

EFFECTS OF SUCCESSION PLANNING PRACTICES ON ORGANISATION PERFORMANCE AMONG THE NON-GOVERNMENTAL ORGANISATIONS' IN KENYA

Onyango Joseph Odhiambo
Kabarak University
Kenya
jodhiambo82@gmail.com

Prof. Lily Njanja
St. Pauls University
KenyaKenya
lnjanja18@gmail.com

Dr Charles Zakayo
Kabarak University
charleszakayo@yahoo.com

CITATION: Odhiambo, J. O., Njanja, L & Zakayo, C (2014). Effects of Succession Planning Practices on Organization Performance among the Non-Governmental Organizations in Kenya. *European Journal of Business Management*, 2(1), 141-154.

ABSTRACT

Succession planning in the recent past has received more attention not only as a concern for the management of human resources, but also as institutional strategic management component for ensuring performance and growth. Succession planning's main objectives can be described as; to improve job filling for key positions through active development of longer-term successors through ensuring their careers progress, and making sure that they get the range of work experiences they need for the future to encourage a culture of progression. This study assessed the effects of succession planning practices on organizational performance among Non-Governmental Organisations (NGOs) in Kenya. The specific were to: establish the extent to which succession planning influences the realization of stakeholder's expectation, explore the role of succession planning on internal business process and determine the extent to which succession planning contributes to the growth of NGOs in Kenya. The research designs adopted were descriptive and quantitative. A total of 270 NGOs based in Nairobi participated in the study. The study consolidated both primary and secondary data. Secondary data was collected from relevant records from the NGOs under study and NGO coordinating board of Kenya. The main instrument for collecting primary data was a questionnaire. Each participating organization filled one questionnaire. The statistical analysis included; descriptive statistics and inferential statistics to determine the strength of a relationship between variables to establish the strength of association between dependent and independent variables. The findings through tests of hypothesis revealed that: succession planning have significant effects on internal business and significantly contributes to institutional growth of Non-Governmental Organisations. However, findings revealed that succession planning have no influence on realization of stakeholder's expectations.

Key words: *Succession planning, Organization performance, Stakeholders Outcomes, Internal Business Process, Institutional Growth, Non- Governmental Organisations*

INTRODUCTION

Whether public or private, the organization's survival is based on its ability to bring on board and sustain high quality workforce over a period of time. Many organisations are currently facing mounting pressures to ensure their sustainability, flexibility, and responsiveness to the increasing uncertainty and limitations in the economic world. Ultimately, increased turbulence in the employment environment, characterized by organizational restructuring, funding uncertainties, and increasing program complexities have substantial effects on the ways organisations respond to workforce replacement (Caudron, 1999). At a global level, succession planning in the recent past has received more attention not only as a concern for the management of human resources, but also as institutional strategic management component for ensuring performance and growth. In one of the recent surveys by Rothwell (2010), top corporate companies revealed that the main reasons for having succession planning programmes are attributed to the challenge to maintain a pool of potential successors. Kenya is realizing a robust growth in the number of Non-Governmental organisations in the private sector. According to the NGO Coordination Board (2009), the sector has been growing at an average rate of 400 Organisations per year since 2001. The originality of this study, therefore, drawn from the lack of evidence based studies that directly examine the experiences and practices of succession planning among the local NGOs in Kenya. In Kenya succession planning is gaining prominence and is being noticed in many fronts. Not for Profit Organization that includes Non-Governmental Organization are also not left out in the quest for succession planning as legislated in the NGO, Act 2013.

In the field of business and management, both research and practice have registered an increasing concern of linking strategic management of organization's resources to its performance. Organization performance has been gaining importance in the NGO sector as a framework for best the practice in strategic management (Bendell, 2006). Organizational factors influencing high performance of NGOs have in the past attributed to issues such as: goal setting, long-term decisions, organization structure, task structure, communication and span of control. However, in terms of strategy, the above mentioned can be summarized as principal determinants of effective performance and institution survival. Assessment of NGO performance, therefore, is not an end in itself but one of the many sources for an organization to learn how to effect and manage change that can be integrated as a process of Organizational awareness to increase accountability, institutional development, and continuous self-improvement (Active Learning Network for Accountability and Performance- ALNAP, 2006).

Against this background, it is evident that specific strategic management aspects such as Succession planning are starting to gain importance. Succession planning, therefore, is an important way of identifying an employee's current and potential skills that can be developed to help the organisations accelerate and maintain its performance in the future. In this sense, succession planning provides organisations with systematic processes for; identifying,

developing and promoting the growth of high potential employees in the organization's succession pipeline (Leibman, Bruer, and Maki, 1996).

Every organization needs a process of anticipating and making provisions for the movement of people into, within and out of the organization. Non-governmental organisations (NGOs) constantly face challenges not only associated with the perpetual evolving social, political and economic environment, but also with respect to rapid changing demographics of their workforce. NGOs Co-ordination Board (2009) recent report on National validation survey of NGOs in Kenya mentioned the desperate nature of the sector in terms of access to human capital that is increasingly threatening their existence in terms of their ability to retain the qualified workforce. This major concern is also pointed out in Kenyan Human Resource Development Sector Report for the period 2011/12-2013/14 as one key area that Kenya as a country needs to consider. The NGO Act enacted in May 2012 in its main objective requires Non-governmental Organisations to maintain high standards in their internal governance so as to operate as corporate bodies with perpetual succession (GoK, 2012). The situation of increased mobility of staff makes most NGO's risk losing experience and skilled work force, lose institutional memory and organization identity in the long run.

