

# Selected Factors Influencing Effective Succession Planning in Deposit Taking Savings and Credit Cooperatives in Nyandarua County (A Case Study of Tower Savings and Credit Cooperative-Ol Kalou)

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## Abstract

SACCOs are a significant sector in today's economy due to their ability to mobilize savings and give credit for investment thereby improving people's livelihood. SACCOs have been noted to contribute over 45percent GDP and it is estimated that at least one out of every two Kenyans directly or indirectly derives his/her livelihood from these kinds of cooperatives. SACCOs play an important role in wealth creation, food security, generation of employment and therefore alleviating poverty. The purpose of this study was to analyse selected factors that influence effective succession planning in SACCOs. The specific objective was to evaluate the influence of top management on effective succession planning in SACCOs in Nyandarua County. The study was based on both the resource based theory, the leadership succession theory and game theory. The study adopted a descriptive research design. The population of the study was 84 respondents who are board members and members of staff of Tower SACCO. The study adopted a census whereby data was obtained from every member of the population because the population was small. A structured questionnaire was the primary data collection instrument. Content validity was used to measure the validity of the instrument. It relied on the knowledge of the experts who are familiar with the subject matter being measured. Cronbach alpha was used to measure the reliability of the questionnaire by providing the internal consistency during a pilot study done to 10 staff at Nyala SACCO, Nyahururu. The study attained a value of 0.734 which met the threshold of 0.70. The regression model was used to analyse the data obtained to investigate the relationship between the variables. The study revealed that SACCO top management support influenced effective succession planning in organisations thus the null hypothesis was rejected. The study recommends that SACCO management should sustain job rotation so as to enhance skills acquisition for employees. It also recommends that SACCO top management should be at the forefront in providing the necessary support and impetus for succession planning and should encourage open discussion about succession planning in their regular meeting. The study is significant to various stakeholders in SACCO industry who include policy makers, board of directors, top management and employees of the SACCOs because it has provided them with insight on issues affecting succession.

**Keywords:** Effective Succession Planning, Top Management

## 1.0 Introduction

SACCOs, acronym for Savings and Credit Cooperatives, are associations of people who have come together with common goals geared at improving their livelihood economically. It is owned and controlled by its members and operated for the purposes of promoting savings, providing credit at low interest rates and providing other financial services to its members (Waweru, 2011). Co-operatives are autonomous association of persons united voluntarily to meet their common economic, social, cultural needs and aspiration through a jointly owned, democratically controlled enterprise. Their sole objective of these societies involves mobilization of resources from which individual co-operators may benefit (Branco, 2005). SACCOs are voluntary associations whereby members are free to join and leave. The members regularly pool their savings and subsequently may obtain loans which they may use for different purposes. Generally, the idea behind establishment of SACCOS is to promote savings and make credits available to the members. SACCOS are the important micro financing institutions for mobilization of financial resources for various development activities.

The International Cooperative Alliance defines a cooperative as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise (Birchall, 2004). Savings and Credit Co-operative (SACCO) is a type of co-operative whose objective is to pool savings for the members and in turn provide them with credit facilities. They are **non-profit making** and are **member-owned** that provide savings, credit and other financial services to their members. SACCOs pool their members' savings, deposits and shares to finance their own loan portfolios rather than rely on outside capital. Members benefit from higher returns on savings, lower rates on

loans and fewer fees on average.

In SACCO societies Act (SSA 2008), savings and credit co-operatives (SACCOs) are defined as associations of people who have come together with common goals geared at improving their livelihood economically. They are an important part of the financial sector in Kenya, providing savings, credit and insurance services to a large portion of the population. SACCOs have played an important role in the development of the Kenyan economy which has led to the uplifting of the standards of living of the people. Through the SACCOs, members are able to access quality education and medical care, funds for enterprise development, home purchase or construction and many other financial benefits.

The co-operative movement in Kenya can be traced back to 1908 when the European farmers at Lumbwa near Kericho first established co-operative production and Marketing. Before 1930 cooperative development was very slow due to discouragement by colonial ruler. It was very difficult to develop SACCOs during that era. The colonial government considered it was very difficult to find smart people in Africa who could command trust of their fellow members and keep accounts and business of SACCOs' movement Ongore, (2001); Oyoo, (2002). Hence, the growth of SACCOs in this era became constrained due to limited membership reserved to white settlers only.

