

**SUCCESSION MANAGEMENT AND PERFORMANCE OF TELECOMMUNICATION
FIRMS IN KENYA: A COMPARATIVE STUDY OF SAFARICOM LTD AND TELKOM
KENYA**

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DECLARATION

This project is my original work and has not been presented for a degree in any other University

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Date

DEDICATION

This work is dedicated to my family who have offered me undeniable and unwavering support.

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I wish to first acknowledge sincerely the Almighty God for good health and the sustenance He has given me throughout the writing of this project. Through him all things are possible.

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ABSTRACT

A well-structured and effectively enforced succession management plan is important for business. It has been argued that better performing and big corporations employ and benefit more when using effective succession management to improve their performance and productivity than struggling or emerging companies. How far this is true for Safaricom which is a big and successful company and Telkom which is a struggling and newly rebranded company in Kenya remains significantly uninvestigated. The purpose of the study was to explore the influence of succession management on organizational performance of Telecommunication Firms in Kenya with a comparative study of Safaricom and Telkom telecommunications companies. It specifically established the influence of talent retention, talent attraction, career management and training on the business performance. The study was based on the Maslow's Hierarchy of Needs, Talent DNA Model, the self-concept theory explaining career growth and resource based view of the firm theory. This study employed descriptive research coupled with correlational research designs to anchor the methodology. For this study a target population 232 management personnel and 218 staff working at Safaricom and Telkom headquarters respectively were targeted. From the population 70 respondents for Safaricom and 65 from Telkom were sampled, thus getting 30% of the target population. The respondents were selected first via stratified sampling to categorize the 10 and 12 departments from Safaricom and Telkom respectively. Then simple random sampling became the sampling technique utilized to get the staff from the departments. The study used questionnaire rendered in a 5-point Likert scale that was given to the staff and secondary data to get the measurements for performance. A pilot study was done on 10 of the target population respondents (1% of the target population). Content validity was measured by the researcher's supervisors looked at the items in the questionnaires and advised the researcher on what needed to be changed to improve data collection and analysis. To test the reliability of the instruments, therefore, Cronbach Coefficient formula was used and a reliable figure of .722 was achieved. Descriptive statistics were used to analyze data and included counts, percentages, means together with the standard deviations. Pearson's correlations and t-test were used and the findings were then presented in tables. The results showed that: talent retention ($\beta=.384$ Safaricom; $-.172$ Telkom), talent attraction ($\beta=.322$ Safaricom; $.221$ Telkom) and career management ($\beta=.387$ Safaricom; $.191$ Telkom) was more effectively employed and worked better for Safaricom than for Telkom and its efficient use had a significantly positive influence on Safaricom's performance and likewise its inefficient use had a negative influence on Telkom's performance. The study thus recommends that: Telkom management should offer attractive remuneration packages to ensure substantial talent retention in the organization. Telkom management should employ proactive knowledge and skills together with competency as the mode via which the company mainly recruits. They should also, have a robust talent search matrix which allows for experienced, academically qualified, driven and competent employees to be hired and the company should then use a work-life balance matrix which motivates and rests employees to make talent attraction easier. Both Safaricom and Telkom should continue to invest in training of their staff as a means to enabling efficient succession management in both companies. Further, both companies should device workable succession management plans to effectively manage the process.

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ACRONYMS AND ABBREVIATIONS

ANOVA	–	Analysis of Variance
CBK	-	Central Bank of Kenya
CDMA	-	Code Division Multiple Access
DNA	-	Deoxyribonucleic acid
ESCON	–	Ecological Security and Climate Organizations Net
GoK	–	Government of Kenya
GSM	-	Global System for Mobile
HR	–	Human Resource
KAA	–	Kenya Airports Authority
MPESA	–	Mobile money
NGOs	–	Non- Governmental Organizations
NOC	–	National Oil Corporation
NSE	–	National Securities Exchange
SME	–	Medium Scale Enterprises
SMS	–	Short Messaging Services
SPSS	–	Statistical Packages for Social Sciences

OPERATIONAL DEFINITION OF TERMS

Succession Management: This is considered a management method where persons in an organization are identified for certain positions in the organization via training and evaluation methods and later placed in various positions in the organization

Talent Retention: This refers to the keeping of skilled and professional employees within the ranks to avoid high turnover.

Talent Attraction: This denotes the capability of an organization to entice employees to the organization by enacting policies and procedures that allow for employee choice and both selection and retention in the organization

Career Management: Career management refers to the process that allows an appreciation and development of employees' careers in the organization and is geared to offering support to employees in a bid to enable them meet both their personal and organizational aspirations.

Training: This refers to learning actions in an organization that is created to improve the performance and fulfilment of employees in their day to day works

Performance: This refers to the outcomes and results accruing from a particular task and is measured by looking at certain indicators like profits, return on investment among others

Talent DNA model: Refers to the efforts of the organization to organize the organizational vision to meet the desired targets and create an environment where the organization is clear about their intentions and how they will get there.

CHAPTER ONE: INTRODUCTION

1.0 Introduction

This Chapter is intended to give a background of the study, describes the statement of the problem, enumerates the objectives, research questions and justification of the study and finally highlights the scope of the study.

1.1 Background of the Study

Succession management has taken a central position as a talent management inventiveness aspect for both local and international companies. Considering many successful businesses, succession management has become a strategic focus mechanism which allows for leadership maximization. But it also provides strategic consideration on positions that are critical in the company and offers opportunities for talented employees to grow necessary skills for good work. However, other companies have had succession management as a struggle. According to Lamoureux, Campbell, and Smith, (2009), such companies look at succession management more in the realm of administrative experience than the fresher competitive advantage environment. In more robust economic times, succession management can be ignored. However, in the current economic challenges, succession management has never been this important (Lamoureux, Campbell, & Smith, 2009)

Succession management involves talent retention which Rothwell, (2000) defined as the keeping of skilled and professional employees within the ranks to avoid high turnover. It also highlights talent attraction which denotes the capability of an organization to entice employees to the organization by enacting policies and procedures that allow for employee choice and both selection and retention in the organization.

Zhu, Chew, and Spangler, (2005) also mentioned an angle important to succession management as career management and training. They noted that career management denoted the process that allows an appreciation and development of employees' careers in the organization and is geared to offering support to employees in a bid to enable them meet both their personal and organizational aspirations. Moreover, on training they referred this to learning actions in an organization that is created to improve the performance and fulfilment of employees in their day to day works

Rothwell, (2000) posited that succession management and planning allows for the retention of a pool of very qualified and skilled personnel to take up important positions that would advance organizational operations. Succession management also allows for the evaluation of key leadership skills and development and the paths they take towards improving any organization. Succession planning here would thus permit a systematic process that drive an independent and professional evaluation of organizational challenges like team development, organizational growth and talent management. Such a systematic approach then deals with creating a connection between new strategies in a vibrant environment and organizational mission (Rothwell, 2000).

Studies like that of Gamson and Scotch (1964), suggest that succession management is particularly concerned with leadership development and evaluation within the organization and three theories have been advanced to try and explain such a management. The first theory is the adaptive succession management theory which is concerned with organizational performance. Other theories are more or less a critical response to the adaptive theory and they suggest that succession management rather than being adaptive is actually disruptive that then lead to negative performance results. Gamson and Scotch (1964) thus postulated the 'ritual scapegoating

theory' which asserts that succession management and planning is totally independent and thus divested from organizational performance.

Kaplan and Norton (2001) defined performance as the outcomes and results accruing from a particular task and is measured by looking at certain indicators like profits, return on investment among others. Basically, noting that performance is when a task is accomplished or an obligation effectively rendered to completion. Kaplan and Norton (2001) also noted that an organization that performs at its peak are measured via accounting methods of sales growth, profitability, liquidity coupled with cash flows not forgetting leverage. They added operational measures like market share, intangible assets alterations and market value added. Chong (2008) on his part added non-financial measures characterized by customer satisfaction and owner satisfaction. Lee and Bose (2002) asserted that performance can be quantified in several measuring means: profit, revenue, sales, productivity, dividends, growth, price of stock, capital and cash flow coupled with, return on capital, return on assets coupled with return on equity and per share earnings among several others.

Notwithstanding the public or private nature of a company, succession planning is pertinent to the attraction and retention of quality human resources for a period of time. Due to heightened competitiveness, business flexibility, sustainability and responsiveness, stunted economic growth and increasing uncertainty, turbulent recruitment environment, organizational restructuring, lack of funding and complexities in projects; the way workforce replacement and positioning is done is now very important (Caudron, 1999). Globally, succession management has gotten renewed review not just as a component in human resource management but also as a means to understand business growth and performance. Rothwell (2010) did a more recent evaluation of big corporates and showed that one of the key reasons for enacting succession planning and its

programs is derived from the challenge accruing from retention of skilled and professional employees.

Kenya is also experiencing an exponential growth in the private sector and consequently, succession planning inevitably is getting significant consideration among the corporate players. Onyango, Njanja, & Zakayo (2014), noted that the Kenyan private sector has become more strategically focused as a result of their increase and consequently the inherent competitiveness and organizational challenges that characterize a large pool of companies. They thus argued that in that spirit of strategy, succession makes leadership and thus any organization that values its performance need to consider succession management.

According to Zhu, Chew, and Spangler, (2005) leaders in a company are in charge of ensuring that the mission, vision and core values of their respective organizations are achieved. The compensation of employees, the innovativeness of products, the quality of services delivered and the sales growth of companies are some of the important actions to which a company leader is responsible for. Thus, succession planning to ensure that an influential leader is put in place and an investigation to assess if a connection exists between succession management and business outcomes are very necessary.

This is even more important in the Kenyan telecommunication sector which has major players like Safaricom Limited, Telkom Kenya (Orange) and Airtel Kenya. This sector has grown over the period, however, with the new economic challenges facing the country, succession planning in such a sector is very important hence the need for the present study to compare the two notable companies.

The telecommunication sector has been very volatile as a result of heightened competitiveness, technological innovations and globalization which have almost stunted, in many cases, several businesses. Consequently, it is vital for a company to set up a competitive advantage which is both effective and sustainable. The telecommunication, industry, has been faced with problems that relate to succession planning. Despite the important role, the succession management plays in developing leadership capital to perpetuate organizational continuity, many telecommunication firms are yet to fully practice the noticeable doctrines of succession planning in the broader corporate planning processes. There has been an inherent gap between work force planning and strategic planning in most organizations. This in turn has led to difficulty in making accurate predictions on influence of succession management on performance of these firms. Safaricom Limited has managed to maintain dominance in the telecommunication industry through many strategies such as product innovation, diversification of products and the adoption of technology. How far Safaricom has adopted succession management strategy and its effect on the performance of the firm and how far Telkom that is under strategic focus has used succession planning needs investigation.

1.1.1 Safaricom Limited Profile

Safaricom Limited is one of the biggest telecommunication companies in East Africa and its core competencies are integration of telecommunication services that have mobile, fixed voice, short messaging service (SMS), Internet, data and MPESA as some of the products; the company also offers financial services and solutions to businesses and public-sector players. Under their voice products, both local and international roaming services are offered. The company also sell mobile handsets, modems for broadband access, laptops and routers. They also provide technological solutions to Small and Medium Scale enterprises (SMEs), data for businesses and

homes, hosting services such as cloud hosting and website management and security services. As a company, Safaricom also offers dividends and bills and bulk payments.

Safaricom began its operation in 1993 as a department in Kenya Posts & Telecommunications Corporation. It was however, incorporated on the 3rd of April 1997 meeting the requirements of the Companies Act as a Private company with limited liability. It was then translated into a public limited liability company in 16th may 2002 as a result of the 60% shareholding the Government of Kenya held in the company. The company as said earlier is one of the biggest in Africa with over 17 million subscribers and provide a wide range of products and services many of which have been mentioned earlier. The company is also listed in the Nairobi Securities Exchange.

