



**AN EVALUATION OF SUCCESSION PLANNING EFFECTIVENESS IN
TRANSNET PIPELINE KWAZULU NATAL DURBAN**

By

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Declaration

I, Nontobeko Buthelezi (213572373), declare that:

- i.** Except where otherwise indicated, the research reported in this dissertation is my original research.
- ii.** This dissertation has not been submitted for any degree or examination at any other tertiary institution.
- iii.** This dissertation does not contain other persons' data, tables, figures and any other information, unless specifically acknowledged as being sources from other persons.
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Signature:

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Dedication

I dedicate my dissertation work to my family. A special feeling of gratitude to my amazing mother Maggie Buthelezi and my lovely sister Zinhle Mthimkhulu, whose words of encouragement and push for resilience has cheered me up.

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Abstract

This study attempts to evaluate the effectiveness of succession planning so that a cohort of employees who are high flyers in terms of performance are capable of taking the organisation forward, therefore benefit from succession planning, are produced. It undertakes an analysis of factors that influence the effectiveness of succession planning.

The identification of strategies that influence the evaluation of succession planning adds value in ensuring that succession planning must not be on paper only, but it must be practical and bear fruits in the organization. This study therefore exposes a potential gap in succession planning effectiveness, as a factor that influences leaders to evaluate effectiveness of succession planning which is currently not well understood. The research involved a case study methodology through a comprehensive study of Transnet Pipeline. It adopts a critical examination of the applicability of qualitative research methodology. The research design used in the study and the setting where this study was conducted, the study population, the sampling method used, the data collection instruments used and the data analysis techniques where 35 interviews with company management personnel formed the primary source of data. The findings revealed that several factors affected the identification of critical positions in the succession planning effort. Factors used for the identification of the capabilities for successful performance in key areas are: Qualifications; experience and registration with professional organization and talent Management. Management strategies that can be identified in the succession planning effort were found to be: Talent identification and management; and recruitment, training and mentorship. Tools used to expose roles and responsibilities that are identified in the action plan are: Key performance areas (KPA's), quarterly reviews, cost cutting, culture charter, and individual development plans (IDPs); management felt that it is HR's responsibility to drive talent management and Individual Development Plans.

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Chapter One

Introduction and Background to the Study

1.1 Introduction

This introductory chapter presents the background and context of the study on the evaluation of succession planning effectiveness at Transnet Pipeline in KwaZulu Natal, Durban. The chapter introduces the problem statement, the research questions, the purpose and the objectives of the study. The significance, scope, and limitations of the study are also presented in this chapter, followed by definitions of key words and chapter outlines. The chapter ends with a brief summary of major issues highlighted within the chapter.

1.2 Background of Study

Transnet Pipelines (TPL), formerly known as Petronet, based in Durban, is the custodian of the country's strategic pipeline assets. It currently services two key industries, the fuel and gas industries, by transporting petroleum and gas products over varying distances (Transnet, 2012). The business, having been established in 1965, is integral to the well-being of the South African economy. TPL is part of the regulated liquid fuels industry of South Africa. The industry as a whole faces major changes and challenges in the next couple of years (i.e. quality of fuels, strategic stock keeping of fuels, increased production capacity and new refineries).

Primary first choice mode of transport of its clients for Liquid Fuels is safe, bulk volumes, reliable, environmentally friendly carrier. Capacity constraints in its pipeline system could hamper economic growth in our country's heartland. The evaluation of succession planning effectiveness is imperative, as a lack of necessary skills and key leadership could cripple the country's economy very severely.

Succession planning is a valuable management tool for creating a plan to move high potential employees into higher levels of the organization, and management development today is a top priority for any organisation that wants to stay in business (Tesda, 2014). Gale (2013) stated that organisations can no longer afford to waste people talent if they are to remain competitive into the

next century (Gale, 2013). Therefore succession planning is no longer only important when leadership is going to change, but can be used to build strong leadership in the present, help a business survive the daily changes in the marketplace, as well as force senior management to regularly review and examine the company's goals and objectives. Succession planning ensures the proactive management of a business' entire talent pool. By integrating talent management, leadership development and career development programs, succession planning has gone beyond the reactionary replacement of exiting employees to enable the deployment of a business' talent as needed, now and in the future (Gale, 2013).

The present study endeavours to evaluate the effectiveness of succession planning in TPL.

1.3 Research Problem

Despite TPL having succession planning in place, they have never evaluated its effectiveness. If this particular study is not conducted, succession planning effectiveness at TPL will remain unknown as it is no longer business as usual; we are living in a volatile, uncertain, complex and ambiguous (VUCA) era (Bennett & Lemoine, 2014). Therefore, TPL will continue to have succession planning in place but with its effectiveness remaining unknown, this can result in fruitless exercises or just a formality exercise. The study provides the evaluation of succession planning effectiveness, which is knowledge that can be used to enhance strong talent bench or pipeline and promote high performance culture. The process will bear positive fruits in the organisation, and avoid any disruptions in business continuity.

The effectiveness of succession planning may be limited in today's more flexible and rapidly changing organizations where elaborate succession plans become outdated as soon as they are created. Most organizations put a lot of focus on talent management and development processes forgetting that talented and ambitious employees do not like to wait for long to secure management positions (Armstrong, 2012). Today the majority of firms do not revisit succession practises, which are meant to assist them to create a feeder system of high potential employees into management positions (Conger & Fulmer, 2003). Eshiteti, Okaka, Maragia, Odera and Akerele (2013) stress that this act of neglect causes organizations to struggle to fill vacancies particularly at the management level, and tends to lead into deep dissatisfaction among employees resulting in poor

performance and low retention of talented employees (Eshiteti, Okaka, Maragia, Odera & Akerele, 2013).

The proposed study intends to evaluate the succession planning effectiveness, as it is a hot topic these days because of the following (Cornerstone, 2008):

- Board concerns about increased costs associated with external searches for the right candidates to fill vacant positions.
- Managers complain that they have no one ready to fill vacancies.
- Employees complain that promotion decisions are made unfairly.
- Insufficient numbers of women and/minorities at senior levels.

1.4 Motivation for the Study

This study is vital because it appears that the effectiveness of succession planning at TPL remains unknown, which creates a void and uncertainty in the organisation. This may have a negative influence on the South African economy as a whole (Transnet, 2012). The study is therefore significant from a theoretical and practical point of view in that it will contribute to the understanding of how succession planning evaluation process can be utilised so that its effectiveness can be known. By applying human capital management practices, organisations in South Africa can become more effective and more competitive on an international scale.

This study will serve as a guide for management in ensuring that the process of succession planning is effective. It is expected that this study will be beneficial to organisations by giving enough insight to the benefit of evaluating succession planning. This will encourage management to ensure that the continuity of business is not at risk, as the process will be robust driven to ensure that succession planning is fit for purpose. By doing so, employees will put in their intellectual contribution towards improved organisational performance. It is the researcher's desire that the study would provide a basis on which further research could be carried out.

1.5 Aim of the Study

This study aims to evaluate the effectiveness of succession planning at TPL, so that they produce a cohort of employees who are high flyers in terms of performance and who can take the organisation forward, and therefore benefit from succession planning.

1.6 Contribution of the Study

Identification of strategies that influence the evaluation of succession planning will be adding value, in ensuring that succession planning must not only be on paper and theory but it must be practical and bear fruits in the organisation. It is necessary to shy away from the apparent tendency of leaders from evaluating succession-planning effectiveness, as it is their responsibility to ensure business continuity. This study therefore exposes a potential gap in succession planning effectiveness, as factors that influence leaders not to evaluate effectiveness of succession planning is currently not well understood. The study also probes the question as to why despite the advantages of effective succession planning, business leaders in South Africa do not appear to have embedded it. This study then is conducted to fill a hiatus in a significant and strategic area of technical and engineering efficacy, which is also dependent on administrative expertise.

1.7 Research Objectives

The research objections are:

- To determine the critical positions in the succession planning effort at Transnet Pipeline.
- To determine the competencies in key areas at Transnet Pipeline
- To determine what management strategies can be implemented in the succession planning effort at Transnet Pipeline.
- To determine what roles and responsibilities are defined in the action plan for the Transnet Pipeline.
- To determine how the effectiveness is evaluated to ensure that the succession plan is successful at Transnet Pipeline Africa as a whole.

1.8 Research Questions

The research questions for this study are:

- How are the critical positions identified in the succession planning effort at Transnet Pipeline?
- How are the capabilities identified for successful performance in key areas at Transnet Pipeline?
- What management strategies can be identified in the succession planning effort at Transnet Pipeline?
- What roles and responsibilities are defined in the action plan at Transnet Pipeline?
- How is the effectiveness evaluated to ensure that the succession plan is successful at Transnet Pipeline?

1.9 Research Design

This study was conducted following the qualitative research methods. Structured interviews were used to collect information of the study. The interviews were conducted using the interview schedule. There are twenty-five members from TPL that were interviewed.

1.10 Limitations to Study

Due to time constraints, this study does not include all Transnet headquarters and divisions that is, Transnet port terminal, Transnet engineering, Transnet national port authority and Transnet freight rails. Only Transnet Pipelines based in KwaZulu Natal Durban was selected for this study.

1.11 Chapter Outline

The layout of the research study is divided into six chapters as presented below.

Chapter 1: Introduction and background to the study

The chapter introduces the problem statement, the research questions, and the purpose and objectives of the study. The significance, scope, and limitations of the study are also stated in this chapter followed by definitions of key words and chapter outlines. The chapter ends with a brief summary of major issues highlighted within the chapter.

Chapter 2: Literature review

This chapter highlights literature on the evaluation of succession planning effectiveness. To understand the research problem, succession planning is firstly defined to a great length, followed by themes that have been identified to align the reviewed literature with the objectives of the study. Themes that have been identified for this study are as follows: the identification of critical positions; the identification of competencies; the identification of succession management strategies; the documentation and implementation of succession plans; and the evaluation of effectiveness.

Chapter 3: Research methodology

This chapter provides a critical examination of the applicability of qualitative research methodology, the research design used in the study and the setting where this study was conducted, the study population, the sampling method used, the data collection instruments used, and the data analysis techniques. Further to that, the chapter addresses the issues of reliability and validity by demonstrating measures put in place to ensure that research instruments were consistent. This chapter will conclude by addressing ethical issues taken into account during the execution of this study.

Chapter 4: Data presentation

This chapter presents the findings by illustrating them. Participants comprised the executive team, senior, middle and junior management of the TPL. The presentation and discussion is divided into

five sections: Identification of critical positions in the succession planning effort; Identification of the capabilities for successful performance in key areas; Management strategies that can be identified in the succession planning effort; Roles and responsibilities that are identified in the action plan; Effectiveness evaluation to ensure that the succession plan is successful. These sections are meant to address the research questions. These sections are then followed by the conclusion of the chapter.

Chapter 5: Discussion and analysis of the findings

This chapter discusses factors used to evaluate the effectiveness of succession planning at Transnet Pipeline in Durban, South Africa. The chapter is divided into five sections: identification of critical positions in the succession planning effort; identification of the capabilities for successful performance in key areas; management strategies that can be identified in the succession planning effort; roles and responsibilities that are identified in the action plan; effectiveness evaluation to ensure that the succession plan is successful, and followed by the conclusion to the chapter.

Chapter 6: Conclusion and recommendations

This chapter presents the conclusion and recommendations for the study.

1.12 Conclusion

The chapter presented a short background on the evaluation of succession planning effectiveness in TPL. It provided the statement of the problem, the significance of the study, its aims, purpose, contribution, overall objectives, and the main research questions that guide the study. The concepts, which underpin the study, were defined and the limitations and scope of the study were outlined. The next chapter presents a literature review of the subject matter at hand.

Chapter Two

Literature Review

2.1 Introduction

The literature review highlights themes on the evaluation of succession planning effectiveness. To understand the research problem, succession planning is firstly defined, followed by the themes, which have been identified for this study. The themes include: the identification of critical positions; the identification of competencies; the identification of succession management strategies; the documentation and implementation of succession plans; and the evaluation of the effectiveness.

Today's environments are changing rapidly that organizations are facing serious unpredictability and uncertainty, which sometimes cause instability in the business operations. In this unstable environment, organizations need to rely on the most important assets, which is their people (Sambrook, 2005). Organizations need to strategize to motivate and connect their employees in order to create competitive advantage and achieve higher profitability. Organizations may consider methods like succession planning and management to promote their employees' knowledge, skills, talents, and capabilities to tackle problems created by the challenging environments (Mehrabani & Mohamad, 2011).

2.2 Succession Planning

According to Sambrook (2005), succession planning is an attempt to plan for the right number and quality of managers and key-skilled employees to cover retirements, death, serious illness or promotion, and any new positions which may be created in future organization plans (Sambrook, 2005). In today's dynamic world where competition is high, work is fluid, environment is unpredictable, organizations are structurally flatter, and the organizational configuration frequently changes. The old view of succession planning by defining specific people for the specific job does not work (Mehrabani & Mohamad, 2011). Nowadays, organizations need a group of high potential people at all levels of their organizations. Developing general competencies,

creating flexibility and creating the leadership potential at all organizational levels is a wisely identified action in today's organizations (Mehrabani & Mohamad, 2011).

According to Titzer and Shirey's (2013) succession planning is defined as a strategic process involving the identification, development and evaluation of intellectual capital, ensuring leadership continuity within an organization (Titzer & Shirey, 2013). Collins and Collins (2007) recognize that the strategic development of a succession planning programme includes identifying desired leadership competencies and key positions (Collins & Collins, 2007). To evaluate current and future leadership needs successfully, a set of core competencies is needed.

Furthermore, succession planning can be considered as an effort done to plan a program for a number of appropriate and competent managers and employees with key skills in such a way that they can be appropriate successors at the time of retirement, death, illness, or promotion of other employees, and even new posts created in organizational programs (Sambrook, 2005).

Collins and Collins (2007) defined succession as a process that can facilitate leadership transfer in an organization (Collins & Collins, 2007). As Collins and Collins (2007) asserted, it is a strategic and systematic approach and an informed effort to develop competencies in potential leaders through purposeful trainings to replace key posts of the organization without personal favourites (Collins & Collins, 2007).

According to Byerly (2012), an organization's plans may change for reasons such as retirements, promotions within the organization, serious illness, death or any voluntary departure from the organization where employees follow their careers elsewhere (Byerly, 2012). To cover such changes, organizations must have a key employees' replacement plan. Succession planning is considered as a suitable effort in this regard (Byerly, 2012). For decades, the concern of succession planning was about people, not the skills and talents, who are needed for the organization's future (Deshwal, 2015). During those times, the only purpose of succession planning was to tag and identify the needed successors to replace their ancestors for a specific job (Deshwal, 2015). The target of succession planning in this old view was top leaders and business owners in the large organization. Traditionally, succession planning is linked with replacement planning, which is a form of risk management that focuses on replacing key executives, exactly before leaving the organizations (Mehrabani & Mohamad, 2011).

Besides being a key safeguard for unexpected circumstances, succession planning is also an excellent professional development opportunity for high performing employees. The process allows them to learn and grow with the organization as they train for future roles (Conger & Fulmer, 2003).

For organizations, diversification is a huge benefit to having a succession planning strategy in place. By bringing new employees into the fold, an organization is able to bring the unique perspectives and experiences into the decision making process as well (Heerwagen, Kelly & Kampschroer, 2016). This allows the organization to evolve easily to adapt to changing environments. Additionally, succession planning helps to provide stability, boost morale, and avoid costly extended vacancies that can occur in key positions throughout the organization (Heerwagen, Kelly & Kampschroer, 2016).