The performance of NGOs as a major stakeholder in development is notably worrying as depicted in the previous declarations on aid effectiveness for Africa in Paris 2005, Accra 2008 and Bussan 2011. The last decade has, however, seen a radical criticism of foreign aid that is underpinned in the performance of NGOs. A fact that has been argued out on that foreign aid can only raise growth in a good policy environment together with sustained good leadership in terms of management and governance as mentioned in a case study for aid effectiveness in Kenya (Mwega, 2010). However, the literature available points out that there is some level of succession planning in private and public organization. Yet, none has demonstrated any documented empirical evidence on succession planning as practiced among Non-Governmental organization in relation to organization performance in the south of Sub-Sahara and Kenya in particular. This study therefore, intended to establish the effects of succession planning as practiced on organization performance among Non-governmental organisations in Kenya. As such, therefore, the research hypotheses were;

- (i) H₁ Succession planning has no significant effects on stakeholder's outcomes for Non-Governmental Organization's in Kenya
- (ii) H₂ Succession planning has no significant effects on the internal business process of Non-Governmental Organization's in Kenya
- (iii) H₃ Succession planning has no significant effects to the growth of Non-Governmental Organizations' in Kenya

LITERATURE REVIEW

The concept of organizational performance is based on the idea that an organization is a voluntary association of productive assets that include human, physical, and capital resources for the purpose of achieving shared objectives (Barney, 2002). Given that human capital in the organization is an integral resource contributing to effective performance It is therefore imperative to assess performance based on strategic alignment of available human resources of

the Organization. In this perspective, Rothwell (2001), described succession planning's main objectives as; to improve job filling for key positions through broader candidate search, active development of longer-term successors through ensuring their careers progress, and making sure that they get the range of work experiences they need for the future to encourage a culture of progression.

Succession planning is in the realm of leadership development, strategic management and human resource management. Path-goal theory and its contribution on the development of the concept of leadership is considered to be of relative importance. Huddleston (1999) in his analysis had concluded that current systems for developing future leaders have been characterized by efforts to address leadership capacity across board. The path-goal theory of leadership as developed was to reconcile prior findings and anomalies resulting from empirical investigations of leadership styles. It concerns relationships between formally appointed superiors and subordinates in their day-to-day functioning within any organization structure. However, research indicates that the initial version of the theory asserted that the motivational function of the leader consists of increasing personal payoffs to subordinates for attainment of work-goals.

In the development of the concept of succession planning by (Nink & Fogg, 2006) describes it as a dynamic and ongoing process of systematically identifying, assessing, and developing leadership talent within the organization career development pipeline. This depicts assessing, developing and recognizing key contributors to meet future Organizational strategic and operational needs as fundamental Organization function. However, Schmalzried and Fallon (2007) described succession planning as a proactive attempt by the leaders of the organization to ensure that leadership is continuous, different positions are filled from within for any departures that may occur. To achieve outstanding results using succession planning, an organization such as an NGO ought to develop an effective and highly focused strategy centered on Organizational future superiority.

Organization performance measurement is considered a multifaceted concept that occurs at different sectoral levels for industry, corporate and business sectional unit. However, there is a necessity to target specific factors which contribute to the performance in a manner that matches context of the organisations with sector factors that can sustain performance over the long term (McGahan, 2004). According to Department of Public Information (2007), the above mentioned takes into consideration organization in the private sector which are not for profit that include NGOs which are generally not-for profit, voluntary citizens' groups that are organized on a local, national, or international level to address issues in support of the public good.

It is also important to note that NGOs are the recipients of billions of dollars invested in social transformation. This provides a basis for taking into consideration NGOs' performance as a necessary factor to be considered fundamentally to address the question of upwards accountability to the stakeholders such as donors, international aid organisations or foreign governments supporting developing countries, or others with power over them, and downwards accountability to those affected by them that include the stakeholders or direct beneficiaries who are dependent on these organisations (Bendell, 2006). Accountability, transparency, and effectiveness have been crucial for the stakeholders that NGOs serve as direct beneficiaries, donors who fund their programmes, and host local governments in the recent past. Organization

performance of NGOs attributed to variety of services and humanitarian assistance functions that are task-oriented targeting people with a common interest. NGOs bring citizens' concerns to governments, monitor policy, program implementation, and encourage participation of civil society organisations at the community level including community based organisations (DeMars, 2005).

The two succession planning models that is; Seven- Pointer star model and best in class PACE model were used in this study. The seven-pointed star model one of the most famous model of succession planning developed by Rothwell (2001) to achieve the systematic succession planning and management. The seven steps in this model as developed by Rothwell are: Make the commitment, assess the present work/people requirements, appraise individual performance, assess the future work/people requirements, assess individual potential, close the development gap, and evaluate the succession planning and management program. The best in class model also referred to as PACE (Pressures, Actions, Capabilities, and Enablers) was developed by the Aberdeen Group as a consolidation of corporate behaviors in specific business processes (Aberdeen, Group, 2007). However, for organization performances as to determine how effective NGOs are and assessing their performance is a difficult question, one that is generally left unasked and unanswered by the organization and scholars as well. Latham and Vinyard (2005) therefore, indicated that the path to performance excellence consisted of the competencies of strategic leadership, execution excellence, organizational learning and growth. In further analysis, they pointed out that, systems are required for the purposeful alignment and integration of the individual processes

METHODOLOGY

Two types of research designs were adopted that included; descriptive research design and quantitative research design. The main purpose of descriptive research is to describe the state of affairs on succession planning and organization performance as it is perceived and practiced. According to Sekaran (2003), descriptive study is undertaken to ascertain and describe the characteristics of the variables of interest in a situation. The research obtained and described the views of respondents with regard to the nature of their exposure to succession planning and perception on organisations performance. The features of this research study are in accordance with the quantitative research paradigm. This is due to the fact that, quantitative research is normally used for investigating phenomena that require precise measurement and quantification and tends to be fairly structured to enhance objectivity.

The study population comprised of 1172 NGOs based in Nairobi that were registered with the National NGO coordination Board of Kenya and in operation (NGO Coordination Board Database, 2012). From the population, a sample of 270 was drawn. Multiple sampling strategies were adopted to effectively carry out this study. The study also adopted proportional allocation in each of the strata under consideration (Serakan, 2003). The research identified the strata according to the classification of NGO sectors based on the organisations thematic areas of focus (Clayton, 1999, Mbote, 2002, & NGO Coordination Board, 2009).in which all the sectors of NGOs operations in Kenya that included: Health, Food and nutrition; Environment, energy and conservation measures; water and sanitation; research, learning and capacity building; shelter and informal settlement; population and relief services; programmes for disabled persons,

children, youth, women, and religion; social policy, communication and advocacy; community development and economic empowerment; and education were considered.

