

**INVESTIGATING SUCCESSION PLANNING PRACTICES IN SOUTH AFRICAN  
CONSTRUCTION COMPANIES**

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submitted in accordance with the requirements for the degree of Master of  
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**Commerce Faculty**

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## **PLAGIARISM DECLARATION**

I, **Susan Bancomile Mfeka**, declare that “Investigating succession planning practices in South African construction companies” is my work, and that all the sources I have cited have been designated and recognised by the means of complete references.

Signed by candidate

**Signature**

**December 2021**

**Date**

## **DEDICATION**

I am dedicating this study to my late beloved parents Anthony Cele (Father) and Nomusa Cele (Mother) for their being a solid foundation for me throughout my education.

## **ACKNOWLEDGEMENT**

**Firstly**, I would like to acknowledge my family – Worthman Mfeka (Husband), Thandolwethu Mfeka (1st daughter), Zamamanguni Mfeka (2nd daughter), Zanenhle Mfeka (3rd daughter) and Sinombuso Mfeka (4th daughter) for allowing me to sacrifice time away from them to study, and for their continued support and encouragement.

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## **ABSTRACT**

Globally, the implementation of succession planning in the construction industry is not developing. Literature indicates that, while construction companies understand succession planning, their lack of implementation directly affects employee retention. This research employed a qualitative research design to investigate the extent to which certain South African construction companies implement succession planning. Data were collected from six human resource executives serving across six South African construction companies. Overall, the results confirmed a lack of succession planning implementation at the respective companies. This study found that the HR executives understand the concept of succession planning even though it is not formalised. Furthermore, leadership buy-in was found to be lacking, which was negatively impacting the succession planning implementation. Certain specific factors were also discovered to be contributing to the hindering of the succession planning implementation. These factors include lack of retention strategy, lack of career discussion, lack of skills development, and lack of available positions. Suggestions and recommendations in light of these findings are provided.

***Keywords:* Construction companies, succession planning, employee retention, South Africa**

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## **Chapter 1: Introduction**

Human Resource (HR) departments establish policies and procedures that are geared towards the management of employees. Overall, HR initiatives aim to maximise employees' contribution to an organisation and to retain employees who possess scarce skills (Darshani & Wijeyerathne, 2017). The retention of effective, dedicated, and high-performing talent is important for continued organisational success. In circumstances where employees leave the organisation for whatever reason, there should ideally be a pool of internal candidates available to take up a vacant position. According to Blouin et al. (2006), the best solution for preparing employees for these positions is through the implementation of succession planning development programmes.

### **Succession planning definition**

According to Garg and Weele (2012), succession planning is a practice that permits the continuous functioning of an organisation. Succession planning is achieved by instituting a process that helps in identifying emerging talented and competent employees, timeously, and replacing key employees who leave the organisation over time. In the past, organisations, as part of their succession planning, searched outside of the organisation for potential or replacement employees to replace departing employees. Effective succession planning aims to develop potential employees and promote internal replacement.

Succession planning is of value to an organisation because it allows the organisation to envision what skills and roles will be needed for certain positions in both the immediate and long-term future. Furthermore, succession planning can help the organisation identify certain employees who have the potential to be upskilled and developed with these specific skills and roles in mind.

Mathur (2011) sees succession planning as a process running parallel to talent management. Succession planning and talent management ensure that a) employees are upskilled through a thoroughly considered development plan, and b) that these upskilled and talented employees are ready to take over key leadership roles. Perrenoud and Sullivan (2016) see a further advantage to succession planning in

terms of speedily replacing a predecessor in the event of the sudden loss of efficiency created by retirement, death, serious illness, or promotion.

Two aspects of the succession planning process have been found by researchers to influence its success. Firstly, Rothwell (2010) argues that the process of analysing, selecting, and developing the right employee is crucial. They see this as directly influencing the success of the transition into the new position. Secondly, according to Phillips, Evans, Tooley, and Shirey (2018), support from the executive level is crucial to ensure the effective implementation of succession planning.

### **Problem statement**

Globally, construction companies have to date shown little progress in implementing succession planning (Perrenoud & Sullivan, 2017; see also Perrenoud, 2018; Rameezdeen & Gunarathna, 2012; Yankov & Kleiner, 2001). There is currently a global shortage of qualified and talented employees who are ready for future leadership roles in the construction industry (Yankov & Kleiner, 2001). Additionally, from the findings of Koranteng (2014), organisations tend to struggle to maintain the best talent for them to acquire a competitive advantage.

