Selected Factors Influencing Effective Succession Planning in Deposit Taking Savings and Credit Cooperatives in TransNzoia County, Kenya

Constance Mruttu[1*], Dr. Elizabeth Nambuswa Makokha[1.2]

[1]College of Human Resource Development, Department of Communication and Development Studies in The School of Human Resource Development. Jomo Kenyatta University of Agriculture and Technology, P.O. Box 62000 - 00200, Nairobi Kenya

[2]College of Human Resource Development, Department of Communication and Development Studies in The School of Human Resource Development. .Jomo Kenyatta University of Agriculture and Technology, P.O. Box 62000 - 00200, Nairobi Kenya

Abstract: **The purpose of this study was to analyse selected factors that influence effective succession planning in SACCOs. The specific objectives of this study were to; determine the influence of organization culture on effective succession planning in SACCOs in TransNzoia County. The study was based on the leadership succession theory and game theory. The study adopted a descriptive research design. The population of the study was 84 respondents who are board members and members of staff of Transnational Times SACCO. The study adopted a census whereby data was obtained from every member of the population because the population is small. A structured questionnaire and an interview schedule were used as the primary data collection instrument. Content validity was used to measure the validity of the instrument. It relied on the knowledge of the experts who are familiar with the subject matter being measured. The regression model was used to analyse the data obtained to investigate the relationship between the variables. The findings revealed that organisational culture had a significant effect on effective succession planning in SACCOs in TransNzoia County, Kenya. Based on the findings, the study recommends that the SACCO management should sustain job rotation so as to enhance skills acquisition for employees. It also recommends that the management should encourage open discussion about succession planning during the regular meetings and should provide structured interviews that allow staff to know what are the required skills, competencies and knowledge for management. They should also ensure that succession planning is part of SACCOs strategic plans while explicitly stipulating standards for career growth for the employees. The study also recommends that regulatory bodies such as SASRA should emphasize inclusion of succession policies in SACCOs. The study is significant to various stakeholders in SACCO industry who include policy makers, board of directors, top management and employees of the SACCOs because it has provided them with insight on issues affecting succession. The findings of the study was to add knowledge and insights to the students as well as researchers interested in issues of succession planning in the SACCO industry.**

Keywords: **Organisational Culture. Succession Planning.**

1. INTRODUCTION

Succession planning (SP) is such an assertive strategy that makes sure that turnover does not exert harmful effects on organizations. In words of (Rothwell, 2010), Succession planning refers to a careful and organized action by a firm to assure management persistence in important positions, keeping and developing genius and knowledgeable human resources for

the future, & motivate individual advancement. (Adebola, 2019) states that succession planning reduces the time duration and expenditure of externally personal enlisting and hiring. Succession planning is a long term preparation process for developing replacements for the key positions to ensure continuing leadership in an organization (Jamye, Johnson, Faught, & Street, 2013). The probability of both short-term and long-term leadership continuity in an organization can be increased if the organization has established a systematic and effective succession planning (Thompsen, Joyce, & Smith, 2006). Nowadays, many organisations are facing an impending leadership crisis, which is the lack of a future leader, and they need to have a formal succession planning to ensure their organizational leadership continuity in the future (Ahmad & Keerio, 2020; Barden, 2009).

Succession planning enhances employee's commitment, motivation and reduces the consequence of layoff nevertheless much extensively it develops the various group of talented & competent human assets inside the firm. (Luna, 2012) asserted that SP refers to larger duration of systematic procedure of defining objectives, requirements, & roles inside the firm and developing employees for duties associated with work needed inside the firm. Succession planning is aspired to assist organizations in controlling and keeping their talented individuals (Bolander et al, 2017). The major objective of succession planning is to develop adequate and potential executives to fill staff vacancies which are created by forthcoming immediate leaves of employees. Eventually, it rapidly contributes to enhancing employee retention rate in an organizational context. As suggested by (Abbasi and Hollman, 2000) employee retention explore as a mastery of retaining employee pool or the process of diminishing employee turnover within an organization. If we take a glance at the history and particularly analyze the time of world war two (WWII), we have noticed that from that time the concept of succession planning first emerged. (Henderson, 2005) asserts that succession planning program ensures to keep the most accurate person in an accurate position at an accurate time.