Safaricom has been engaging in succession management for a long time and one of its notable transitions was the exit of the successful CEO in 2011 to be succeeded by a new one. Since then, and particularly recently in 2015, there has been exits by top management with the head of consumer business and the head of customer management leaving. The succession management of Safaricom is one of strong talent and career management as all of those who replaced the exiting senior management were staff at the company who had been trained to potentially replace any exiting senior staff as opposed to getting people from outside (Safaricom Press release, 2016-2017).

1.1.2 Profile of Telkom Kenya

Telkom Kenya is an integrating telecommunication company that offers a myriad of services. The services include mobile prepaid and postpaid service, wireless, High Definition service, Voice integration, international calling, roaming, e-Bill, short codes, Internet and data options;

domain together with mail hosting services and finally Orange money services. The company also offer GSM and CDMA platforms coupled with options via its terrestrial fiber optic network. Telkom Kenya was launched in 1999 and through its orange brand has a subscription of approximately 1.9 million people. The Orange brand has however been underperforming with losses running to over 2 billion shillings in the financial year 2015-2016. As it stands the orange brand has been rebranded to *Telkom* and is still operational though under strategic refocus to get it back to profitable operations.

Telkom's Kenya succession planning has been quick and frequent and substantial due to the massive rebranding that has occurred. The transition from Orange to Telkom Kenya has also seen a change of guard at the top with former Orascom executive becoming CEO and replacing Vincent Lobrthe one exiting. Of course, other managers have since been changed with the most recent, 2017, seeing a manager from Tigo Tanzania being the new head of HR, replacing the manager who has exited completed from the company. Telkom's succession management practice seems to center more on talent attraction from outside the company. One notable example is the hire of Safaricom's former Chief Technology Officer to replace the one leaving at Telkom in the same office (Telkom Press release, 2016-2017).

1.2 Statement of the Problem

It is evident from reviewed studies that no study has focused on succession management **and its** influence on performance of telecommunication firms and therefore this descriptive investigation of the phenomenon seeks to respond to the query, how does succession management influence performance of telecommunication firms? Further, none of these studies have been comparative

studies in any way and this study would thus fill the gap but most importantly add to the present body of knowledge in succession planning.

In the wake of globalization, succession management and planning are touted as important foundations of successful business operations and performance. Big corporations have managed to introduce policies that have allowed for talent attraction, retention and employee training to safeguard the company for future growth and market leadership control. Succession planning as has been argued earlier, introduces a platform where qualified and well-motivated human resources converge in a company. They are identified, made capable via training and put to work so as they can contribute to the growth of the business. However, it has been argued that better performing and big corporations employ and benefit more when using effective succession management to improve their performance and productivity than struggling or emerging companies. How far this is true for the organizational situation in Kenya remains significantly uninvestigated. Safaricom is a big and successful corporation with profits exceeding the 25 billion mark, while Telkom Kenya is a newly rebranded telecommunication company that recently posted losses upwards of 5 billion Kenya shillings. How the two companies have employed succession management and to what success needs urgent investigation and hence the comparative study.

Despite the fact that significant empirical reviews and investigations have been carried out on succession planning, most of them were carried out in other firms other than telecommunication firms. Onyango, Njanja, & Zakayo, (2014) carried out a research titled “*succession planning practices among the Non-Governmental Organisations in Kenya*”. Otieno, (2015) studied the influence of succession planning practices on performance of selected health service nongovernmental organizations in Winam division, Kisumu county, Kenya. Overall, there

existed a significant gap on comparative studies that looked at succession management and performance of telecommunication firms and this study filled it.

1.3 Research Objectives

The investigation sought to assess the influence of succession management on performance of Telecommunication Firms with a comparative study of Safaricom and Telkom telecommunications companies in Kenya.

The specific objectives were;

- i. To establish the influence of talent retention on organizational performance of Safaricom and Telkom Kenya companies.
- ii. To determine the weight of talent attraction on the organizational performance of Safaricom and Telkom Kenya companies.
- iii. To assess the effect of career management on the organizational performance of Safaricom and Telkom Kenya companies.
- iv. To determine the influence of training on the organizational performance of Safaricom and Telkom Kenya companies.

1.4 Research Hypotheses

H₀₁: Talent retention does not have a significant influence on organizational performance of Safaricom and Telkom Kenya companies

H₀₂: Talent attraction does not have a significant influence on organizational performance of Safaricom and Telkom Kenya companies

H₀₃: Career management does not have a significant on organizational performance of Safaricom and Telkom Kenya companies

H₀₄: Training does not have a significant influence on organizational performance of Safaricom and Telkom Kenya companies

1.5 Significance of the Study

Management of Safaricom Ltd and Telkom Kenya: The study findings if adopted by management of Safaricom and Telkom Kenya companies may benefit the companies through gaining knowledge on issues to do with succession management and how it impacts on organizational performance of the firms. The firms would in doing so come up with strategies to improve on the succession management practices currently in use.

Government and Agencies: The findings can also be of great significance and help to the government and its agencies such as the Communication Authority of Kenya. It may aid in pointing out key issues affecting succession management effectiveness and provide a platform for the development of policies and frameworks which may help train and equip the telecommunication firms in their capacity to develop effective succession management policies.

Scholars: The study would further be of significance to scholars since it would outline the influence of succession management on performance. Finally, this study can back future expansion of this area of research.

1.6 Scope of the Study

The study focused on issues to do with succession management and how it impacts on organizational performance of firms specifically considering a comparative study of Safaricom and Telkom telecommunications companies. **It specifically looked at talent retention, attraction, career management and training and how they influenced performance.** The study got the required data from Safaricom and Telkom Kenya headquarter offices in Nairobi County. The study targeted the management staff and personnel of the telecommunication companies. Documentary evidence of the succession management policy, incentives and implementation stages were considered also. The study used 96 respondents from Safaricom and 96 from Telkom Kenya who included both the management and support staff who were working in the head quarter in the year 2017. **Finally, the study was done between the months of June to September 2017.**

1.7 Chapter Summary

This chapter puts to ink and highlights the background of the study coupled with the statement of the problem and follows further by briefly stating the objective of the research work. The chapter also shows the research questions, significance of the study, scope and the limitations of the study.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

The chapter offers the theoretical framework which covers the selected and appropriate theories relevant to the study. The chapter presents the empirical review of literature that are in line with the study variables and succession management and performance. The review is consequently critiqued so as to highlight the knowledge gaps. Finally, the study presents a conceptual framework that offers a basis for the link between the variables.

2.1 Theoretical Review

This section looks at three notable theories that have been formulated to explain the current study. They are the Maslow's Hierarchy of Needs, Talent DNA Model and the Self-concept Theory of Career Development.

2.1.1 Maslow's Hierarchy of Needs

The Maslow's Hierarchy of Needs is a theory postulated by Maslow (1943) that asserts that motivation is necessary to have an individual get need satisfaction. The theory is premised on a five level Pyramid illustration that starts at the lower stage where the man has his powerful need which is also his basic need; which influences his behavior. So, we have physiological needs characterized by food, water, air, shelter and sleep. If these needs go unmet, the person's job performance inevitably dips. Safety needs then follow and are characterized by personal security, well-being, family, property and financial security among others. Then social needs characterized by love and friendship follow. Basically, employees must feel a sense of belonging if they are to perform to the peak of their abilities. Consequently, it is important that

organizations set themselves up to provide a means via which they can satisfy these needs if they are to eventually meet the goals of their respective organizations.

Maslow (1943) then went on to list esteem needs that are premised on the need or acceptance and recognition. In the event that employees for instance are unaccepted and unrecognized; performance may not be met. Such an acceptance also builds self-esteem and confidence which are recipes for better performance. Finally, we have growth needs which are linked to personal growth and self-actualization. Every employee wants to attain the highest peak of performance and the highest form of personal achievement and thus any organization must ensure that this is done. Maslow (1943) asserted that the last stage is important as it give a strong and lasting motivational impression on individuals which could be important for job performance.

Mayo (2003) argued that employees are more concerned with things that are beyond monetary rewards. He consequently coined that human relation school of thought that argued that individuals want their deepest intrinsic needs to be met as opposed to simply the extrinsic rewards. Through his experiments that tried to measure the productivity of employees by placing them in different hostile environments; he found out that employees who were more productive were the ones who had their social, growth and esteem needs met. This theory is thus relevant to the present study because the quality of staff and the positions they could potentially attain through succession is dependent on the satisfaction of their needs at whatever level.

This theory is relevant to the present study as according to Zhu, Chew, and Spangler, (2005) leaders in a company are in charge of ensuring that the mission, vision and core values of their respective organizations are achieved. The compensation of employees, the innovativeness of products, the quality of services delivered and the sales growth of companies are some of the

important actions to which a company leader is responsible for. Thus, succession planning to ensure that an influential leader is put in place and an investigation to assess if a connection exists between between succession management and business outcomes are very necessary and particularly considering the appropriate variables to this theory like talent attraction, retention and career management.

2.1.2 Talent DNA Model

The Talent DNA Model was first postulated by Shravanthi and Sumanth (2008) who projected in a relevant theory that the talent management model which sought to invent a roadmap that would be useful to meet organizational goals. The theory used the DNA illustration and presented the model in three phases. The first phase is the identification of key roles, followed by competencies identification that are needful to achieve the key roles and show a database for competencies. It should be noted that talent management and it DNA are relevant to the progress of an HR function from talent attraction, needs identification and speed and timeliness of production among others. Shravanthi and Sumanth, (2008) thus argued that there must be a balance between talent management and employee satisfaction to eventually meet the requirements for performance of any organization.

The third phase has to do with the identification and acquisition of capacities that drive the individual's potential. Such capacities form a basic principle in DNA for talent management. Talent management thus is important to build a depository and profile of talents within an organization in a bid to build up the succession management process for the organization. This will also help in developing the company for future sustainable growth. The Talent DNA Model becomes pertinent to the present study because it carefully highlights that proficiencies and

competences needed that an organization imperatively must acknowledge, the proficiencies and competences must be linked to work station and its position and companies must be enabled to recruit the most qualified personnel. Consequently, based on the three phases, establishments can appropriate the talent DNA theory to attract and hold on to talented and skilled workers (Shravanthi and Sumanth,2008).

The theory is relevant to the present study as Rothwell (2000) posited that succession management and planning allows for the retention of a pool of very talented, qualified and skilled personnel to take up important positions that would advance organizational operations. Succession management also allows for the evaluation of key leadership skills and development and the paths they take towards improving any organization. Succession planning here would thus permit a systematic process that drive an independent and professional evaluation of organizational challenges like team development, organizational growth and talent management. Such a systematic approach then deals with creating a connection between new strategies in a vibrant environment and organizational mission (Rothwell, 2000).

2.1.3 Self-concept Theory of Career Development

Super (1990) noted succinctly that the self-concept theory of career development has over the years maintained its status as the go-to theory for career growth and development. Super, (1990) recommended to the extent that career choice and development should fundamentally be the methodology for growing and applying an individual's self-concept. Super (1990) asserted that it is a conglomeration of complex connections within a number of determinants like personal experiences, psychological growth, setting and physical development. Super (1990) further asserted that the extent to which a certain individual career growth is fruitful is contingent upon

the person ability to apply his or her career self-concept. Individuals' career concept based on Super, (1990) is a consequence of interaction of the individual's personality interest, skills, experiences and the standards and the manner in which they assimilate these features into their innumerable life roles. Generally, as individuals go through fresh situations, interact with new people and educate themselves more on the world the work in, they are expected to advance new interest, crack new possibilities of articulating their self-concept and discover new methods of assimilating their career choices (Super, 1990).