The construction industry refers to a company that manufactures and distributes building materials, maintains the building, and repairs structures. The construction industry plays a vital role in communities and thus it is important to have a system that will ensure the continuation and development of the business. Perrenoud and Sullivan (2017) argue that, due to the uniqueness of the construction industry, there is a necessity to identify specific practices that will assist these companies in improving their succession plans and their implementation. However, before we can make recommendations on this, we first need to understand the practices currently in place.

Working in the construction industry in South Africa, I can attest from my experience that this trend exists in our country. My experiences, together with anecdotal evidence from my professional networks, suggest that many construction organisations in South Africa operate without formal succession plans. Due to the absence of succession planning these companies experience high turnover when top-

performing employees resign. In organisations for which I have worked, our high performers have been head-hunted because there has been no focus on the part of the organisation on their succession and career path. This has created an employee attrition problem in these organisations and within the sector (Mehrabani & Mohamad, 2011). Thus, the current research study aimed to answer the following question:

Are South African construction companies utilising succession planning?

As part of the current study, I also aimed to explore possible barriers to succession planning and provide recommendations to help construction companies design and implement effective succession planning policies and practices that will improve their longevity and sustainable success.

## **Literature Review**

The following section presents the reader with a literature review on succession planning. Following on from the first section are sections which, based on the existing literature, include a presentation of what has been found to be a best practice approach to succession planning, a description of the advantages of undertaking this process in an organisation, and a description of some common hindrances in succession planning implementation.

### **Succession planning best practices**

Good workforce planning is crucial in an organisation to prevent the disruption of work teams, business units, subsidiaries, and organisation due to unexpected departures (Rothwell, 2005). According to Cohn et al. (2005), by implementing succession planning an organisation can develop itself without resorting to external replacement. In addition, a formal implementation process provides current employees with opportunities to develop required skills/competencies. Conger and Fulmer (2003) argue that the first step, and one of the most important steps, in any succession planning process is acknowledging the need to identify and highlight the scarce skill positions in the organisation.

Cohn et al. (2005) advocate for an organisation's leadership team to assess and decide which positions in the organisation are classified as critical to the

achievement of an organisation strategic goals and objectives. Succession planning is seen as a tool to guide the process to identify these critical, key positions. Leaders in the organisation would be required to identify potential successors who have been developed and upskilled for these roles (Karaevli & Hall, 2003). In this context, potential can be defined as the ability to learn new and different skills and the capacity to transition into more advanced roles in the organisation (Charan et al., 2001).

Mathur (2010) notes that there is no standard set of criteria for assessing the potential of an employee, and for identifying with absolute certainty capable future leaders. The identification of employees' potential, however, is fundamental for the effectiveness of succession planning. Thus, researchers such as Mathur (2010) argue that leaders need to ensure that the evaluation method used is rigorous. Multiple assessment methods have been proposed, including 360-degree feedback systems and psychological assessments. These methods are commonly used to evaluate and provide supporting evidence for leaderships' judgments of potential future talent (Barner, 2006; see also Garman & Glawe, 2004).

Another important best practice component of succession planning is feedback and communication. The organisation should regularly assess their successor candidates, provide feedback about their development, and identify areas for improvement (Garman & Glawe, 2004; see also Conger & Fulmer, 2003;). Aligned to this, the successors' development plans must be reviewed, revised, and adhered to. Individual development plans need to be understandable, measurable, and easy for the successor to follow (Fulmer, 2002).

Many development initiatives can be adopted to assist in preparing a successor, for example, these would include study materials, on-the-job training, technical modules, leadership training, and projects (Bernthal & Wellins, 2006). The organisation needs to have a precise development plan which outlines such initiatives and is linked to each set of achievable targets, with specific timelines (Dyck et al., 2002). Scholars also propose that these development plans should be approved by the predecessor who occupied the critical position (Dyck et al., 2002).

Finally, measurement is important as part of succession best practice. Organisations need to evaluate their succession planning impact as well as the progress/growth of their successors (Bernthal & Wellins, 2006; see also Conger &

Fulmer, 2003; Rothwell, 2005). According to Bernthal and Wellins (2006), the evaluation of succession planning can be measured based on a range of different factors, such as increased job satisfaction and engagement levels, participation in learning and development activities, as well as employee retention. At the same time, decreased proportion of external replacement, and reduced recruitment costs are also necessary to include in this measurement (Bernthal & Wellins, 2006).

Rothwell (2005), and Garman and Glawe (2004), mention that measuring and evaluating succession planning enables the organisation to improve its succession planning processes and identify the impact and value of the process.

### **Benefits of effective succession planning**

The literature refers to key benefits of successful succession planning including employee retention, a feeder pool, employee engagement, and employee commitment. Each of these benefits is discussed below.