Effective implementation of SP can begin to be a more valuable technique in carrying actual talented individuals forward. Unluckily, most of the firms do not pay attention to seriously a helpful tool. It is assessed that nearly 70% of all succession planning programs fail in the long run as a result of snags in implementation (Prabhakar and Gowthami, 2013). According to (Khumalo and Harris, 2018) 67% of global organizations have no succession plan in place whereas 45% do not have any developmental plans for their employees.

In the year of 2004, the Society for Human resource management (SHRM) carried out a survey and states that 60% of firms had no succession plan at all (Dennis, 2005). Another survey conducted in the U.S by the Private Companies Practice Section (PCPS), out of 400 organizations, 60% of companies had owners aged 63-65 years and only 25% of companies had written succession plans (2004). SP is a valuable method of seeking and development of competent executive but as well as it moreover helps in retaining staff inside the firm. Most of the organizations in these days encouraging employees for learning and development to enhance their human resource for the purpose of creating competitive advantage (Johnson et al, 2018). Succession planning is an advanced tool that can create future pioneers and urge individuals to take part in learning and advancement opportunities. (Rothwell, 2010) asserted that SP is pivotal to accomplish the key goals of a firm as it enables the firm to fulfill the necessities required in the future by embracing new learning methods & encouraging the development of highly capable executives. According to (Groves, 2003) succession planning acts as a technique for the management of talented human capital, development of leadership and the retention and creation of talent so as to make it possible for the organizations to make full use of their potential. Succession planning enables the organization to save the expense of external hiring and encourage inside executives to ensure a management position in the future. Individuals are more enthusiastic about their career progression and quests of jobs. It is, therefore, necessary that organizations must develop strategies like succession planning to ensure that they are capable of attracting and retaining talent within the organization. Turnover of staff is very costly for the organization and also it adds negative consequences on the firm's competitive advantage and future success. Execution of succession planning is limited nowadays because of the more flexible and instantly changing business environment. Hence succession planning practices become outdated as soon as they are made.

Effective Succession planning practices help to assure that talented and competent staff is developed to take on each major position in case of retirements, death, serious illnesses, etc. The absence of adequate succession planning programs in an organization can result in collapse of business on leave of valuable players (Garg and Van Weele, 2012). Less employee turnover and increase employee retention benefits in driving production and buyer value (Schroeder, Goldstein, & Rungtusanatham, 2013). (Stadler, 2011) states that employees who are devoted are more likely to succeed in their work, stay longer in work and are less likely to leave. According to the survey conducted by the Society for Human Resource

Management (SHRM)/Globoforce employee recognition report (SIA, 2018), employee retention has been one of the top manpower management challenges spotlighted by 47% of the HR leaders. Current emerging trends in the corporate world emphasize the necessity to invest in the active development of organization leaders (Cheng, 2016). Nonetheless, even though most of the executives are increasingly familiar with the need to concentrate on succession planning whereas very less is actively developing key organizational employees as part of their business strategy (Odengo, 2016). Hence, we chose to study the effect of ESPP on ER.

In Pakistan, the situation is more complicated. Most of the privately-owned companies do not actually understand what succession planning is all about. Solely the family-owned businesses have the concept of succession planning. Few of the private companies implemented a succession plan but they don't have any written record. Succession planning is a more important activity for any firm that has to be executed. There are some factors that create instability in the employees such as sickness, retirements, or search forbetter employment (Mehrabani and Mohamad, 2011).

According to (Garg and Van Weele, 2012) lack of proper succession planning in an organization can lead to causing a collapse of a company after the exit of prominent individuals. (Human Resource Development Council, HRDC, 2012) reports that most of the manufacturing companies have a deficit of competent staff as a consequence of retirements, deaths, and skills walkout and switching jobs. Exits of retiring staff and fellow employees leaving the organization will have substantial implications (Hall-Ellis, 2015). As specified by (Rothwell, 2010) succession planning practices (SPP) refers to top management decision and practices utilized to promote and develop the employees in an organization and to assure that key positions are retained inside the company. Succession planning is not about having individuals, but also about getting the right individuals in the accurate place at an accurate time (Armstrong, 2011). Succession planning entails the right leadership at all levels of the company. In the world of competition, it is a quite difficult. According to Keerio & Ahmad (2019), the executives, top managers, and staff should be committed to the concept of succession planning and must support the implementation of the plan.