Studies like that of Gamson and Scotch (1964), suggest that succession management is particularly concerned with career and leadership development and evaluation within the organization and three theories have been advanced to try and explain such a management. The first theory is the adaptive succession management theory which is concerned with organizational performance. Other theories are more or less a critical response to the adaptive theory and they suggest that succession management rather than being adaptive is actually disruptive that then lead to negative performance results. Gamson and Scotch (1964) thus postulated the 'ritual scapegoating theory' which asserts that succession management and planning is totally independent and thus divested from organizational performance. Career management is the most appropriate variable explained by the self-concept theory.

2.2 Empirical Review

2.2.1 Talent Retention

Hor, Huang, Shih and Lee, (2010) did one of comparative studies using correlational design on succession management in Taiwan. In the studies, they looked at the semi-conductor business of two big corporations in Taiwan but with different levels of profitability. The bigger corporation,

Tainstei Company had a profit of over 4 billion USD in 2008 while the other, Muskul corporation, had a lower profit margin of 300 million USD. The study noted that talent retention that is premised on the idea that a good and potentially successful company must ensure it retains the best talents especially as a succession planning construct. The study also highlighted that talent management and attraction and training of staff were important aspects of succession management. The study was a regressed result that tested hypotheses using regression analysis to look at talent retention and attraction together with training of staff and how they influence performance. The findings showed that succession management and its constructs of talent retention and attraction together with training of staff had a positive influence on performance. Most importantly, the study noted that more successful and organized companies, in their case Tainstei Company, enjoyed the fruits of succession planning as they were better at it, than struggling or low profit companies like Muskul corporation. These findings seem to agree with the present study that has shown that Safaricom Company employs succession planning, particularly talent retention and attraction better than Telkom which by dint of its losses and struggling keeps good talents away.

A comparative study done by Gunnoe et al (2015) shows an interesting result as regards talent retention as an aspect of succession planning in construction companies in India. The study employed correlational design to test of the significant relationship between talent retention and training of employees on one hand and employee productivity on the other. The results noted that inasmuch as construction companies had almost similar operational ways of doing business, they employed succession management in various and diverse ways. Talent retention for some companies was not considered as important as cost cutting and other strategic matters while other companies looked at talent retention and training as essential elements of a successful company

that appreciates that succession and management transition was a normal and inevitable element of every day's life for any business. The study found that most of the construction firms that placed talent retention and overall succession management on the back banner were also the ones that performed poorly and looked at cost cutting and strategizing of operations and policies as more important than succession planning and management. the reverse was also true, that those who looked at succession management through talent retention and training were the ones who were more profitable and more productive. One notable research gap on the matter of succession management and its constructs of talent retention and attraction together with training of staff is that there are very limited comparative studies done and the present study may fill a huge existing gap on that front. **Gunnoe et al (2015) has also criticized the DNA talent model by arguing that the theory is not applicable to all the variables of succession management and secondly it deals exclusively with organizational tasks and not organizational performance as a significant construct.**

Namusonge, and Karanja, (2014) in a descriptive survey study on the influence of talent retention on organizational performance and using stratified sampling technique to get data from the Nairobi Securities Exchange observed certain elements that are important. In **the** regressed results, **they** found out that talent retention was necessary for the enacting of successful businesses. They found out also that when companies engage in attractive compensation of employees, provide insurance coverage, offer flexible working hours and motivates them both intrinsically and extrinsically, that such employees were more willing to stay on. However, the study did not look at employee retention as a component that can influence performance using both financial and non-financial measurements of performance as this study will do.

Maliku, (2014) did a study to establish the contributory link that ties together employee retention and growth of the National Oil Corporation business located in Kenya. The investigation was a descriptive survey research that used frequencies and percentages gotten via a simple randomly sampled 210 respondents. Based on **the study** findings, they found out that employee retention has a positive influence on organizational performance, particularly for energy companies like the NOC. However, the study noted that a significant number of the employees felt like more needed to be done to retain them more. Further, **the study** noted that highly motivated employees performed better than their demotivated counterparts. In situations where employees felt demotivated, high turnover was experienced which did not indicate well for the organizational performance of the company. The study consequently recommended that proper employee retention strategies be introduced so as to build the employee commitment to the organization. The study again failed to use the proper measures of performance and thus left a huge gap which the present study will attempt to fill.

Karunathilaka, (2016) did a study to understand the influence that HR strategies had on talent retention and how the retention consequently impacted on performance of private companies in Sri-Lanka. In this study three notable strategies were identified and hypothesized. They were: talent rewarding, talent empowerment strategies and talent engagement strategies had a positive impact on organizational performance in private companies. Using questionnaires to descriptive survey 218 HR staffers in the companies and employing inferential statistics in analysis (specifically Kolmogorov-Smirnov test), the study found out certain salient outcomes. One, that talent retention via the three strategies was significant predictors of performance. Secondly that talent empowerment strategies and talent engagement strategies were the strategies least used by organizations and subsequently, many of the private companies had high turnovers of dissatisfied

employees. It should be noted that in this study, the elements of talent retention and attraction were discussed as determinants of succession management and that they were the main pointers to whether succession management was taking place meaningfully or not. They also did not however get a comprehensive measure of performance and they assumed that talent retention constitutes only three strategies which is limiting.

Ibidunni, Osibanjo, OAdeniji, Salau, and Falola, (2016) did a seminal study on talent retention and its influence on performance and competitive positioning of banks in Nigeria. Again, the study was descriptive in nature and sampled 185 staffers in the management cadre of the banks. Using self-administered questionnaires that were later analyzed using Statistical Package for Social Sciences (SPSS) version 21 that gave out regression and correlational results together with descriptively analyzed results, certain important findings came out. One of the important findings was that pay and remuneration were important motivators for retention. This goes against the Maslow's theory of Needs and the Human pool school of thought by Mayo (2003) discussed earlier, which argued that money was not a great motivator for retention. Consequently, this study will attempt to find out that true situation in private and telecommunication companies in Kenya.

2.2.2 Talent Attraction

Lin and Liu (2012) are considered to have done a clear and deep comparative study to try and demystify successor characteristic, change in the internationalization characteristic of the firm and performance; all being moderated by environmental uncertainty. The study was a comparative study across the countries of Malaysia, Singapore and businesses in Hong Kong. The study is considered deep partly because of the myriad of complex analytical techniques and

tools, regression, correlation, t-tests and PATH analysis being part of it. However, the results first show that efforts towards talent attraction are some of the important successor characteristic that have a positive influence on performance of organizations and the aspect of talent attraction is inextricably linked to succession management. the study noted that countries with high and stable GDPs like Singapore and Malaysia show a strong element of proactive succession management compared to those of low GDP. This goes to imply that succession management is important for the performance of companies and that the best performing companies having realized this was employing talent attraction, retention and training in an efficient way to ensure that succession management succeeded.

Rothwell (2011) also did a comparative review of two construction companies in Sweden. **The study** was correlational in nature and sampled 343 staffers from three construction companies. The study began by asserting that talent attraction and retention are talent management aspects that are intertwined strongly to succession planning and management. in fact, **the study** mentions that talent management and replacing process is the starting point to full succession planning and management. **The study** generally sought to establish the link between talent attraction, talent management and succession planning. The findings accruing from the data analysis shows that talent attraction is important for most companies and that the construction firms he considered all showed robust talent attraction efforts. **The study** however noted that some companies were not successful in getting the desired performance outputs even after engaging in efficient talent attraction efforts largely because of lack of commitment by the incoming management team. **The study** recommended therefore that in order to have succession planning and talent attraction done effectively, there is need to create a long lasting and binding policy to safeguard the company from a change of tact as soon as a new manager comes in. as argued earlier, there is still very

minimal comparative studies on succession planning and management and its influence on performance or organizations and the present study will add knowledge to this gap.

Lyria, Namusonge, & Karanja, (2017) performed an important study on talent attraction and how it influences organization performance at the NSE in Kenya. Both quantitative analysis via inferential and descriptive statistics and qualitative analysis via content and narrative analyses were used. The study sampled 224 employees using both simple random and stratified sampling techniques. Questionnaires were used as the chief instruments to obtain data which were later analyzed with the aid of SPSS version 22. The study found out that talent attraction was admittedly an important element in improving organizational performance but that the strategy was rarely used due to lack of strategy awareness. The problem of the study, however, was that they used talent attraction has a single variable with no sub-variables which meant that talent attraction was not significantly constructed. This study will attempt to fill the gap by including significant facets of talent attraction.

Karuri, (2015) did a descriptive investigation of talent management and its influence on employee outcomes for the Central Bank of Kenya. The variables in this case were talent retention, talent attraction employee training and career management. employee outcomes were characterized using job satisfaction, employee engagement and teamwork. Descriptive coupled with inferential analysis constituted the primary statistical tools for analysis of the study's data. Sampling 130 staff of CBK the study found out that; talent retention, talent attraction employee training and career management had a positive relationship with job satisfaction, employee engagement and teamwork. However, of course, the study did not consider the influence of talent retention, talent attraction employee training and career management on performance as this study will do.

Mary, Enyinna, & Ezinne, (2014), considered the connection and relationship that exists between talent management and used talent retention, talent attraction employee training and career management as variables on performance in Nigerian private sector. They used the Taro Yamani's statistical technique of sample 364 respondents and further employed the use of Analysis of Variance (ANOVA) to test the hypotheses. The study found out there was lack of talent management system that would help improve organizational performance. Also, they located a problem in the manner in which talent retention, talent attraction employee training and career management were done, that is, with no strategic focus and organizational commitment. They also did not however get a comprehensive measure of performance.

2.2.3 Career Management

Madter, Bower and Aritua, (2012) did a comparative study using descriptive and correlational research designs and also targeted construction firms in Nigeria. The study seems to be one of the very few comparative studies touching on succession planning and career development as constructs in the whole of Africa. What Madter et al (2012) found is that the two construction firms he highlighted ad diverse performance levels. One, Ogon constructors was making profits upwards of 1 million USD while the other, Maom Constructors was making losses of upwards of 1 million USD. The study thus sought to ascertain the succession management and career development efforts by the two companies and ascertain how significantly those constructs influenced performance. The findings primarily showed that the company making losses also employed ineffective career management practices as compared to the more efficient profitable construction company. The conclusion was thus that there is a strong trend suggesting that succession management was ably employed by companies who were succeeding and wanted to

keep succeeding. Further, that companies that are failing partly got there in the first place by paying lip service to succession management.

On his part Shamsuddin (2012) looked comparatively at Malaysian service industries so as to gain insights into leadership management and career development as a means to efficient succession management for successful organizational performance. The study noted through the t-tests and regression analysis performed that career development was a factor that is very important for any progressive organization. The study then noted that leadership management must be intertwined with career development as succession management tools if an efficient and strategic performance outputs are to be realized in the organization. The study noted that companies that did not take career development, leadership management and succession management seriously paid for such neglect with low productivity and undesirable performance. In his comparative review, there is an element of service industries underperforming due to ineffective succession planning and career development.

Lyria, Namusonge, and Karanja, (2017) in a descriptive analysis study on career management and how it influences organizational performance of the Nairobi Securities Exchange; discovered important issues that are pertinent for any organization seeking to succeed in a cutthroat business environment. The sample was 224 and questionnaires were used which were later analyzed descriptively and inferentially. The study found out that career management did not receive significant focus by the NSE as it was assumed that such career capacities were developed before one was recruited at the company. Studies have of course highlighted the fallacy of this assertion and this study joins the several studies to try and show the actual situation of career development in enhancing organizational performance.

Chelimo, (2014) did an important study on employee's perceptions on career management at Kenya Airports Authority. The study employed descriptive survey research design that allowed for correlation, regression and descriptive analysis that sampled 81 employees. Using questionnaires, the study found out that employees had positive perceptions about career management and its benefits. However, they had negative perceptions about the way the management enacted career management policies to their benefits with over 80% saying that the career management processes at KAA worked to their detriment and not their benefits. The present study will also inadvertently seek to get the employee's perceptions on career management but go further to link the career management to organizational performance.