2.3 Succession Planning Steps

2.3.1 Identify critical positions

Critical positions are the focus of succession planning efforts. Without these roles, the organization would be unable to effectively meet its business objectives. According to the GNB (2010), workforce projection data or demographic analysis is essential in identifying risk areas (GNB, 2010). A risk assessment may also be conducted and compared to current and future vacancies to identify critical positions within your organization. Senior management and/or an executive management committee will play the lead role in their identification, with managers playing a supportive role by providing coordination and guidance to assist in their identification (Conger & Fulmer, 2003). Managers examine the candidate pool for critical roles as the best succession management plans have three or four potential successors who are either ready now or soon, to take on each of the most important roles in the organization (Rothwell, 2011).

This means that succession planning develops talent by level on the organization chart to prepare for more challenging positions at higher levels of responsibility (Rothwell, 2011).

2.3.1.1 Criteria for identifying key areas and critical positions

GNB (2010) identified the following questions as key in identifying key areas and critical positions in an organization:

- Which positions, if left vacant, would cause major difficulties in achieving current and future business goals?
- Which positions would be difficult to fill because they require particular expertise and/or the incumbents possess a wealth of corporate knowledge?
- Is there a current or projected labour market shortage for certain necessary skills in the branch or sector?
- Is this position the only one of its kind in a particular location and would it be difficult for a similar position in another location to carry out the function?

By managing most critical risks first, this will ensure that leadership continuity is in place to sustain the achievement of business results. Risk Assessment for identifying critical positions template is needed (GNB, 2010).

2.3.2 Identify competencies

GNB (2010) states that a clear understanding of capabilities needed for successful performance in key areas and critical positions is essential for guiding learning and development plans, setting clear performance expectations, and for assessing performance (GNB, 2010). By completing the process of competency or position profiling within organization, current and future employees gain an understanding of the key responsibilities of the position including the qualifications and behavioural and technical competencies required to perform them successfully (GNB, 2010).

According to an article by Carriere, Muise, Cummings, and Newburn-Cook (2009) the organization's identified core competencies provide a context for evaluating leadership performance, conducting gap analysis (Carriere *et al.*, 2009) and identifying high-potential leaders (Picker-Rotem *et al.*, 2008). A gap analysis reveals key positions that will become vacant due to planned retirements and promotions. Proactive succession planning allows high potential leaders to be identified and developed for these key positions (Ponti, 2009; Laframboise, 2011).

Identifying internal high-potential intellectual capital is a key succession planning antecedent (Stichler, 2008; Carriere *et al.*, 2009; Laframboise, 2011). Methods and criteria reported within the literature for identifying high-potential leaders include self-nomination (Abraham, 2011), peer selection (Picker-Rotem *et al.*, 2008), annual performance evaluations (Swearingen, 2011) and objective application and interview processes (Brunero *et al.*, 2009; Wendler *et al.*, 2009). Competent leaders acting as talent scouts can help identify, mentor and develop future leaders (Laframboise, 2011).

In order to identify position competencies, GNB (2010) recommends that:

- Executive leadership competencies and supporting documentation have to be developed for senior executive positions in the organization.
- Middle manager competencies which is a set of core competencies have to be identified to provide a common language and understanding of the knowledge, skills, abilities and behaviours expected of current and future middle managers in the organization.
- Competencies for other positions must be identified from the position description questionnaire (PDQ), by interviewing job incumbents and stakeholders and/or by referencing the competency dictionaries (GNB, 2010).

2.3.3 Identify succession management strategies

Now that critical positions have been identified and have been profiled for competencies, the next step is to choose from a menu of several human resource strategies, including developing internal talent pools, onboarding and recruitment, to address succession planning (GNB, 2010). Mentoring and coaching future leaders is a critical succession planning element and must be a deliberate and strategic action (Coughlin & Hogan, 2008; Stichler, 2008; Carriere *et al.*, 2009; Laframboise, 2011; Swearingen, 2011).

Mentoring future leaders provides a nurturing learning environment (Swearingen, 2011). Leaders can act as mentors so that they are able to transfer key organizational knowledge to potential successors (Laframboise, 2011). Mentoring promotes professional development and guides employees seeking an advanced career path (Coughlin & Hogan, 2008). Employees feel encouraged to seek advanced degrees, are inspired to pursue leadership roles versus advanced

technical tracks and have a better understanding of the management role if a mentoring programme is effective (Coughlin & Hogan, 2008).

Succession planning necessitates formal leadership development education (Carriere et al., 2009). The organization's desired leadership competencies provide a framework for designing the succession planning curriculum (Collins & Collins, 2007; Stichler, 2008; Brunero *et al.*, 2009; Ponti, 2009; Wendler *et al.*, 2009; Abraham, 2011; Benjamin *et al.*, 2011). Curriculum content which can be found within management succession plans includes strategic thinking, business management, finance, human resources, informatics, quality improvement, team building, conflict management and communication skills (Stichler, 2008; Brunero *et al.*, 2009; Ponti, 2009; Wendler *et al.*, 2009). Experiential learning activities providing successors with opportunities to apply learned knowledge and to gain valuable experience are also important (Stichler, 2008; Wendler *et al.*, 2009; Abraham, 2011; Laframboise, 2011; Swearingen, 2011).

An anticipated outcome of succession planning is the creation of a leadership pipeline, which can reduce recruitment and replacement costs (Brunero *et al.*, 2009; Wendler *et al.*, 2009; Swearingen, 2011). It should be noted that an organization's commitment to identifying and developing high-potential individuals for future leadership positions attracts and retains human capital (Brunero *et al.*, 2009; Ponti, 2009; Swan & Moye, 2009). In this regard several case studies use the number of internal promotions and employees' turnover as a means of evaluating succession planning efforts (Picker-Rotem *et al.*, 2008; Brunero *et al.*, 2009; Wendler *et al.*, 2009; Abraham, 2011; Benjamin *et al.*, 2011); specific measurement methods, however, are limited. A single study reports an actual cost-benefit analysis demonstrating a positive return on investment related to succession planning (Wendler *et al.*, 2009). Programme costs can be recouped within one year after promotion of an internal successor, thus replacement costs can be reduced. Other anticipated outcomes of succession planning are improved work environments and increased employee satisfaction (Stichler, 2008; Laframboise, 2011; Swearingen, 2011). Succession planning takes into account the second or third generation of individuals who could replace the C-suite, with some development actions. It also includes a combination of the following strategies:

2.3.3.1 Talent Management

Talent management is a key succession planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within the organization which is required for long term planning (GNB, 2010). Talent management provides a means of:

- Accelerating employee development by identifying opportunities for career growth and development
- Identifying internal talent pools and transferring knowledge
- Evaluating and planning for critical positions

Talent pools are groups of high-potential employees who meet the competency/position requirements for critical positions (GNB, 2010). Assessment Methods determine if internal candidates qualify or have the potential to be developed for critical positions. Talent Management GNB (2010) stresses that committees may use the following methods:

- Performance appraisals
- Leadership training
- Internal developmental opportunities/assignments/projects
- Career management module (CMM profile)
- Employees' Learning & Development plan

2.3.3.2 Retention and Engagement

GNB (2010) states that succession planning provides employees the opportunity to develop in ways that stretch their capabilities, challenges and engages them, and connects them to people who can help them achieve their objectives (GNB, 2010). Here are some recommended approaches:

- Enable employees to connect their individual work plans to the overall organizational strategic plans.
- Support employees in achieving work-life balance especially with respect to generational values and retention.
- Recognize and reward excellent performance through appropriate mechanisms, such as pay for performance, where applicable.

- Encourage employees to create learning and development plans and support the implementation of these plans (GNB, 2010).

According to McEntire and Greene-Shortridge (2011), behavioral Event Interviewing is another method that can also be used to ensure the right fit for candidates, which results in higher performance and retention rates (McEntire & Greene-Shortridge, 2011). Besides helping organizations assess and prepare for their future leadership needs, succession planning initiatives have a positive effect on employee motivation and retention. Professionals who know they are in line to fill crucial positions are likely to feel more committed to their jobs and less inclined to pursue other opportunities. They will know that not only is there a place for them in their company's future, but their employer is committed to their professional growth. Members of Generation Y, in particular, seem eager for such assurance if they remain with an employer (McEntire & Greene-Shortridge, 2011). This form of career visibility and the Job security it implies can help buoy employees during tough economic cycles when salary increases and bonuses may not be adequate by themselves to maintain motivation levels. Investing in the future when faced with economic uncertainties, a natural business response is to retrench by making staffing cuts and scaling back on items that seem to be extraneous expenses, such as training and development.

However, for an organization to remain strong and prepared to take advantage of business conditions even during challenging times, it's important to guard against knee-jerk reactions, and given the unfavorable demographic trends businesses face, it makes sense to focus instead on building as much bench strength as possible (McDonald, 2008). While workplace experts speculate on whether boomer retirements will come in small, manageable waves or ones of surprising strength and size, the basic facts remain indisputable. Experienced professionals will begin to leave their organizations at a faster rate than most companies can replace them, especially if shortages of highly skilled accounting and finance professionals persist, as is likely. Thus, an organization that engages in succession planning and making internal talent development a priority is investing in nothing less than their own future (McDonald, 2008).

2.3.3.3 Recruitment and Selection

This strategy can be cost effective if qualified candidates can be attracted and successfully recruited. This is helpful when there is not enough time to build talent pools for the critical position or there is a need for fresh ideas, skills/competencies. There are key approaches to attraction and recruitment, which are:

- Consider segments like younger workers, mature workers or underrepresented groups.
- Build relationships with professional associations, post-secondary institutions, alumni networks and ambassador programs.
- Tools to use can be, Employee Value Proposition on the Employment website, career Fairs, targeted marketing and job ads, timely recruitment: on the spot job offers / 30 days to offer, career Roadmaps and Career videos, learning Roadmaps and Career Development Portal (GNB, 2010).

2.3.3.4 Knowledge Transfer

The transfer of knowledge in critical positions will improve the effectiveness of the orientation/transition period of the new incumbent of the position and ensure that when employees in key positions leave the critical knowledge that they possess will not leave with them.

The organization Knowledge Transfer Guide can help in identifying what knowledge needs to be transferred and how this transfer can be facilitated (GNB, 2010). The guide includes the “knowledge transfer plan” template. The knowledge transfer plan can be completed through discussions between the managers, the provider of the knowledge, and the receiver(s) involved in the knowledge transfer. The knowledge transfer plan should be reviewed at each performance review meeting to update as needed. This can be part of performance contract and be monitored for its effectiveness. It is imperative that the workforce as a whole is being looked at so to address critical and scarce skills in the organization (GNB, 2010).

2.3.4 Document and implement succession plans

Once strategies have been identified, the next step is to document the strategies in an action plan. The Succession Planning: Action Plan provides a mechanism for clearly defining timelines and roles and responsibilities (GNB, 2010).

Organizations should avoid getting caught up in just using the term succession planning. Organizations should embrace what it is intended to do, which is to help organizations plan appropriately for key position voids, as well as to identify, develop, retain, and allocate key talent (Aberdeen group, 2006). In preparing and communicating the action plan, companies should also evaluate their processes to ensure they effectively accomplish the following:

- Educate the company on the new trends in succession planning and instill a strong process to build succession bench strength;
- Ensure that succession planning is integrated with other processes of talent management including performance management, training and development, compensation, and assessment;
- Link succession planning to competency management and include a reporting and analytics component;
- Integrate with career development tools;
- Automate the succession planning process for greater efficiency and less operational risk; and develop both a top-down approach and also a bottom-up approach for succession planning (Aberdeen, 2006).

According to Rothwell (2012), too often succession planning focuses on the “cream of the crop”, overlooking hidden talent that can be found in the most “invisible” workers, who may need some encouragement (Rothwell, 2012). The succession plan should include education of and communication with existing staff so that they understand where gaps might develop and are in a better position to step forward and say they are interested (Reed, 2004).

2.3.5 Evaluate Effectiveness

To ensure that the organization succession planning efforts are successful, it is important to systematically monitor workforce data, evaluate activities and make necessary adjustments (GNB, 2010).

Senior Leaders and/or the Executive Management or Steering Committee play a lead role in implementing, monitoring, evaluating and revising with managers playing a supportive role by providing coordination and advice to assist in collecting and interpreting feedback (GNB, 2010).

GNB (2010) identified the following methods for assessing succession planning effectiveness:

- Identify the number of critical positions for which no internal replacement can be found;
- Calculate the percentage of critical positions that are filled internally and the success of the employee's transition to the new position;
- Document anecdotal success stories;
- Conduct employee surveys to measure employee satisfaction with respect to learning and career growth, leadership and feeling supported and recognized; and Conduct exit interviews
- Re-validate previously identified critical positions semi-annually or annually based on current workforce projection data and internal vacancy and retirement information.

How do we know we are doing a good job with succession planning (GNB, 2010) recommends the following?

- Critical positions are filled in a timely manner with the most qualified candidate;
- The organization achieves business goals by having pools of qualified candidates for critical positions;
- Essential knowledge is retained when employees leave the department/agency;
- Managers have a better appreciation of the skills and competencies, experience and learning interests of employees; and
- Employees are engaged through career planning, challenging work, learning and development.

2.4 The Role of Succession Planning In the Human Resources

According to Fulmer (2009) the demand for effective managers continues to grow; the retirement of baby boomers is producing a sharp decline in the ranks of available personnel (Fulmer, 2009). In addition, the executives of the future are expected to be more sophisticated in order to develop and lead new global and technological initiatives. For these reasons, careful planning for the eventual replacement of managers at all levels in organizations has gained strategic importance.

This is true for small firms as well as large ones. It is not just succession to the top; it is getting the right person in place for every job. Some of tomorrow's key jobs may not even exist now. If firms plan to double in size in five years, they will need more talented managers (Fulmer, 2009).

Fulmer (2009) stresses that the larger issue is leadership development, tracking, and developmental opportunities (Fulmer, 2009). The real key in succession management is to create a match between the organization's future needs and the aspirations of individuals. The only way to keep talented people in an organization is to provide them with growth opportunities that keep them stretching and finding more promising opportunities they might find elsewhere. The average college graduate will change jobs five times in his or her career. Within the next decade, this norm will probably increase to seven job changes. Recruiting and retaining leaders becomes an economic and strategic challenge (Fulmer, 2009).

There are many factors that cause instability in an organization's workforce (Rothwell, 2010). Some of these factors are illness, retirement, attrition or finding better jobs. In order to create stability for the future of the organization, considering this unstable environment, they need to hire capable people for key positions. One of the important tools for attracting, developing, and retaining the talent in the workforce is succession planning. A succession planning program will be effective only when it enjoys support from its stakeholders. The stakeholders should not only perform succession planning for it to work, but must also own the process (Rothwell, 2010).

An effective succession plan gives employees the opportunity to develop leadership skills that could be used in the employees' current positions and any future positions (Mehrabani & Mohamad, 2011). Succession planning also implies that, when possible, the organization prefers to hire internal candidates. Organizations practise succession planning in order to ensure that a pool of quality internal candidates may be available to fill positions. With that said, succession

planning is not throwing out good judgment and only hiring internally; in many situations it is not possible or desirable to hire internally. Succession planning includes a preference for hiring internally only when an internal candidate is better prepared or more qualified than an external candidate to assume a vacant leadership position. Succession planning is not “playing favorites” or the selection of “heirs apparent” (Mehrabani & Mohamad, 2011).

Kim (2003) mentioned that employee self-improvement by promoting cross-functional and cross-sector job assignments, executive coaching and mentoring is vital for organizational success (Kim, 2003). Conger and Fulmer (2003) stressed that there are five rules for succession management. The first rule is that succession management must be a flexible system oriented toward developmental activities, which is the fundamental rule that other rules are based on (Conger & Fulmer, 2003). The focus of second rule is on jobs that are essential to the long-term health of the organization. Making succession management transparent, not a mystery, defines as a third rule. Rule four is the usual measurement of progress, moving away from the alternative mind-set of succession planning. Keep it flexible is the final rule. Conger and Fulmer (2009) argued that the effectiveness of a succession management system strongly depends on its respond to the needs of users. In addition, it depends on the easiness of its tools and processes for using and providing the reliable and up-to-date information (Conger & Fulmer, 2009).