Pita & M. Dhurup, (2019) conducted a study in a South African public service organization and found that succession planning existing practices has an influence on intentions to leave. It was found that if succession planning is executed properly, the turnover intentions of the employees may be reduced. (Kowing Owee Tan et al, 2019) carried out a study on succession management practices and retention of the employee in the Malaysian property industry and found that succession management practices (career development initiatives, mentoring, and counselling and employment rotation) are positively associated with retention of an employee. (Tamunomiebi, Miebaka Dagogo, and Okwakpam, Joy Amina, 2019) conducted a study on effective succession planning: a roadmap to employee retention and asserted that to retain valuable competent talent within the organization, organizations need an effective succession planning program.

There are significant numbers of studies conducted which focuses on succession planning. (Chepkwony, 2012) conducted the study to investigate the relationship between talent management, succession planning and organizational strategy among the commercial banks and found that there is a connection between talent management, succession planning, and organizational strategy. (Eshiteti et al, 2013) examined the impact of succession plans on employee retention among Kenya's sugar companies and found that succession planning programs have a good effect on staff retention (W.A.D.N Poornima et al, 2018) executed a study and found that effective succession planning practices have a positive impact on retention of workforce of companies in private sector of Sri Lanka.

According to Kenya Union of Savings and Credit Cooperative (KUSCCO) the SACCO movement in Kenya is billed as the largest in Africa and among the top ten globally. The movement has mobilized domestic savings to the tune of about Kshs. 400 billion, accounting for 33percent of the national savings and are major drivers of the economy. They have an asset base of over Kshs. 300 billion (Wanyama, 2009). SACCOs have thus become a vital component of Kenya's economic and social development. The phenomenon of fast growth of SACCOs in Kenya in the last two decades is the result of provision of credit for a wide range of purposes and on a relatively affordable terms and conditions. The credit further suited different categories of borrowers include the disadvantaged groups especially women (Obado, 1990). Today co-operatives particularly SACCOs are integral part of the government economic strategy focusing on creating income generating opportunities especially in rural areas.

The financial services sector is very a significant sector in today's modern economy. SACCOs like other financial institutions play a great role in the economy by mobilizing savings and giving credit for investment thereby helping to improve people livelihood. Recent introduction of SACCO regulatory authority has seen SACCOs being embraced as formal financial institutions. This has not only been done to facilitate financial inclusion and promote growth of financial

services but also in recognition of the fact that SACCOs like any other financial institution need to receive scrutiny in order to protect depositors and maintain financial stability (Makori, 2013). This has created public confidence in SACCOs and therefore spurring Kenya economic growth through mobilization of domestic savings.

The Kenyan SACCO sector has been observed to contribute greatly to the total financial industry and consequently the economy. It contributes to over forty five per cent of the nation's Gross Domestic Product (MOCD&M, 2010). With the enactment of the SACCO Act, 2008 (SSA) and the subsequent establishment of the SACCO Societies Regulatory Authority (SASRA), SACCOs have been brought under regulation and supervision. The authority has promoted and developed the SACCO industry which is vital in mobilization of savings for national development. SACCOs experience a wide range of problems partly owing to the fact that they target low income earners and have to establish a balance between serving them adequately and also meet their operation cost. Therefore, SACCOs tend to invest very little in human resource especially in succession planning. SACCOs have no succession plans because it is a tradition one sole person keeping all documentation and issues relating to the SACCO hence after his/her exit the SACCO struggles to continue with its operation because there are no records (Makori et al, 2013). This has negatively impacted on the continuity and sustainability of the SACCOs once the top managers exits.