The study consolidated both primary and secondary data. Secondary data was collected from relevant records from the NGOs under study and NGO coordinating board of Kenya. The main instrument for collecting primary data was a questionnaire. Each participating organization filled one questionnaire. The questionnaires were purposefully filled by senior management staff. Reliability and validity was also considered. The instrument used in this study was not only simply constructed by the researcher, but was constructed based on the theoretical models already identified by experts in field of succession planning and organization performance (Rothwell, 2001; Aberdeen 2007; Kaplan and Norton, 1992) as depicted by the variables on the conceptual framework. Pre-testing of instrument was done to determine its feasibility and validity of the tool. Consequently, a pilot study was conducted among 5 NGOs that are registered with the National Coordination Board but are not part of the sample. Over and above, Cronbach's Alpha (α) was used to determine the internal reliability coefficient. The piloted questionnaires were subjected to analysis using SPSS to determine the acceptable alpha (α) value. The case summary after the list wise deletion based on all variables in the procedure was found to be ($\alpha=.950$) of the 51 items processed. The Cronbach's Alphas for each of the items was consistently above ($\alpha= 0.70$) which indicates that the information gathered with the research questionnaire was highly reliable.

The raw data collected for this study was subjected to analysis, discussed and presented as the findings. To facilitate this, the collected data was edited and coded. The data was analyzed using SPSS 20.0 for Windows. The analysis of the data collected was guided with (Creswell, 1994) definition of descriptive and quantitative designs. Inferential statistical tools were used to determine the strength of a relationship between variables to establish the strength of association between dependent and independent variables. Data analysis, presentation and discussion were done systematically starting with: descriptive statistics, inferential statistics through correlations and multiple regressions analysis.

RESULTS

Table 1: Summary of Analysis Variables for Inferential Statistics

Variables	Independent variable (succession planning)	Moderating variable	Dependent variable (organisation performance)
Extracted variables	Strategic HRM programmes 1,2,3,4 Succession characteristics 1, 2,3,4 Periodic assessment 1	Years of existence	Stakeholders outcome 1 and 2 Internal business process 1 and 2 Institutional growth 1
Total	9 predictors	2 Moderators	5 outcomes

Table 2: Summary of Background Information

Statistics				
		How long has the Organization been in existence	Level of the organisation's staff establishment	Organisation's annual budget in Kenya Shillings
N	Valid	270	266	232
	Missing	0	4	38
Mean		2.93	1.74	2.10
Std. Deviation		1.023	1.005	.760

Table 3: Correlation Matrix for Succession Planning Characteristic

		Correlation Matrix ^a										
		Tied the SP program to the organizational strategic plans	Established program action plan	Established way to forecast future talent needs	Fixed responsibility for organizational oversight	Developed means to budget for SP program	Established way to plan for meeting SP needs-individual plans	Articulated written philosophy about the SP program	Identified groups to be served by the program, in priority order	Organisation creates workshops to train	Established means to track development activities	
Correlation	Tied the SP program to the organizational strategic plans	1.000	.163	.109	.075	-.089	.078	-.199	-.066	-.037	-.083	
	Established program action plan?	.163	1.000	-.069	-.067	-.160	.215	.057	.248	.174	.121	
	Established way to forecast future talent needs?	.109	-.069	1.000	-.055	-.149	.203	.011	.023	-.126	-.073	
	Fixed responsibility for organizational oversight of the program statement to guide the program	.075	-.067	-.055	1.000	.087	.112	-.195	-.064	.010	-.045	
	Developed means to budget for a succession planning program	-.089	-.160	-.149	.087	1.000	-.028	.056	.039	-.076	.035	
	Established way to plan for meeting succession planning needs through individual plans	.078	.215	.203	.112	-.028	1.000	-.113	-.040	-.029	.059	
	Articulated written philosophy about the SP	-.199	.057	.011	-.195	.056	-.113	1.000	.338	.136	.051	
	Identified groups to be served by the program, in priority order	-.066	.248	.023	-.064	.039	-.040	.338	1.000	.373	.141	
	Organisation creates workshops to train management and employees about the SP	-.037	.174	-.126	.010	-.076	-.029	.136	.373	1.000	.266	
Established means to track development activities to prepare successors for eventual advancement	-.083	.121	-.073	-.045	.035	.059	.051	.141	.266	1.000		
Sig. (1-tailed)	Tied the succession planning program to the organizational strategic plans?		.004	.039	.114	.074	.103	.001	.145	.273	.094	
	Established program action plan?	.004		.129	.140	.004	.000	.174	.000	.002	.025	
	Established way to forecast future talent needs?	.039	.129		.189	.007	.000	.428	.355	.020	.121	
	Fixed responsibility for organizational oversight of the program statement to guide the program	.114	.140	.189		.080	.036	.001	.152	.439	.239	
	Developed means to budget for SP program	.074	.004	.007	.080		.322	.182	.262	.109	.291	
	Established way to plan for meeting SP needs through individual development plans	.103	.000	.000	.036	.322		.033	.258	.318	.174	
	Articulated written philosophy about the SP	.001	.174	.428	.001	.182	.033		.000	.013	.209	
	Identified groups to be served by the program, in priority order	.145	.000	.355	.152	.262	.258	.000		.000	.012	
	Organisation creates workshops to train management and employees about the SP	.273	.002	.020	.439	.109	.318	.013	.000		.000	
Established means to track development activities to prepare successors for eventual advancement	.094	.025	.121	.239	.291	.174	.209	.012	.000			