Garman and Glawe (2004) have argued that when an organization implements succession planning, it operates with greater job satisfaction, higher individual and departmental performance, and better retention of high-performing staff (Garman & Glawe, 2004). Rothwell (2010) mentioned that a recognized authority in succession planning, wrote that promotion from within does have distinct advantages: it sustains or improves employee morale, and it smoothes transitions by ensuring that key positions are filled by those whose personalities, philosophies, and skills are already known to others in the organization (Rothwell, 2010). Rothwell (2010) continues to argue that along with motivating employees by showing that their efforts can pay off, a promotion-from-within policy can save a significant amount of money in recruiting, selecting, and training newcomers and hiring externally, which can be extremely expensive (Rothwell, 2010).

Although there is a body of literature on succession planning, only a few theories have been fully developed that build on existing models (Giambatista, Rowe & Riaz, 2005). Notwithstanding, principles that guide succession planning are: (a) understanding the organization's long-term goals

and objectives, (b) identifying the organization's workforce-developmental needs, (c) determining workforce trends, and (d) making predictions in direct relation to the type of institution (Rothwell, 2005).

The work of Shen and Cannella (2003) described a form of succession planning within the corporate environment (Shen & Cannella, 2003). The authors analyzed the effect of relay succession planning on the shareholder response. This article demonstrated that the devotion of resources to ensure that management is prepared for turnover is directly proportional to shareholder satisfaction. This research shows that the sudden death of a key executive or of person who occupy critical position can negatively influence the shareholder wealth. This loss can be mitigated if a new successor is put into place within a short period of time. Bower (2007) and Davis (2008) point out that both insiders and outsiders have strengths and weaknesses in entering new positions (Bower, 2007; Davis, 2008). Employees know the company and its inner workings, but may not recognize the need for change. New ideas can come from the outside, but many times these newcomers do not know the company well enough to foster the changes needed. A report by Cutting Edge Information (Howe, 2004) reported that over two thirds of organizations do not currently have a formal succession planning process; almost half of these organizations have no approach in developing their next CEO. Lewis (2009) asks the question as to why more organizations are not instituting succession planning if there are so many benefits (Lewis, 2009). Succession planning has been shown to boost employee retention leading to increased employee performance (Lewis, 2009).

Orellano and Miller (1997) stated that the three basic goals of succession planning include identification of critical management positions within the organization, identification of future vacancies in those positions, and identification of managers who would potentially fit into these vacancies (Orellano & Miller, 1997). Successful workforce planning may include sweeping changes to old processes and procedures; demanding the commitment and cooperation of all levels of management. The approach is systematic and a multi-step process, which includes gaining a thorough understanding of the current workforce, envisioning the operating environment that will most likely exist in the future, identifying the competencies needed that will move the company forward to seize those future opportunities and thrive, and developing strategies for building that future workforce (Morfeld, 2005).

Huxtable and Cheddie (2001) stressed the importance of the level of human resource function as positioned in the organization, and pointed that maintaining human resource management play a strategic role, and must have the staffing to produce the data and the ability to analyze it to produce results (Huxtable & Cheddie, 2001). Depending on the expertise and/or size of the company's own staff and budgetary constraints, a succession management specialist may need to be obtained to initiate or manage the entire process. Planning decreases recruiting costs because recruitment can be completed during periods of lowered stress, recruiting the best talent, not a body, to fill a seat and it exudes the importance of good talent planning which set these organizations up for success, not failure. Recruiting talent from a local area may not meet the needs of the organization's requirements (Huxtable & Cheddie, 2001).

According to Guest (1962), the Common-Sense theory of succession planning suggests that replacing management due to inefficient operations will result in performance improvements and increased effectiveness. Good performance does not require any management changes. Advocates of this theory state the positive change of organizational output as the key reason for succession planning (Guest, 1962).

In comparison, Grusky (1960) introduced the Vicious-Circle theory of succession planning, arguing that administrative succession disrupts structures and relationships in all corporations (Grusky, 1960). Frequent leadership changes have a reciprocal effect on performance and lead to less employee motivation. The successor is often isolated from colleagues and finds him or herself in a vicious circle. Because new management tends to alter known bureaucratic procedures, people are afraid of changes. Through replacing employees whom the successor can trust and communicate with, he or she has the opportunity to overcome the vicious circle (Grusky, 1960).

In response to Grusky (1960), advocates of the Ritual-Scapegoating theory contend that management succession does only have a limited effect on the performance of a team or corporation (Grusky, 1960). Powerful leaders will find a scapegoat to blame for poor performance. Gamson and Scotch (1964) introduced the example of a baseball team: in case that a field coach takes the responsibility for poor performance and is dismissed in an act of ritual scapegoating, hopes of the team and the fans are high that a new manager will lead to better results (Gamson & Scotch, 1964). However, there would not be any difference in performance under the old and new manager if the "slumpending effect" was balanced. In the long run, administration and corporate

policies are more important to ensure excellent performance than replacing individual managers (Gamson & Scotch, 1964).

Lynn (2001) states that another theory divides succession planning into four phases. The first sector describes succession contingencies that include, among others, organizational structure and industry characteristics, whereas the second area refers to events initiating the need for succession planning (i.e. succession antecedents). The succession event and the choice of the candidate take place which are instantly followed by succession consequences (Lynn, 2001).

The Leadership Pipeline model analyses seven career stages within an organization, each concerning various areas and complexities of leadership. These career stages are: managing self to managing others; managing others to managing managers; managing managers to managing functional managers; managing functional managers to managing business managers; managing business managers to managing group managers; and managing group managers to managing enterprise (Charan, Drotter & Noel, 2011). While every stage takes on average three years to complete, leadership development challenges differ at each level and need to be addressed diversely. It is suggested to fill the leadership pipeline at all stages in order to avoid talent shortages and to have a vast pool of candidates to choose from, for present and future leadership positions. Leaders progress through several stages with continuous training and development. One weakness of the model is its focus on larger organizations that have large HR budgets (Charan, Drotter & Noel, 2011).

The Acceleration Pools model advises corporations to group high potential employees in order to prepare them for executive positions. Each candidate has a mentor and a wide learning experience with the help of task forces and action learning. Development action forms are filled in for each of the training areas to encourage candidates to apply skills and knowledge in a practical way. Pools can be organized according to functional areas or management levels (Byham, 2002).

Rothwell (2005) introduced the Seven-Pointed Star model, and also developed seven steps to implement a succession planning program successfully. The first task is to make the commitment, i.e. to demonstrate the need for the program and formulate a mission statement as well as an action plan. Following, it is essential to assess current key positions and their competency requirements. The third step is to determine individual actual performance and establish talent inventories. The subsequent steps are to estimate future work requirements as well as future individual potential in

order to find out how to close the development gap. The final step is evaluating and improving the program after its implementation (Rothwell, 2005).

Succession planning is about preparing succession for key positions in organizations (Bain, 1995).

A study by Bain (1995) revealed that succession planning addresses the following key questions:

- What is happening in the outside world that will have a profound influence on the personnel plans?
- What changes to the quantity and quality of our people resource are needed to support the strategic plan?
- What is being done about peaked managers, especially those that are blockages in the organization?
- Appropriately identifying the cadre of high flyers and young managers of potential.
- What are the succession issues? Does the company have cross-divisional or geographical moves planned for key people? Will there be cover in an emergency for top jobs? Will there be cover for more natural succession timing?

In terms of previous discussions, the question can justifiably be posed as to whether the current succession planning system does empower management to attain individual and departmental goals, in order to enhance its overall performance. According to Hellriegel, Jackson and Slocum (2001) the first stage of the staffing process, human resources planning, involves forecasting the organization's human resources needs and developing the steps to be taken to meet them. It consists of setting and implementing goals and action needed to ensure that the right number and type of individuals are available at the appropriate time and place to fulfill organizational needs.

Some of the tools and techniques used for planning and forecasting these needs are competency inventories, job analysis, replacement charts and expert forecasts. There are many tools available to assist in the human resource planning process, one of which is succession planning (Hellriegel et al., 2001).

2.5 Benefits of Succession Planning

An effective succession planning and management effort must consider the individual's development needs for all job categories. One of the most important aims of a succession-planning program is to maintain talent by keeping employees motivated and engaged, and it is asserted that an effective succession planning system can help talented people to move their tracks faster and more appropriate. There are many factors which help succession planning systems to be successful and effective, even though each organization will be unique in its specific features. Some of these factors explain as follows (Fulmer & Conger, 2005).

At first the executives and top managers should be committed to the concept of succession planning and must support implementation of the system (Rothwell, 2002). Staff also, have to support the activities of the plan. In addition, a link between succession planning systems with other human resource systems and activities is needed, as well as adequate human resources information systems. Moreover, an appropriate organizational structure and job engineering to protect experiential learning is required (Rothwell, 2002). Furthermore, organizational commitment for promotion from within is needed as well as training in coaching, mentoring, giving feedback and other methods in training. Additionally, accountability for implementation of developmental plans should be obviously stated. Evaluation of the system and plan also need consideration in the human resources duties (Rothwell, 2002). Aligning strategic goals and human resources to enable the “right people in the right place at the right time” to achieve desired business results, the development of qualified pools of candidates ready to fill critical or key positions

A main factor that influences the succession planning is the role of human resource development, which includes organizational development, career development and the learning and development of potential successors. Rothwell (2002) explains some practices that can help the success of succession planning efforts. These factors include: clarifying the aim and the desired results of the effort, determining the requirement of the current performance, measuring the performance, determining the performance which is needed for the future, assessing the potential, establishing a way to narrow the gaps, following up, documenting competence, making and maintaining rewards for developing people, evaluating results and leading from the front.

Organizational success also concerns developing people to increase their managerial power; recognizing high potential employees and providing them with a developmental opportunity; reducing the time needed to fill management positions; attracting and maintaining individuals who are highly competent (Cornerstone, 2008). When managers know that organization is committed to develop them using succession planning system, they will work with high morals. Such a system makes it also clear that there are career paths available in the organization. Organizations lose workforce all the time. The workforce might be replaced in a short space of time, but what they are actually losing is a large quantity of company memory and essential skills. They may not always be managers of the company. Some might be key employees in departments such as delivery, design, research and production operatives. They are the people with the significant knowledge of problem solving, the ones who may know all the faults of the process and may know the operating manuals. They are the organization's critical talent (Cornerstone, 2008).

Therefore, having the succession planning system can help the organization scramble to fill positions, earn the cost of headhunters and ameliorate the financial burden of lower productivity (Cornerstone, 2008).

2.6 Barriers of Succession Planning

Charan, Drotter and Noel (2011) states that planning and applying the succession planning is not an easy process (Charan, Drotter & Noel, 2011). There might be many barriers and difficulties, which may delay the process and slow it down. These barriers and obstacles to succession planning may differ, depending on organizational culture, strategy, and economic conditions. According to Charan, Drotter and Noel (2011) in succession, it takes a ton of ore to produce an ounce of gold, and very few of a company's leaders will ever be qualified to run the firm (Charan, Drotter & Noel, 2011). Many companies do not allocate enough time to succession planning. Some of them do not understand the value of it, and many organizations are busy with current issues in their business and do not think about the future. Not realizing the importance of succession planning to classify, select, and develop the future leader would be another barrier when it is not fully to take over as their successor. Sometimes it is hard to think about the replacement for current managers who spend many years in their position. There are also those who would like to keep their jobs and

not resign or retire. Some leaders and managers want to keep their position so badly that they only focus on their own needs instead of the organization's.

Recognizing the barriers, which may exist for implementation of a strategic succession planning process, will provide a basis for discovering the main concern of resource, notifying the decision making and finding the training needs to implement the strategic plan (Cornerstone, 2008). Leadership development, mentoring and succession management is defined as an expansion of the collective capacity of organizational members to effectively assume leadership roles (McCauley & VanVelsor, 1998). Mentoring facilitates leadership development through role socialization, reduced feelings of isolation, professional development, increased job satisfaction, improved leadership skills and leadership capacity building (Browne-Ferrigno & Muth, 2004; Fagan & Walter, 1982; Scandura *et al.*, 1996; Stott & Walker, 1992). Organizations using succession management programs engage in a process of continuous leadership development. Thus, it should be noted that mentoring and succession planning are evaluative approaches to the strategic goals. This could result in barriers being minimized so that succession planning may be successful.

2.7 Mentoring Role in Succession Planning Programmes

Mentoring role in succession management programmes by applying a systems approach evaluation to Strategic Collaboration Model (SCM) (Wasburn & Crispo, 2006). The SCM is one of the few succession management models that incorporate mentoring as an essential mechanism in fostering leadership development and succession. Historically, mentoring has played a significant role in the continuity and evolution of art, craft, and commerce (Murray & Owen, 1991). As a construct, mentoring is defined as a complex developmental and interpersonal relationship where personal support and career guidance are provided by a senior, more-experienced organizational member to a junior, less experienced member of that organization (Murray & Owen, 1991). Organizational mentoring has evolved and manifests itself in two forms: (a) informal mentoring and (b) formal mentoring. Formal mentoring can be defined as involving all of the essential elements of mentoring. Its distinguishing characteristic, however, is that it is a programme managed and supported by the organization (Carmin, 1988; Kram, 1985). At the organizational level, mentoring benefits include increased organizational commitment, employee retention, employee motivation,

leadership development, and improved organizational communication and productivity (Darwin, 2000; Hegstad, 1999; Ragins *et al.*)

In contrast, informal mentoring is not managed by the organization and can be characterized as naturally occurring relationships based on attributes, attraction, and similar interests. The individual benefits for the mentor include career revitalization, social recognition, personal satisfaction, increased power, leadership skill development, and supervisory and training ability development (Burke & McKeen, 1997; Messmer, 2003). Contemporary organizations operate in an environment of constant change. These changes have impacted on how organizations develop employees and future leaders are created (Caldwell & Carter, 1993).

The practise of mentoring has evolved from the traditional one-on-one relationship to a constellation of mentoring relationships comprised of mentoring networks and/or developmental networks. An individual's developmental network is made up of the people who actively support the advancement of his or her career by providing developmental guidance (Higgins, 2000).

2.7.1 Collaboration Model

Mentoring and succession management are aimed at leadership development. Zey (1991) acknowledges this relationship between mentoring and succession management by noting that organizations that sponsor mentoring programs supplement their succession plans with the internal pool of groomed leaders (Zey, 1991). Zey also states that Mentoring facilitates smooth transfer of the managerial reins from one generation of executives to the next.

Wilson and Elman (1990) note that mentoring provides a structured system for strengthening and assuring continuity of organizational culture, which can be crucial at times of leadership succession, as leadership changes often require redefinition or modification of culture (Wilson & Elman, 1990). Wilson and Elman also challenge the traditional view that mentoring is restricted to the indoctrination or inspiration of entry-level personnel. They propose that every hierarchical level in the organization entails socialization into a new and different subculture. Put another way, as an employee successively moves up to his / her first leadership position, and then continues up from one leadership position to the next. Socialization and re-socialization is required, thus there is always a need for mentorship.

2.7.2 A mentoring centred model of succession

Washburn and Crispo (2006) state that succession planning mentoring can be viewed as a means of increasing the effectiveness of succession management programmes (Washburn & Crispo, 2006). Strategic collaboration model (SCM) incorporates mentoring as an essential benefit of succession planning to align strategic goals and human resources to enable the right people in the right place at the right time to achieve desired business results. This essentially involves the development of qualified pools of candidates ready to fill critical or key positions; providing stability in leadership and other critical positions; identifying workforce renewal needs as a means of targeting necessary employee training and development; helping individuals realize their career plans and aspirations within the organization; improving employees' ability to respond to changing environmental demands; and the opportunity for timely corporate knowledge transfer (Bolton & Roy, 2004). The benefits of succession planning are that it provides individuals with a supported career path; it increases productivity as it develops and retains talented, motivated and skillful leaders; it fosters a strong organizational culture through reinforcing the organization's mission and goals; and finally it gives good return on investment by decreasing recruitment and orientation of employees (Bolton & Roy, 2004).