Succession planning is the identification of job vacancies that can be expected to occur through retirement or attrition and the strategic consideration of where and how internal candidates might fill those vacancies. It involves assessing job requirements and skills of existing employees and then seeking to fill the gaps between needs and skills with targeted training and development activities. Richards (2016) Succession planning can be an important way to identify employees who have the current skills or the potential to develop skills that can help them move up in an organization, or on to other positions. In addition, the process of succession planning can help to identify other areas of performance where employees may be weak and where training could help to manage and improve performance outcomes. Succession planning can be defined as an attempt to have a plan for the right number and quality of key position employees, including managers to cover retirements, promotions, serious illnesses, death or any new job, which may be created in the future. Historically, many organizations only paid attention to replace the employees exactly before they were to leave the organization and the decision about the people who would replace them usually was made by the chief executives or board of directors (Rothwell, 2001). The focus on replacing the employees and not developing those results to high labour turnover. Succession planning involves selecting from pools of promising candidates those employees best suited to fill higher-level management positions in business firms. As a first step in the process, a projection of future needs for senior managers is made. Next, planners try to assess which short-listed employees are most likely to be successful in the positions that are expected to open up. In addition, a specific plan is formulated to ensure that potential successors develop the core competencies needed to advance the strategic interests of the organization (Nicholas, 2014).

According to H.council.ca (2012) succession plan, simply put it as a component of good HR planning and management. Succession planning acknowledges that staff will not be with an organization indefinitely and it provides a plan and process for addressing the changes that will occur when they leave. Most succession planning focuses on the most senior manager - the executive director, however, all key positions should be included in the plan. Key positions can be defined as those positions that are crucial for the operations of your organization and, because of skill, seniority and/or experience, was hard to replace. According to Mohamad, (2011) having a strong organizational culture which provides values, beliefs and standards for all employees also affect the effective succession planning. They believed that employees can consider these values, beliefs, standards and positive vision as a guideline for their everyday performance. Therefore, if these values and standards do not support the succession planning system, the organization was at risk of losing its key employees to competitors. Rather a firm must utilize the workforce as a strategic resource to sustain a competitive advantage (Kutcher, 2008). Employees are the most important asset is a common phrase in the corporate environment. However, organizations do not permanently own employees hence they are free to leave at any given time.

Majority of founders and managers of SACCOs are now on the brink of retirement who have held various levels of leadership responsibilities. After building the SACCOs from small scale entities to now the gigantic SACCOs that are there now, these aging generation needs to prepare for transition of all management positions (Kagiri, 2013). One of the biggest challenges of succession planning in SACCOs is employees not supported in decision making and implementation of the suggested ideas by top management as top managers are unwilling to train the junior staff (Makori et al, 2013). This is because those trained pose a threat to the very existence in senior management and fear of retirement, aging, death and

losing control contribute to lack of support (Mohamad, 2011). There have been complaints about incompetence and under qualified employees holding managerial positions hence failing to meet the required standards. This is reflected in many SACCOs failing to be licensed by SASRA because of inability to meet regulatory requirements due to inadequate technical skills in management levels (SASRA, 2011).

Mumanyi, (2014) states that SACCOs employees lack appropriate and adequate managerial skills and knowledge to support strategic succession plan which is a major constraint in developing SACCOs in Kenya. Therefore, complaints arise about lack of delegation of responsibilities and involvement in decision making. Employees complain about lack of loyalty, interest and low morale in workplace hence high labour turnover. According to Mudibo, (2006) board of directors are not trusted by employees therefore, this results to weak organization culture which does not cultivate transparency in management issues. Despite the growing interest of research done with leadership succession since the late fifties, little research is available to the SACCOs on what drives effective succession planning in their industry. Therefore, the study sought to examine the factors that influence effective succession planning in deposit taking savings and credit cooperatives in TransNzoia County. the specific objective was to determine the influence of organizational culture on effective succession planning in SACCOs in TransNzoia county, Kenya.