a. Determinant = .433

Table 4: Correlation Matrix for strategic HRM programmes

		Correlation Matrix ^a								
		Established way of recruitment to forecast future talent needs	Established means to compare individuals skills to the requirements of a future position performance appraisal	Tied succession planning program to training program	Tied succession planning program to individual career plans	Established incentives/rewards for identified successors	Talent management	Performance Management	Training and Development	Total Reward Management
Correlation	Established way of recruitment to forecast future talent needs	1.000	.167	.295	-.004	-.018	.054	.123	.042	.010
	Established means to compare individuals skills to the requirements of a future position performance appraisal	.167	1.000	.144	.155	.003	.134	.104	-.046	.050
	Tied succession planning program to training	.295	.144	1.000	-.028	.141	-.025	-.011	-.078	-.087
	Tied succession planning program to individual career plans	-.004	.155	-.028	1.000	-.117	.086	.138	.053	.173
	Established incentives/rewards for identified successors in the succession planning program	-.018	.003	.141	-.117	1.000	.109	-.132	.093	-.150
	Talent management	.054	.134	-.025	.086	.109	1.000	.148	.160	.037
	Performance Management	.123	.104	-.011	.138	-.132	.148	1.000	.149	.460
	Training and Development	.042	-.046	-.078	.053	.093	.160	.149	1.000	.406
Total Rewards Management	.010	.050	-.087	.173	-.150	.037	.460	.406	1.000	
Sig. (1-tailed)	Established way of recruitment to forecast future talent needs		.003	.000	.473	.386	.189	.022	.252	.434
	Established means to compare individuals skills to the requirements of a future position performance appraisal	.003		.009	.006	.482	.014	.044	.230	.211
	Tied succession planning program to training	.000	.009		.326	.010	.340	.427	.106	.079
	Tied succession planning program to individual career plans	.473	.006	.326		.029	.081	.013	.201	.003
	Established incentives/rewards for identified successors in the succession planning program	.386	.482	.010	.029		.036	.015	.068	.007
	Talent management	.189	.014	.340	.081	.036		.007	.005	.277
	Performance Management	.022	.044	.427	.013	.015	.007		.008	.000
	Training and Development	.252	.230	.106	.201	.068	.005	.008		.000
Total Rewards Management	.434	.211	.079	.003	.007	.277	.000	.000		

a. Determinant = .435

Table 5: Correlation Matrix for Periodic Assessment

		Correlation Matrix ^a			
		Established means to evaluate the results of the succession planning program	Established means to track development activities to prepare successors for eventual advancement	Established way to review organizational talent at least annually	Devised means to keep records for individuals who are designated as successors
Correlation	Established means to evaluate the results of the succession planning program	1.000	.391	.071	.097
	Established means to track development activities to prepare successors for eventual advancement	.391	1.000	.314	.170
	Established way to review organizational talent at least annually	.071	.314	1.000	.117
	Devised means to keep records for individuals who are designated as successors	.097	.170	.117	1.000
Sig. (1-tailed)	Established means to evaluate the results of the succession planning program		.000	.124	.058
	Established means to track development activities to prepare successors for eventual advancement	.000		.000	.003
	Established way to review organizational talent at least annually	.124	.000		.029
	Devised means to keep records for individuals who are designated as successors	.058	.003	.029	

a. Determinant = .734

Table 6: Correlation Matrix for Stakeholder’s Outcomes

Correlation Matrix ^a				
		We constantly emphasize and introduce managerial innovations (e.g. computer-based administrative innovations, new employee reward/training schemes, new departments or project teams, etc.)	We work hard to ensure that we apply the best performance tools and techniques that are relevant to the field in which we operate.	We often assess department’s needs by forecasting future staffing requirements to determine work competency requirements with regards to succession planning?
Correlation	We constantly emphasize and introduce managerial innovations (e.g. computer-based administrative innovations, new employee reward/training schemes, new departments or project teams, etc.)	1.000	.117	.082
	We work hard to ensure that we apply the best performance tools and techniques that are relevant to the field in which we operate.	.117	1.000	-.053
	We often assess department’s needs by forecasting future staffing requirements to determine work competency requirements with regards to succession planning?	.082	-.053	1.000
Sig. (1-tailed)	We constantly emphasize and introduce managerial innovations (e.g. computer-based administrative innovations, new employee reward/training schemes, new departments or project teams, etc.)		.028	.091
	We work hard to ensure that we apply the best performance tools and techniques that are relevant to the field in which we operate.	.028		.196
	We often assess department’s needs by forecasting future staffing requirements to determine work competency requirements with regards to succession planning?	.091	.196	

a. Determinant = .976

Table 7: Correlation Matrix for Internal Business Process

Correlation Matrix ^a				
		We constantly emphasize and introduce managerial innovations (e.g. computer-based administrative innovations, new employee reward/training schemes, new departments or project teams, etc.)	We work hard to ensure that we apply the best performance tools and techniques that are relevant to the field in which we operate.	We often assess department's needs by forecasting future staffing requirements to determine work competency requirements with regards to succession planning?
Correlation	We constantly emphasize and introduce managerial innovations (e.g. computer-based administrative innovations, new employee reward/training schemes, new departments or project teams, etc.)	1.000	.117	.082
	We work hard to ensure that we apply the best performance tools and techniques that are relevant to the field in which we operate.	.117	1.000	-.053
	We often assess department's needs by forecasting future staffing requirements to determine work competency requirements with regards to succession planning?	.082	-.053	1.000
Sig. (1-tailed)	We constantly emphasize and introduce managerial innovations (e.g. computer-based administrative innovations, new employee reward/training schemes, new departments or project teams, etc.)		.028	.091
	We work hard to ensure that we apply the best performance tools and techniques that are relevant to the field in which we operate.	.028		.196
	We often assess department's needs by forecasting future staffing requirements to determine work competency requirements with regards to succession planning?	.091	.196	

a. Determinant = .976

Table 8: Correlation Matrix for Institutional Growth

Correlation Matrix ^a				
	Work teams frequently review and evaluate processes, incidents, decisions and innovations to derive as much learning as they can from both success and failure through performance appraisal.	We do equip our employees with the best methods, tools, technology, and techniques	Employees feel very committed to the organization for growth and development	Carrier development is a key priority in our organization
Work teams frequently review and evaluate processes, incidents, decisions and innovations to derive as much learning as they can from both success and failure through performance appraisal.	1.000	.400	.087	.144
We do equip our employees with the best methods, tools, technology, and techniques	.400	1.000	.350	.224
Employees feel very committed to the organization for growth and development	.087	.350	1.000	.056
Carrier development is a key priority in our organization	.144	.224	.056	1.000
Work teams frequently review and evaluate processes, incidents, decisions and innovations to derive as much learning as they can from both success and failure through performance appraisal.		.000	.077	.009
We do equip our employees with the best methods, tools, technology, and techniques	.000		.000	.000
Employees feel very committed to the organization for growth and development	.077	.000		.183
Carrier development is a key priority in our organization	.009	.000	.183	

a. Determinant = .694

DISCUSSION

Background information for this study focused on the three main areas, including responding organisations; years of existence; staff establishment and annual budget. Out of the sampled population (n=270), the average of the years of existence was (M =2.93, SD=1.023) representing a majority of the organization that have existed for 11 to 15 years. In terms of staff establishment, however, the entire sample (n=266) had lean staff establishment (M =1.74, SD=1.005). Most of these organisations had about 10 employees on average. The magnitude of the budget range for organization which provided their budget estimates (n = 232) was on the second quartile (M= 2.10, SD= 0.760) representing 11-30 million Kenya shillings annually.

