T., 1988. *Making a Leadership Change: How Organizations and Leaders Can Handle Transition Successfully.* San Francisco: Jossey-Bass.

Government of Newfoundland and Labrador, 2008. *Succession Planning and Management Guide.* HR Policy and Planning Division Human Resource Branch, Public Service Secretariat.

Guba, E.G., 1981. Criteria for Assessing the Trustworthiness of Naturalistic Inquiries. *Educational and Communication Technology Journal*, Vol. 29 (Issue 2), pp. 75-91.

Gubrium, F. G., Holstein, J.A., Marvasti, A.B. and McKinney, K. D., 2012: *The SAGE Handbook of Interview Research: The complexity of the Craft*. Thousand Oaks, CA: Sage.

Hansen, R. and Wexler, R.H., 1989. Effective Succession Planning. *Employment Relations Today,* Vol. 15 (issue 1), p.19.

Heaton, A., 2016. What Architects Needs to Consider in Succession Planning. *Architecture News,* [online] 11 November. Available at: < https://sourceable.net/architects-need-consider-succession-planning/> [Accessed 12 November 2016].

Henecke, M., 1991. Toward the Change-Sensitive Organization. *Training Magazine.*

Heuer, J.J., 2003. *Succession Planning for Key Administrators at Ivy-Plus Universities*. [online] Available at: http://repository.upenn.edu/dissertations/AA13084871 [Accessed 16 February 2016].

HR Council, 2015. *HR Planning- Succession Planning*. [online] Available at: < http://hrcouncil.ca/hr-toolkit/planning-succession.cfm> [Accessed 3 May 2015].

Human Resource Institute of New Zealand, 2011. *Succession Planning*. [online] Available at: <http://www.hrinz.org.nz/Site/Resources/Knowledge_Base/Q-Z/Succession_Planning_.aspx> [Accessed 12 May, 2015].

Institute of Quantity Surveyors of Kenya, 2015. *History of Quantity Surveying*. [online] Available at: http://www.iqskenya.org/index.php?option=com_content&view=article&id=59&Itemid=59. [Accessed 03 May 2015].

Journal of Financial and Quantitative Analysis, 2015. *Organizational Complexity and Succession Planning*. [online] Available at: < http://journals.cambridge.org/action/displayAbstract?fromPage=online&aid=4204876&fileId=S0 02210900000257X> [Accessed 03 May 2015].

Kanter, R. M., 1977. *The Men and Women of the Corporation*. New York: Basic Books.

Kim, Y., 2006. *Measuring the Value of Succession Planning and Management: A Qualitative Study of U.S. Affiliates of Foreign Multinational Companies*. PhD. The Pennsylvania State University.

Kirkpatrick, D., 1960. Techniques for Evaluating Training Programs. *Journal of the American Society for training and development.*

Korn/Ferry Institute, 2010;

Kothari, C.R., 2011. *Research Methodology: Methods and Techniques*. 2ed Rev Ed. New Delhi: New Age International (P) Ltd Publishers.

Kraut, A. I., 1996. *Organizational Surveys: Tools for Assessment and Change*. San Francisco, CA: Jossey-Bass.

Kraut, A., Pedigo, P., McKenna, D. and Dunnette, M., 1989. The Role of the Manager: What's Really Important in Different Management Jobs. *Academy of Management Executives,* Vol. 3 (issue 4), pp. 287.

Lawler III, E. E., 2012). Performance Appraisals Are Dead, Long Live Performance Management. *Forbes Leadership,* [online] Available at: < > [Accessed 6 May 2015].

Leibman, M., 1996. Succession Management: The next Generation of Succession Planning. *Human Resource Planning,* Vol. 19 (issue 3), pp. 16-29.

Leibman, M., Bruer, R. A. and Maki, B. R., 1996. Succession Management: The next Generation of Succession planning. *Human Resource Planning,* Vol. 19 (issue 3), pp. 16-29.

Levinson, H., 1988. *Organizational Diagnosis.* Cambridge: New York: AMACOM.

Lindsey, E., Homes, V. and McCall, M., 1987. *Key Events in Executives' Lives.* Greensboro: The Centre for Creative Leadership.