Government started involving itself in co-operatives movement in 1931 when the first co-operative ordinance was enacted in order to regulate the operations of cooperative societies in Kenya. The Government continued to promote the movement after independence in 1963 because the cooperatives and SACCOs' movements were seen as the means to make people get involved in modern economic development within a short period of time particularly in land acquisition, business and engage in agricultural and agro business activities (Mudibo, 2006). The government policy was to support the movement to spur sustainable economic growth by focusing on improved corporate governance, access to markets, marketing efficiency and improved cooperative extension service delivery.

The movement played an important role in wealth creation, food security and generation of employment and therefore alleviating poverty. SACCOs were generally controlled by the government before liberalization in 1997 (Oyoo, 2002). For example in 1985, the Ministry of Cooperative Development and Marketing issued a circular which restrict type of investments by SACCOs to fixed deposits and to some extent, real estate. Financial investments in bonds and private companies were discouraged unless they were guaranteed certain rights or had a high degree of control (Gachara, 1990). These guidelines were aimed to ensure excess liquidity and, will therefore, lead to low returns for the organization. With the current competitive market economy, it may be difficult for such policies to apply. This brought about freedom in SACCOs management approach that involved the partial withdrawal of state involvement in the day-day operations of co-operative societies. The liberation that came with government withdrawal resulted in bad governance of the societies and contributed to the decline in the overall performance of co-operatives.

According to Kenya Union of Savings and Credit Cooperative (KUSCCO) the SACCO movement in Kenya is billed as the largest in Africa and among the top ten globally. The movement has mobilized domestic savings to the tune of about Kshs. 400 billion, accounting for 33percent of the national savings and are major drivers of the economy. They have an asset base of over Kshs. 300 billion (Wanyama, 2009). SACCOs have thus become a vital component of Kenya's economic and social development.

The phenomenon of fast growth of SACCOs in Kenya in the last two decades is the result of provision of credit for a wide range of purposes and on a relatively affordable terms and conditions. The credit further suited different categories of borrowers include the disadvantaged groups especially women (Obado, 1990). Today co-operatives particularly SACCOs are integral part of the government economic strategy focusing on creating income generating opportunities especially in rural areas.

The financial services sector is very a significant sector in today's modern economy. SACCOs like other financial institutions play a great role in the economy by mobilizing savings and giving credit for investment thereby helping to improve people livelihood. Recent introduction of SACCO regulatory authority has seen SACCOs being embraced as formal financial institutions. This has not only been done to facilitate financial inclusion and promote growth of financial services but also in recognition of the fact that SACCOs like any other financial institution need to receive scrutiny in order to protect depositors and maintain financial stability (Makori, 2013). This has created public confidence in SACCOs and therefore spurring Kenya economic growth through mobilization of domestic savings.

The Kenyan SACCO sector has been observed to contribute greatly to the total financial industry and consequently the economy. It contributes to over forty five per cent of the nation's Gross Domestic Product (MOCD&M, 2010). With the enactment of the SACCO Act, 2008 (SSA) and the subsequent establishment of the SACCO Societies Regulatory Authority (SASRA), SACCOs have been brought under regulation and supervision. The authority has promoted and developed the SACCO industry which is vital in mobilization of savings for national development.

SACCOs experience a wide range of problems partly owing to the fact that they target low income

earners and have to establish a balance between serving them adequately and also meet their operation cost. Therefore, SACCOs tend to invest very little in human resource especially in succession planning. SACCOs have no succession plans because it is a tradition one sole person keeping all documentation and issues relating to the SACCO hence after his/her exit the SACCO struggles to continue with its operation because there are no records (Makori et al, 2013). This has negatively impacted on the continuity and sustainability of the SACCOs once the top managers exits.