It seems that succession planning brings financial, cultural and personnel benefits to organizations (Nel et al., 2008). Coaching and mentoring refers to how employees who have been in the employ of that organization help those that are new, to guide them on how things are done (Nel *et al.*, 2008). Hill and Bahniuk (1998) define mentoring as a communication connection between a senior member of the organization (the mentor) and a junior member of the organization (the mentee) (Hill & Bahniuk, 1998). Coe, Zehnder and Kinlaw (2008) define coaching as a dialogue of self-discovery that follows a reasonable method and leads to greater performance, commitment to continual development and positive relationships (Coe, Zehnder & Kinlaw, 2008). Nel, Werner, Haasbroek, Poisat, Sono and Schultz (2008) define coaching as a method of preparation, guiding or educating a person to do a particular task, to achieve a goal or to develop certain skills (Nel *et al.*, 2008). Nel et al., (2008) further indicates that the coach needs to be a role model, and give direction to the mentee on what is expected of them, responds to questions, and generally offers advice to the mentee.

Swanepoel, Erasmus, Van Wyk and Schenk (2003) emphasize that the benefit of coaching is that it provides feedback immediately; it does not have to wait for formal assessment to be done (Swanepoel *et al.*, 2003). The disadvantage is that in most instances, the mentee will behave and perform the same way that the mentor does, as this person is inexperienced, and they see the mentor as a role model (Swanepoel *et al.*, 2003).

2.8 Succession Planning Gaining Support

There must be an emphasis on: where are we now? Where do we want to be in the future? and how do we get there? succession planning needs to be a part of the organization's shared goals, assessing the organization's current and future business strategy, understanding your competitive position and goals for growth. Defining future leadership needs is key to gaining support from senior management as it is crucial. And to accomplish this, several executive meetings must be held to present the challenges of promoting from within and the reasons for implementing a succession planning program (Southworth, 2007).

Once shared goals are established, creating a leadership task force or a succession planning team to own and manage the process can ensure that the company establishes strategies for identifying and accelerating development of high-potential talent and defines key processes and best practices for managing the succession system (Rothwell, 2010). Continuity planning committee can be formed out of members of the executive team. The committee would work with consultants to define the ideal executive based on experiences, organizational knowledge, behaviorally defined competencies, personal qualities, and derailed personality attributes that could cause people to fail (Rothwell, 2010).

2.9 Conclusion

Chapter two provided a review of the literature relevant to this study. The chapter presented current understandings of the term succession planning. Next, the literature review which identified succession planning steps. Propensity for succession planning was also discussed as well as the theoretical models that explain the effect of succession planning and its implementation. Next, a

number of benefits and barriers to effectiveness of succession planning were outlined and discussed. Chapter Three to follow discusses the methodology that was employed in the study.

Chapter Three

Research Methodology

3.1 Introduction

Gray (2009) differentiates between research and organized research, then quoted Sekaran and Bougie (2013), who defines research as the process of finding solutions to a problem after a thorough study and analysis of the situational factors (Gray, 2009; Sekaran & Bougie, 2013). They then define business research as an organized, systematic, data-based, critical, objective, inquiry or investigation into a specific problem, undertaken with the intention of finding answers or solutions to it (Sekaran & Bougie, 2013). This research study then focuses on interviews, as this was seen as the best method of collecting the data that will feed into the research.

This chapter provides a critical examination of the applicability of qualitative research methodology, the research design used in the study and the setting where the study was conducted, the study population, the sampling method used, the data collection instruments used and the data analysis techniques. Further to that, the chapter addresses the issues of reliability and validity by demonstrating measures put in place to ensure that research instruments were consistent. This chapter will conclude by addressing ethical issues taken into account during the execution of this study.

3.2 Research Design

De Vaus (2006) defines research design as “the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. It ensures that the evidence obtained enables you to effectively address the research problem logically and as unambiguously as possible” (De Vaus, 2006). Qualitative research consists of six research designs, which are: Case study design, grounded theory design, ethnographical design, historical design, biographical design, and phenomenology design (De Vaus, 2006). A design found suitable for this study is a case study research design.

According to Yin (2012), a case study research is a systematic, in depth, empirical investigation of a particular phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident (Yin, 2012).

A case study design was selected because it allowed up-close, in depth research, and produces first-hand information about what the study intends to investigate. The case study of this research is TPL. The study is aimed at investigating the evaluation of succession planning effectiveness at Transnet Pipeline (TPL) based in Durban. A case study design is of relevance and it provides detailed contextual analysis of the subject matter. According to Sarantakos (2005), the primary advantages of a case study are that it provides much more detailed information because it allows a number of methods of data (i.e., interviews, document reviews and observation) and analysis in variety of contexts thereby providing a comprehensive view of the subject matter (Sarantakos, 2005).

3.3 Research Methodology

“A research method is defined as a systematic plan for conducting research (Williman, 2011). There are three main research methodology paradigms, which are: qualitative research, quantitative research and mixed research. “Qualitative research method focuses on discovering and understanding the experiences, perspectives, and thoughts of participants—that is, qualitative research explores meaning, purpose, or reality. Quantitative research method attempts to maximize objectivity, replicability, and generalizability of findings, and are typically interested in prediction. Mixed research method combines qualitative and quantitative methods in ways that draw on the strengths of both traditions of inquiry, it is also a clear step away from the boundaries and practices of those traditions, especially those linked to quantitative methods (Williman, 2011).

The research method found best suitable for this study is qualitative research. The reason for choosing this research method is that the researcher wanted to comprehend the commitment of all levels of management with regard to the evaluation of succession planning effectiveness. The researcher collected evidence on succession planning processes to evaluate its effectiveness when put in place/or implemented. This was done through the in depth of structured interviews.

Qualitative research methods focus on discovering and understanding the experiences, perspectives, and thoughts of participants. In other words qualitative research explores meaning, purpose, and/or reality (Harwell, 2011).

3.4 Study Site

The study was conducted at Transnet Pipelines (TPL) offices, which are located in Durban Central KwaZulu Natal.

3.5 Target Population

A target population is the collection of units or people with specific characteristics the researcher is interested in, and it is the population from which a sample was selected (Sarantakos, 2005). A population can be defined as the total number of possible units or elements that are included in the study (Gray, 2009). Another definition provided by Struwig and Stead (2001) refers to population (universe) as the aggregate (combined total) of all elements about which information is sought (Struwig & Stead, 2001). Struwig and Stead (2001) further explain that the concept of population is made up of:

- Elements
- Units
- Extent, and
- Time

(Struwig & Stead, 2001)

For this study, the target population was the executive team, the senior, middle and junior management of the TPL.

3.6 Sampling Strategies

Sampling is defined as a process of selecting a small portion of the population to represent the entire or target population in a research study (Ghauri & Gronhaug, 2002). “There are two types of sampling techniques, namely: probability sampling and non-probability sampling (Alvi, 2016). Probability sampling, also known as random sampling or representative sampling, is best suitable for quantitative research as it uses random sampling techniques to create a sample and is based on the fact that every member of a population has a known and equal chance of being selected”. There are five sampling methods that can be used for probability sampling, which are: Simple Random Sampling, Systematic Random Sampling, Stratified Random Sampling, Cluster Sampling, and Multistage Sampling (Alvi, 2016). Non-probability sampling, on the other hand, is used for qualitative research. Alvi (2016) defines non-probability sampling as “a sampling technique where the odds of any member being selected for a sample cannot be calculated”. It is a sampling design that accepts the possibility that not every element in that population has the possibility to be included in the selected sample but is a purposeful sample. This sampling technique consists of seven sampling methods, which are: volunteer sampling, convenient sampling, purposive sampling, quota sampling (proportional and non-proportional), snowball sampling, matched sampling, and genealogy based sampling (Alvi, 2016). The sampling technique found to be most ideal for this study is the non-probability sampling. From the non-probability sampling, purposive sampling as the sampling strategy was used.

Creswell (2003) states that purposive sampling refers to the selection of participants that will best help the researcher to understand the problem and the research question. Participants must be willing to reflect on and share this knowledge. Inclusion in the sample depends on the judgment of the researcher. The researcher selects people with a ‘purpose’ in mind in order to understand the phenomenon and use the non-probability sampling method, in which selection of subjects or units into the sample is by choice or judgement of the researcher. This aspect forms the qualitative approach in the study. The target group were all cohort of management of all races and gender within TPL.

3.7 Sample

A sample is a subset of the entire population from which data is collected by the researcher (Sekaran & Bougie, 2010). The sample for this study was selected from all cohort of management at TPL as they are the key enabler in driving the effectiveness of succession planning. Management buy in is crucial in this process.

3.8 Sample Size

A sample size refers to the total number of persons or units selected to participate in the study (Ganqa, 2012). Table 1 presents the sample selected for this study, as shown below.

Table 1: The sample for the study

Transnet Pipelines Management (A – F)			
Grade level	Population	Sample	%
F Band	103	15	15%
E Band	24	12	50%
D Band	1	1	100%
B Band (Executives)	7	7	100%
Total	135	35	26%

All management in various grade levels were selected using purposeful sampling to partake in the study as they are playing a vital role in this process of shaping new organizational arrangements that foster succession planning. All executive management were selected at B band, same as senior management at D Band selected, 12 out of 24 in middle management, 15 out of 103 junior

management at F band. In total 35 members of management at various levels were selected to participate in the study.

3.9 Data Collection Techniques

In qualitative research there are four data collection methods used, and those are: observations, textual or visual analysis (e.g. from books or videos) and interviews (individual or group) (Gill, Stewart, Treasure & Chadwick, 2008). There are two types of interviews, structured and semi-structured interviews. Hall (2017) states that “structured interviews require the use of a set of standardized questions that the researcher creates in advance, whereas semi-structured interviews use an interview guide with some questions developed in advance but also allow the interviewer to stray from the interview guide, asking follow-ups as the interviewer believes appropriate” (Hall, 2017). The researcher used semi-structured interviews to collect data. An interview is a person-to-person interaction, either face-to-face or over telephone, between an interviewer and respondent(s) in which an interviewer poses questions to the other party in order to prompt information or opinions from them (Kumar, 2011). A semi structured interview is suitable because it allows rich and detailed information to be collected and creates a quality context of the phenomenon under study (Rule & John, 2011). There were 35 respondents who participated in the semi-structured in depth interviews, which include all level management teams. Individual interviews were conducted with them. The focus of the interviews was to gain more insight into the executive, the senior, middle and junior managers’ disposition about the evaluation effectiveness of succession planning.

3.9.1 Document collection

Managers provided background data as and when needed in the study. The researcher collected any contextual data or information that seemed useful in answering any of the research questions. Such documents included human resource policies and procedures, forms about populating personal development plans, programmes, flyers, catalogues, employee value proposition reports, training reports and so on.

3.10 Data Analysis

Sekaran and Bougie (2010) refers to data analysis as a practice in which raw data is ordered and organised so that useful information can be extracted from it. The process of organising and thinking about data is vital to understanding what data does and does not contain. Qualitative data can be analysed using thematic or content analyses (Sekaran & Bougie, 2010).

Babbie (2004) mentioned coding as one of the key processes in the analysis of qualitative social research, by classifying or categorising individual pieces of data and coupling it to a retrieval system. This method was used for this study, and the responses were categorised in terms of different dimensions to give meaning to information gathered in accordance with the objectives of this study.

According to Qanqa (2012), thematic analysis in its simplest form is a categorising strategy for qualitative data. Researchers review data, make notes and begin to sort it into categories. Styled as a data analytic strategy, it helps the researcher move the analysis from a broad reading of the data towards discovering patterns and developing themes. Data collected through interviews was analysed using thematic analysis.

(Qanqa, 2012) states that content analysis involves establishing categories and then counting the number of instances in which they are used in a text or image. It is a partially quantitative method which determines the frequencies of the occurrence of particular categories. The content analytical method is appealing because it offers a model for systematic qualitative analysis with clear procedures for checking the quality of the analysis conducted (Qanqa, 2012). This study used content analysis to assess written documents collected.

The six thematic analysis phases were applied in this study to code the data.

Phase one: Becoming familiar with the data. The initial phase was for the researcher to familiarize himself/herself with the data. Prior to reading the interview transcripts, the researcher created a "start list" of potential codes (Braun & Clarke, 2006).

Phase two: Generating initial codes. The second step in thematic analysis was for the researcher to generate an initial list of items from the data set that have a reoccurring pattern. This systematic

way of organizing, and gaining meaningful parts of data as it relates to the research question is called coding (Braun & Clarke, 2006).

Phase three: Searching for themes. Here the researcher searched for themes and considered what works and what does not work within themes. This enabled the researcher to begin the analysis of potential codes. In this phase, it was important for the researcher to begin by examining how codes combine to form overarching themes in the data. At this point, the researcher had a list of themes and began to focus on broader patterns in the data, combining coded data with proposed themes (Braun & Clarke, 2006).

Phase four: Reviewing themes. This phase required the researcher to search for data that supports or refutes the proposed theory. This allowed for further expansion on and revision of themes as they developed. At this point, the researcher had a set of potential themes, as this phase is where the reworking of initial themes took place. Some existing themes collapsed into each other, other themes needed to be condensed into smaller units (Braun & Clarke, 2006).

Phase five: Defining and naming themes. At this phase, identification of the themes' essences related to how each specific theme affected the entire picture of the data (Braun & Clarke, 2006).

Phase six: Producing the final report. After final themes were reviewed, the researcher began the process of writing the final report. While writing the final report, the researcher had to decide on themes that make meaningful contributions to answering research questions which were refined later as final themes (Braun & Clarke, 2006)

Data was analyzed using the thematic analysis. Thematic analysis is a process of analyzing data using themes emerging from the data (King, 2003). It is a method used for identifying, analyzing, and reporting patterns or themes within the data (Braun & Clarke, 2006). It does so by minimally organizing and describing the data set in rich detail and may go as far as interpreting various aspects of the research topic. The above mentioned analysis method was employed in this study. After conducting interviews, five themes were identified, which were: critical positions, capabilities of successful performance, management strategies, roles and responsibilities and effectiveness, and they formed the basis of the analysis.

According to Boyatzis (1998) thematic analysis in its simplest form is a categorizing strategy for qualitative data. Researchers review data, make notes and begin to sort it into categories. Styled as a data analytic strategy, it helps the researcher move the analysis from a broad reading of the data towards discovering patterns and developing themes. Data collected through interviews was analysed using thematic analysis. Themes were identified, and then organised into categories, in order to have meaning. By so doing, various aspects of the topic were interpreted (Boyatzis, 1998).

3.11 Data Quality Control

Qualitative research addresses the overarching concept of trustworthiness and the equivalents of validity and reliability, that is, credibility, transferability, dependability and conformability. Research findings should be as trustworthy as possible and every research study must be evaluated in relation to the procedures used to generate the findings (Graneheim & Lundman, 2003).

3.11.1 Credibility

Credibility deals with the focus of the research and refers to confidence in how well data and processes of analysis address the intended focus (Graneheim & Lundman, 2003). The concept of credibility relates to whether the findings of a study are believable. To ensure credibility the researcher is to provide enough details and supporting evidence to meet the standard for credibility. Participants' checks are to be employed as they are considered to be very effective in evaluating integrity and quality in a qualitative study. Here, participants are asked to verify the findings based on their experiences and perceptions as they are better qualified to verify plausibility of research findings since they provided the information.