Succession planning practices an over view

Succession planning practices was characterized under three variables as; strategic HRM programmes, succession characteristics and periodic assessment. Strategic HRM program mesas variables of succession planning had 9 indicators. The results indicated there was no problematic correlations (greater than 0.8) and the determinant of the matrix is $0.435 >> 0.00001$. As such, the correlation output showed no issues with multi co linearity as all the questions correlated fairly well. Strategic HRM programmes are key in development and implementation of succession planning programmes. This understanding can be attributed to (Conger & Fulmer, 2003) the five “rules” for succession management. The principal rule one focuses on development and is built upon the principle that succession management must be a flexible system oriented towards developmental activities. This forms the fundamental rule on which the other four are built. The second rule focuses on key players that are termed as the rule on linchpin positions or bench mark positions. This rule is underpinned on jobs that are essential to the long-term health of the organization. Rule three is to make Succession management transparent, no secrecy, hence the role played by communication is considered very essential. Rule four is regular measurement of progress, moving away from the replacement mind-set of Succession planning that takes into consideration implementation and finally rule five is to keep it flexible.

Succession planning characteristic was considered as a key variable, taking into account linkage to strategic plan, top, management support and total employee involvement in the succession planning programmes. This variable had 10 indicators. The output of the correlation matrix is presented in table below. As shown by the results there was no problematic correlations (greater than 0.8) and the determinant of the matrix is $0.433 >> 0.00001$. As such, the correlation output showed no issues with multi co linearity as all the questions correlated fairly well. The component of succession planning process can be summarized within the domains of change management and process management. This includes function and sub-processes like strategic view of succession planning, management commitment, implementation considerations etc. This forms the creation Succession plan as a process. According to Ibarra, (2004), this entails; identifying job functions, staffing levels needed and related KSAs (Knowledge, Skills and Abilities), determining availability of staff, conducting skills gap analysis and establishing priorities for development of required skills. Based on the above a workforce plan is created with strategies and measures of Succession planning.

The third variable of succession planning was periodic assessment as a method of providing monitoring and evaluation mechanism for implementing succession planning. This variable had 4 indicators. The output of the correlation matrix is presented in table below. As shown by the results there was no problematic correlations (greater than 0.8) and the determinant of the matrix is $0.734 \gg 0.00001$. As such, the correlation output showed no issues with multi co linearity as all the questions correlated fairly well. According to Karien (2011), a robust succession planning strategy provides a roadmap for organisations leadership continuity. However this must be reviewed to guides development activities of identified successors, to anticipate and manage issues of career progression, ambition and avoids transition problems and premature promotions. Consequently, this serves as a significant attraction lever for external talent as well as an effective retention lever for internal talent (Williams, 2010). As a result, organisations that are famous for growing from within have a powerful differentiator that becomes part of their employer brand and employee value proposition.

Succession planning influences realization of stakeholder's expectations for Non-Governmental Organizations'

The first dependent variables of organization performance were stakeholder's outcome. This variable had 4 indicators. From the results there was no problematic correlations (greater than 0.8) and the determinant of the matrix is $0.976 \gg 0.00001$. As such, the correlation output showed no issues with multi co linearity as all the questions correlated fairly well. Effects of Succession Planning on Stakeholder's outcome were tested through on multiple regression analysis of the various variables extracted. These included: Succession planning characteristics and stakeholder outcome, Strategic HRM programmes and stakeholder's outcomes, succession planning characteristics and stakeholder's outcomes and, Periodic assessment and stakeholder outcome. The statistics summary of first outcome indicated a weak evidence of interaction between the independent variables succession characteristics and the dependent which is stakeholder outcomes two. As such only (2.5%) of the total variance of stakeholder outcomes is explained that is very minimal. Hence we fail to reject the null hypothesis that; succession planning characteristics have no significant effects on stakeholder's outcomes one.

For strategic HRM programmes and stakeholders outcomes, the correlation output of the outcome indicated a weak evidence of interaction between the independent variables (strategic HRM programmes) and the dependent which is stakeholder outcomes two. This further translated to (1.9%) of the total variance of stakeholder outcomes being explained that is very minimal. Hence we fail to reject the null hypothesis that; strategic HRM programmes have no significant effects on stakeholder's outcomes two. Moreover, according to Huang (1999), Succession planning is widely believed to help business organisations with in-house re-sourcing strategy to reduce attrition of the work force caused by job-hopping high-fliers, headhunting and prepare qualified candidates for appointment to senior management position for the long term human capital development.

Considering succession planning characteristics and stakeholders outcomes, Correlations output also indicated a weak evidence of interaction between the independent variables succession characteristics and the dependent which is stakeholder outcomes. This further translated to (6.6%) of the total variance of stakeholder outcomes being explained that is very minimal. Hence

we fail to reject the null hypothesis that; succession planning characteristics have no significant effects on stakeholder's outcomes. Stakeholder outcomes mirror organization performance and as such, according to Sandison (2005), most of the works performed by NGOs is difficult to assess because of qualitative long-term goals and outcomes that are attributed to the overall impact of the programmes. The key components in relation to the assessment of the performance of NGOs includes; judging the impact of a program such as accountability to stakeholders to inform funding decisions, improving a program such as ongoing learning and development, and generating knowledge.