#### ***Employee retention***

Schroeder et al. (2013) explain the important reasons for having an employee retention programme: to avoid losing valuable employees, to enhance production efficiencies, and to increase customer satisfaction. Employee retention can be seen in terms of an organisation's ability to prevent employees from leaving (Tunje, 2014). Succession planning helps successful organisations to retain skilled employees and reduce turnover (Kowalewski et al., 2011). Imna and Hassan (2015) argue that one of the challenges organisations experience today is the retention of their employees. Capable employees are usually in high demand and thus the possibility exists of their being headhunted or leaving the company if they are not well looked after, or feel disengaged and demotivated (Koranteng, 2014).

Successful organisations have been found to use succession planning as one avenue to retain these key role players (Chitsaz-Isfahani & Boustani, 2014; see also Das & Baruah, 2013). In other words, without structured succession planning, companies are unlikely to identify, develop, and promote their existing talented employees instead of having to recruit externally and having their employees exiting for better career opportunities elsewhere. Thus, studies conducted by scholars such

as Garg and Weele (2012), and Tunje (2014), indicate that organisations should be encouraged to use succession planning as an employee retention strategy not only to reduce employee turnover but also to save on recruitment costs.

Results from research conducted by Eshiteti et al. (2013) indicated that succession planning programmes have been found to enhance job satisfaction and have enabled employee development opportunities, both of which factors were found to have had a positive impact on employee retention. Similarly, Rothwell (2005) found that succession planning played a key role in preparing internal talent to occupy vacancies when they arose. In addition, the study conducted by Tunje (2014) showed that effective succession planning increased the probability of an organisation retaining key employees.

### ***Building capabilities***

Not only has succession planning been found to enable continuity in an organisation, but it also minimises the disruption that might happen unexpectedly (Rothwell, 2005), for example, should an employee resign, retire, or even be dismissed. Thus, it is important to develop internal employees who have the appropriate experience, who understand the organisational culture, and who demonstrate positive attitudes towards shared organisational norms and values. Therefore, according to Neo et al. (2012), with effective succession planning, the organisation would have suitably qualified talented employees (already part of the organisation) who are ready to assume leadership roles.

Research shows that many organisations are not prepared or well equipped to confront high employee turnover when it occurs (Eshiteti et al., 2013). These organisations are usually found to lack effective succession planning programmes and plans aimed at creating a feeder pool of highly capable employees who would be able to occupy leadership positions (Eshiteti et al., 2013). Govender (2010) emphasises the value of succession planning in assisting organisations to create this important feeder pool. The outcome of succession planning has been found to be the accumulation of well-trained, grounded, experienced, prepared, and capable employees who can be adopted into positions each time the organisational need arises (Eshiteti et al., 2013).

## ***Employee engagement***

Effective succession planning also has the potential to enhance employee engagement (Stadler, 2011). Garg and Weele (2012) found that employees who are aware of their development plans, career path, and supported in these by the organisation are more likely to be engaged, willing to be part of the organisation, and always wanting to add value to their daily activities and site-planned projects. Career paths enhance and motivate the enrichment of an employee's responsibilities and yield results of engagement, satisfaction, and development (Croteau & Wolk, 2010). However, Croteau and Wolk (2010) explain that career paths should not only expand one's responsibilities on a horizontal level but be focused on promotion or upward mobility.

Research conducted by Garg and Weele (2012) found that one of the key enablers of employee engagement was the personal development of an employee, which is an outcome of effective succession planning. This engagement created a positive organisational culture that had a positive impact on company objectives and the overall involvement of the employees.

Gulzar and Durrani (2014) conducted similar research to investigate the impact of succession planning on employee engagement in the Telecommunication Sector in Rawalpindi, Pakistan. The outcome of their study showed effective succession planning to have played a significant positive role in the high level of employee engagement in the organisation.

## ***Employee Commitment***

Green et al. (2000) argued that employee commitment reduces the likelihood of employee turnover. Employee commitment has been found to play a vital role in the organisation and to yield a higher outperforming organisational culture (Owens, 2006). Thus, from these studies, effective succession implementation has been found to assist generally in building employee-employer trust, which results in committed and loyal employees. Stadler (2011) affirms that employees with high job satisfaction are normally committed to the organisation, and hold the belief that the organisation has a substantial interest in, and future for, them. Thus, committed employees tend to be

motivated to perform and reach their objectives and even go the extra mile to showcase their talent and growth (Stadler, 2011).