3.11.2 Transferability

Transferability refers to 'the extent to which the findings can be transferred to other settings or groups (Graneheim & Lundman, 2003). To facilitate transferability, it is valuable to give a clear and distinct description of culture and context, selection and characteristics of participants, data

collection and process of analysis. The researcher has given a rich and vigorous presentation of the findings together with appropriate quotations to enhance transferability (Graneheim & Lundman, 2003).

3.11.3 Dependability

According to Graneheim and Lundman (2003) dependability emphasizes the need for the researcher to account for the ever-changing context within which research occurs (Graneheim & Lundman, 2003). The researcher has described changes that occur in the setting and how these changes affected the researcher's approach to the study.

3.11.4 Conformability

Graneheim and Lundman, (2003) defines conformability as a degree of neutrality or the extent to which the findings of a study are shaped by the respondents and not researcher bias, motivation, or interest (Graneheim & Lundman, 2003). The concept of confirm-ability is the qualitative investigator's comparable concern to objectivity. The researcher took steps to ensure as far as possible that the work's findings are the result of the experiences and ideas of the participants, rather than the characteristics and preferences of the researcher (Graneheim & Lundman, 2003).

3.12 Ethical Consideration

Ethical approval for this research was obtained from the University of KwaZulu-Natal Ethics Committee and a gate keeper's letter from Transnet Pipeline KwaZulu-Natal Durban. To ensure that human dignity was further upheld, the researcher sought for informed consent from respondents and allowed them to make the decision to participate based on adequate knowledge of the study that they were timeously given. Informed consent means that a person knowingly, voluntarily and intelligently, and in a clear and manifest way, gives his consent. Informed consent was one of the means by which participants' right to autonomy was protected. Privacy and confidentiality were upheld by reminding participants of their right. The researcher included the non-coersive disclaimer which emphasises that participation is voluntary and no penalties are

involved in refusal to participate. Respondents remained anonymous and no names except pseudonyms were used in this study. The freedom to withdraw was also explained to all participants. Debriefing at the end of the interviews was conducted explaining the exact aim of the study and why the disclosure was not full. The researcher observed that the participants felt as much at ease as possible and expressed their feeling openly during interviews.

3.13 Value of the Research

The value of the research was in studying the evaluation of succession planning effectiveness in TPL; the research identified areas where the TPL needed to pay attention to and make some changes and adjustments where necessary and thus driving effective succession planning. This was to again assist the TPL to revisit its own succession planning process and make sure that these are aligned to the strategy of the organization.

3.14 Conclusion

A design that was perceived as most appropriate for this research study was case study research design. Qualitative research methodology was chosen for the study. Transnet Pipeline, KwaZulu Natal, Durban was chosen as the study site. The chapter presented non-probability sampling method in particular purposive method to select the sample. The chapter presents the data collection and analysis methods and addressed reliability and validity issues. In conclusion, ethical issues to be upheld were presented, it further described the population and sample of interest in this study, and has also explained how data collection was conducted. The next chapter discusses the data presentation that was collected in the study, which was to brief entire research in a systematic manner.

Chapter 4

Data Presentation

4.1 Introduction

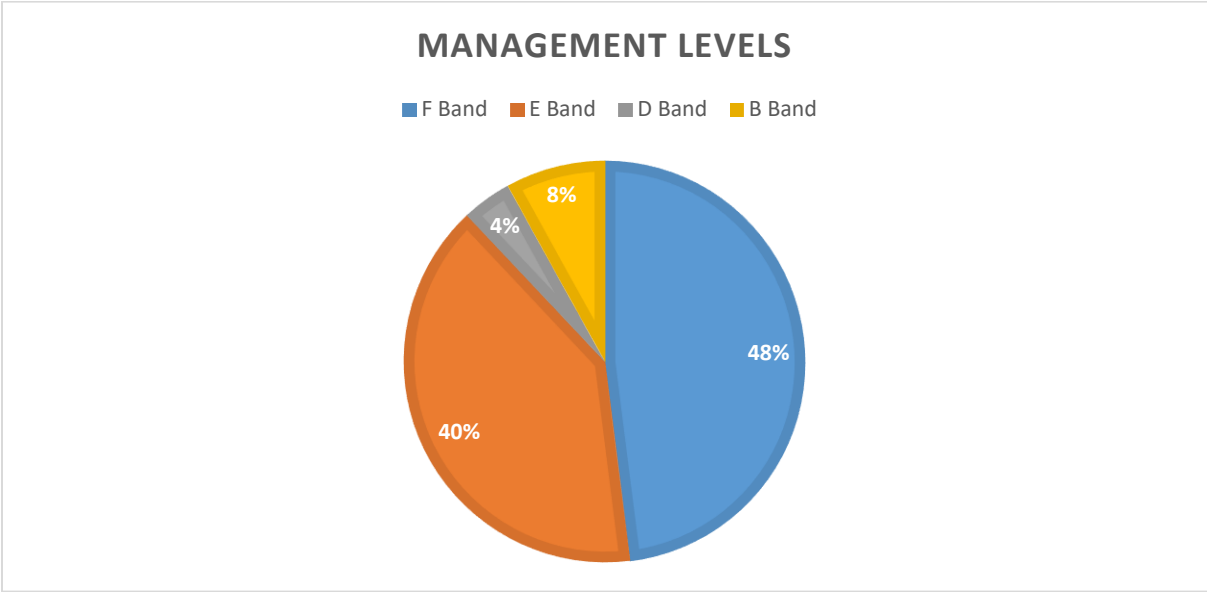
The previous chapter presented the methodology used to evaluate the effectiveness of succession planning at Transnet Pipeline in Durban, South Africa. This chapter presents and discusses data collected in this study. Participants consisted of the executive team, the senior, middle and junior management of the TPL.

This chapter is divided into five sections: the identification of critical positions in the succession planning effort; identification of the capabilities for successful performance in key areas; management strategies that can be identified in the succession planning effort; roles and responsibilities that are identified in the action plan; the effectiveness evaluation to ensure that the succession plan is successful; followed by the conclusion of the chapter.

4.1.1 Demographics

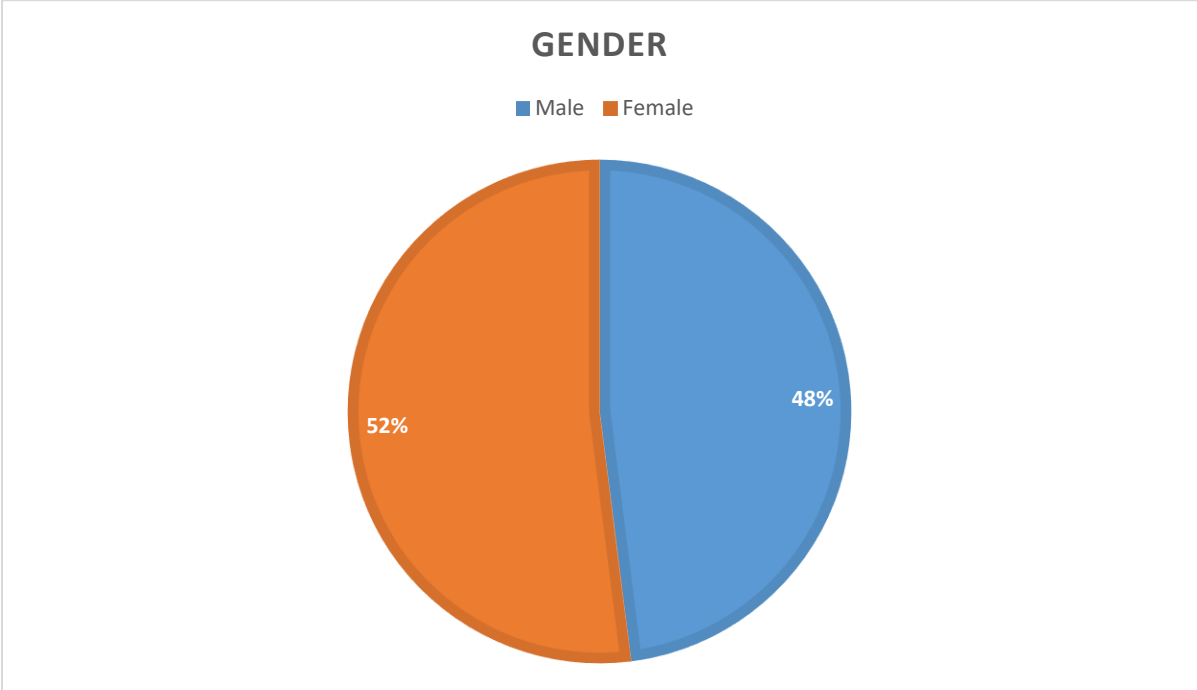
The interviewer had intended to interview 35 participants, but only got to interview 25 participants, which were: 12 F Band managers, 10 E Band managers, 1 D Band manager and 2 B Band managers as shown in Figure 1:

Figure 1: The management levels of the participants



Out of the 25 participants, 12 were females and 13 were males, as indicated on the chart below.

Figure 2: Gender of the participants



4.2 Identification of Critical Positions in the Succession Planning Effort

This section presents the identification of critical positions in the succession planning effort

4.2.1 Technical positions

The study found that the technicality of a position determines how critical the position may be perceived. Respondent 1 stated:

“Position? Assistance (risks) assessment. Operation and technical positions are critical. HR – support services” (Interview, September 2016)

This is supported by Respondent 2, who stated:

“If there’s vacancy, internal and external, most are critical (all technical)”

Respondent 3 also supported this statement when stated:

“Group TM design process: design TM. Critical / scarce skill process if stop operations...”

This is complemented by Respondent 15 stating:

“There is a process in place, yeah. It’s something about succession planning, I haven’t got the name now. But there is a process where we identify you know core members and so forth, especially technical. At what day, time and age, and all of that. So there is a process in place. I don’t know if it’s another one of your questions that’s still coming, but I don’t think it gets implemented really. We do have a list of exercise, we know about it Coming from it”

This is in agreement with what Respondent 18 stated:

“I think most technical positions are critical because there’s not that many technical people in South Africa that are available. So as soon as technical position... it is a critical post.”

Even with such perception, some managers felt that all positions are perceived as critical positions in the succession planning effort, as Respondent 16 put it:

“Well I don’t know in terms of the criteria, but what I know is that all the positions are critical. The way I understand it is that each and every department has to motivate that, “in my department I need more people because there’s too much work, so I can’t afford to have less people.” On my side for our department... I will mostly refer to my department because I’m more familiar with it. It’s not difficult (finding a replacement). I’ll just make an example: like one person left the department 2 years back. So it wasn’t difficult to find a replacement within a short time. We also recruit externally, yes.”

Respondent 14 shares the same view and further states that:

“I’m not in HR, okay, but I do know that there’s a process that we go through in a department to say what the functions of the job is and whether the company could do without the job or not do without the job. And if that person had to leave, whether the company could function effectively without that specific job in place”

What these findings suggest is that managers at Transnet Pipeline believe that each department determines which positions are critical at that particular time, but overall all positions are perceived as critical. This reflects the belief that every position is critical for the success of the business, which then explains the very existence of the position from the first place. Perceptions that technical positions are the most critical are based on the scarcity of people who possess such skills, according to the managers. Kelchner (2008) supports this by stating, “The functional areas of a company may include human resources, sales, quality control, marketing, finance, accounting and

production. Each area includes a team of employees who work to meet the needs of the organization” (Kelchner, 2008)

4.2.2 Talent pool / Talent Management

Data reveals that 3 out of 12 F Band managers felt that critical positions are identified through talent management in the succession planning effort, as Respondent 5 put it:

“Core business, continuation of business. They do ...professional in training. Leave take (talent pool) last year”

These findings show that 25% of the F Band managers at Transnet Pipelines perceive talent management or talent pool as critical mechanisms to identify critical positions in the succession planning effort. An article by Oracle (2013) emphasises that top talent is today’s competitive tool that differentiates between a flourishing organization and a stagnant or declining one (Oracle, 2013). According to Oracle, “organizations need to define, attract, and develop the right mix of critical talent to support and grow their businesses. The best practice is for organizations to build critical talent pipelines in order to ensure a flow of the right talent for these roles over time” (Oracle, 2013).

4.3 Identification of the Capabilities for Successful Performance in Key Areas

This section reviews the identification of the capabilities for successful performance in key areas

4.3.1 Qualifications, experience and registration with professional organizations

Data shows that 12 out of 25 (48%) managers at Transnet use qualifications, experience and registration with professional organizations as characteristics to identify capabilities for successful performance in key areas. Respondents 18, 21, & 25, supports this:

“For a particular skill, for instance a project management position you need to have either engineering as your qualification or any degree or diploma that is within the built environment. They first look at that and then they look at the amount of years of experience that you have, and then if you have any certifications with either SACPCMP or with ECSA Engineering Council, or PMP Project Management Profession Certificate, it’s usually either advisable or it’s a must. It’s just depends. Depends on the position, like for instance a chief engineer would have to be registered with ECSA, whereas for a project manager it’s your advantage if you’re registered with SACPCMP or with PMP 02:55. So then they look at the certifications that you have, and then they look at the amount of experience that you have and, well for a particular post, they look at the projects that you’ve worked at are relevant. For instance, if it’s a civil engineering type of project, it would be to your advantage if you’ve worked in more civil engineering projects than in, let’s say, mechanical projects.”

Respondent 16 stated:

“Within each department, let’s say a department has advertised a position, everything is listed on the requirements that, “in order to be here in this position, we need a person who has 1, 2, 3 and 4.” So they do that at the initial stage when a person is being employed, that “we cannot take you if you don’t have 1, 2, 3 and 4.” On the job description.”

Respondent 3&20 shares the same view and further states that:

“Job profile/ description are used to identify capabilities for successful performance”

This is further supported by Respondent 4 who stated:

“Job profiles – competencies. HR decides”

The above findings show that out 80% of the managers interviewed use the recruitment stage of employment as the most crucial stage in identifying capabilities for successful performance in key

areas by putting more emphasis on the job description and “professional” requirements from the individual to qualify for the position. These requirements include qualifications, experience and registration with professional organizations. “The aim of recruitment is to attract qualified job candidates” (Balasubramanian, 2014).

4.3.2 Talent Management

Data shows that 13 out of 25 (52%) Transnet management uses talent management as a mechanism to identify capabilities for successful performance in key areas. This is supported by Respondent 14:

“So what happens is if we identify someone as succession, there’s a matrix. And in the matrix it identifies whether they’re a perfect fit of the succession, or whether they are gaps and if those gaps can be filled through training. And it also indicates what the time frame is: how long it will take that person to get ready to step into that position, whether it’s a 2 year that they have to go through these steps and these training courses, or whether it would be a longer term training”

This is further supported by Respondent 15:

“We do it as talent management. But then that’s very much a desktop exercise as well, because how much can you plan for a person if there’s no movement? You know succession planning, you can’t create a position if there’s no position. So we identify the people with talent, but in that way it sort of ends, so we try and develop it further and We make use of them, but we can’t keep them; we can’t increase their salaries to keep them; and we also can’t promote them because most of the positions (03:14 not clear) positions go open. So we do these exercises, but generally even my staff, especially technical, we always analyse things. So if it gets to the third round of doing this, especially talent management, and they realize nothing comes from it, then they start resisting it. They say, ‘Well why are we doing that? We’re just wasting time.’”

This is further complemented by Respondent 13 stating:

“I did embark on a mentoring and coaching session, and I think that is a tool to identify... that’s used for succession planning. So that’s one instrument that I think they use, and that’s almost... it works both ways: so you can be mentored or coached by someone in that session, in that platform; mentored by someone that’s higher than you, more experienced; then you can do the same for someone that’s lower than you or, not necessarily directly under you, but someone you can relate your experience to. So that is one instrument that they used”

The views presented above demonstrate that 11 out of 25 (44%) managers interviewed rely on identifying gaps within their departments and training identified employees to close the gaps and become the ideal successors. They basically prefer grooming internal employees into ideal successors. According to an NOAA (2012) article, Gap Analysis compares the outcomes of Supply and Demand Analyses. Any mismatches show either an expected unmet need or “surplus”, either of which presents a challenge. Once these gaps have been identified, the outcomes of the other central components of the workforce strategy to craft potential resolution and develop an Action Plan should be used (NOAA, 2012).