Khuida, and Siti, (2004) did an investigation on the connection between career management and growth coupled with performance using descriptive survey research design and sampling 198 respondents of private firms in Morocco. The results indicated that career management was a vital tool for advancement of organizational performance. The study also noted that with effective training of employees' skills and professionalism, organizational performance almost automatically improved. The study did not however consider the extent to which career development affected the significant measures of performance.

Gamson and Scotch (1964), critically suggest that succession management is particularly concerned with career and leadership development and evaluation within the organization and the self-concept of career development been advanced to try and explain such a management. The first theory is the adaptive succession management theory which is concerned with organizational performance. Other theories are more or less a critical response to the adaptive theory and they suggest that succession management rather than being adaptive is actually disruptive that then lead to negative performance results

Kraimer Seibert Wayne & Liden, (2003) deliberated on the relationship that connects organizational career development and professed career support. The perception about career support was defined as the belief the employee has on whether the company cares about the employee needs and achievements. The found out that mentoring programs, discussions with employers and management and career management activities had a positive influence on employee motivation and consequently organizational performance.

2.2.4 Training

Sharma et al (2013) did a comparative empirical review on articles touching on succession planning as an angle of planned behavior. The study highlighted significant and salient results after a content analysis of the descriptive and explanatory articles touching on succession planning and training of employees as a strong and significant element of succession management. what the study found was that in the scheme of things and comparatively, training is important for any organization even those that are struggling in terms of profitability, return on assets and equity and those that are emerging in terms of startups or rebranding. That being said, the study found out that training however was not very integral to succession management strategy but more as an operational element to equip staff for better work. What this did according to Sharma et al (2013) is to deny the staff a positive attitude and appreciation of training as a succession planning element that would not only equip staff for better service but make them ready in case of any management transition or succession.

Stahl et al (2012) also offered findings on a comparative study of service businesses in the USA, New York in particular, and consequently presented the six principles that make organizations succeed in a succession management framework or context. The study was both quantitative via

descriptive elements and qualitative via narrative analysis of interview responses from notable scholars of management. In that regard, the study is considered a go-to work when analyzing succession management and its determinants in organizations. Consequently, from the results, the study noted that training ranks highest among the constructs that explain the whole concept of succession management. Other constructs mentioned by the Stahl et al (2013) research are talent attraction, retention, assimilation and career management and progression practices. The study then ascribes significance to the positive influence of training on performance both financial and nonfinancial. Comparatively, they noted that all the companies reviewed showed a proportionate positive performance to efficient training, talent attraction and retention. Thus, those that did not employ these succession management elements effectively also suffered poor returns and vice versa.

Amadi, (2014) in a descriptive survey study on training and growth of staff and how it related to employees' performance and using stratified sampling technique to get data from the Safaricom call Centre observed certain elements that are important. In the regressed results, **the study** found that training development is very important in the enhancement of organizational goals and overall performance. The discussed training methodology and argued that a training method that was encompassing and all-inclusive worked better in organizations. However, how such training development affect performance was not covered by this study and hence a gap exists that the present study will help to cover.

Emeti (2015) appraised the components of training and staff growth as it consequently related to performance of paint manufacturing companies in Rivers State Nigeria. Using descriptive survey that used frequencies and percentages gotten via a simple randomly sampled 312 respondents; the process was exhaustive. Based on **the study** findings paint manufacturing companies that

heavily invested in training development performed better financially. Secondly, the training helped to build up support and employee satisfaction which in turn helped to improve employee productivity. The study however measured performance using financial aspects of profitability together with return on investment and assets. This study while using the aspects of profitability and return on investment and assets also will use satisfaction and other non-financial measures of performance.

Degraft-Otoo, (2012) performed significant work on a topic titled “*the influence of training on employee performance at Accra Polytechnic.*” The study was a case study using questionnaires given to 50 senior staff of the polytechnic. The analysis was a conglomeration of regression, Pearson’s Correlations and descriptive counts and percentages. The findings of the study were that training and growth positively correlated with productivity of employees. The study also noted that many educational institutions were ironically not engaging in training due to the high costs they associated with the exercise. The study looked at employee performance as a single construct while the present study will look at performance as a general multiphase construct.

Khan, Khan, and Khan (2011) using both quantitative analysis via inferential and descriptive statistics and qualitative analysis via content and narrative analyses sampled 224 employees using simple random technique. Questionnaires were used as the chief instruments to obtain data which were later analyzed with the aid of SPSS version 22. The findings of the study were that there was a lack of synchronization between training design, delivery style and training method and this hampered organizational performance. The study recommended robust training mechanism for organizational performance.

2.2.5 Performance

Kaplan and Norton (2001) defined performance as the outcomes and results accruing from a particular task and is measured by looking at certain indicators like profits, return on investment among others. Basically, noting that performance is when a task is accomplished or an obligation effectively rendered to completion. Kaplan and Norton (2001) also noted that an organization that performs at its peak are measured via accounting methods of sales growth, profitability, liquidity coupled with cash flows not forgetting leverage. They added operational measures like market share, intangible assets alterations and market value added. Chong (2008) on his part added non-financial measures characterized by customer satisfaction and owner satisfaction. Lee and Bose (2002) asserted that performance can be quantified in several measuring means: profit, revenue, sales, productivity, dividends, growth, price of stock, capital and cash flow coupled with, return on capital, return on assets coupled with return on equity and per share earnings among several others.

2.4 Summary of Research Gaps

Lyria, Namusonge, & Karanja, (2017) and other researchers in their descriptive analysis studies on career management, talent attraction and retention and training and how they influence organizational performance of; discovered important issues that are pertinent for any organization seeking to succeed in a cutthroat business environment. The studies have not however considered the extent to which career development, talent attraction and retention and training affect the significant measures of performance; hence a gap exists that the present study will help to cover. The study will moreover look at employee performance not as a single construct but look at performance as a general multiphase construct. **Further, much of the**

comparative works highlighted have looked either at developed countries, or industries that are not telecommunication in nature and the study hoped to fill the gap.

2.5 Conceptual Framework

This conceptual framework offers a link between the independent variable and the dependent variable; making the assumption that the independent variables (career management, talent attraction and retention and training) have an influence, negative or positive, on the dependent variable (Performance)

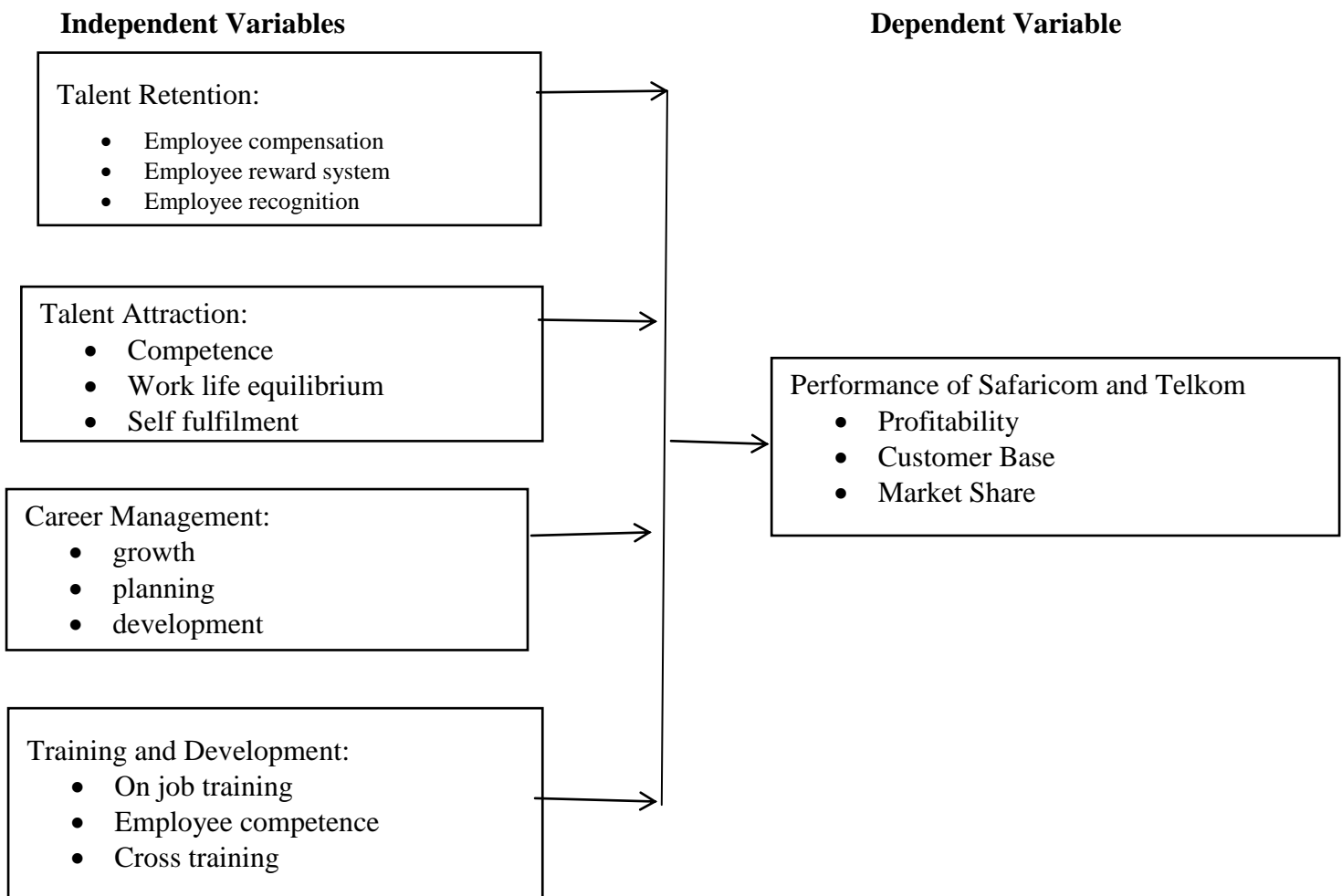


Figure 2.1 Conceptual Framework

2.6 Operational Framework

Table 2.1: Operationalization of the Variables

Objectives	Measures	Data Collection	Measuring Scale	Level of Analysis
influence of talent retention on organizational performance of Safaricom and Telkom Kenya companies	<ul style="list-style-type: none"> Employee compensation Employee reward system Employee recognition 	Questionnaires	<ul style="list-style-type: none"> Nominal Ratio 	<ul style="list-style-type: none"> Count Percentage Mean Standard Deviation T-test Correlation Narrative Analysis
influence of talent attraction on the organizational performance of Safaricom and Telkom Kenya companies	<ul style="list-style-type: none"> Competence Work-life balance Self-fulfillment 	Questionnaires	<ul style="list-style-type: none"> Nominal Ratio 	<ul style="list-style-type: none"> Count Percentage Mean Standard Deviation Correlation T-test Narrative Analysis
the influence of career management on the organizational performance of Safaricom and Telkom Kenya companies.	<ul style="list-style-type: none"> growth planning development 	Questionnaires	<ul style="list-style-type: none"> Nominal Ratio 	<ul style="list-style-type: none"> Count Percentage Mean Standard Deviation Correlation T-test Narrative Analysis
influence of training on the organizational performance of Safaricom and Telkom Kenya companies.	<ul style="list-style-type: none"> On job training Employee competence 	Questionnaires	<ul style="list-style-type: none"> Nominal Ratio 	<ul style="list-style-type: none"> Count Percentage Mean Standard Deviation Correlation T-test Narrative Analysis
Performance	<ul style="list-style-type: none"> Profitability Market share Customer base 	Questionnaires	<ul style="list-style-type: none"> Nominal Ratio 	<ul style="list-style-type: none"> Frequency Descriptive Correlation/regression T-test

2.7 Chapter Summary

The chapter offered the theoretical framework which covered the selected and appropriate theories relevant to the study. The chapter presented the empirical review of literature that are in line with the study variables on succession management and performance. The review was consequently critiqued so as to highlight the knowledge gaps. Finally, the chapter presented a conceptual framework that offered a basis for the link between the variables.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights the research methodology processes and procedures that were useful to measure the constructs of the present study. Consequently, the study classifies the research design, population, sample and its attendant sampling procedure, instrumentation, then reliability and validity measures together with data collection procedures, analysis of data and presentation and ethical considerations.