Considering periodic assessment and stakeholders outcomes, correlation output indicated that there is no interaction between the independent variables periodic assessment and the dependent which is stakeholder outcomes. This translated to (0.8%) of the total variance of stakeholder outcomes is explained that is very minimal. Hence we fail to reject the null hypothesis that; periodic assessment has no significant effects on stakeholder's outcomes. Nearly half (39%) of the organisations (N=270) indicates that they keep up-to-date with advances in knowledge about what works (and what does not work) to improve performance in our field as very important. The probability of the chi-square test statistic ($X^2= 120.04$) was at a significance level of $p < 0.005$. The research hypothesis that the difference in stakeholders outcome are related to the difference in keeping up-to-date with advances about what works (does not work) to improve performance is justified by this analysis and shows a statistically significant association.

Almost half (39%) felt it's very important that employees have a high level of understanding of organization's strategic orientation. The probability of the chi-square test statistic ($X^2= 90.02$) was at a significance level of $p < 0.005$. The research hypothesis that the difference of stakeholders outcomes are related to the difference in employees having a high level of understanding of organization's strategic orientation is justified by this analysis and shows statistically significant association.

About (33%) pointed to the fact that; it is very important their Stakeholders (development partners) consider their work relevant. More than quarter (37%) indicated that it is very important communities take ownership of the projects and programmes they implement. The probability of the chi-square test statistic ($X^2= 146.27$) was at a significance level of $p < 0.005$. The research hypothesis that the difference in stakeholders outcomes are related to the difference that stakeholders consider NGO's work relevant is justified by this analysis and shows statistically significant association. The review of literature emphasized that NGOs are the recipients of billions of dollars invested in social transformation. This provided the basis for considering NGOs' performance as necessary factor for upwards accountability to the stakeholders such as donors, international aid organisations or foreign governments supporting developing countries and downwards accountability to those to whom they exist that include the stakeholders or direct beneficiaries who are dependent on these organisations (Bendell, 2006). About (33%) indicated that it is very important financial and narrative reports clearly demonstrate activity-outcomes. The probability of the chi-square test statistic ($X^2= 112.27$) was at a significance level of $p < 0.005$. The research hypothesis that the difference in stakeholders outcomes are related to the difference of communities are taking ownership of the projects and programmes we implement is justified by this analysis and shows statistically significant association.

In relation to the already existing literatures, the above findings points to the fact that general conceptualization of organizational performance especially NGOs is relative. This is viewed in line with analysis of these three dimensions provided by (Espirito 2001) as, effectiveness and efficiency relating to the costs of inputs, process, and technology, capacity that relates to generating outputs and issues of continuation such as survivability and responsiveness as NGOs, like other organisations, try to justify what they do and how they do it. The indicators of succession planning practices considered under this category focused on whether the NGOs: have a written succession plan policy, organization are potential successors identified for key position and scope of succession planning involvement and type of succession planning that exists in the sampled NGO.

Role of succession planning on internal business process among Non-Governmental Organisations

The second variable of organization performance was internal business processes. This variable had 4 indicators. The results showed that there was problematic correlations with values (greater than 0.8) and the determinant of the matrix is $0.976 \ll 0.00001$. As such, the correlation output showed issues with multi co linearity as all the questions did not correlated fairly well. The role of Succession Planning practices on internal business process was tested through on multiple regression analysis of the various variables extracted. These included: Strategic HRM programmes and internal business processes, Succession planning characteristics and internal business process, and, periodic assessment and internal business process.

The statistics summary indicated from correlation output showed that there is evidence of interaction between the independent variables (strategic HRM programmes) and the dependent which is internal business process. This was explained with (27.7%) of the total variance of internal business process one is explained. Hence we reject the null hypothesis that; strategic HRM programmes have no significant effects on internal business process. A further justification on the role was identified fro, the statistical summary of the correlation outputs of succession characteristic and internal business process. This was explained with (64%) of the total variance of internal business process is explained that is significant. Hence we reject the null hypothesis that; succession planning characteristics has no significant effects on internal business process. However, statistics summaries further showed that between periodic assessment and internal business process. This was explained with (1.5%) of the total variance of internal business process is explained that is very minimal. Hence we fail to reject the null hypothesis that; periodic assessment has no significant effects on internal business process.

Continuous evaluation is important in management process. Appropriate criteria for succession planning program include a number of successors for a key position; percentage of vacancies filled internally, average number of successors for a key position, number of key positions that have one or two developed candidates, satisfaction of successors, and rate of change in Succession pool (Greer &Virick, 2008). However, Covell (2007) felt that different approaches can be adopted for Succession planning depending on the prevailing situation. Nearly half (37%) indicated that they constantly emphasize and introduce managerial innovations such as (e.g.

computer-based administrative innovations, new employee reward/training schemes, new departments or project teams among other) is important. There was much significant difference between the two mean squares of internal business processes and constantly emphasizing and introducing managerial innovations (e.g. computer-based administrative innovations, new employee reward/training schemes, new departments or project teams, etc.). The probability of the chi-square test statistic ($X^2= 106.52$) was at a significance level of $p < 0.005$. The research hypothesis that the difference in internal business are related to the difference in constantly emphasizing and introducing managerial innovations such as (e.g. computer-based administrative innovations, new employee reward/training schemes, new departments or project teams among other) is justified by this analysis and shows statistically significant association. About (32%) indicated that they work hard to ensure that they apply the best performance tools and techniques relevant to the field in which we operate. This was also considered somewhat important. The probability of the chi-square test statistic ($X^2= 168.07$) was at a significance level of $p < 0.005$. The research hypothesis the difference in internal business process are related to the difference in working hard to ensure application of the best performance tools and techniques relevant to the field in which the organization operate is justified by this analysis and shows a statistically significant association.

Rothwell et al, (2010) in summing up the benefits of succession planning suggested that succession planning yields the following: Enables the organization to assess its talent needs by establishing competency models or job descriptions, allows leaders to identify and tap in record time, key people who are available to fill critical work functions; Provides avenues for present and future discussions about talent development, defines career pathways through an organization, provides for a higher return on investment from employees and leads to the appropriate promotion and pre-selection for people to meet organizational future goals. More than half (71%) pointed out that assessing department's needs by forecasting future staffing requirements to determine work competency requirements with regards to succession planning is important. The probability of the chi-square test statistic ($X^2= 448.87$) was at a significance level of $p < 0.005$. The research that the difference in internal business process is related to the difference in assessing department's needs by forecasting future staffing requirements to determine work competency requirements is justified by this analysis and shows a statistically significant association. The above mentioned aspects of internal business process explains (Devero, 2004) concepts attributed to measures of organization performance that include; efficiency, effectiveness, equity, culture, power, and values which affects performance directly or indirectly.