4.4 Management Strategies That Can Be Identified in the Succession Planning Effort

This section reviews the management strategies that can be identified in the succession planning effort

4.4.1 Talent identification and management

The study found that managers at Transnet Pipeline have as a mission talent identification and talent management as management strategies that can be identified in the succession planning effort. This is supported by Respondent 14 & 24:

“There’s the talent forum. You also have a resource of pool within the Transnet family. So if you meet with, in my case let’s say the public relations of other ODs, I might not have a successor in my department because I’m alone, but when I speak to the other Transnet

divisions, there could be someone identified in their division, that could be a possible fit. Start within first. There's quite a few... there's a whole training matrix that is then developed and on the gap analysis you identify what specific training you need them to do. Whether its conflict management, leadership development, or whatever it is."

Respondent 15 also supports this statement and stated that:

"No, either than talent management. So normally we recruit first internal, and then if we can't find the candidate then we obviously advertise externally as well. Its certain skills. As new positions go open, certain skills are required and we can't find anywhere else, we generally find in-house. But if there are none, we obviously advertise externally. To retain them we keep them motivated. Keep them motivated, make sure the work is interesting for them, but we can't pay them more. We can't pay them outside of our budget. We've got no control over that. We can't promise them anything either because again the positions need to be open. But our staff is generally motivated in the sense of the equipment that we work on and we work with them on the equipment, so they tend to enjoy it. Yeah, we've got advanced equipment in our department, that's also maybe one of the reasons why we're here as well."

Respondent 16 concurs by adding that:

"What they normally do, if you're in a position there's that talent management form that you complete, and it is completed by your manager. . . But while you're completing it, your manager has to be there to help you include what you need for work. Like the qualifications, what can you improve? Just to make an example, when I got here I completed the talent management form within few months. What happened? I would say it is helpful. Why? When I completed it I was doing my Honours at the time, it was only one module that was left. So I didn't do that module because I was very busy, I had to learn my new job, at the same time getting used to the company. I was so frustrated. And then a year went by, I sat down and did the talent management again, I hadn't done that module. It helps with motivating you to... the things included in the talent management, such as "what are you

gonna do in the next few years?” there’s short term, medium and long term. So short term included, let’s say, me completing my degree at this time. The time comes and passes, and you haven’t completed. You then feel ashamed of yourself that you said you would’ve completed by this time. I think it works because the following year you’re repeating the same thing, saying “I’m gonna complete my Honours.” And then people start questioning you about it. I think it really works because I finally completed it.”

Respondent 1 agrees with Respondent 16 and further states that:

“Talent management – a box TM silent because of costs cutting. Identify talent – recruitment no guarantee best score. ...is willing to multitask – (policies) rotation”

Respondent 2 supports the view and stated:

“Talent management; recruitment and selection not effective – tool that is there; do not understand full support of management; he disappear (2 years); not really implemented”

This is further supported by Respondent 3, stating:

“Talent management – form completed. Encourage to continue. TM is working – grooming”

Respondent 4 stated that:

“Talent management; leadership development programme; woman in pipeline; department managers training; it depends on a position”

Respondent 18 further stated:

“Yeah there is talent management but it... they do look internally, especially now that the economy’s not doing so well, I think they’re gonna wait and try to look more in-house.

Then if we can't find in-house, then we go outside. Well talent management is not effective. Somehow I feel like it's a tool that is there because it's in the policy, but somehow I feel like the people that are running with it don't understand it and maybe others they do understand it, they don't really have full support of management to actually fully implement it. Because the policy is there. It's there, it's good, its excellent, the goal through the intranet it's there (05:02 not clear), but when you're just talking on the passages, its... we do all these potential things there and then HR just disappears for two years when they don't give us results, then they come back two years later. You think they're just doing it for their performance appraisal to say, "You know what..." to tick a box, to say "you know what, we've done it." But it's not really like implemented. So the system is there, it's just not being implemented. (05:39) I think there's probably too many managers, this one wants to do this one, this one wants to do this one. And then probably they don't... in Transnet as a whole. What I've actually picked up is that other people don't agree with the system that you're doing, so they just have this spirit of inertia of not wanting to participate because they don't see how it's gonna benefit them. Yeah, that's just my assumption. Ok first HR needs... because the policy's there, the system is there, they need to, when they roll out this talent management systems of there's two people at work, they need to come back and give feedback. They disappear for 2 years with no feedback, then come back two years later with a different system that still relates to talent management, but in a different form. So me as a person who's working here I'm thinking "these people are just wasting my time. They never gave me feedback two years ago, they're coming back with a different system and expect me to fill out these forms again, why should I bother?" so you get people not being participative because they're thinking, "oh, it's just a waste of time." No, usually when they come back they don't say that they've improved the system, they come back... no you'll find that it's totally different but it's asking more or less the same things. Whereas you never gave me feedback for the one that I did a year or two back."

The views above show that 15 out of 25 (60%) managers perceive talent identification and talent management as the best management strategies that can be identified in the succession planning effort. These may be ideal due to the fact that one identifies talent within the organisation, then

nurtures and ensures that the individual would possess a position they are best suited for, promising a high chance of heightened productivity.

The Oracle (2013) emphasises that companies that do not have the right individuals in vital positions lack competitiveness, may lose revenue growth, and innovate more slowly because an inability to adapt to market dynamics (Oracle, 2013).

4.4.2 Recruitment, Training, and Mentorship

The study found that managers at Transnet Pipeline use recruitment, training and mentorship as management strategies that can be identified in the succession planning effort. This is supported by Respondent 13 who stated:

“We have job profiles, that’s what I was gonna refer to. You’ve got your job description, which details your roles, responsibilities, level of expertise required to conduct the function. So that’s what I was gonna refer to, job description.”

Data above shows that 8 out of 25 (32%) managers believe that recruitment, training and mentorship are management strategies that can be identified in the succession planning effort. The benefit of such method in recruiting a successor is that the company identifies the individual’s skills or capabilities, they develop them, and then nurture them with the assistance of an employee in a position above that of the identified individual. According to an article by Professor Paul Marinescu (2010) “mentoring is mainly focused on the long term career objectives, and not on immediate performances” (Marinescu, 2010). Mentorship aims to reduce the loss of potential employees in an organization by initiating those who are to be promoted to leadership roles, and rapidly developing the best of them. The mentor’s role here is to help the mentee identify their future strengths and opportunities, help them feel comfortable in their own skin, appreciate their qualities while providing them with new opportunities and thinking models (Marinescu, 2010).

4.5 Roles and Responsibilities That Are Identified in the Action Plan

This section presents the roles and responsibilities that are identified in the action plan

4.5.1 Key Performance Areas (KPA's), quarterly reviews, cost cutting, culture charter (IDPs)

Data reveals that KPA's, quarterly interviews, cost cutting & culture charter are roles and responsibilities that are identified in the action plan. Respondent 14 supports this by stating:

“Keeps jobs for now. KPA's, groomed, interviews every quarter, move another section – in terms of management. IDP's – cost cutting. Culture charter – technical (measure taken out)”

These findings suggest that due to economic challenges sometimes roles and responsibilities identified in action plan are being ignored. Baroudi (2014) stresses that to ensure consistency in the organization, a KPI definition sheet needs to be filled and completed for each KPI by those responsible for setting and reporting on the KPI (Baroudi, 2014).

4.5.2 HR responsibility

Data reveals that 18 out of 25 (72%) Transnet Pipeline employees perceive that HR will identify and present to them the roles and responsibilities that are identified in the action plan. This is supported by Respondent 2 stating:

“We do have – HR to give me”

The views above reveal that 72% of the managers interviewed rely on HR for such tasks and they believed that it is HR responsibility to carry out such.

4.5.3 Talent Management

The study found that talent management reveal the roles and responsibilities that are identified in the action plan.

Respondent 15 believes that:

“We haven’t done talent management. I think we haven’t even done one last year as well, as far as I can remember. We don’t do talent management unless we get forced to do it, because it doesn’t work. It does not work. If you’d like to see I can show you the last three years that I’ve done it, they all look the same. Guys are placed in the same boxes; we identified the development that they need; we sent them to the development, the guy is still in the same position. He hasn’t moved from it. We can’t move each other within the group. No we can’t. We’re too specific in pipelines. We need guys with high carbon experience (06:23 not clear). You can’t get a guy from TFO anywhere else to come and work here, unless we get him in, he must be trained and it takes about 2 to three years to (06:34 not clear) before he’s up and running. But here we’re technical, we don’t do HR stuff unless we get very pushed into a corner and then we do it so. I’m giving you an honest answer. We do it, but we don’t believe in it either. I’m just doing my level. My first support level. I’ve got about almost 100 people in my department, so I’ve got an engineering level and a maintenance level. The maintenance level I’ve got a maintenance manager looking after them again. And then we’ve got supervisor levels. So there’s four training down. I’m head of electrical engineering and maintenance, yeah. We’ve got an O&L programme in place. We take new artisans in, we’ve got pool artisans, and if any position goes open, we push those pool artisans in because they’re already developed in those positions. Especially on the artisans levels we’ve got three levels, you know it’s per progression levels. (08:20 not clear) From 33 – 36, 66 – 100. And as they obtain the specific development or training, they placed into the next position. But they still do the same work, but they get place in those ... (08:34 not clear) planning. There was a guy, he was in the top spot. For him to move into the next level a position must go open. We can’t just move him. We can’t create positions. Yes. There must be an opening, advertise it and then he can apply if he’s ready

for it... I let them act in my position and stuff like that. I've basically got two guys that might take over"

These findings reveal that 14 out of 25 (56%) managers rely on talent management to expose the roles and responsibilities that are identified in the action plan. This method exposes individual skills and capabilities that support the plan, as supported by GNB (2010), defining talent management as a key succession planning instrument that provides a cohesive means of identifying, selecting, developing and retaining the best talent within an organization which is critical for long term planning (GNB, 2010).

4.5.4 Individual Development Plan

Data revealed that 17 out of 25 (68%) management at Transnet Pipeline use Individual Development Plan (IDPs) to expose the roles and responsibilities that are identified in the action plan. Respondent 13 supports this:

"We do have a personal development plan. Individual Development Plan, IDP. So that's more related to courses that you do, I don't know if that's what you're looking for. So our IDP that we have... we did this thing last year, at the beginning of last year, we haven't heard anything since then about it. So that's why it's at the back of my head. We haven't reviewed it this year. A performance review is something else. We did it last year but we haven't done it this year. So it's there. I don't know if its effective, but I don't think so. It's there in the system but I don't know if it's implemented. Yes, we do have an Action Plan. It's on the system."

The US Department of Commerce defines IDP as a personal action plan, cooperatively agreed to by one and their supervisor that identifies one's short and long-term career goals (US Department of Commerce, 2001). An IDP also detects the training and other developmental experiences required to accomplish those goals, for the individual and organizational benefit, within a specified time frame (US Department of Commerce, 2001)

4.6 Effectiveness Evaluation to Ensure That the Succession Plan Is Successful

This section presents the effectiveness evaluation to ensure that the succession plan is successful

4.6.1 Culture charter

The study identified culture charter as a tool to evaluate the effectiveness to ensure that the succession plan is successful. Respondent 4 believes that

“Culture charter survey”

Respondent 2 further supports this by stating:

“Exit interviews. Culture charter”

These findings suggest that these two tools are commonly used.

4.6.2 Smooth transition

Data reveals that a smooth transition from when an employee retires and hands over responsibilities to the identified successor is a tool used to evaluate the effectiveness to ensure that the succession plan is successful. Respondent 14 supports this by stating:

“I think the only way you judge it at the moment is if you have a smooth transition when there’s no interruption to the company business when one person leaves and the next person comes in. I think the danger or the reality is even if you have a succession planning in place, it does not give the person that you identified as a successor the automatic filling of the position. So I think the challenge that you have is managing the expectations that are created, and then realizing that the person that you have groomed, you know, might not get that position. So the success would be whether, you know, you’ve had a smooth handover or not”

The views above suggest that Transnet Pipeline managers find the transition from when an employee retires and hands over responsibilities to the identified successor and its effect on the business as the best method to evaluate the effectiveness to ensure that the succession plan is successful. A smooth transaction would mean that the succession plan is effective.

4.6.3 Skills identification and development

The study found that Transnet Pipeline managers believe that skills identification and skills development are essential tools to evaluate the effectiveness to ensure that the succession plan is successful.

Respondent 15 stated:

“It’s only the talent management. As I said, we only do the talent management, just particular exercise when it comes up. I wanna deal with it outside of that little box, because we don’t believe in it. I’ve told you, we don’t believe in it because it does not work. So anyways even if I develop my guys even if there’s no talent management, because I look at what development they need then make it their IDPs or Development Plans or whatever. So talent management doesn’t need to direct me on what to do, I... and they also come to me and say listen, he wants to be developed in this area (10:14 not clear). I look at it and if its work related and if it fits in with whatever we’re doing in the company, I send them. I generally always send them in what they wanna get trained on, unless it’s completely outside of what we do. So I’ve specialists’ engineers and I develop them and then they don’t wanna do any management stuff. They wanna do... and whatever new equipment we get in, whatever other development for future equipment, if they put it on the IDP, I approve it. So I let them develop themselves almost as they want, but it doesn’t need to come from talent management. There’s other mechanisms to do that as well. But, let me put it off the record, I believe talent management can work. If there’s a proper system in place, and maybe if it comes back to HR again, if there’s a plan in place and there’s a proper process... because we also don’t hear from HR in terms of talent management, either than

when it's in their whatever to do job and they get pushed in the corner to, and everybody asks them what is happening to your talent management at TPL, you must say "hey!" and then they come out, and we must all do the talent management for a week and that's it. I put it far away and I forget about it. And my staff also don't want to hear about it either. So that's why I'm saying it's a very much desktop exercise for me, because I'm being honest with you and I would tell anybody in HR, but I fully believe... I can see that it can work. I believe in things like coaching and development, all of that. I can see it can work, but it does not work here for some reason. (Because of culture maybe?) I don't think we've got a full buy-in from the top executive. So I must be careful because I sit close to them as well, but I don't think it... maybe they've got a buy-in but they're also hands are also tied. So for instance when we need to retain somebody, they can't make decisions here to retain somebody, maybe we need to look at a different salary for him or whatever. I know it's not just money that keeps a person here, but its work circumstances and stuff, but there might be circumstances where guys are really unhappy in it because of discrimination and the amount of responsibilities that gets add on to him. But if their hands are tied, I can't help up my guy's salary, I must take it to the CEO and the CEO tells me he can't do it either, I must go to the GCE. And then it all get climbed down by (13:31 not clear), so when it goes that way that's why the guys are rather not entertain it (13:40 not clear) negative. That's why the only part I take out of talent management is the part that I try to... if it comes up then I've already showed what development I do send them on and we have the same things in those blocks but its written somewhere else. But I can't promise them any position; I can't promise them any career path because we're a very flat structure. If a position does not go open, then you've got okes like myself and others that sit for years in a position but there's no movement. Same is my... okay I'm guilty, but so is my boss guilty as well."

The above response reveals that Transnet Pipeline managers 7 out of 25 (28%) trust that skills identification and skills development are essential tools to evaluate the effectiveness to ensure that the succession plan is successful.