Succession planning is the identification of job vacancies that can be expected to occur through retirement or attrition and the strategic consideration of where and how internal candidates might fill those vacancies. It involves assessing job requirements and skills of existing employees and then seeking to fill the gaps between needs and skills with targeted training and development activities. Richards (2016) Succession planning can be an important way to identify employees who have the current skills or the potential to develop skills that can help them move up in an organization, or on to other positions. In addition, the process of succession planning can help to identify other areas of performance where employees may be weak and where training could help to manage and improve performance outcomes

Succession planning involves selecting from pools of promising candidates those employees best suited to fill higher-level management positions in business firms. As a first step in the process, a projection of future needs for senior managers is made. Next, planners try to assess which short-listed employees are most likely to be successful in the positions that are expected to open up. In addition, a specific plan is formulated to ensure that potential successors develop the core competencies needed to advance the strategic interests of the organization (Nicholas, 2014).

According to Hr council.ca (2012) succession plan, simply put it as a component of good HR planning and management. Succession planning acknowledges that staff will not be with an organization indefinitely and it provides a plan and process for addressing the changes that will occur when they leave. Most succession planning focuses on the most senior manager - the executive director, however, all key positions should be included in the plan. Key positions can be defined as those positions that are crucial for the operations of your organization and, because of skill, seniority and/or experience, will be hard to replace.

Lack of top management support in the process is another impediment in effecting succession planning. Succession planning needs to be focused on senior management positions, starting at the top of the organization (with particular attention paid to CEO and/or managing director). It is doing all you can to ensure you have the right people in the right jobs at the right time (Hills, 2009). The role of top managers in succession planning is to tie the succession planning process to the organization strategic plan and also avail resources such as training programme funds.

Another challenge in succession planning comes with analyzing and selecting the correct successor for the company. Kagiri (2013) has stated that analyzing, selecting and developing the right candidate are a large part in succession planning if these steps are not made the likelihood that leadership transition will be successful decreases. The selection of an unprepared or inappropriate successor can create damaging impacts after leadership transition. Majority of founders and managers of SACCOs are now on the brink of retirement who have held various levels of leadership responsibilities. After building the SACCOs from small scale entities to now the gigantic SACCOs that are there now, these aging generation needs to prepare for transition of all management positions. One of the biggest challenges of succession planning in SACCOs is employees not supported in decision making and implementation of the suggested ideas by top management as top managers are unwilling to train the junior staff. This is reflected in many SACCOs failing to be licensed by SASRA because of inability to meet regulatory requirements due to inadequate technical skills in management levels (SASRA, 2011). Mumanyi, (2014) states that SACCOs employees lack appropriate and adequate managerial skills and knowledge to support strategic succession plan which is a major constraint in developing SACCOs in Kenya. Therefore, complaints arise about lack of delegation of responsibilities and involvement in decision making. Employees complain about lack of loyalty, interest and low morale in workplace hence high labour turnover. According to Mudibo, (2006) board of directors are not trusted by employees therefore, this results to weak organization culture which does not cultivate transparency in management issues. Despite the growing interest of research done with leadership succession since the late fifties, little research is available to the SACCOs on what drives effective succession planning in their industry. Therefore, the study seeks to examine the factors that influence effective succession planning in deposit taking savings and credit cooperatives in Nyandarua County. To evaluate the influence of top management support on effective succession planning in SACCOs in Nyandarua County.

## **2.0 Effects of Top management support on effective succession planning**

Weekley, (2005) in his study states that the HR professionals should develop the succession planning with a mandate received from the CEO. Otherwise, the application of the process will not be successful. That is the CEO must be an avid supporter and an active participant, the line management must own the process with HR

playing a supportive role, gaps between the current and future skill requirements are to be identified, succession planning must be consistent with other programs. The employees are to be held accountable for their own planning and should focus on the selection process and the planning process has to be reviewed quite often.