Extent to which succession planning contributes to the institutional growth of Non-Governmental Organizations'

The third variable of organization performance was institutional growth. This variable had 4 indicators. Results indicated that there was no problematic correlations (greater than 0.8) and the determinant of the matrix is $0.435 >> 0.00001$. As such, the correlation output showed no issues with multi co linearity as all the questions correlated fairly well. Strategic HRM program ensures that organization growth are supported with Human resources best practices to be effective, However, the effective Organisations not only have a proper 'fit' with the environment but also between its subsystems. Finally, the needs of an Organization are better satisfied when properly

designed and management style that appropriate both to the tasks undertaken and the nature of the work group (Weill, Olson and Marore the, 1989). From the statics summary, the test of independence between strategic HRM programmes and institutional growth show that there is no difference between the means. The correlation output also indicates that there no interaction between the independent variables (strategic HRM programmes) and the dependent which is institutional growth. This was further explained with (4.9%) of the total variance of institutional growth is explained that is very minimal. Hence we fail to reject the null hypothesis that; strategic HRM programmes have no significant effects on institutional growth. However, succession characteristics showed positive outcomes that was explained with (67.4%) of the total variance of institutional growth is explained significantly. Hence we reject the null hypothesis that; succession planning characteristics have no significant effects on institutional growth. To a greater extent, periodic assessment was found to be contributing most in this perspective. This was explained by (98.3%) of the total variance in institutional growth is explained that is very impressive compared to other values of organization performance variables. We, therefore reject the null hypothesis that a periodic assessment has no significant effects on institutional growth.

About (37%) indicated that their work teams frequently review and evaluate processes, incidents, decisions and innovations to derive learning's, both from success and failure through performance appraisal as important. The probability of the chi-square test statistic ($X^2= 38.48$) was at a significance level of $p < 0.005$. According to Rothwell (2001), the first step for systematic succession planning and management is for the organisations to make the commitment. In this step the organization's decision makers should: assess problems and practices, demonstrate the need for the program, determine the organization's exact succession planning and management program requirements, link the program directly to organizational and human resource strategic plans, benchmark practices in other organisations, clarify the roles of different groups in the program. The research hypothesis that the difference in institutional growth are related to the difference of work teams frequently review and evaluate processes, incidents, decisions and innovations to derive learning's, both from success and failure through performance appraisal is justified by this analysis and shows statistically significant association.

Equipping employees with the best methods, tools, technology, and techniques was rated as very important with nearly half of the population (38%). This was supported with (36%) as important. The probability of the chi-square test statistic ($X^2= 96.63$) was at a significance level of $p < 0.005$. The research hypothesis that the difference in institutional growth are related to the difference in equipping employees with the best methods, tools, technology, and techniques is justified by this analysis and shows statistically significant association. Organization not only needs to assess their methods, tools, technology and techniques but also the alignment of skills and capabilities of their workforce. In this regard, Heinen and O'Neill, (2004) pointed out that assessment need to focus on all capabilities and skills requirements matter for performance and leadership development. In this regard, Rothwell's (2005) suggested that, decision makers should clarify where key leadership positions exist in the organization and should apply one or more approaches to determining work or competency requirements that justify talent needs.

About (40%) were convinced that their employees feel very committed to the organization for growth and development. However, about (11%) felt that this was not important at all to them.

The probability of the chi-square test statistic ($X^2= 98.98$) was at a significance level of $p < 0.005$. The findings therefore relates to Succession planning benefits for the organisations that have been documented. Amongst them are that: Succession planning facilitates growth of talent from within the organization (Hollington, 2007); it is a tool for talent management in organisations, and it is crucial for attracting, retaining, and promoting special talents management strategy that helps an organization to remain competitive in the market through use of its best people

The research hypothesis that the difference in institutional growth is related to the difference in employees feeling very committed to the organization for growth and development is justified by this analysis and shows statistically significant association. Career development being priority in an organization was considered important (51%). Less than 10% considered this not important. The probability of the chi-square test statistic ($X^2= 131.22$) was at a significance level of $p < 0.005$. The research hypothesis that the difference in institutional growth are related to the difference in established ways to review organizational talent at least annually is justified by this analysis and shows statistically significant association.

CONCLUSIONS

The practice of succession planning in the surveyed NGO's conform well to the integrated model and guidelines established. The degree of compliance with the guidelines of the integrated model varied mainly between important and very important as being practiced. Throughout succession planning characteristics, human resource management programmes such as recruitment, training and development, performance management, talent management and reward managed are considered very important. Both strategic HRM programmed and succession planning share development as a means to an end but approach it from different directions: HRM programmes tends to be bottom up (from individual to organization); succession planning tends to be top down.

Succession planning practices was found not to have significant effects of stakeholder's outcomes that is a component of organization performance. Keeping up-to-date with advances about what works (does not work) to improve performance, employees have high level of understanding of organisations strategic orientation, stakeholders consider organisations work relevant, communities taking ownership of the projects and programmes implemented and financial and narrative reports clearly indicate activity outcome, are all important aspects of organization performance that can be promoted with succession planning.

However, succession planning effects on internal business process was found to be very important. On the contrary, adopting best practices of internal business process is always geared towards ensuring that appropriate processes and structures are in place to direct and manage an organization's operations and activities, and to ensure that they function well. The ultimate goal of good internal business processes as an aspect of organization performance is to ensure the effectiveness, credibility and viability of the organization is maintained.

Institutional growth is a key component of organization performance. It is the case in this study that, in deed succession planning contributes positively to institutional growth based on teamwork where work teams frequently review and evaluate processes, incidents, decisions and

innovations to derive as much learning as they can from both success and failure through performance appraisal and promoting committed to the organization for growth and development as well as career development within the organization.