2. ORGANIZATION CULTURE

Organizational culture is the set of shared values, beliefs, and norms that influence the way employees think, feel, and behave in the workplace (Schein, 2011). Organizational culture has four functions: gives members a sense of identity, increases their commitment, reinforces organizational values, and serves as a control mechanism for shaping behavior (Nelson, 2011). Organizational culture facilitates the acceptable solution to know the problems, which members learn, feel and set the principles, expectations, behavior, patterns, and norms that promote high level of achievements. To guarantee a successful changeover, organizations should build a culture of powerful leadership whereby individuals show effectual leadership at all levels. The results of enhancing and strengthening leadership capacity throughout the organization, enables a highly successful transition thus reducing dependency on a single employee. Mohamad, (2011) states that having a strong organization culture which provides values, beliefs, standards and paradigms for all employees also affects effective succession planning. The values, beliefs, standards and paradigms form the organization culture. If the culture supports succession planning process, employees will follow it as it forms as a guideline to their everyday activities. Tews et al, (2014) stated that favorable inner work events negatively impacted employee turnover. Retention of staff and poor turnover leads to quality of output and buyer satisfaction (Schroeder, Goldstein and Rungtusanatham, 2013). According to (Chitsaz Isfahani and Boustani, 2014) asserted that staff retention and succession planning in the organisation is generally considered a capability to sustain a secure human resource.

When succession planning is done correctly and with foresight, succession planning ensures continuity of leadership and provides a solid foundation for the board, employees and managers (Richtermeyer, 2011). When investors are having an interest in acquiring or merging with the existing company, they look for succession plans of that company to gauge its stability and sustainability (Seymour, 2008). The reality of the situation is that investors look at the quality of the next generation of management and its preparedness to propel the business to new heights. Having a competent and consistent management and workforce in place will give investors peace of mind and will afford the selling company more negotiating power. It will also influence the bank's decision on the viability and the sustainability of the company. Having a good succession plan will most certainly increase the company's fiscal value (Seymour, 2008). Strong organizational culture which provides values, beliefs, standards and paradigms for all employees also affect the effective succession planning. Employees can consider these values, beliefs, standards and paradigms as a guideline for their everyday performance. Therefore, if these values and standards support the succession planning system, employees would follow the system too (Shadi, Ebrahim, Mehrabani, 2011).

Organizational culture has the potential to enhance organizational performance, employee job satisfaction, and the sense of certainty about problem solving (Kotter, 2012). If an organizational culture becomes incongruent with the changing expectations of internal and/or external stakeholders, the organization's effectiveness can decline as has occurred with some organizations (Ernst, 2001). Organizational culture and performance clearly are related and there is evidence regarding the exact nature of this relationship. Studies show that the relationship between many cultural attributes and high performance has been consistent over time. Organizational culture is essentially the personality of an organization. It consists of the attitudes, values and beliefs within the organization that is shared by all employees. It governs who speaks to whom, what

behavior is considered appropriate or inappropriate, how decisions are made, and who gets what perks. In other words, culture is the "way we do things around here." If a new employee attempts to change this culture, they can often end up being the "odd man out"; they will feel ostracized and their opinions will be devalued. Therefore is always advised to consider organization structure while making a succession plan (Croteau, 2016).

According to Bauer, (2006), culture is so important to the stability and success of an organization. An organization cannot afford to leave positions open when they lose key leaders. It is not uncommon for it to take several months to even a year to fill key roles within an organization. Employees need to feel comfortable and secure, but that can quickly change if a key position is not filled. Organizational culture impacts the implementation of succession planning in organizations (Anchers and powers, 2007). The pervasiveness of succession planning as a fundamental human resource management and development practice in organizations supports the notion that human resource professionals and organizational managers could benefit from an understanding of organizational culture as a likely contextual factor in developing, implementing, and changing succession planning processes. Global organizations faced with fast paced change can no longer afford long, lengthy internal development of an heir apparent. However, those organizations who seek faster, external executive hires have found it no solution as organizational culture often trumps talent and industry experience. The organization's capacity for learning is the key to long-term success as recent research points to those who do internal succession well, with little disruption and ready change depend on the ability to execute plans (Fazilah 3009).

Rothwell (2010), succession planning builds talent from within, reduces employee turnover rates, attracts people to whom the organization can be entrusted and increases employee retention and morale by inspiring people to make progress towards advancement goals. Management should infuse the values and vision into employees and emphasizes the long-term implementation of the strategic plan and achievement of the organizational vision while anticipating unavoidable changes in leadership. It declares to leaders and followers alike, an unswerving dedication to the organization's vision and strategic direction. The company culture has been described as one which is based on manager ownership with the notion that managers will behave as shareholders in protecting their investments and interests. Future goals of the company are: to preserve the consistency in revenue and earnings growth; grow market share in the global small package arena; increase operating profit in domestic, international and supply chain management; and to consider social, environmental and economic consequences of doing business However, senior corporate function and subsidiary managers have a vested interest in developing these candidates who will then represent their political interests on the Executive Management Committee. Candidates who are successors to the Executive Management Committee team usually make this move from the position of Senior Corporate Function Management (Anchers & Powers, 2007).