According to Flanagan, (2016) if top management is not involved in, and supporting, the succession planning process, it just won't work. There are reasons for this. First, senior management should have its finger on the pulse of leadership talent within the organization. Second, sustaining any broad-based succession plan involves substantial effort and requires a high priority among top management. If the bosses are not seen as owning the plan, why would others is expected to assume ownership? In addition(Aberdeen Group, Inc., 2006) state that despite the numerous benefits of a formalized succession planning process, companies have failed to make it a top priority. In order to achieve results, companies need to start with the basics, create a strong process and then invest in the tools and technology to instil a talent development mindset in their organization. By strengthening the process, companies are gaining support from senior executives, ensuring a "performance culture" and establishing a company-wide program. Once these steps are in place, companies can then leverage technology solutions such as 9-box models, organizational charts, scenario planning and career profiling tools to reduce turnover, increase productivity and improve bench strength.

The executive director position in a non-profit organization is a central element in the organization's success. Therefore, insuring that the functions of the executive director are well understood and even shared among senior staff and volunteer leaders is important for safeguarding the organization against unplanned and unexpected change. This kind of risk management is equally helpful in facilitating a smooth leadership transition when it is predictable and planned (The Association Of Baltimore Area Grantmakers, 2007).

Avanesh, (2011), measured the process of succession planning and its impact on organizational performance in Indian IT sector and made specific recommendations for improving the quality of succession planning and organizational performance. She insisted on top management support being essential for any succession plan to succeed. CEO should hold the line management accountable for developing future leaders and simultaneously model the process him or herself. Allocate sufficient resources & management attention to sustain the program. To successfully implement the process, plans for implementation will need to be disseminated to all program executives within the organization. There should be regular reviews to evaluate the succession planning results.

According to Syeda Sana Gulzar,( 2014) succession planning is to have the right people in the right place at the right time, but the focus of succession planning is more specific Succession planning involves having the right leadership in place at every level of the organization. So, it also drives the movement of talent in the organization. Even though managing talent at all levels is important for the success or failure of any organization and its long-term prosperity, but to have talented leadership is even more important. Because the success of leaders or top managers-who are the decision makers and policy makers of any organization-can take the name of an organization to the skies and failure of leaders can result in vice versa if succession planning is effectively applied, it can become a most useful tool in bringing the real talent forward. But unfortunately many organizations do not give any importance to such a useful technique. A society for Human Resource Management (SHRM), succession planning is not only the useful tool for exploring or developing talented leadership, but it is also helpful in building employee engagement (EE) in the organization.

Every business is responsible for having succession plans in place for key leadership roles. Our long-term business performance and growth is dependent on our ability to assess the leadership roles and traits required by our strategic business objectives, appraise the available talent — both inside and outside the organization — and develop the right people to fill those vital roles. Most organizations, the most valuable asset has is its people. Developing, maintaining, and periodically reviewing succession plans help organisations achieve top performance and long-term competitive advantage. Succession planning should be proactive, not reactive, and a natural outgrowth of performance management and leadership development. Reviewed and recalibrated regularly, succession plans can help reinforce and perpetuate your core organizational values and ensure the future success of your company (General Electric Capital Corporation, 2012).

Research on succession planning in healthcare is limited and where it exists it concentrates on executive positions only (Shirey, 2008). In order for a succession plan to thrive, it must have the support of the senior executive leaders. They provide the guidance on talent needed in the organization based on anticipated strategic long-term goals (Shirey, 2008; Green, (2005). The human resources department should support the succession process, but the management team needs to own it (De Koning, 2005). The identification of high potential employees should be a joint effort between human resource and managers (Karaevli, 2003). Succession management is an ongoing planning process with a clear purpose. This best practice includes staffing review, where leadership teams meet quarterly or semi-annually to discuss performance, needs and strategies for developing high-potential leaders (De Koning, 2005). Accountability for selecting and developing managers and leaders cannot be delegated; therefore, top management should be at the fore front championing the process.

Hewitt (2012) views that successful planning requires an ongoing involvement and commitment from

the board of directors, CEO, and senior leadership. This may take several forms. First, the senior leadership should play an active role in the succession management process by driving and promoting it as a strategic priority for the organization. Second, senior management must lead by example by participating in identification and development of talent from within. In addition, adequate investment in financial and people resources will reinforce that senior leadership not only believes in the importance of succession management, but undertakes necessary steps to embed it in the organization.