3.2 Research Design

Kothari (2004) distinctly explained research design as the general and overriding plan for any particular research. He noted that research design permits a general understanding and conceptualization of what needs to be done from problem conceptualization to results presentation. This study employed descriptive design to describe the phenomenon under study and correlational survey research design which was applicable where the researcher presented data that both described a situation or phenomena that was happening or had already happened and comparing the results for different entities (Mugenda and Mugenda, 1999). That being the case, the designs were appropriate for the present study as it described the succession management happenings at Safaricom and Telkom Kenya Limited and how they influenced performance.

3.3 Target Population

Mugenda and Mugenda (2003) distinctly explained a target population as the entire group of respondents that are relevant and form the appropriate portion of persons whose voice is

necessary for the resolution of the research questions. For this study 232 management staff at Safaricom and 218 from Telkom all working at the headquarters were targeted (Safaricom Sustainability Report 2016). The population was selected because of their relevance and the fact that the study used their workstation as the case and further that the management staff were reliably qualified to answer on questions to do with succession management from the organizations being that they deal with it directly. **The study was done between April 2017 to August 2017.**

Table 3.1 Target Population

Safaricom		Telkom Kenya	
Departments	Population	Departments	Population
1. Corporate Affairs	19	1. Corporate communications	14
2. Strategy and innovation	22	2. Strategy and business development	28
3. Consumer business unit	21	3. Administration and Compliance/security	18
4. Enterprise Business	16	4. Enterprise Division	14
5. Technical and IT	28	5. Technology	24
6. Internal Audit	14	6. Legal and regulatory affairs	10
7. Customer Relations	32	7. Customer Care	26
8. Human Resource	24	8. Human Resource	16
9. Sales and Operations	38	9. Sales and marketing	26
10. Finance	16	10. Finance	10
		11. Mobile Division	14
		12. Carrier Service Division	18
Total	232		218

Source: Safaricom and Telkom Kenya Sustainability Report 2016-2017

3.4 Sample and sampling technique

Stratified sampling was used to categorize the 10 departments from Safaricom and the 12 departments from Telkom Kenya. Stratified was employed because in some cases the respondents were basically heterogeneous having dealt with succession management at different stages and having encountered different management elements. On the other hand, Kothari (2004) described a sample as the small but representative portion of the target population and highlighted that sampling is important in cases where the target population may be unmanageable. To sample the present population 30% was used which is a percentage that Kothari (2004) recommended; from the population 30% of Safaricom's 232 management staff comes to 70 staff and 30% of 218 Telkom's staff comes to 65 staff. The respondents per department were then selected using simple random sampling which allowed for a representative and without bias selection of the management staff from the two companies, Safaricom and Telkom.

Table 3.2: Sample Size

Safaricom			Telkom Kenya		
Departments	Population	Sample (30%)	Departments	Population	Sample (30%)
1. Corporate Affairs	19	6	1. Corporate communications	14	4
2. Strategy and innovation	22	8	2. Strategy and business development	28	9
3. Consumer business unit	21	6	3. Administration and Compliance/security	18	5
4. Enterprise Business	16	4	4. Enterprise Division	14	4
5. Technical and IT	28	8	5. Technology	24	8
6. Internal Audit	14	4	6. Legal and regulatory affairs	10	3
7. Customer Relations	32	10	7. Customer Care	26	8
8. Human Resource	24	8	8. Human Resource	16	4
9. Sales and Operations	38	12	9. Sales and marketing	26	8
10. Finance	16	4	10. Finance	10	3
			11. Mobile Division	14	4
			12. Carrier Service Division	18	5
Total	232	70		218	65

Source: Safaricom and Telkom Kenya Sustainability Report 2016

3.5 Data Collection Instruments

The study utilized primary data via the employ of questionnaire in the **format of 5-point Likert scale** that was given to the **staff**. Kothari (2004) observed that questionnaires are appropriate in situations where the sample is large. The noted research scholar also noted that questionnaires allows for privacy and confidentiality and allows for better and more structure analysis since they are presented in paper format. Likert scale type of questionnaires was selected as they offered a better measurement process and allowed for the measurements of opinions, perception and attitude. Further, to get the performance measurements and results, the study relied on secondary data acquired from the consolidated audited group results for Safaricom and Telkom companies.

3.6 Pilot Study

A pilot test is important for measuring the reliability of the instruments (Saunders, Lewis and Thornhill 2012) and as a result, a pilot study was done on 10 of the target population respondents (**1% of the target population**) from both companies which is a percentage that Saunders, Lewis and Thornhill (2012) mentioned is acceptable in the event that the population is significantly large. The findings were not included in the final tally of results in the actual study.

3.6.1 Validity Test

Mugenda and Mugenda (2003) asserted that validity signifies the degree to which the study instruments measure their intended constructs without ambiguity and confusion. There are three notable types of validity, namely: face, construct and content validity. The most appropriate validity for the present study was content validity which is concerned with whether the statements in the questionnaires measure what they are meant to measure based on the research

variables. Content validity was thus measured by the researcher's supervisors who looked at the items in the questionnaires and advised the researcher on what needed to be changed to improve data collection and analysis.

3.6.2 Reliability Test

Reliability describes explicitly the degree to which the instruments of measurement, in this case the questionnaires, provide consistent and dependable results. These results are deemed consistent and dependable if they can be repeated under similar settings and circumstances. To test the reliability of the instruments, therefore, Cronbach Coefficient formula was used with a reliable figure of 0.722 for Safaricom and 0.701 for Telkom; a formula which if a score of over 0.7 is acquired implies acceptable reliability.

Table 3.3 Reliability test

Measurement	Safaricom	Telkom
Cronbach Coefficient	.722	.701

3.7 Data collection procedure.

All the relevant permissions were sought from the appropriate bodies, starting with the management at Safaricom then the respondents themselves. A letter of introduction was attached on the questionnaires that sought consent from the staff. Drop and pick method was used on the staff who had a minimum of a day and a maximum of four days to respond, being that they were

often busy. The respondents were offered valuable guidance by the research assistants where clarification on the items of the questionnaire was needed.

3.8 Data Processing and analysis.

Quantitative analysis techniques were used characterized by descriptive statistics. Descriptive statistics used included counts, percentages, means and standard deviations. Further, Pearson's correlation and regression analysis were employed as an inferential statistical tool to test for significant relationship between variables and t-test was also used to test for the comparative measures of the variables from the two companies. The findings were later presented in tables which is advisable as they offer a more elaborate and clear graphical output of the results. SPSS version 23 aided in data analysis and presentation.

Regression Model

$$y_{od} = \alpha + \beta_1 (X1) + \beta_2 (X2) + \beta_3 (X3) + \beta_4 (X4) + e$$

Where the variables are defined as:

Yod-Performance

X1- Talent Attraction

X2-Talent Retention

X3- Career management

X4- Training

e- Error term

3.9 Ethical Considerations

It was the standing principle of the researcher that first, a consent be sought from the respondents before the data collection commences. Secondly, privacy and confidentiality be assured to the respondents. Thirdly, anonymity of the respondents be respected with the respondents asked not to insert their names on any parts of the questionnaires. The results from the questionnaires be used only for academic purposes and thus its integrity be maintained. Finally, at the close of the analysis the questionnaires be disposed of following the laid down standard of ethical disposal.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter highlights the results and discussion of the findings that is based on the demographic information, performance, the connection that exist between talent retention and organizational performance; talent attraction and organizational performance; career management and organizational performance; and training and organizational performance of Safaricom and Telkom Kenya companies. Pearson's correlations will also be presented.

4.2 Response Rate

The study sought to sample a total of 70 staff from Safaricom limited and 65 from Telkom. However only 65 staff of Safaricom and 63 of Telkom gave their full responses and this showed a response rate of 92.8% for Safaricom and 96.9% for Telkom; percentages that are acceptable and deemed representative of the sample and population.

4.3 Demographic Information

The respondents from both companies were asked to give data on the gender, age, education and level of experience. The responses are as presented in Table 4.1.

Table 4.1 Demographic Information of Respondents

Characteristic	Safaricom		Telkom	
	Count	Percent	Count	Percent
Gender				
Male	38	56.3%	48	73.2%
Female	27	43.7%	15	26.8%
Age				
Less than 30	13	21.3%	13	20.6%
31-40 years	38	51.4%	36	55.0%
41-50 years	8	14.2%	7	12.2%
Above 50 years	6	13.1%	7	12.2%
Education				
Diploma	9	18.1%	11	19.1%
Degree	50	66.2%	45	67.3%
Post Graduate	6	15.7%	7	13.6%
Experience				
Less than 5 years	15	25.7%	39	53.3%
6-10 years	37	51.4%	17	27.1%
More than 10 years	13	25.7%	7	19.6%
Total	65	100.0%	63	100.0%

From Table 4.1 it is clear that for Safaricom staff, majority at 56.3% were male while 43.7% were female while Telkom had majority at 73.2% being male and 26.8% being female. This suggests that male dominated both the Safaricom and Telkom staffing pool in as much as Telkom showed the highest domination. Safaricom's staffing pool, it must be said, showed a significant female pool which could be attributed to their long-standing operation experience in Kenya which enables a keen consideration of both genders as opposed to Telkom which is a new entity in terms of having bought a controlling stake of formerly Orange. This phenomenon was considered by Ali et al (2014) who argued that new companies often show skewed gender staffing with males taking domination particularly in telecommunication companies as compared to older and consistent companies who have a more or less even mix of both genders.

On their ages, Safaricom had majority at 51.4% aged between 31-40 years followed by 21.3% who were less than 30 years, then 14.2% between 41-50 years and finally 13.1% who were above 50 years. The Telkom staff showed majority at 55.0% aged between 31-40 years, 20.6% less than 30 years and those at 41-50 and above 50 years were at 12.2% each. What this implies is that both Safaricom and Telkom staff are sufficiently mature to understand the issue of succession management in their organization and secondly that a significant mass of the staff in the two companies are fairly young people a factor that Amadi (2014) noted when he observed that the telecommunication industry that largely depends on ICT is a young people's environment.

On the respondents' level of education, there was no marked difference between the two companies as Safaricom had a majority at 66.2% with first degrees with Telkom having 67.3% with the same qualification. There was also a percentage of staff with post graduate degrees, either masters or PHD, at 15.7% and 13.6% for Safaricom and Telkom respectively. This

suggests that the staff were educated sufficiently to understand the issues inherent in succession management and its impact on business performance specifically of Telecommunication Firms in Kenya.

It has been argued variously (Amadi, 2014; Richard et al, 2009) that the credibility and dependability of data is gleaned from the respondents' experience in any selected organization. In this sense, the respondents were questioned about their level of experience and from the results majority from Safaricom at 51.4% had worked for between 6-10 years, followed by 25.7% apiece for those who had worked for less than 5 years and those who had worked for more than 10 years. However, for Telkom, majority at 53.3% had worked for less than 5 years followed by 27.1% who had worked for between 6-10 years and only 19.6% had worked for less than 10 years. For Safaricom, the high level of experience is to be expected due to its long standing presence in the market while for Telkom, considering the new entrance of Telkom in the buyout of Orange, many of the staff were laid off while only a significant few retaining their jobs.