In addition, several authors suggest that succession planning, especially for large organizations, cannot effectively operate in isolation. Mateso (2010) it has to be integrated into the overall organizational strategy, strategic plan, or culture; for that matter, succession planning must always stick to an organization's definition of the critical leadership capability as well as be aligned to the necessary organizational behaviors (Harrison, McKinnon, & Terry, 2006). Since most organizations strive to be perpetual, succession planning should be an ongoing process that is constantly linked to organizational learning capacity. Once integrated into an organization, succession planning will continuously guide the assessment of candidates' competencies and guide the process of developing each individual candidate. Three respondents asserted that having a strong organizational culture which provides values, beliefs, standards and paradigms for all employees also affect the effective succession planning. They believed that employees can consider these values, beliefs, standards and paradigms as a guideline for their everyday performance. Therefore, if these values and standards support the succession planning system, employees would follow the system too (Shadi Ebrahimi Mehrabani 2011).

However Sharma, (2010) culture is the medium by which organization expresses itself to its employees or members. The core of the culture is formed by the values which are not visible but are shared by people even when membership in group changes. Shared values and norms focus employees' attention on organizational priorities and guide their behavior and decision making. In the present study organizational culture has been conceptualized along eight cultural values and beliefs: openness, confrontation, trust, authenticity, pro-action, autonomy, collaboration, and experimentation. Leadership styles have been determined in terms of initiation, consideration and charismatic variables. To achieve competitive advantage the industry needs visionary leadership to drive change and performance. Results of the study on textile industry in North India show a positive association between cultural values and charismatic leadership styles. Organizational culture exhibiting characteristics of accountability, collaboration, decentralized leadership; alignment and adaptability hold the key to successful survival.

Succession planning does not exist in isolation. It must be interwoven with the organization's strategic objectives and should reflect the way the organization needs to evolve in order to achieve its strategic goals Rothwell (2010). This means that the kinds of leadership styles, skills and behaviours you want to develop and promote might be different in the future from those in the existing culture. An effective succession plan can guide a business owner to creating a roadmap for success. It can also help owners attract and motivate successful employees. When owners commit to creating and implementing effective succession plans that embrace comprehensive programs for transferring management responsibility and equity ownership, they can experience the rewards of creating lasting legacies for their businesses. The culture must be inculcated in the ways things are done in that organization. In order to ensure the continued success of our organization, it is therefore imperative that we recognize the importance of the individuals within; and that we develop and implement the best possible succession planning framework. We must develop an understanding of the concepts of workplace learning and organizational culture. We must recognize the fact that we cannot effectively address issues of succession without simultaneously addressing issues of retention. Furthermore organization must remain aware of the ways in which the milieu of asymmetrical power relationships which exists in the workplace, and the social structures in which people are embedded, intend to reinforce and reproduce the status quo, and develop a succession planning framework that is aimed at overcoming this tendency. The information provided in this project is intended to offer the insight required for us to do just that (Rancourt, 2008).

Despite the common cultural identity of the members of an organization, the shared beliefs, values, and norms of behavior bring about integration and coherence in their efforts, internal commitment to the organization, and a clear understanding of the philosophy, and consequently, the success of the organizations. In other words, researchers believe that success of successful organizations lies in the strong intangible organizational factors in organizational culture, values, and beliefs of the employees The main hypotheses shows that Organizational culture has a significant relationship with employee succession planning in Keshavarzi Bank branches of Tehran. Pearson correlation test was used to test the significance of the relationship between organizational culture and employee succession planning in Keshavarzi Bank branches of Tehran. The correlation coefficient was 0.534 (p<0.01). Considering the direction and level of this correlation coefficient, it can be said that the correlation between these two factors was moderate and high. Since the direction of this correlation was positive, increase in organizational culture level increases the level of employee succession planning in Keshavarzi Bank branches of Tehran as well and vice versa (Nosrollah, Medani, & Wali, 2015). Open organization culture encourage employees to speak their mind and take action, they feel empowered hence it is easy to have a positive impact and make a difference. However in a bureaucratic set up, change depends on leaders only hence good ideas can get lost in the process and innovators can be discouraged if they do not fit in the preconceived notions of the leadership (Rothwell, 2010). Succession plan will fit and work in an open organization culture environment whereby employees get attachment with the organization and look forward to a long term association with it.