4.6.4 Exit Interview

The study revealed that the effectiveness to ensure that the succession plan is successful is only evaluated during an exit interview. Respondent 18 says that:

“They actually realize when they’re having an exit interview. No, we just have that culture charter thing, which is not really relevant to HR”

This view suggests that some managers believe that they can only evaluate the effectiveness of the succession plan during the exit interview

4.7 Conclusion

This chapter presented and discussed findings around the factors used to evaluate the effectiveness of succession planning at Transnet Pipeline in Durban, South Africa. Findings revealed that several factors affected the identification of critical positions in the succession planning effort.

These factors included: the perception of technical positions as the most crucial positions; other managers believing that all positions are critical for the success of the business and the use of talent pool / talent management as the key tools to identify critical positions.

Factors used for the identification of the capabilities for successful performance in key areas are: Qualifications; experience and registration with professional organizations; and talent Management.

Management strategies that can be identified in the succession planning effort were found to be: Talent identification and management; and recruitment, training and mentorship.

Tools used to expose roles and responsibilities that are identified in the action plan are: KPAs, quarterly reviews, cost cutting, culture charter and IDPs; some managers felt that it is HRs responsibility; talent management; and Individual Development Plan

Methods used to evaluate the effectiveness to ensure that the succession plan is successful were identified as: Culture charter; smooth transition when someone hands over their responsibilities to the identified successor; skills identification and development; and exit interview.

Chapter five to follow discusses the data analysis that was collected in the study.

Chapter Five

Discussion and Analysis of the Findings

5.1 Introduction

This study evaluates the effectiveness of succession planning at Transnet Pipeline in Durban, South Africa. The previous chapter presented data collected in this study. This chapter discusses and analyses the findings presented in the previous chapter, Chapter Four. The chapter is divided into five sections: identification of critical positions in the succession planning effort, identification of the capabilities for successful performance in key areas, management strategies that can be identified in the succession planning effort, roles and responsibilities that are identified in the action plan, effectiveness evaluation to ensure that the succession plan is successful, and followed by the conclusion to the chapter.

5.2 Identification of Critical Positions in the Succession Planning Effort

The first objective of the study was to determine the identification of critical positions in the succession planning effort at Transnet Pipeline. The findings related to this objective are enunciated and analysed in the subsections to follow.

5.2.1 Technical positions

The study found that managers on E & D level feel that the technicality of a position determines how critical the position will be perceived, whereas managers on F band feel that all positions are critical positions in the succession planning effort, depending on the organization's vision and goals. Each department/ organization determines its critical positions through its mission and functionality of the organization.

According to Becker, Huselid and Beatty (2009), clarifying your firm's strategy and the strategic capabilities needed to execute it is a crucial first step in the process of developing a differentiated workforce (Becker, Huselid & Beatty, 2009). The next step in the process is to identify the strategic positions essential for delivering the firm's strategic capabilities, as well as the specific employee

competencies and behaviours needed in these roles. The process of identifying “A” positions begins with the development of a clear statement of the firm’s strategic choice (how will we compete?) as well as the firm’s strategic capabilities (what must we do exceptionally well to win?). Once you clarify these two factors, you can identify “A” positions. Then, the process of improving the performance of employees in the firm’s most critical roles can begin (Becker, Huselid & Beatty, 2009).

This is supported by Sason’s argument that critical positions may lie at the core of conducting everyday business or be central to long-term new product strategy (Sason, 2017). Companies that do not have the right people in critical jobs forfeit revenue growth, innovate more slowly, and/or lose competitive advantage because they are unable to adapt to market dynamics. Organizations need to define, attract, and develop the right mix of critical talent to support and grow their businesses (Sason, 2017).

5.2.2 Talent pool / Talent Management

Data reveals that at Transnet Pipelines critical positions are identified through talent management in the succession planning effort. Talent management is perceived by the managers as being a major tool in identifying critical positions in an organization, as supported below.

Cannon and McGee define talent management as a key succession planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within the organization which is required for long term planning (Cannon & McGee, 2011). It is concerned with:

- Developing a strategy to determine what the organisation needs to meet the current and future demands of the business plan
- Establishing processes to measure competence – required and available
- Creating a range of developmental tools and processes to provide tailored approaches depending on the individual needs of employees
- Identifying ways to obtain and retain those who are critical to success

- Establishing suitable approaches to deal with those who no longer fit organisation requirements

(Cannon & McGee, 2011)

Talent management is conducted through talent pools, which GNB define as groups of high-potential employees who meet the competency/position requirements for critical positions (GNB, 2010). Through this strategy an organization is able to identify the core skills needed for the success of the organization, and they're able to identify individuals who possess such skills.

5.3 Identification of the Capabilities for Successful Performance in Key Areas

The second objective of the study was to determine the identification of competencies in key areas at Transnet Pipeline. The outcomes related to this objective are discussed and examined in the subsections to follow.

5.3.1 Qualifications, experience and registration with professional organizations

The study shows that 48% of the managers interviewed at Transnet Pipeline use qualifications, experience and registration with professional organizations as characteristics to identify capabilities for successful performance in key areas

5.3.2 Talent Management

Data shows that Transnet management uses talent management as a mechanism to identify capabilities for successful performance in key areas

5.4 Management Strategies That Can Be Identified In the Succession Planning Effort

The third objective of the study was to determine what management strategies can be implemented in the succession planning effort at Transnet Pipeline. The results related to this objective are debated and analyzed in the subsections to follow.

5.4.1 Talent identification and management

The study found that 60% of the managers interviewed at Transnet Pipeline recognise talent identification and talent management as management strategies that can be identified in the succession planning effort. As defined previously, talent identification and management entails talent identification within the organisation, then nurturing and ensuring that the identified individual possesses a position they are best suited for, promising a high chance of heightened productivity and employee loyalty to the company.

Louch (2014) stresses that the talent management process provides key individuals with an opportunity to develop their skills and experience by engaging in challenging duties, professional development and career growth which in turn helps to build loyalty to the business (Louch, 2014). This not only brings excitement to employees, but it also leaves room for growth and improvement within the company, minimising the chances of employees leaving for greener pastures.

5.4.2 Recruitment, Training, and Mentorship

The study revealed that Transnet Pipeline use recruitment, training and mentorship as management strategies that can be identified in the succession planning effort (Rothwell, 2005). The organizational benefit of such method in recruiting a successor is that the company identifies the individual's skills or capabilities, they develop them, and then nurture them with the assistance of an employee in a position above that of the identified individual.

Kim (2003) mentioned that employee self-improvement by promoting cross-functional and cross-sector job assignments, executive coaching and mentoring is vital (Kim, 2003). Rothwell (2005), in like vein, mentioned that a recognized authority in succession planning, wrote that promotion from within does have distinct advantages: it sustains or improves employee morale, and it smoothes transitions by ensuring that key positions are filled by those whose personalities, philosophies, and skills are already known to others in the organization (Rothwell, 2005). Rothwell (2005) continues the argument that along with motivating employees by showing that their efforts can pay off, a promotion-from-within policy can save a significant amount of money in recruiting, selecting, and training newcomers and that hiring externally can be extremely expensive. Adequate human resources information system is also needed. Moreover, an appropriate organizational

structure and job engineering to protect experiential learning is required. Furthermore, organizational commitment for promotion from within is needed as well as training in coaching, mentoring, and giving feedback and other methods in training (Rothwell, 2005).

5.5 Roles and Responsibilities That Are Identified In the Action Plan

The fourth objective of the study was to determine what roles and responsibilities as defined in the action plan Transnet Pipeline. The findings related to this objective are discussed and scrutinized in the subsections to follow

5.5.1 KPAs, quarterly interviews, cost cutting, culture charter and (IDPs)

Data reveals that KPAs, quarterly interviews, cost cutting & culture charter are roles and responsibilities that are identified in the action plan

5.5.2 HR responsibility

Data reveals that 72% of the Transnet Pipeline managers interviewed perceived that HR will identify and present to them the roles and responsibilities that are identified in the action plan

5.5.3 Talent Management

The study found that talent management reveals the roles and responsibilities that are identified in the action plan in the data analysis.

5.5.4 Individual Development Plan

Data revealed that management at Transnet Pipeline use Individual Development Plan (IDPs) to expose the roles and responsibilities that are identified in the action plan. Respondent 13 supports this notion.

5.6 Effectiveness Evaluation to Ensure That the Succession Plan Is Successful

The fifth objective of the study was to determine how the effectiveness is evaluated to ensure that the succession plan is successful at Transnet Pipeline Africa as a whole. The outcomes related to this objective are discussed and examined in the subsections to follow.

5.6.1 Culture charter

The study identified culture charter as a tool to evaluate the effectiveness to ensure that the succession plan is successful. According to Kihn (2013) an exit interview will provide the company the chance to get the views of those leaving the company, in terms of their perception of the company, and most importantly, the reason for their desire to leave the company (Kihn, 2013). Kihn stresses that “once employees have handed in their resignation and recognize that they are leaving, they are far more likely to open up and be honest when requested to provide constructive criticism in terms their perception of the company, the way its run, its culture, its management style, the opportunities offered for career growth etc.” (Kihn, 2013).

5.6.2 Smooth transition

Data reveals that a smooth transition from when an employee retires and hands over responsibilities to the identified successor is a tool used to evaluate the effectiveness to ensure that the succession plan is successful.

5.6.3 Skills identification and development

The study found that 28% of the F band managers interviewed at Transnet Pipeline believe that skills identification and skills development are essential tools to evaluate the effectiveness to ensure that the succession plan is successful. According to an article by the Project Management Institute (2013), when talent management is correctly aligned however, both the managers and other employees do not believe in this method, thus the failure of its implementation has resulted (Project Management Institute, 2013).

5.6.4 Exit Interview

The study revealed that the effectiveness to ensure that the succession plan is successful is only evaluated during an exit interview.

5.7 Conclusion

This chapter presented data analysis and discussion of the factors influencing the evaluation of succession planning effectiveness at TPL. Findings revealed that several factors influence effectiveness of succession planning. The contextual factors that were found to influence effectiveness of succession planning at TPL are: culture charter, exit interviews and skills identification and development.

Chapter Six to follow discusses the conclusion and recommendations to provide insights regarding study findings and limitations.

Chapter Six

6.1 Introduction

The previous chapter discussed the factors influencing effectiveness of succession planning. The findings of the study were analyzed and discussed in relation to the relevant literature. This chapter presents the conclusion and recommendations for the study.

6.2 Conclusion

This research investigated the evaluation of succession planning effectiveness in Transnet pipeline and this section reveals the conclusion drawn from the findings.

6.2.1 Critical Positions

The findings revealed that at Transnet Pipeline each department, yet maintaining the perception that all positions are critical for the functionality of the business, determines the criticality of a position internally. It was shown that perceptions that technical positions are the most critical are based on the scarcity of people who possess such skills. Furthermore, the findings show that managers at Transnet Pipelines perceive talent management or talent pool as critical mechanisms to identify critical positions in the succession planning effort

6.2.2 Capabilities of Successful Performance

The study showed that Transnet Pipeline use the recruitment stage of employment as the most crucial stage in identifying capabilities for successful performance in key areas by putting more emphasis on the job description and “professional” requirements from the individual to qualify for the position. These requirements include qualifications, experience and registration with professional organizations. The study also demonstrated that some managers rely on identifying gaps within their departments, and grooming identified employees to close the gaps and become the ideal successors.

6.2.3 Management Strategies

The study found at Transnet Pipeline talent identification and talent management are perceived as the best management strategies that can be identified in the succession planning effort. These may be ideal due to the fact that one identifies talent within the organisation, then nurtures and ensures that the individual would possess a position they are best suited for, promising a high chance of heightened productivity. The study also showed that recruitment, training and mentorship are other management strategies that can be identified in the succession planning effort. The benefit of such method in recruiting a successor is that the company identifies the individual's skills or capabilities, they develop them, and then nurture them with the assistance of an employee in a position above that of the identified individual.

6.2.4 Roles and Responsibilities

The findings revealed that roles and responsibilities identified in action plan might be ignored at times, due to economic challenges. Findings further displayed that some managers rely on HR for such tasks and they believed that it is HR responsibility to carry out such. Some managers rely on talent management to expose the roles and responsibilities that are identified in the action plan.

6.2.5 Effectiveness Evaluation

The study showed that exit interviews and culture charter are the two commonly used tools. The study further revealed that Transnet Pipeline managers find the transition from when an employee retires and hands over responsibilities to the identified successor and its effect on the business as the best method to evaluate the effectiveness to ensure that the succession plan is successful. A smooth transaction would mean that the succession plan is effective. Furthermore, skills identification and skills development are essential tools to evaluate the effectiveness to ensure that the succession plan is successful that are trusted by managers. The study also showed that some managers believe that they can only evaluate the effectiveness of the succession plan during the exit interview

6.3 Recommendations

The following recommendations have been proposed with reference to the problem

- The organization needs to track and communicate progress regarding succession plans to drive urgency and accountability across organization and to ensure the plans are geared for business leadership.
- Make succession planning an ongoing, integral business process. The organization should discuss and refresh TPL staff development plans on a regular basis. They need to link it to the vision, values, and strategy of the business. People plans should support the TPL strategy, especially the core competencies and values of the company that provide its distinctive, sustainable competitive advantage. These should be reflected in the performance requirements and selection criteria for all key roles.
- The organization needs to invest in active and systematic talent development; identify potential employees and assess current strengths and development needs; also develop proactive and systematic strategies to accelerate the development and measure the progress and growth of key individuals and talent pools.
- TPL should provide incentives for development. People identified with high potential should not be given guarantees of a promotion or a specific position. Instead, they should understand that the organization values them, and if they are willing to take on stretch assignments that entail significant personal risk, they will be supported and rewarded. In addition, they need to view their talent builders as heroes (for example managers who sacrifice their own status and comfort to grow their own crop and promote others) and provide incentives for them to continue this work on behalf of the organization.
- TPL executive buy in is needed to safeguard that talent is owned by the line management but facilitated by a strong HR function. The process and all the decisions made within the process must be owned by line managers, sponsored and directed by the chief executive of the TPL division. In addition, it must be supported by a strong, skillful, and credible HR function
- Widespread communication and training on succession planning is a key needed so that all employees understand the process of succession planning from top to bottom, as an HR leader won't be able to effectively navigate and execute meaningful planning without

creating a culture that supports that vision. Line managers need to assimilate this process as they are an enabler for successful organization.

6.4 Limitations and Suggestions for Future Research

The researcher had intended to interview thirty-five participants, which were all levels of management at TPL, but because of their busy schedules, this was not the case. Twenty-five personnel across various levels of management were interviewed. The change of leadership made things difficult. Another limitation was the potential common method bias. Although the interviews and documentation/information from the TPL was used, most of the information/findings in this study are based on the interviews. The study did not include lower level employees as the researcher wanted to evaluate the buy in from management point of view first so that succession planning be effective.

Owing to time constraints, this study did not include Transnet headquarter (Transnet Freight Rail (TFR), Transnet National Port Authority (TNPA), Transnet Port Terminals (TPT), and Transnet Engineering (TE). Only Transnet Pipeline based in Durban was selected for this study. In light of this, a suggestion for future studies is to look at the subsidiaries as well. This will provide a more holistic view on the subject matter as other operating divisions and headquarters do most of the work and have larger numbers of employees compared to Transnet pipeline.

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Appendix A: In-Depth Interview Guide

INTERVIEW GUIDE

AN EVALUATION OF SUCCESSION PLANNING EFFECTIVENESS IN TRANSNET PIPELINE KWAZULU NATAL DURBAN

Biographical Information

1. Gender

Male	Female
------	--------

2. Race

African	Coloured	Indian	White
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3. Age

20 - 35	36 - 40	41 - 45	46 – 60
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4. Service with Transnet Pipeline

0 - 5 Years	6 – 10 Years	11 – 15 Years	16 Years +
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Interview Questions on Succession Planning

Main Questions

1. How are the critical positions identified in the succession planning effort at Transnet Pipeline?

a) What criteria is being used to identify critical positions in your organisation?