4.4 Performance of Safaricom and Telkom

The study had the obligation to measure the dependent variable which is performance but most importantly compare the performance of the two companies. The measure the same, the study employed secondary data from both Safaricom and Telkom Audited results for 30th September 2016.. The result is as seen in Table 4.2

Table 4.2 Performance of Safaricom and Telkom

Indicators	Safaricom			Telkom		
	2016	2015	% growth	2016	2015	% loss
Profits or Loss	34.4 Bil	26.4 Billion	30.6%	1.5 bil (Loss)	4.3 bil	10.6%
Market Share	69.2%	62.9%	11.1%	7.6%	8.1%	2.8%
Customer Base	26.61 Mil	25.10 million	6.0%	2.9 million	4.8 million	8.9%

Source: Safaricom and Telkom Consolidated Audited Group Results 2016.

Table 4.2 shows the results that would be useful in measuring the business performance of both Safaricom and Telkom. From the results, Safaricom's performance shows a positive trend showing that the firm had experienced an improvement in profitability; an increase of 30.6% from the financial year 2015; market share of 69.2% which is an increase of 11.1% from the previous year; an increase of 6.0% highlighted by its customer base of 26.61 million from previous financial year of 2015. Other growth and improvement have also been witnessed in total asset, low employee turnover and high sales growth. However, the same could not be said of Telkom as all the data available shows lack of improvement in profitability, (A loss of 1.5 billion Kenya shillings in 2016) customer base (a reduction from 4.8 million to 2.9 million), growth and improvement in total asset. And that they also had high employee turnover and low sales growth.

The results summarily imply that Safaricom's performance was high and positive while that of Telkom was low and thus negative. The measurements of performance highlighted in the results have been agreed to in literature by noted scholars of management. Kaplan and Norton (2001) defined performance as the outcomes and results accruing from a particular task and is measured by looking at certain indicators like profits, return on investment among others. Basically, noting that performance is when a task is accomplished or an obligation effectively rendered to completion. Kaplan and Norton (2001) also noted that an organization that performs at its peak are measured via accounting methods of sales growth, profitability, liquidity coupled with cash flows not forgetting leverage. They added operational measures like market share, intangible assets alterations and market value added. Chong (2008) on his part added non-financial measures characterized by customer satisfaction and owner satisfaction.

4.5 Influence of Talent Retention on Organizational Performance

The first objective sought to establish the influence of talent retention on organizational performance and the results from the responses are presented in Table 4.3 and later interpreted and discussed.

Table 4.3 Talent retention and organizational performance of Safaricom and Telkom

Statement	Safaricom				Telkom				p-value
	Percent	Mean	Std. D	t-stats	Percent	Mean	Std. D	t-stats	
My company offers incentives for good performance.	83.1% Y	4.7	.832	.242	89.2% Y	2.9	1.43	.300	.005
In my company compensation and reward system is biased.	65.2% N	3.2	1.90	.283	59.3% Y	2.1	1.87	.286	.214
The organization gives rewards that motivate employees for better performance.	72.1% Y	3.9	1.53	.250	66.3% Y	2.7	.92	.282	.001
Remuneration package contribute greatly to employee retention in my organization.	76.8% Y	2.1	.793	.395	82.3% Y	3.0	.81	.345	.000
Salaries at my company are competitive and often better than others in a similar market.	79.6% Y	3.9	.773	.244	79.8% N	2.3	1.96	.281	.219

Based on the results presented in table 4.3 it is evidently clear that based on the p-values, **calculated from the summative scales of the descriptive results**, which are >0.5 there is a significant variance between the responses from Safaricom and Telkom in two questions asked. This is his is additionally buttressed by the Mean data together with the Standard deviation results that show a more reliable result for Safaricom based on the closeness of the gap between the means and standard deviation and this cannot be said for Telkom. The two responses are whether both companies' compensation and reward system was biased. Here Safaricom showed ($M=3.2$; $STD= 1.9$) while Telkom showed ($M=2.1$; $STD= 1.87$) with a p-value of .214. Then the other was whether salaries at the two companies were competitive and often better than others in a similar market. Here Safaricom staff at 65.2% said no while Telkom staff at more than half at 59.3% said yes. This implies that Safaricom reward system was not biased as opposed to Telkom's situation and that Safaricom's salary and remuneration was competitive but the same could not be said of Telkom.

The result here agrees with literature where for instance Lyria et al (2017) argued that talent retention was admittedly an important element in improving organizational performance but that the strategy was rarely used due to lack of strategy awareness. The fact that salaries and reward system was biased at Telkom shows a problem with Succession Management which is considered a management method where persons in an organization are identified for certain positions in the organization via training and evaluation methods and later placed in various positions in the organization. (Stewart, 2016).

However, there was no significant difference between Safaricom and Telkom responses on three important assertions. The results showed **p-values that were < 0.05** . On whether the two companies offered incentives for good performance 83.1% of Safaricom staffers and 89.2% of

Telkom staffers agreed. This implies that the two companies have a system of offering incentives that would motivate employees for even better performance and this is agreed to by Karuri (2015) who argued that the presence of incentives was a good talent retention mechanism that plays well in succession management.

On whether the organization gave rewards that motivated employees for better performance, 72.1% of Safaricom staff and 66.3% of Telkom staff agreed. This implies that rewards system was a fixture at the two telecommunications companies and that succession management would run smoothly under this situation.

On whether, again, compensation package significantly played a role in **improving employee retention in the two organizations**, 76.8% of Safaricom staff said yes while 82.3% of Telkom staff said yes. This suggests that the aspect of remuneration was a retentive element for talent in both organizations. Schuler, Jackson & Tarique (2011) had mentioned succinctly that salaries and remuneration was talent retention catalysts and that without strategic remuneration succession management would fail and consequently hamper performance of targeted organizations.

All these results agree with literature particularly that of Hor et al (2010) who did one of the few comparative studies on succession management in Taiwan. In **the** studies, they looked at the semi-conductor business of two big corporations in Taiwan but **with** different levels of profitability. The bigger corporation, Tainstei Company had a profit of over 4 billion USD in 2008 while the other, Muskul corporation, had a lower profit margin of 300 million USD. The study noted that talent retention that is premised on the idea that a good and potentially successful company must ensure it retains the best talents especially as a succession planning

construct. The study also highlighted that talent management and attraction and training of staff were important aspects of succession management. The study was a regressed result that tested hypotheses using regression analysis to look at talent retention and attraction together with training of staff and how they influence performance. The findings showed that succession management and its constructs of talent retention and attraction together with training of staff had a positive influence on performance. Most importantly, the study noted that more successful and organized companies, in their case Tainstei Company, enjoyed the fruits of succession planning as they were better at it, than struggling or low profit companies like Muskel corporation. These findings seem to agree with the present study that has shown that Safaricom Company employs succession planning, particularly talent retention and attraction better than Telkom which by dint of its losses and struggling keeps good talents away.

4.6 Influence of Talent Attraction on Organizational Performance

The second objective sought to assess how talent attraction influences performance and the results from the responses are presented in Table 4.4 and later interpreted and discussed.

Table 4.4 Talent attraction and organizational performance of Safaricom and Telkom

Statement	Safaricom				Telkom				p-value
	Percent	Mean	Std. D	t-test	Percent	Mean	Std. D	t-test	
Knowledge and skills together with competency is the mode via which my company mainly recruits	63.1% Y	3.2	.932	.202	51.3% N	3.9	.93	.320	.321
My company has a robust talent search matrix which allows for experienced, academically qualified, driven and competent employees to be hired	67.2% Y	2.9	.901	.291	69.3% N	3.1	.87	.232	.283
My company uses a work-life balance matrix which motivates and rests employees	77.1% Y	2.9	.893	.210	69.3% N	3.7	1.12	.281	.291
My company does internal recruitment which has enabled the boasting of the staff morale	76.8% Y	2.8	.863	.295	72.3% N	2.0	1.81	.245	.230
Communication is effectively done at my company	79.6% Y	4.9	.903	.254	59.8% N	3.3	1.00	.223	.256

Based on the results presented in table 4.4 it is evidently clear that based on the p-values which are >0.5 there is a significant difference between the responses on talent attraction from Safaricom and Telkom in all the questions asked. This is additionally buttressed by the Mean data together with the Standard deviation results that show a more reliable result for Safaricom based on the closeness of the gap between the means and standard deviation and this cannot be said for Telkom.

Basically, Safaricom posted high percentages in agreement with the assertions that at the company knowledge and skills together with competency was the mode via which the company mainly recruited. Also, that the company had a robust talent search matrix which allowed for experienced, academically qualified, driven and competent employees to be hired and the company used a work-life balance matrix which motivated and rested employees. Finally, that Safaricom did internal recruitment which had enabled the boosting of the staff morale and communication was also effectively done. This implies that there were talent attraction efforts at Safaricom which was a boost to succession management in the company.

All these assertions however, received negative responses from staff at Telkom showing that talent attraction was low in the company and succession management was hampered in as much as there was attempt to do succession management. The results agree with literature with Mary et al, (2014), having considered the connection and relationship that exists between talent management and used talent retention, talent attraction, employee training and career management as variables on **succession management** and found out there was lack of talent management system that would help improve organizational performance. Also, they located a problem in the manner in which talent retention, talent attraction employee training and career

management were done, that is, with no strategic focus and organizational commitment. They also did not however get a comprehensive measure of performance which this study did.

Empirically **and** in support of the results here, Lin and Liu (2012) are considered to have done a clear and deep comparative study to try and demystify successor characteristic, change in the internationalization characteristic of the firm and performance; all being moderated by environmental uncertainty. The study was a comparative study across the countries of Malaysia, Singapore and businesses in Hong Kong. The study is considered deep partly because of the myriad of complex analytical techniques and tools, regression, correlation, t-tests and PATH analysis being part of it. However, the results first show that efforts towards talent attraction are some of the important successor characteristic that have a positive influence on performance of organizations and the aspect of talent attraction is inextricably linked to succession management. The study noted that countries with high and stable GDPs like Singapore and Malaysia show a strong element of proactive succession management compared to those of low GDP. This goes to imply that succession management is important for the performance of companies and that the best performing companies having realized this was employing talent attraction, retention and training in an efficient way to ensure that succession management succeeded.

4.7 Influence of Career management on Organizational Performance

The third objective sought to determine the influence of career management on organizational performance and the results from the responses are presented in Table 4.5 and later interpreted and discussed.

Table 4.5 Career Management and organizational performance of Safaricom and Telkom

Statement	Safaricom				Telkom				p-value
	Percent	Mean	Std. D	t-stats	Percent	Mean	Std. D	t-stats	
In my company, there exists exposure to managerial responsibilities.	53.1% Y	2.2	.852	.282	59.3% N	2.9	1.93	.311	.241
My company offers career counselling.	79.2% Y	2.8	.936	.285	59.3% Y	3.1	.98	.282	.000
Job schedule in my company offer flexibility that is important for career advancement	57.1% Y	2.7	.893	.219	59.3% N	3.3	.91	.298	.244
My company has established a vibrant plan for career advancement and growth of employees which has helped develop the latent talent	66.8% Y	3.8	.963	.265	62.3% N	2.9	1.88	.235	.281
My company transfers policy advocates for lateral and upward movement which has improved performance	69.6% Y	2.9	.913	.244	69.8% N	3.8	1.50	.283	.246

Based on the results presented in table 4.5 it is evidently clear that based on the p-values which are >0.5 there is a significant difference between the responses on career management from Safaricom and Telkom in all except one questions asked. This is additionally buttressed by the Mean data together with the Standard deviation results that show a more reliable result for Safaricom based on the closeness of the gap between the means and standard deviation and this cannot be said for Telkom.