Rothwell, (2010) has stated that analyzing, selecting and developing the right candidate are a large part in succession planning and if these steps are not made the likelihood that leadership transition will be successful decreases. The selection of an unprepared or inappropriate successor can create damaging impacts after leadership transition. Transition from one leader to another is very a critical moment in any history of an organization and how it manages contributes significantly in enhancing confidence in various stakeholders. Employees hold the key to an organization competitive advantage because structures, strategies and systems need to be driven by people. (Vikstrom & Westerberg, 2010), did a study on succession in small family firms as may be a key to sustainability for the individual firm but also to regional growth. Their study examined how leadership succession factors associated to attitudes, norms and perceived behavioural control of leading actors in a small family firm can be related to how well the succession process works and to the firm's post-transition performance. The results based on a survey of small family firms that have experienced a leadership succession showed that understanding aspects linked to perceived behavioural control and attitudes contributed positively to effective succession planning. In her findings, Avanesh, (2011), recommended creation of a culture for effective succession planning and leadership development increasing diversity as a part of their strategic plan. To boost the morale of employees, ensure that succession planning initiatives are included as one of the attributes in performance appraisal which in turn is linked to the variable pay. To further enhance focus on individual attention in succession planning, management should be more proactive in communicating with employees on their career goals when determining criteria for the annual employee performance evaluation process.

A qualitative study was conducted with 30 participants of executive and mid-level managers from a large, Fortune 500 company to investigate the influence of organizational culture on the succession planning process. The results indicate that the founder has tremendous influence on organizational processes (i.e., succession planning) via the culture which he or she created early on. Succession planning processes serve as secondary embedding mechanisms to perpetuate existing cultural values; as a result they are difficult to change. The vast majority of research to date has utilized quantitative, positivistic methods in the study of succession planning resulting in a multiplicity of variables furthering functionalist pursuits of predictability and generalizability rather than furthering our understanding of the process itself, situated in its natural environment (Fancher, 2007).

3. METHOD

The study adopted a descriptive research design. The target population of this research was 84 individuals who included 12 board of directors, 12 management team, 1 chief Executive officer and 59 members of staff of Transnational Times SACCO. A census is attractive for small population as it eliminates sampling error and provides data on all individuals in the population. Data collection instrument was structured questionnaire. Ilodting was done for validity and reliability of the data collection instrument. Data was coded, organised and analyse using the SPSS version 26. Multiple regression analysis was done to test the significant levels of one variable over the other. Data was resented by use of table.

4. DISCUSSION

The objective of this study aimed at determining the influence of organizational culture on effective succession planning in SACCOs in TransNzoia County. To accomplish this, the study sought to establish the influence of organization culture at transnational SACCO, then analyzed the results and presented them in the Table 1.

Table 1: Influence of organizational culture on effective succession planning

Variable on organizational culture	SA	A	N	D	SD	Total
There is well laid down succession plan in the strategic plan	1.4	25.7	1.4	58.6	12.9	100
There are laid down standards for career growth	0	34.3	1.5	47.1	17.1	100
The organization structure is clear on how each employee can grow career wise	0	47.1	1.4	48.6	2.9	100

The findings showed that majority 58.6 percent of respondents disagreed, 12.9 percent strongly disagreed, 1.4 percent were neutral, 25.7 percent agreed while 1.4 strongly agreed that there is a well laid down succession plan in strategic plan. This implied that majority 71.5 percent disagreed that there is a well laid down succession plan in strategic plan. This implied that succession plan is not regarded as a major concern in the strategic plan. It may not be vital to have a succession plan for every position in the company, but certainly there are some key areas of responsibility which must be considered. This varies by company and industry, but as a part of simplified strategic planning process, one important strategic issue should be the need for succession planning for certain, defined key positions. This issue should be revisited at least once a year and more often if circumstances dictate (Baldwin, 2000).