Lindsey, E., Homes, V. and McCall, M., 1987. Key Events in Executives' Lives. *The Center for Creative Leadership.*

Mahler, W. R. and Drotter S. J., 1986. *The Succession Planning Handbook for the Chief Executive.* Middle Park, New Jersey: Mahler Publishing Co.

McDermott, R., 1999. Why Information Technology Inspired but Cannot Deliver Knowledge Management. *California Management Review.*

McElwain, J. E., 1991. Succession Plans Designed to Manage Change. *HR Magazine,* Vol. 36, p.67.

McLagan, P., 1989. *The Models*. Alexandria: The American Society for Training and Development, p.7.

Mines, R. A. and Kent, M. S., 2002. Nothing Ensures Success Like Succession Planning. *HR Strategies for Tight Times.*

Moore, W., 1962. *The Conduct of the Corporation.* New York: Random House.

MorganStanley SmithBarney LLC, 2011. *Business Succession Planning.* MorganStanley SmithBarney LLC

Morrison, A., 1992. *The New Leaders: Guidelines on Leadership Diversity in America.* San Francisco: Jossey-Bass.

Nachmias, C. F. and Nachmias, D., 1996. *Research Methods in the Social Sciences.* 5th ed. Great Britain: St Martin's Press Inc.

Norton, R., 1991. *Dacum Handbook.* Columbus, Ohio: The National Center for Research in Vocational Education, The Ohio State University.

Odiorne, G. S., 1984. *Strategic Management of Human Resources: A portfolio Approach.* San Francisco: Jossey-Bass.

Pakistan Engineering Council Islamabad, 2010. *Standard Forms of Joint Venture/Consortium Agreements and Memorandum of Understanding.* Islamabad: Registrar Pakistan Engineering Council.

Pastin, M., 1982. The Fallacy of Long Range Thinking. *Training.*

Patton, M. Q., 1990. *Qualitative Evaluation and Research Methods.* Newbury Park, CA: Sage.

Patton, M. Q., 2002. *Qualitative Research and Evaluation Methods.* 3rd ed. Thousand Oaks, CA: Sage.

Peck, E. and Secker, J., 1999. Quality Criteria for Qualitative Research: Does Context Make a Difference? *Qualitative Health research,* Vol. 9 (issue 4), pp. 552 – 558.

Peery, S. and Salem, M., 1993. Strategic Management of Emerging Human Resource Issues. *Human Resource Development Quarterly,* Vol.4 (issue1), pp.81-95.

Registration of Business Names Act 1951 (c.499). Nairobi: National Council for Law Reporting.

Rhodes, D. W., 1988. Succession Planning-Overweight and Underperforming. *The Journal of Business Strategy.*

Rogelberg, S. and Stanton, J., 2007. Understanding and Dealing with Organizational Survey Non-response. *Organizational research Methods.* Vol. 10, pp. 195-209.

Rothwell, W. J and Pudoch, S., 2004. Introducing technical (not managerial) succession planning. *Public Personnel management*, Vol. 33 (Issue 4).

Rothwell, W. J. and Kazanas, H. C., 1993. Developing Management Employees to Cope with the Moving Target Effect. *Performance and Instruction,* Vol. 38.

Rothwell, W. J. and Kazanas, H. C., 1994. *Planning and Managing Human Resources: Strategic Planning for Personnel Management.* rev. ed. Amherst, Mass: HRD Press.

Rothwell, W. J. and Kazanas, H. C., 1999. *Building In-House Leadership and Management Development Programs.* Westport, Conn: Quorum.

Rothwell, W. J. and Kazanas, H. C., 2003. *The Strategic Development of Talent,* rev. ed. Amherst, Mass: HRD Press.

Rothwell, W. J. and Lindholm, J., 1999. Competency Identification, Modelling and Assessment in the USA. *International Journal of Training and Development.*

Rothwell, W. J. and Sredl, H. J., 1992. *The American Society for Training and Development Reference Guide to Professional Human Resource Development Roles and Competencies.* 2nd ed. Amherst, Mass: HRD Press.

Rothwell, W. J., Kazanas, H. C. and Haine, D., 1992. Issues and Practices in Management Job Rotation Programs as Perceived by HRD Professionals. *Performance Improvement Quarterly.* Vol. 5 (Issue 1), pp. 49-69.