2. How are the capabilities identified for successful performance in key areas at Transnet Pipeline?

b) What capability framework is in place to identify competencies of the successors?

3. What management strategies can be identified in the succession planning effort at Transnet Pipeline?

c) Which management strategies are in place to ensure that succession planning is a success?

4. What roles and responsibilities are defined in the action plan at Transnet Pipeline?

d) In action plan of succession planning what are roles, responsibilities and timelines to meet strategies that has been identified?

5. How is the effectiveness evaluated to ensure that the succession plan is successful at Transnet Pipeline?

e) What mechanisms are in place to evaluate the effectiveness of succession planning so that it can be a success?

Added Questions

What is your understanding of succession planning?

Do you think Transnet Pipeline values training and development?

Is coaching and mentoring offered for positions?

Are potential successors identified for key positions?

Is training offered for potential successors?

Do you believe succession planning benefits organization?

How important is it for your organization to evaluate the effectiveness of formal succession planning system?

Have you had high potential individual exit the organization due to lack of opportunities?

Appendix B: Consent Form

University of Kwa-Zulu Natal

School of management, information technology and governance

Dear respondent,

Researcher: Nontobeko Buthelezi (082 5792400)

Supervisor: Dr. Given Mutinta (031 260 8854)

I, **Nontobeko Buthelezi** am a Masters student in the discipline of management, at the school of management, information technology and governance of the University of Kwa-Zulu Natal. You are invited to participate in a research project entitled: **AN EVALUATION OF SUCCESSION PLANNING EFFECTIVENESS IN TRANSNET PIPELINE KWAZULU NATAL DURBAN**

Your participation will assist in understanding the challenges of the parastatal or state own enterprise in Kwa-Zulu Natal, the results are intended to highlight areas of improvement to enhance efficiency and synergy within the parastatal.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. The School of Management of the University of Kwa-Zulu Natal will maintain confidentiality and anonymity of records identifying you as a participant.

If you have any questions or concerns about participating in the study, you may contact me or the supervisor at the numbers listed above.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above.

The interview should take about 20 minutes to complete; I hope you will take the time to participate in the study.

Thank you in advance for your help with this research exercise.

Sincerely

Investigator signature _____ **date** _____

CONSENT

I..... (full names of participant)
hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT:

DATE:

.....

Consent for use of audio equipment

If you are willing to be interviewed, please indicate (by ticking as applicable) whether or not you are not willing to allow the interview to be recorded by the following equipment.

Equipment	Willing	Not willing
Audio Equipment		

Appendix C: Declaration Letter

This is to declare that Nontobeko Buthelezi will ensure that the respondent's privacy is protected. I will not use the participant's name in any of the information received from this study or in any of the research reports. Any information received in the study will be recorded with a code number that will be secured. When the study is completed, the key that shows which code number goes with your name will be destroyed. Participants have the right to withdraw from the study at any time without any negative consequences.

I also confirm that the respondents have the right to withdraw from the study at any time without any negative consequence.

Appendix D: Proposal Approval Letter



14 July 2016

Ms Nontobeko Buthelezi (213572373)
School of Management, IT & Governance
Westville Campus

Dear Ms Buthelezi,

Protocol reference number: HSS/0964/016M

Project title: An evaluation of succession planning effectiveness in Transnet Pipeline KwaZulu-Natal Durban

Full Approval – Expedited Application

With regards to your application received on 01 July 2016. The documents submitted have been accepted by the Humanities & Social Sciences Research Ethics Committee and **FULL APPROVAL** for the protocol has been granted.

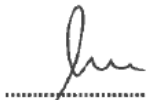
Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully



.....
Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Given Mutinta
Cc Academic Leader Research: Professor Brian McArthur
Cc School Administrator: Ms Angela Pearce

Appendix E: Ethical Clearance



TO: Miss Nontobeko Renei Buthelezi (Student Number: 213572373)
FROM: SCHOOL OF MANAGEMENT, IT & GOVERNANCE
DATE: 3 June 2016
SUBJECT: Approval of Coursework Masters Research Proposal

Title: An Evaluation of Succession Planning Effectiveness in Transnet Pipeline KwaZulu-Natal Durban.

Supervisor: Dr Given Mutinta

This memo is to confirm that the Research Proposal Review Committee has accepted your Coursework Masters Research proposal submitted on 19 May 2016.

Please take note of the following suggestion/comment:

- Revisit research schedule

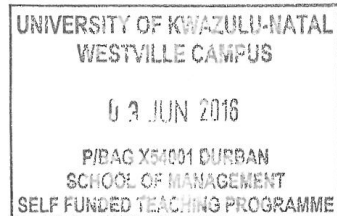
Please note that the above comment/suggestion is intended to develop and strengthen your study, thus you need to consider them seriously. Your supervisor(s) will provide further guidance on how to factor the suggestions into your study.

Good luck with your studies, and we look forward to your successful completion. Please note that you must submit this letter with your application for Ethical Clearance.

Yours sincerely,

Ms HMG Muteswa

School of Management, IT & Governance
University of KwaZulu-Natal - Westville Campus



School of Management, IT & Governance- Research & Higher Degrees
Postal Address: Room M1-119, 1st Floor, M Block, Westville Campus, Westville, 3630
Telephone: +27 (0) 31 260 7013 Muteswahn@ukzn.ac.za Website: www.ukzn.ac.za

Appendix F: Gate Keepers Letter



CONFIDENTIALITY UNDERTAKING

made and entered into by and between

TRANSNET SOC LIMITED

Registration Number 1990/000900/30

(hereinafter referred to as "Transnet")

and

Nontobeko Renei Buthelezi

Identity Number: 7809120846081

(hereinafter referred to as "Nontobeko")

1. PREAMBLE

- 1.1. A Mandatory requirement of the M.Com degree, of all students at the University of KwaZulu-Natal is to undertake a practical research project, in their final year of study.
- 1.2. This Project is a "practical problem solving" exercise and necessitate data gathering by questionnaires or interviews.
- 1.3. Nontobeko is an M.Com student at UKZN and has to undertake a practical research Project.
- 1.4. She requires Transnet to give her access to its policies and any documents which entails the process and procedures for succession planning.

2. INCORPORATION OF HEADING AND PREAMBLE

The Heading and Preamble of this Confidentiality Undertaking are incorporated in and shall form an integral part of this Confidentiality Undertaking.

3. DURATION

This Confidentiality Undertaking shall commence on the date of signature of this Confidentiality Undertaking by the Parties ("the Commencement Date") and shall endure indefinitely and until Transnet shall release Nontobeko herefrom in writing.

4. TRANSNET INFORMATION

4.1. For the purposes of this Confidentiality Undertaking the term "Transnet Information" shall include all information about or concerning Pipelines and all information concerning Transnet which Nontobeko may learn in the course of and by virtue of her engagement with Transnet, including advice, documents or any other information of any description whatsoever acquired by Nontobeko and the University of Kwazulu-Natal its directors, employees or representatives, students, in connection with Transnet and which will include, without limitation:

- 4.1.1. all books, records, list of customers, trade secrets, financial statements, management accounts, selling prices, purchase prices, sales profiles; and
- 4.1.2. all policies and any documents which entails the process and procedures for succession planning
- 4.1.3. Information from interviews with Transnet Pipelines Exco and Staff.
- 4.1.3. any strategic, master, corporate, operational or similar business plan of Transnet or any of its operating divisions; and
- 4.1.4. any technical, commercial or scientific information or know-how, processes, designs, drawings, technical specifications, and all copyright and data; and

[Handwritten signature]

[Handwritten initials]

- 4.1.5. all information whatsoever relating to the business and affairs and method of carrying on business of Transnet, nothing whatsoever excepted.

5. CONFIDENTIALITY

- 5.1. Nontobeko undertakes that she will not, without the express prior written consent of Transnet during the continuance in force of this Confidentiality Undertaking, and with effect from the Commencement Date, disclose to any person or entity whatsoever any Transnet Information.
- 5.2. Nontobeko undertakes that she will not, without the express written consent of Transnet, make copies of any part of the Transnet Information, nor permit any form of reproduction thereof .
- 5.3. Nontobeko acknowledges and affirms and undertakes to protect Transnet's sole right and ownership and copyright in and to the Transnet Information.
- 5.5. Nontobeko undertakes that insofar as it is necessary for the performance of her research, that disclosure of information is made to the University of Kwazulu-Natal, its employees and its students that they will be fully informed of the terms of this Confidentiality Undertaking and will all be bound thereby and that they will specifically be instructed not to disclose to any person not strictly necessary for the performance of the research of the fact of the investigation, its nature and extent and/or of any information pertinent thereto.
- 5.6. Nontobeko undertakes at the completion of her research to return forthwith to Transnet all Transnet Information which has not been utilized for her research and will not retain any information in her possession other than information of a generic and non-confidential nature.

*NK
Bm W. W*

7. EXCLUSIONS

- 7.1. There shall be excluded from the operation of this Confidentiality Undertaking any information or data which:
- 7.1.1. is or becomes in the public domain by publication or in any other manner otherwise than by the default of Nontobeko;
 - 7.1.2. Nontobeko is obliged by law to divulge to a Court, Tribunal or Government Authority with competent jurisdiction; or
 - 7.1.3. Transnet indicates to Nontobeko that such information does not fall within the domain of privilege, trade secrets or Transnet Information.

8. DISPUTE RESOLUTION

- 8.1. Any dispute arising between the Parties in connection with or arising out of the terms contained in this Confidentiality Undertaking which cannot be settled by negotiation between the Parties, may be referred by either Party for arbitration in accordance with the provisions of this Clause.
- 8.2. The arbitration shall be held in Durban as expeditiously as possible and in any event within THIRTY (30) days after it is demanded by either of the parties, and otherwise in accordance with the Rules of the Arbitration Foundation of Southern Africa.
- 8.3. Any arbitration proceedings in terms of this Clause shall be kept strictly confidential and secret between the Parties.
- 8.4. The arbitrator shall be a practising advocate of at least TEN (10) years standing as such, appointed by agreement between the Parties.

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- 8.5. If the Parties cannot agree on an arbitrator within SEVEN (7) days of the reference to arbitration by any party, either party shall be entitled to request the President for the time being of the Arbitration Foundation of Southern Africa to appoint a suitable arbitrator, whose appointment shall be binding on the Parties.
- 8.6. The arbitrator shall, as part of his award, determine which party shall bear the costs of the arbitrator and of the arbitration proceedings.
- 8.7. The provisions of this Clause:
- 8.7.1. constitute an irrevocable consent by the Parties to any proceedings in terms hereof and neither party shall be entitled to withdraw therefrom or claim at such proceedings that it is not bound by such provisions;
- 8.7.2. are severable from the rest of this Confidentiality Undertaking and shall remain in effect despite the termination of or invalidity for any reason of this Confidentiality Undertaking.
- 8.8. Subject to each party's rights of appeal in accordance with the Rules of the Arbitration Foundation of Southern Africa, the Parties irrevocably agree that the decision of the arbitrator shall be final and binding on them, shall be carried into effect and shall be capable of being made an order of any Court of competent jurisdiction.
- 8.9. The arbitrator shall have the power to give default judgment if any party fails to make submissions on due date either in terms of the Rules of the Arbitration Foundation of Southern Africa or as determined by the Arbitrator, and/or fails to appear at the arbitration.

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9. GENERAL PROVISIONS

- 9.1. No consensual cancellation of, or amendment, or waiver of, any of the provisions of this Confidentiality Undertaking shall be effective unless it is in writing and signed by the Parties.
- 9.2. The failure to enforce or to require the performance at any time of any of the provisions of this Confidentiality Undertaking shall not be construed to be a waiver of such provision, and shall not affect either the validity of this Confidentiality Undertaking or any part hereof or the right of either party to enforce the provisions of this Confidentiality Undertaking or to subsequent action.
- 9.3. The headings to the clauses of this Confidentiality Undertaking are used for convenience only and shall not affect the meaning or interpretation of this Confidentiality Undertaking.
- 9.4. This Confidentiality Undertaking contains the entire agreement between the Parties with regard to the subject matter of this Confidentiality Undertaking and replaces all prior agreements or arrangements between the Parties, whether written or oral, with regard to the subject matter of this Confidentiality Undertaking.
- 9.5. If any term, condition, provision of this Confidentiality Undertaking, or performance of any obligation under this Confidentiality Undertaking, is determined to be invalid, illegal, unlawful or unenforceable to any extent, that term, condition, provision of performance or the relevant part thereof shall be removed from the remaining terms, conditions, provisions and performance of this Confidentiality Undertaking, or may be amended to make it valid, legal, lawful and enforceable, in such a manner as to leave the amended agreement substantially the same in essence, and the agreement so amended shall remain of force and effect.

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- 9.6. This Confidentiality Undertaking, and the relationship between the Parties in connection with the subject matter of this Confidentiality Undertaking, shall be governed by and determined in accordance with the laws of the Republic of South Africa.
- 9.7. Neither party shall without prior written consent of the other, which consent shall not be unreasonably withheld, cede or assign any of its rights or obligations in terms of this Confidentiality Undertaking to any third party.

10. ADDRESSES AND NOTICES

- 10.1. All notices by one party to another shall be given in writing by prepaid registered post, telefax or delivered by hand to:

10.1.1. Transnet at:
202 Smith Street,
Durban,
4000.
(Telefax: 031-308 1293),

10.1.2. Nontobeko at:
5 Horizon Edge
112 Mt Edgecombe Drive
Mt Edgecombe
4302
Cell No:

which addresses each party chooses as its respective *domicilium citandi et executandi* for all purposes arising out of this Confidentiality Undertaking. In the absence of proof to the contrary, any notice sent by one party to the other:

- 10.1.3. by registered post to its chosen postal address, shall be deemed to have been received FIVE (5) days after it is posted;

ME
Bm

- 10.1.4. by hand to its chosen physical address, shall be deemed to have been received on the day on which it is so delivered, provided a receipt is obtained;
 - 10.1.5. by telefax to its chosen telefax number, shall be deemed to have been received on the next business day after it is successfully dispatched, provided the answer-back code of the addressee is obtained.
- 10.2. The Parties shall be entitled to change the address referred to in this Clause from time to time, provided that any address selected by either of them shall be situated in South Africa, and any such changes shall only become effective upon receipt of notice in writing by the other party of such change.
- 10.3. The onus of proving delivery shall lie with the party seeking to rely thereupon.

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11. WARRANTY BY SIGNATORIES

Each of the signatories hereto hereby warrants that he or she is duly authorised to conclude this Confidentiality Undertaking by the party on whose behalf he appends his or her signature hereunder, and that such party is duly authorised to conclude this Confidentiality Undertaking.

DATED at *Durban* on this *24th* day of *August* 2015

AS WITNESSES:

1. *[Signature]*
2. *Bau*

[Signature]
for: **TRANSNET SOC LIMITED**
duly authorised

DATED at on this day of 2015

AS WITNESSES:

1. *[Signature]*
2. *[Signature]*

[Signature] *29/03/2016*
Nontobeko Renei Buthelezi

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Appendix G: Turn-it-in Report

Appendix H: Language Practitioner Letter

Language Practitioner/Specialist: Language in Education

T. Reddy

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To whom it may concern

Date : 12 January 2018

Re : Language Practitioner Report

Student : Nontobeko Buthelezi No. 213572373

Dissertation : An Evaluation of Succession Planning Effectiveness in Transnet Pipeline
in Kwa-Zulu Natal Durban

I have had the pleasure of reading the above dissertation submitted in partial fulfilment of the requirements for the degree of Master of Commerce in Human Resource Management, Information Technology and Governance at the University of Kwa-Zulu Natal and found the language usage fluent and free of any grammatical inaccuracies.

The work has been read for punctuation, fluency and congruency, and meets the language and stylistic writing at this postgraduate level.

I deem the dissertation acceptable for final admission.

Regards

T Reddy



12/1/2018