The results of the study sought to establish whether there are laid down standards for career growth and results were presented in Table 4:6. The results showed that majority 47.1 percent disagreed while 17.1 percent strongly disagreed, 34.3 percent agreed and 1.5 percent was neutral. This implied that majority 64.2 percent of the respondents disagreed.

The findings established on whether the organization structure is clear on how each employee can grow career wise. Majority 48.6 percent disagreed while 2.9 percent strongly disagreed, 47.1 percent agreed and 1.4 percent was neutral. This gave a total of 51.5 percent of respondents who disagreed meaning that majority disagreed that the organization structure is clear on how each employee can grow career wise.

4.1 Inferential Statistics

The researcher did inferential statistics on the quantitative data. The statistics done included correlation, regression and ANOVA. The results are presented in the section below.

4.1.1 Organizational Culture

Correlation

The study analysed data on the influence of organizational culture on succession planning and obtained the Pearson correlation and presented the results in Table 4.2 below.

Table 4.2: Pearson Correlation of organizational culture Against Succession Planning

Variable	Test	Succession planning
	Pearson Correlation	.548*
Influence of employee training	Sig. (2-tailed)	.000
	N	70

*. Correlation is significant at the 0.05 level (2-tailed)

Table 4:2 shows that organizational culture has positive relationship on succession planning. The r value is 0.548 which is relatively strong at 2 tailed significance of 0.000 which is below 0.05 level of significance.

Regression

The study did regression on quantitative data between top management support and succession planning and presented the findings in the Table 4:3 below.

Table 4.3: Coefficientsa Determination of Organizational Culture on Succession Planning

Model 1	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.087	.238		8.762	.000
Organizational Culture	.107	.056	.016	.132	.896

a. Dependent Variable: Succession Planning

Table 4:3 provides the information needed to predict succession planning from influence of Organizational Culture. Both the constant and Organizational Culture contributed significantly to the model. The regression equation is presented as follows;   (Y) Succession Planning = 2.087+0.107 (Organizational culture)

Model Summary

The model summary of organizational culture against succession planning is presented in Table 4:4 below.

Table 4.4: Model Summary of Organizational Culture against Succession Planning

Model 1	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.338a	.114	.074	.484

a. Predictors: (Constant), Organizational Culture

Table 4:4 provides the R and R2 value. The R value is 0.338, which represented the simple correlation. It indicated an average degree of correlation. The R2 value indicated how much of the dependent variable, "succession planning", can be explained by the independent variable, "Organizational Culture ". In this case, 11.4 percent can be explained, which is relatively significant.

In summary Y $= \beta_0 + \beta_1 X_1 + e$

By replacing the values

(Y) Succession Planning = 2.087+0.107 (Organizational culture)

Multiple regressions give the constant as 2.0771

Therefore the overall regression model is

(Y) Succession Planning = 2.0771 + 0.107 (Organizational culture)

Statistical analysis shows that organizational culture has influence on succession planning.

Based on these findings:

The null hypothesis H_{03}: Organization culture does not have statistically significant influence on effective succession planning in SACCOs in TransNzoia County: *is rejected* Therefore, organization culture has a significant influence on effective succession planning in SACCOs in TransNzoia County.

5. CONCLUSIONS AND RECOMMENDATIONS

The findings showed that majority disagreed that there is a well laid down succession plan in strategic plan and that there are laid down standard for career growth.

The findings concluded that while there is no clear inclusion succession plan in SACCO's strategic plans, the organizational structures are clear on how each employee can grow career wise. The findings also concluded that organizational culture, politics and bureaucracy have an influence on succession planning.

Based on the findings, the study recommends that the SACCO management should sustain job rotation so as to enhance skills acquisition for employees. It also recommends that all successors should be trained to ensure that they have proper skills in place before they take over the predecessor to ensure continuity of the SACCO.

SACCO should also ensure that succession planning is part of SACCOs strategic plans while explicitly stipulating standards for career growth for the employees. The study also recommends that regulatory bodies such as SASRA should emphasize inclusion of succession policies in SACCOs.

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