Safaricom staff agreed significantly based on the percentages that in their company, there existed some exposure to managerial responsibilities (53.1%). The job schedule in the company offered flexibility that is important for career advancement (57.1%), and the company had established a vibrant plan for career advancement and growth of employees which had helped develop the latent talent (66.8%) and finally that the company transfers policy advocated for lateral and upward movement which had improved performance (69.9%). This implies that Safaricom had engaged itself in career management practices that was geared to improve the potential for efficient succession management and later improve organizational performance. Lyria et al, (2017) in their descriptive analysis study on career management and how it influences organizational performance of the Nairobi Securities Exchange; discovered important issues that are pertinent for any organization seeking to succeed in a cutthroat business environment. The study found out that career management did not receive significant focus by the NSE as it was assumed that such career capacities were developed before one was recruited at the company. Studies have of course highlighted the fallacy of this assertion and this study joins the several studies to try and show the actual situation of career development in enhancing organizational performance. This result on Safaricom shows that the company chose a different path.

However, the same undesirable path was chosen by Telkom based on the results. The Telkom staff only positive result was the one that asserted that the company offered career counselling (59.3%). However, the rest of the assertions received negative responses unlike the Safaricom Responses. This implies that Telkom had challenges in exposure to managerial responsibilities; job schedule in the company offering flexibility that is important for career advancement; establishment of a vibrant plan for career advancement and growth of employees to help develop the latent talent; and poor transfers policy to advocate for lateral and upward movement to

improve performance. Generally, the Telkom succession management process was poor. Chelimo, (2014) on her part did an important study on employee's perceptions on career management. The study found out that employees had positive perceptions about career management and its benefits. However, they had negative perceptions about the way the management enacted career management policies to their benefit.

Further, Madter, Bower and Aritua, (2012) did a comparative study using descriptive and correlational research designs and also targeted construction firms in Nigeria. The study seems to be one of the very few comparative studies touching on succession planning and career development as constructs in the whole of Africa. What Madter et al (2012) found is that the two construction firms he highlighted had diverse performance levels. One, Ogon constructors was making profits upwards of 1 million USD while the other, Maom Constructors was making losses of upwards of 1 million USD. The study thus sought to ascertain the succession management and career development efforts by the two companies and ascertain how significantly those constructs influenced performance. The findings primarily showed that the company making losses also employed ineffective career management practices as compared to the more efficient profitable construction company. The conclusion was thus that there is a strong trend suggesting that succession management was ably employed by companies who were succeeding and wanted to keep succeeding. Further, that companies that are failing partly got there in the first place by paying lip service to succession management.

4.7 Influence of Training on Organizational Performance

The fourth objective sought to evaluate the influence of training on organizational performance and the results from the responses are presented in Table 4.6 and later interpreted and discussed.

Table 4.6 Training and organizational performance of Safaricom and Telkom

Statement	Safaricom				Telkom				p-value
	Percent	Mean	Std. D	t-stats	Percent	Mean	Std. D	t-stats	
There are opportunities for on-the-job coaching and training	83.1% Y	4.2	.872	.212	81.3% Y	3.9	.93	.381	.000
Training provided in my company enhance employee competence hence achieve high employee performance.	89.2% Y	2.9	.966	.211	79.3% Y	2.8	.86	.382	.000
Cross training is provided in my organization.	77.1% Y	3.7	.993	.319	69.3% Y	3.4	1.92	.398	.001
My organization organizes leadership trainings for its valuable staff.	86.8% Y	4.8	.763	.275	72.3% Y	3.9	1.89	.275	.000
Training offered in my company assist in making capabilities match with vision.	89.6% Y	3.9	.988	.290	79.8% Y	4.8	1.52	.289	.000

Based on the results presented in table 4.6 it is evidently clear that based on the p-values which are <0.5 there is no significant variance between the responses on training from Safaricom and Telkom in all questions asked. This is additionally **strengthened** by the Mean data together with the Standard deviation results that show reliable result for Safaricom and Telkom.

Both Telkom and Safaricom staff agreed significantly based on the percentages that in their companies, there existed coaching and training exercises on-the-job in both organizations. Also,

that training provided in both companies enhanced employee competence hence achieved high employee performance that cross training was provided both companies. Further, both companies planned management trainings for its valued employees and that training offered in both companies assisted in making capabilities match vision. This is a positive signal that both companies valued training which are significant forces for effective succession management. Literature reviewed also support this result with studies from Amadi, (2014) finding that training development is very important in the enhancement of organizational goals and overall performance. The discussed training methodology and argued that a training method that was encompassing and all-inclusive worked better in organizations. Emeti (2015) on his part painted companies that heavily invested in training development performed better financially. Secondly, the training helped to build up support and employee satisfaction which in turn helped to improve employee productivity. Khan, et al, (2011) on their part found that there was a lack of synchronization between training design, delivery style and training method and this hampered organizational performance. The study recommended robust training mechanism for organizational performance.

Also, Sharma et al (2013) did a comparative empirical review on articles touching on succession planning as an angle of planned behavior. The study highlighted significant and salient results after a content analysis of the descriptive and explanatory articles touching on succession planning and training of employees as a strong and significant element of succession management. what the study found was that in the scheme of things and comparatively, training is important for any organization even those that are struggling in terms of profitability, return on assets and equity and those that are emerging in terms of startups or rebranding. That being said, the study found out that training however was not very integral to succession management

strategy but more as an operational element to equip staff for better work. What this did according to Sharma et al (2013) is to deny the staff a positive attitude and appreciation of training as a succession planning element that would not only equip staff for better service but make them ready in case of any management transition or succession.

4.8 Correlations analysis for Safaricom and Telkom.

Pearson's Correlation analysis was done for the two companies and their results presented in two separate tables, table 4.7 and table 4.8. The two tables were done because of the different samples of the two companies.

Table 4.7 Correlation Analysis for Safaricom

		Performance	Training	Career management	Talent Attraction	Talent Retention
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	65				
Training	Pearson Correlation	.605**	1			
	Sig. (2-tailed)	.000				
	N	65	65			
Career management	Pearson Correlation	.587**	.503**	1		
	Sig. (2-tailed)	.000	.001			
	N	65	65	65		
Talent Attraction	Pearson Correlation	.671	.413**	.411**	1	
	Sig. (2-tailed)	.000	.000	.002		
	N	65	65	65	65	
Talent Retention	Pearson Correlation	.714**	.245**	.278	.501**	1
	Sig. (2-tailed)	.000	.005	.000	.000	
	N	65	65	65	65	65

** . Correlation is significant at the 0.01 level (2-tailed).

Wong and Hiew (2005) has postulated that any correlation coefficient value (r) that stretches from 0.10 to 0.29 is measured as weak, from 0.30 to 0.49 is deemed medium and from 0.50 to 1.0 is measured as strong. Nevertheless, Field (2005) had mentioned that any correlation coefficient that exceeds 0.8 is not acceptable to by-pass multicollinearity problems. In this case, the highest correlation coefficient is 0.714 and does not thus exceed 0.8 and hence no multicollinearity problem in this research (Table 4.7 and 4.8).

From table 4.7, all the independent variables (Talent Retention, talent Attraction, Career management and Training and advancement) had a positive relationship with Organizational performance at Safaricom. Talent Retention had the highest correlation ($r=0.714$, $p < 0.01$), then talent attraction ($r=0.617$, $p < 0.00$), followed by training ($r=0.605$, $p < 0.00$) and finally career management had the least correlation with organizational performance ($r=0.587$, $p < 0.01$). This implied that that all the variables under study have a positive relationship with the dependent variable. Further, from the results of the t-test, it can be concluded that the two are in concurrence to the extent that all the variables have a positive relationship with performance.

Table 4.8 Correlation Analysis for Telkom

		Performance	Training	Career management	Talent Attraction	Talent Retention
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	63				
Training	Pearson Correlation	.675**	1			
	Sig. (2-tailed)	.000				
	N	63	63			
Career management	Pearson Correlation	.507**	.503**	1		
	Sig. (2-tailed)	.000	.234			
	N	63	63	63		
Talent Attraction	Pearson Correlation	.501	.113**	.011**	1	
	Sig. (2-tailed)	.000	.000	.257		
	N	63	63	63	63	
Talent Retention	Pearson Correlation	.614**	.545**	.188	.430**	1
	Sig. (2-tailed)	.000	.000	.123	.000	
	N	63	63	63	63	63

** . Correlation is significant at the 0.01 level (2-tailed).

From table 4.8, all the independent variables (Talent Retention, talent Attraction, Career management and Training) had a positive relationship with Organizational performance at Telkom. Training and growth had the highest correlation ($r=0.675$, $p < 0.01$), then talent retention ($r=0.614$, $p < 0.00$), followed by career management ($r=0.507$, $p < 0.00$) and finally talent attraction had the least correlation with organizational performance ($r=0.501$, $p < 0.01$). This implied that that all the variables under study have a positive relationship with the dependent variable.

The result of the correlation analysis agrees with Gunnoe et al (2015) who showed an interesting result as regards talent retention as an aspect of succession planning in companies in India. The study employed correlational design to test of the significant relationship between talent retention and training of employees on one hand and employee productivity on the other. The results noted that inasmuch as companies had almost similar operational ways of doing business, they employed succession management in various and diverse ways. Talent retention, attraction career development and training for some companies was not considered as important as cost cutting and other strategic matters while other companies looked at talent retention and training as essential elements of a successful company that appreciates that succession and management transition was a normal and inevitable element of every day's life for any business. The study found that most of the firms that placed talent retention and overall succession management on the back banner were also the ones that performed poorly and looked at cost cutting and strategizing of operations and policies as more important than succession planning and management. the reverse was also true, that those who looked at succession management through talent retention and training were the ones who were more profitable and more productive. One notable research gap on the matter of succession management and its constructs of talent

retention and attraction together with training of staff is that there are very limited comparative studies done and the present study may fill a huge existing gap on that front.

4.9 Summary of Regression analysis for Safaricom and Telkom.

Regression analysis was done for the two companies to check for the predictive power of the independent variables on the dependent variable. The following table is a summarized table that highlights these important results.

Table 4.9 Summary of Regression results for Safaricom and Telkom

	R	Adjusted R Square	F-Statistic	Standardized Coefficients				Sig.
				Talent Retention	Talent Attraction	Career Management	Training	
Safaricom	.811	.767	76.564	.384	.322	.387	.211	.000
Telkom	.662	.598	58.987	-.172	.221	.191	.223	.004

Dv – Performance of Safaricom and Telkom

Based on the results in Table 4.9, it is clear that both sets of data confirmed a positive direction of the results based on the R values of .811 and .662 for Safaricom and Telkom respectively. The R-Value denoted the difference between the expected and the predicted value and being that they are denoted without a – sign means that they show a positive direction.

The adjusted R square for the two companies' results also show acceptable predictive percentages to the dependent variable of performance. Safaricom has a higher predictive strength as the adjusted R square shows a score of .767 which is rendered as 76.7% of the variable of performance was predicted by talent attraction, retention, career management and training. This further implies that talent attraction, retention, career management and training had a positive significant effect to Safaricom Performance. For Telkom, it can be seen that while there is a positive and significant predictive influence of the independent variables at .598, it is clear that the prediction is lower than that of Safaricom. Consequently, for Telkom, talent attraction, retention, career management and training predicted performance at 59.8%.

The F-statistics generated for Safaricom (76.564) and Telkom (58.987) are significantly positive and thus confirm both the fitness and the suitability of the model. This coupled with the P-values produced which are both <0.05 shows that there was statistically significant influence of talent attraction, retention, career management and training on both a Safaricom and Telkom Performance though to a varied degree, Safaricom's being stronger than Telkom's. However, it should be noted that on the element of talent attraction, Telkom showed a statistically negative score (-.172) to performance and it can thus be deduced that talent attraction had a negative influence to performance at Telkom.