Experts claim that management succession planning should ideally begin when the CEO or business owner is between the ages of 45 and 50 if he or she plans to retire at 65. Since succession can be an emotionally charged issue, sometimes the assistance of outsider advisers and mediators is required. Developing a succession plan can take more than two years, and implementing it can take up to ten years. The plan must be carefully structured to fit the company's specific situation and goals (Advameg, Inc, 2016).

According to Hart (2001) states that there should be maintaining an awareness on succession planning by leadership of the importance of identifying future leaders. If succession planning and management programs are left informal, they tend to perpetuate the consequence that managers will promote people most like themselves into the leadership roles, stifling change and creativity. An important factor in succession planning is that those responsible for developing and monitoring succession planning in an organization need to have well defined roles and responsibilities. The plan and its effectiveness need to be reviewed regularly, with input from senior leadership and human resources.

Kachaner, (2015) observed that managing the company's most talented nonfamily executives is especially challenging during the succession process. The company needs to ensure that these executives have opportunities to develop professionally and take on new responsibilities and that morale remains high. Involving executives in the succession process can help to foster their support for the new leader. For example, they can be asked to serve as mentors for the successor or lead special projects relating to the succession. Surrounding the new leader with a strong and supportive senior team is a key ingredient for success, and the departing leader should ensure that such a team is in place. HR can build a great talent development plan, but without active support from leadership, it won't have the desired impact. HR leaders can't force executives to support their efforts but they can align talent management efforts with strategic plans and educate executives and managers about the business value of succession planning efforts. To ensure this support occurs, executives are celebrated when one of their people succeeds, and part of their compensation and promotion is tied to how effectively they support talent management on their teams Making succession planning a priority must come from the leadership team, but implementation of that plan is HR's responsibility, "HR's role in succession planning is to find people who fit the culture and to help them develop the skills to lead the organization so it stays viable in the future." To do that, HR has to create a succession plan that links talent development with the strategic goals of the board, the business and the staff (Site Staff, 2013).

Top management commitment is the factor that determines the tipping point between potential success and failure when developing and implementing business continuity management projects and systems. In almost all of the cases where we were able to successfully develop, implement and validate a business continuity management system, the topmost contributor to the success was the keen interest exhibited by top management. When we say top management, it implies the Steering Committee formed for the execution of the business continuity project (Portal Publishing Ltd, 2007). Both the board and the current executive director play major roles in the management succession process, including planning for, recruiting, and developing future leadership (Dalton, 2007). In this context succession planning encompasses not only top management but also a number of other factors. It can cover issues such as the procedures necessary for a successful transfer, legal and financial considerations, psychological factors, leadership development, and exit strategies. Today the business is dynamic and keep changing rapidly hence, planning for future organizational leaders cannot be left to the traditional replacement model but needs to be more purposeful and strategic to meet the needs of today's rapidly changing business climate (IP & Jacobs, 2006). The replacement planning which is replacing the key executives when they leave is a reactive approach. This can be detrimental to an organization because they have no time to select the best there is and the process is done hurriedly to fill in the gap. Moreover, in emergency situations, an effective succession plan can literally save the company's life.

### 3.0 Methodology

The study adopted a descriptive research design. The target population of this research was 84 individuals who included 12 board of directors, 12 management team, 1 chief Executive officer and 59 members of staff of Tower SACCO. The study adopted census whereby data was obtained from every member of the population being studied that was 84 individuals who include 12 board of directors, 13 management team and 59 members of staff of Tower SACCO. A tailored questionnaire was used to collect data. The researcher carried out a pilot study on 10 respondents from Nyala SACCO. Quantitative data from the questionnaire will be coded and entered into the computer for computation of descriptive statistics. The Statistical Package for Social Sciences (SPSS

version 11.5) was used to run descriptive statistics such as frequency and percentages so as to present the quantitative data in form of tables and graphs based on the major research questions. Multiple linear regression model with dependent variable(Y) for effective succession planning and independent variable Top management support) was used to show whether the stated independent variable significantly influence effective succession planning.