ACKNOWLEDGEMENTS

I am deeply indebted to my supervisors, Prof. Lilly Njanja and Dr. Charles Zakayo, for their excellent guidance and support without whose help this project would not have been a success. I wish to thank my academic referees: Prof. William Ogara, Prof. Fredrick Mvumbu, and Dr. Japhet Ndhlovu for their continuous guidance and counseling. I also wish to thank my professional referees: Mr. James Nyamosi, Mr. Denis Juma and Mr. Isaac Otolo for their exemplary coaching and mentorship support. For all the technical and logistical support, I wish to thank my research assistants; Philip Masibu and Peter Gitau. I also wish to thank Dr Sheila Muhanji, Mr Philip Ragama Mr. Lawrence Mwaniki, Mr. Christopher Maronga, Festus Were and Mr Edward R Onyango for providing statistical insight and constructive critique as subject matters experts in statistical analysis. Over and above I wish to thank my family, friends and colleagues collectively for their support and encouragement.

REFERECNCE

- Aberdeen Group. (2007). *Succession Planning Strategies: The Right People, for the Right Jobs, at the Right Time*. Boston, Massachusetts: Aberdeen Group Inc.
- Active Learning Network for Accountability and Performance in Humanitarian Action (2006, March). *Evaluating Humanitarian Action Using the OECD-DAC Criteria: An ALNAP Guide for Humanitarian Agencies*. London: Overseas Development Institute. Retrieved June 18, 2012. <http://www.odi.org.uk/alnap/publications/pdfs/>
- Bendell, J. (2006). *Debating NGO accountability*. Geneva, Switzerland: United Nations Press. Retrieved July 2, 2012 from <http://www.un.org/liasion/services/dossier/>
- Barney, J. B. (2002). *Gaining and Sustaining Competitive Advantage(2nd Ed.)*. Upper Saddle River, NJ: Pearson Education, Inc.
- Caudron, S. (1999). The looming Succession crisis. *Workforce Journal*, 78(9), 72-76.
- Covel, S. (2007). Three Ways to Plan for Executive Transitions. *Wall Street Journal Eastern Edition* (95): 250
- Creswell, J.W. (1994). *Research Design: Qualitative & Quantitative Approaches*. London: SAGE Publications.
- DeMars, W. E. (2005). *NGOs and Transnational Networks: Wild Cards in World Politics*. London: Pluto Press.
- Department of Public Information (DPI) (2007). *Department of Public Information: NGO Section*. Retrieved July 2, 2012 from <http://www.un.org/dpi/ngosection/index.asp>.
- Devero, A. (2004). Corporate Values Aren't Just Wall Posters: They're Strategic Tools, *Business Ethics Journal*. 12 (4), 19-21.

- Espirito, S. D. (2001). *Examining performance variables of nongovernmental Organizations*. Retrieved June 18, 2012 from <http://wwwlib.umi.com/pqddpdf/>.
- GoK. (2012). *The Non-Governmental Organizations Bill, 2012*. Nairobi: GoK Press
- Greer, C. R. & Virick, M. (2008). Diverse Succession Planning: Lessons Learned from the Industry Leaders. *Human Resource Management*. 47(2), 351 – 367.
- Hollington, S. (2007). Have you planned for your replacement? *Engineering Management*. 17(1).17-18.
- Huang, T. (2001), Succession management systems and human resource management outcomes. *International Journal of Manpower*.22(8), 736-47.
- Huddleston, M.W., (1999). *Profiles in excellence: Conversations with the best of America's Career Executive Service*. Washington, D.C.: Price Waterhouse Coopers.
- Ibarra, P. (2004). *Incorporating Succession Planning into Your Organization*. Arizona: Mejorando Group
- Kaplan, R. S. & Norton D. P. (1992).The Balanced Scorecard: Measures that drive performance. *Harvard Business review (January-February)*: 71-79.
- Karien, S. (2011), Talent reviews: The Key to Effective Succession Management. *Business Strategy Series*. 12 (5), 264 - 271
- Leibman, M., Bruer, R. & Maki, B(1996). Succession Management: The Next Generation of Succession Planning. *Journal of Human Resource Planning*.19 (3):16-29.
- Latham, J. & Vinyard, J. (2005). *Baldrige User's Guide: Organization Diagnosis, Design, and Transformation*. New York: Wiley.
- Mbote, P. K. (2002). *The Operational Environment and Constraints for NGOs in Kenya: Strategies for Good Policy and Practice*. Geneva: International Environmental House
- McGahan, A. M. (2004). *How Industries Evolve: Principles for Achieving and Sustaining Superior Performance*. Boston: Harvard Business School Press.
- Mwega, F. M. (2010). *Volatility and Fragmentation of Foreign Aid: A Case Study of Aid Effectiveness in Kenya*. Washington: World bank- Brookings Institution
- NGO Coordination Board (2009). *National Survey of NGOs Report*. Nairobi: NGO Coordination Board
- Nink, D. & Fogg, J. (2006). Succession Planning: Preparing Future Corrections Leaders Now. *Corrections Today*. 68(5), 34-37.
- Rothwell, W.J. (2010). *Effective Succession Planning: Ensuring Leadership Continuity and Building Talent from Within (4th ed.)*. New York: American Management Association.
- Rothwell, W. (2001). *Effective Succession Planning: Ensuring Leadership Continuity and Building Talent from Within*. (2nd Ed).New York: Amacom.
- Sandison, P. (2005). *The Utilization of Evaluations*. London: Overseas Development Institute. Retrieved June 18, 2012 from http://www.odi.org.uk/alnap/publications/rha2005/rha05_Ch3.pdf

- Sekaran, U. (2003). *Research Methods for Business: A Skill-Building Approach*. New York: John Wiley and Sons, Inc.
- Schmalzried, H. & Fallon, L.F. (2007). Succession planning for local health department top executives: Reducing risk to communities. *Journal of Community Health*. 32(3),169-180
- Weill, P., Olson, T. & Marorethe, H. (1989).An Assessment of the Contingency Theory of Management Information Systems. *Journal of Management Information Systems* 6(1), 63.
- Williams, C.P. (2010), “*Succession planning*”, Retrieved 27 May 2012 from www.topmba.com/emba/choosingemba/Succession-planning