It can thus be concluded that the hypotheses: H_{01} : Talent retention does not have a significant influence on organizational performance of Safaricom and Telkom Kenya companies; H_{02} : Talent attraction does not have a significant influence on organizational performance of Safaricom and Telkom Kenya companies; H_{03} : Career management does not have a significant on organizational performance of Safaricom and Telkom Kenya companies; H_{04} : Training does

not have a significant influence on organizational performance of Safaricom and Telkom Kenya companies; have all been rejected.

The regression results support assertions in literature with Rothwell (2011) in particular, who began by asserting that talent attraction and retention are talent management aspects that are intertwined strongly to succession planning and management. In fact, he mentions that talent management and replacing process is the starting point to full succession planning and management. His study generally sought to establish the link between talent attraction, talent management and succession planning. The findings accruing from the data analysis shows that talent attraction is important for most companies and that the construction firms he considered all showed robust talent attraction efforts. He however noted that some companies were not successful in getting the desired performance outputs even after engaging in efficient talent attraction efforts largely because of lack of commitment by the incoming management team. He recommended therefore that in order to have succession planning and talent attraction done effectively, there is need to create a long lasting and binding policy to safeguard the company from a change of tact as soon as a new manager comes in. As argued earlier, there is still very minimal comparative studies on succession planning and management and its influence on performance or organizations and the present study will add knowledge to this gap.

Stahl et al (2012) also offered findings on a comparative study of service businesses in the USA, New York in particular, and consequently presented the six principles that make organizations succeed in a succession management framework or context. The study was both quantitative via descriptive elements and qualitative via narrative analysis of interview responses from notable scholars of management. In that regard, the study is considered a go-to work when analyzing succession management and its determinants in organizations. Consequently, from the results,

the study noted that training ranks highest among the constructs that explain the whole concept of succession management. other constructs mentioned by the Stahl et al (2013) research are talent attraction, retention, assimilation and career management and progression practices. The study then ascribes significance to the positive influence of training on performance both financial and nonfinancial. Comparatively, they noted that all the companies reviewed showed a proportionate positive performance to efficient training, talent attraction and retention. Thus those that did not employ these succession management elements effectively also suffered poor returns and vice versa.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter highlights the summary of findings, then followed by the conclusions thereof and the recommendations consequently made. It finally offers the suggestions for additional review.

5.2 Summary of Findings

Based on the results presented for the first objective it was evidently clear that based on the p-values which are >0.5 there is a significant variance between the responses from Safaricom and Telkom in two questions asked. The two responses are whether both companies' compensation and reward system was biased. Here Safaricom showed ($M=3.2$; $STD= 1.9$) while Telkom showed ($M=2.1$; $STD= 1.87$) with a p-value of .214. Then the other was whether salaries at the two companies were competitive and often better than others in a similar market. Here Safaricom staff at 65.2% said no while Telkom staff, more than half at 59.3% said yes. However, there was no significant difference between Safaricom and Telkom responses on three important assertions. The results showed p-values that were < 0.05 . On whether the two companies offered incentives for good performance 83.1% of Safaricom staffers and 89.2% of Telkom staffers agreed. On whether the organization gave rewards that motivated employees for better performance, 72.1% of Safaricom staff and 66.3% of Telkom staff agreed. On whether, gain, compensation package improved significantly to employee retention in the two organizations, 76.8% of Safaricom staff said yes while 82.3% of Telkom staff said yes.

Based on the results presented for the second objective it is evidently clear that based on the p-values which are >0.5 there is a significant difference between the responses on talent attraction from Safaricom and Telkom in all the questions asked. Basically, Safaricom posted high percentages in agreement with the assertions that at the company knowledge and skills together with competency was the mode via which the company mainly recruited. Also, that the company had a robust talent search matrix which allowed for experienced, academically qualified, driven and competent employees to be hired and the company used a work-life balance matrix which motivated and rested employees. Finally, that Safaricom did internal recruitment which had enabled the boosting of the staff morale and communication was also effectively done. All these assertions however, received negative responses from staff at Telkom

Based on the results presented for the third objective it is evidently clear that based on the p-values which are >0.5 there is a significant difference between the responses on career management from Safaricom and Telkom in all except one questions asked. Safaricom staff agreed significantly based on the percentages that in their company, there existed some exposure to managerial responsibilities (53.1%). The job schedule in the company offered flexibility that is important for career advancement (57.1%), and the company had established a vibrant plan for career advancement and growth of employees which had helped develop the latent talent (66.8%) and finally that the company transfers policy advocated for lateral and upward movement which had improved performance (69.9%). The Telkom staff only positive result was the one that asserted that the company offered career counselling (59.3%). However, the rest of the assertions received negative responses unlike the Safaricom Responses.

Based on the results presented for the fourth objective it is evidently clear that based on the p-values which are <0.5 there is no significant difference between the responses on training from

Safaricom and Telkom in all questions asked. Both Telkom and Safaricom staff agreed significantly based on the percentages that in their companies, there existed coaching and training in both organizations. Also, that training provided in both companies enhanced employee competence hence achieved high employee performance that cross training was provided both companies. Further, both companies prearranged trainings on leadership and management for employees who were valued and was offered in both companies assisted in making capabilities match vision. This is a positive signal that both companies valued training which are significant forces for effective succession management.

5.3 Conclusion of the study

Based on the objectives and findings of the study, the following are the conclusions

Based on first objective, Safaricom's compensation and reward system was unbiased unlike that of Telkom. Also, Safaricom's salaries were competitive and often better than others in a similar market but the same could not be said of Telkom. However, both companies offered incentives for good performance and the organizations gave rewards that motivated employees for better performance. Moreover, both companies agreed that the gain, compensation package improved significantly to employee retention in the two organizations. It can thus be concluded that talent retention was more effectively employed and worked better for Safaricom than for Telkom and its efficient use had a significantly positive influence on Safaricom's performance and likewise its inefficient use had a negative influence on Telkom's performance.

Based on the second objective, at Safaricom, knowledge and skills together with competency was the mode via which the company mainly recruited. Also, that the company had a robust talent search matrix which allowed for experienced, academically qualified, driven and

competent employees to be hired and the company used a work-life balance matrix which motivated and rested employees. Finally, that Safaricom did internal recruitment which had enabled the boosting of the staff morale and communication was also effectively done. All these assertions however, were not efficiently utilized by Telkom. It can thus be concluded that Safaricom effectively employed talent attraction strategies which positively influenced organizational performance while on the other hand, Telkom did not and thus, posted unsatisfactory organizational performance.

Based on the third objective, at Safaricom, there occurred some acquaintance to managerial tasks. The job schedule in the company offered flexibility that was important for career advancement and the company had established a vibrant plan for career advancement and growth of employees which had helped develop the latent talent and finally the company transfers policy advocated for lateral and upward movement which had improved performance. Telkom only positive effort was that the company offered career counselling, however, Telkom performed poorly on the other career management strategies. It can thus be concluded that Safaricom effectively employed career management strategies which positively influenced organizational performance while on the other hand, Telkom did not and thus, posted unsatisfactory organizational performance.

Based on the fourth objective, both Telkom and Safaricom had on-the-job training and coaching opportunities. Also, the training provided in both companies improved employee aptitude and henceforth achieved employee outcomes. Also, that cross training was provided in both companies. Further, both companies organized leadership trainings for its valuable staff and training offered in both companies assisted in making capabilities match vision. It can thus be

concluded that both Safaricom and Telkom effectively employed training strategies which positively influenced organizational performance.

5.4 Recommendations of the study

Based on the objectives and conclusions this study recommends;

Telkom management should offer attractive remuneration packages to ensure substantial talent retention in the organization. The company should also devise a strategic plan that anchors efforts to retaining talent in the business and a means to effective succession management that would inevitably lead to better organizational performance

Telkom management should employ proactive knowledge and skills together with competency as the mode via which the company mainly recruits. They should also, have a robust talent search matrix which allows for experienced, academically qualified, driven and competent employees to be hired and the company should then use a work-life balance matrix which motivates and rests employees to make talent attraction easier. This would of course create effective succession management that would inevitably lead to better organizational performance

Telkom management should allow for exposure of their staff to managerial responsibilities and allow for job flexibility that would advance staff careers. All these should be done so as to improve career management within the organization.

Both Safaricom and Telkom should continue to invest in training of their staff as a means to enabling efficient succession management in both companies. Further, both companies should device workable succession management plans to effectively manage the process.

On policy, the management of both Safaricom and Telkom should proactively and creatively device new policy that is attuned to the current succession management practices to allow them harness the full potential of succession management for proper performance.

5.4 Recommendations for Further Research

Further research should endeavor to find out the extent to which succession management has influenced employee productivity as this is an angle that was implied in the present study but was not dealt with as it ran outside the scope of the present study. Further, studies should be done to expand the scope of study and include other manufacturing sectors reeling from poor performance and lack of succession management. It is the view of the present study that a comparative study is adequate methodology as it covers a wider spectrum of methods however, a study that uses path analysis to consider even sub variables of succession management like leadership and employee turnover should be done.

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Appendix I: Letter of Introduction

Date:

Dear Respondent,

RESEARCH DATA COLLECTION

I am a Master's degree student at the Management University of Africa, in the School of Management and Leadership. The award of the degree is contingent upon completion of a project and in that spirit my project title is "**Influence of Succession Management on Performance of Telecommunication Firms: A comparative study of Safaricom and Telkom Kenya Companies**".

Attached therefore, are questionnaires which the researcher would wish you to answer. There are instructions given which will help you fill the items adequately. You requested to fill the questions adequately, honestly and without any bias.

The results given will be treated with all utmost ethical considerations and thus you have no cause for alarm.

Your assistance is highly appreciated.

Yours faithfully,

Sylvia Kaburu

Master's Student,

Management University of Africa

Email kaburusylvia@yahoo.com

Appendix II: Questionnaire for Staff

Please answer the questions by slotting a tick in the proper box in the blank spaces offered.

Section A: background information

1. What is your Gender?

Male

Female

2. What is your age? (Years)

Less than30:

31-40:

41-50:

Above 50:

3. What is your level of education?

Certificate

Diploma

Degree

Post-graduate

4. How long have you been working in Safaricom?

a) less than 5 year

- b) 6 to 10 years
- c) More than 10years

Section A: Talent Retention.

Apply the likert scale showing **1 as strongly disagree, 2 as Disagree, 3 as Neutral, 4 as Agree, and 5 as Strongly Agree**, to tick the proper response

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
My company offers incentives for good performance.					
In my company compensation and reward, system is biased.					
The organization gives rewards that motivate employees for better performance.					
Remuneration package contribute greatly to employee retention in my organization.					
Salaries at my company are competitive and often better than					

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
others in a similar market.					

Section B: Talent Attraction

Statement	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
Knowledge and skills together with competency is the mode via which my company mainly recruits					
My company has a robust talent search matrix which allows for experienced, academically qualified, driven and competent employees to be hired					
My company uses a work-life balance matrix which motivates and rests employees					
My company does internal recruitment which has enabled the boasting of the staff morale					

Statement	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
Communication is effectively done at my company					

Section C: Career Management

Statement	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
In my company, there exists exposure to managerial responsibilities.					
My company offers career counselling.					
Job schedule in my company does not offer flexibility that is important for career advancement					
My company has established a vibrant plan for career advancement and growth of employees which has helped develop the latent talent					
My company transfers policy advocates for lateral and upward movement which has improved performance					

Section D: Training

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
There are on-the-job training and coaching opportunities in my organization.					
Training provided in my company enhance employee competence hence achieve high employee performance.					
Cross training is provided in my organization.					
My organization organizes leadership trainings for its valuable staff.					
Training offered in my company assist in making capabilities match with vision.					

Section E: Performance

This section attempts assess performance of Safaricom Limited.

Please offer documentary evidence of your perfor,mance for 2015-2016 on

- a) Profits
- b) Market share
- c) Customer base