#### 4.0 Discussion

The objective of the study aimed at evaluating the influence of top management support on effective succession planning in SACCOs in Nyandarua County. To achieve this, the study sought to know whether top management at Tower SACCO is supportive. The results are presented in the Table 1 below.

**Table 1. Influence of Top Management Support On Effective Succession Planning**

Variable	SA	A	N	D	SD	Total
In the SACCO there is open discussions about succession planning	20	18.6	4.2	32.9	24.3	100
There are structured interviews that allow staff to know what are required skills, competencies and knowledge for management positions	0	25.7	12.9	40.0	21.4	100
In the staff meeting there are open discussions about skills and competencies for management positions	10	30	1.5	31.4	27.1	100
There is commitment and active participation of the top management in succession planning process	14.4	25.7	7.1	25.7	27.1	100

The findings showed that majority 32.9percent of the respondents disagreed while 24.3percent strongly disagreed that in their SACCO open discussion about succession planning are normal. This cumulatively gave a majority of 57.2percent. But 20percent strongly agreed, 18.6percent agreed while 4.2percent were neutral. This implies that majority disagreed that in their SACCO there is open discussion about succession planning. This suggests that matters of succession planning are not mainstreamed in the discussion at Tower SACCO. According to Sager, (2002), much communicative planning is consensus oriented and rests on ideas of deliberative democracy. Planning recommendations made by dialogue are based on the intellectual force of arguments that give reasoned rankings of the planning alternatives. Dialogue encompasses the amalgamation of arguments and ensures communicative rationality of the process and the legitimacy of the recommendation. These findings underline the value of dialogue and open forum discussions in the succession planning.

The results of the study further sought to establish whether there are structured interviews that allow the staff to know the required skills, competencies and knowledge for management positions within the SACCO. They showed that while majority 40.0percent disagreed; fewer 21.4percent strongly disagreed, 25.7percent agreed and 12.9percent were neutral. This cumulatively showed that 61.4percent disagreed meaning the staff are not aware of the skills, competencies and knowledge that they need to acquire in order for them to enter in to management positions.

The findings sought to know whether in staff meeting there are open discussion about skills and competencies for management in succession planning process. The results showed that majority 31.4percent disagreed while 27.1percent strongly disagreed, 10percent strongly agreed, 30percent agreed while 1.5percentwas neutral that in staff meeting there are open discussion about skills and competencies for management in succession planning process. This implies that majority 58.5percent disagreed that in staff meeting there are open discussion about skills and competencies for management in succession planning process. This implies that succession planning is not regarded as a major issue by the management of Tower SACCO.

The results of the study also showed that 27.1percent strongly disagreed, 25.7percent disagreed, 7.1percent were neutral, 25.7percent agreed and 14.4percent strongly agreed that there is commitment and active participation of top management in succession planning process. This implies that 52.8percent disagreed that top management is committed to the process of succession planning.

The study analysed data on the influence of top management support on succession planning and obtained the Pearson correlation and presented the results in Table 2 below.

**Table 2 Pearson Correlation of Top Management Support Against Succession Planning**

Variable	Test	succession planning
	Pearson Correlation	.691**
Influence of training	Sig. (2-tailed)	.000
	N	70

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

Table 2 shows that Top Management Support has positive relationship on succession planning. The r value is 0.691 which is relatively strong at 2 tailed significance of 0.000 which is below 0.01 level of significance.

### Regression

The study did regression on quantitative data between Top Management Support and succession planning and presented the findings in the Table 3.

**Table 3 Coefficients<sup>a</sup> Top Management Support on Succession Planning**

Model 1	Unstandardized Coefficients		Standardized	t	Sig.
	B	Std. Error	Coefficients		
(Constant)	1.980	.182		10.856	.000
Top Management Support	.097	.067	.278	1.462	.148

a. Dependent Variable: Succession Planning

Table 3 provides the information needed to predict succession planning from influence of top management support. Both the constant and top management support contributes significantly to the model. The regression equation is presented as follows; Succession Planning = 1.90+0.097 (Top Management Support)

### Model Summary

The model summary between top management support against succession planning is presented in Table 4.