Rothwell, W.J., 2001. *Effective succession planning: Ensuring Leadership continuity and Building talent from within.* 2nd ed. New York: AMACOM

Rothwell, W.J., 2005. *Effective succession planning: Ensuring Leadership continuity and Building talent from within.* 3rd ed. New York: AMACOM

Rothwell, W.J., 2010. *Effective succession planning: Ensuring Leadership continuity and Building talent from within.* 2nd ed. New York: AMACOM

Rothwell. W. J., 2000. Trends in Succession Management. *The Linkage Inc.* [online] Available at http://www.linkageinc.com/newsletter26/research.htm [Accessed 10 May 2015].

Rubin, H. J. and Rubin, I. S., 2005. *Qualitative Interviewing: The Art of Hearing Data.* 2nd ed. University of Michigan: Sage Publications.

Sherman, A. W., Bohlande, W. and Chruden, H., 1988. *Managing Human Resources.* 8th ed. Cincinnati: South-Western Publishing Co.

Smith, P. and Reinertsen, D., 1991. *Developing Products in Half the Time.* New York: Van Nostrand Reinhood.

Smither, R., 1991. The return of the Authoritarian Manager. *Training.* Vol. 28 (issue 11), pp. 40-44.

Solomon, C. M., 1992. The Loyalty Factor. *Personnel Journal.*

Sorcher, M., 1985. *Predicting Executive Success: What It Takes to Make It into Senior Manager.* New York: John-Wiley and Sons, Inc.

Stephenson, K. and Krebs, V., 1993. A more Accurate way to Measure Diversity. *Personnel Journal,* Vol. 72, pp. 66-72, 74.

Stewart, T. A., 1999. Have. You Got What It Takes. *Fortune,* Vol. 140 (issue 7), pp. 318-322.

Stuller, J., 1993. Why Not 'Inplacement? *Training,* Vol. 30 (issue 6), pp.37-44.

Stum, D., 1989. Five Ingredients for an Employee Retention Formula. *HRFocus.*

Swartz, J. M., 2009. *Business Succession Planning.* [online] Available at: http://www.joanswartz.com/business-succession-planning.html [Accessed 3 May 2015].

Taylor, P. J. and Pierce, J. L., 1999. Effects of Introducing a Performance Management System on Employees' Subsequent Attitudes and Effort. *Personnel Management,* Vol. 3.

Ten Step Inc. and C & K Management Ltd, 2003. *Acceleration Talent Pool.* Ten Step, Inc. and C & K Management Limited.

The Architects and Quantity Surveyors Act 1934. (c.525). Nairobi: National Council for Law Reporting.

The Companies Act 1962. (c.486). Nairobi: National Council for Law Reporting.

The Limited Liability Partnership Act 2011. (c. 30A). Nairobi: National Council for Law Reporting.

The National Federation of Community Organization, 2010. *What is a consortium and how does it differ from a partnership?* [online] Available at:
<http://www.cummunitymatters.org.uk/content/563/what-is-a-consortium-and-how-does-it-differ-from-a-partnership /> [Accessed 16 February 2016].

The Partnership Act 2012. Nairobi: National Council for Law Reporting.

Time, 1993. The Numbers Game, *The Times*, pp. 14-15

Tolbize, A., 2008. *Generational Differences in the Workplace*. Research and Training Center on Community Living, University of Minnesota.

Watson, C. E., 1979. *Management Development Through Training.* Reading, Mass: Addison-Wesley.

Wissema, J., Brand, A. and Der Pol, H. V., 1981. The Incorporation of Management Development in Strategic Management. *Strategic Management Journal 2.*

Wolcott, H. T., 2009. *Writing Up Qualitative Research.* 3rd ed. Thousand Oaks, CA: Sage.

Workforce Strategies, 1999. Cross Generational Approaches, *Workforce Strategies.*

Yin. R. K., 2003. *Case Study Research: Design and Methods (Applied Social Research Methods Series Volume 5).* 3rd ed. Thousand Oaks, CA: Sage Publications Inc.

Zaich, L. L., 1986. *Executive succession planning in select financial institute*. PhD. Pepperdine University.

APPENDIX 1: RESEARCH LETTER

APPENDIX 2: DATA COLLECTION INSTRUMENTS