**Table 4 Model Summary of Top Management Support against Succession Planning**

Model 1	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.354 <sup>a</sup>	.126	.072	.484

a. Predictors: (Constant), Top Management Support

Table 4 provides the R and R<sup>2</sup> value. The R value is 0.354, which represents the simple correlation. It indicates an average degree of correlation. The R<sup>2</sup> value indicates how much of the dependent variable, "succession planning", can be explained by the independent variable, "Top Management Support". In this case, 11.4 percent can be explained, which is relatively significant.

In summary

(Y) Succession Planning = 1.90+0.097 (Top Management Support)

Multiple regressions give the constant as 2.0771

Therefore the overall regression model is

(Y) Succession Planning = 2.0771+0.097 (Top Management Support)

The null hypothesis H<sub>02</sub>: Top management support does not have statistically significant influence on effective succession planning in SACCOs in Nyandarua County: *is rejected* Therefore, top management support has a significant influence on effective succession planning in SACCOs in Nyandarua County.

### 5.0 Conclusions and Recommendations

The findings showed that 57.2percent (35.7percent disagreed, 24.3percent strongly disagreed) of the respondents disagreed that in their SACCO there is normally open discussion about succession planning while 38.6percent agreed (20percent strongly agreed, 18.6percent agreed). This implied that majority disagreed that in their SACCO there is open discussion about succession planning.

The findings showed that 61.4percent of respondents disagreed that there is structured interviews that allow the staff to know what are required skills, competencies and knowledge for management position. This implied that majority does not believe that there are structured interviews that allow the staff to know what are required skills, competencies and knowledge for management position.

The findings further showed that 40percent of respondents agreed in staff meeting there are open discussion about skills and competencies for management in succession planning process while 58.5percent disagreed. This implied that majority agreed that in staff meeting there are no open discussion about skills and competencies for management in succession planning process.

The findings showed that 52.8percent of the respondents disagreed there is commitment and active participation of the top management in succession planning process while 40.1percent agreed. This meant majority disagreed there is commitment and active participation of the top management in succession planning process. The findings showed that majority 78.6percent agreed that proper succession planning do add value to the SACCO and its performance. This meant that majority believes that proper succession planning add value to the SACCO performance.

The findings also showed that 81.5percent respondents agreed that a well written plan ensure SACCO survival and continuity in case sudden departure of the key staff. This implied that a well written down succession plan boosts SACCO survival and continuity according to the respondents. In addition, the findings showed majority 81.4percent of respondents agreed that an effective succession planning ensures smooth transition of control from one top manager to the next hence ensuring stability of the organization. This implied that effective succession planning ensure smooth transition of control from one top manager to the next hence ensuring stability of the organization.

The findings also showed that majority 84.3percent of the respondent agreed that the quality of the next generation of the management in the SACCO can propel the business into new heights. This implied that majority believe that quality of the next generation can improve the standard of the SACCO hence the quality of the next generation matters.

The findings further revealed that majority 84.2percent of the respondents agreed that a good succession plan can increase the SACCO's share value. The findings also showed majority 88.6percent respondents agreed that a competent and consistent workforce can ensure sustainability of the SACCO. This implies that majority agreed that a competent and consistent workforce can ensure sustainability of the SACCO. The findings further showed that majority 91.3percent of the respondents agreed that there has been consistency in succession between managers to the other. This means that there has been consistency in succession between managers to the other. The findings further showed that 51.43percent of respondent stated another factor that might influence succession planning is political factors and 48.57percent said bureaucracy. This implied that these two factors (political factors and bureaucracy) might influence succession planning.

On top management support, the findings revealed that SACCOs are not very open to discussion about succession planning and there are no structured interviews that allow the staff to know what are required skills, competencies and knowledge for management positions. In addition, the study concludes that staff meeting do not have open discussion about skills and competencies required for management in succession planning process. It concludes that succession planning is not practised by managers, it is not regarded as a major issue by the SACCO management.

SACCO top management should be at the forefront in providing the necessary support and impetus for succession planning in the SACCO. In addition, the SACCOs' management should encourage open discussion about succession planning during the regular meetings and should provide structured interviews that allow staff to know what are the required skills, competencies and knowledge for management.

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