The organisational culture, norms, behavioural factors, and values have been found to lead to enhanced affective organisational commitment, which starts from the core behaviour of the majority of employees (Addae et al., 2006). Employees who are aware of their development have been found to be generally happy and satisfied. In addition, Gu et al. (2010), in their study conducted in China, found that such employees tended to be dedicated, loyal, engaged, and productive in their jobs, thus contributing to the performance of the organisation and to its success. Sledge et al. (2008), in the Brazilian organisation which was the focus of their study, found that the organisation preferred employees who demonstrated a high level of job satisfaction, empowerment, and motivation. According to Sinclair (2011), effective succession planning not only affects employee's commitment but helps to achieve these outcomes as well.

### **Hindrances to succession planning implementation**

Despite the obvious advantages of using formal succession planning, some organisations struggle to implement this practice. Mehrabani and Mohamad (2011) suggested that an organisation needs to be able to evaluate and have a thorough and sensitive understanding of its current employees' capabilities and the kinds of resources needed in the future. Research has identified four key roadblocks in the path to successful succession planning. These include a lack of mentoring and coaching, the absence of a talent management process, insufficient leadership development, and a lack of communication. Each of these are discussed in further detail below.

#### ***Lack of assigned coaches and mentors***

Mathur (2010) is of the view that an important part of successful succession planning implementation is putting measures in place to ensure the mentoring of key successors to prevent the failure of succession planning. Researchers have found effective mentoring and coaching programmes to provide benefits to both mentee and mentor (Phillips et al., 2018; see also Gordon & Overbey, 2018). Coaches and mentors are usually assigned to potential employees by an organisation in order to leverage and improve their operational skills and leadership capabilities (Perrenoud, 2012).

Conger and Fulmer (2003) argue that, for coaching and mentoring to be effective, there should be a formal structure with specific objectives and targets that guide mentors and mentees through the process. Thus, these authors advocate that, when forming part of a succession programme, these formal structures should have a set of matrices, that are systematically monitored to measure the progress of designated employees. They warn that failure to appoint mentors and to monitor the mentoring process can significantly reduce the effectiveness of succession.

Well-established practices of mentoring and coaching can be used to link senior and experienced managers and supervisors with junior and less experienced employees to ensure good working relationships and the development of individual skills for them to achieve their professional goals (Kim, 2003). Groves (2007) supports the utilisation of managerial personnel in developing an organisation's mentor network. The leadership team can identify coaches and mentors to champion the implementation of the succession plan as well as to identify high potential employees and earmark them for professional development. However, it is important to note that most companies have found the provision of time and resources for purposes of cultivating better mentorship for employee development to be their biggest challenge (Gunnore, 2015).

### ***Absent talent management processes***

Prince (2006) argues that succession planning needs to be supported by the establishment of training needs and development plans to make it possible for employees to attend the necessary programmes to boost their education and skill levels. Hartley (2004) defines talent management as the process of recruiting, onboarding, and developing employees. The strategies associated with those activities in organisations need to be part of an effective succession planning programme if it is to substantially enhance and equip employees with the necessary skills to fill vacant leadership positions (Gulzar & Durrani, 2014). Talent management aims to develop profound practical knowledge (know-how), and in doing so improve the leadership capabilities of employees for their future roles. In this way, talent management and succession planning go hand-in-hand and need to be aligned with each other (Rothwell, 2010).

A study conducted by Pandey and Sharma (2014) in India revealed that succession planning sometimes takes a backseat because organisations invest more in the talent management process at the expense of succession planning. However, as has been mentioned, talent management initiatives need to be aligned with succession planning (Koranteng, 2014). Establishing talent-management processes creates an opportunity for employees to advance in the company, thereby motivating them to strengthen their abilities and develop new skills. When this kind of process is linked to succession, these individuals, so developed, are able to occupy leadership positions in the future. Rayburn et al. (2016) showed how succession planning and talent management helped secure promotions to senior roles. Thus research has shown that succession planning needs to be incorporated with career management and talent management. Tunje (2014) suggests that failure to incorporate these could influence the successful implementation of succession.

### ***Lack of leadership development***

While succession planning typically aims to develop low to mid-career employees, employees in leadership positions should not be excluded from this process. This planning should involve employees at all levels and should include a strategic and dynamic leadership development plan (Weisblat, 2018). Chavez (2011) argues that organisations that ignore the development of their leaders in the course of their succession planning are likely to suffer adverse effects from a demotivated and unsatisfied leadership team. This not only results in poor work performance but can become disruptive to other employees' productivity and employee morale.

Harrell (2016), indicated the importance of developing leaders and of not neglecting their development. Leaders also need the kind of career projections and development associated with more senior positions. An organisation cannot wait until they are faced with the risk of losing knowledge, experience, and seniority when executives resign and/or retire. Thus, Harrel advocates for organisations including leadership as part of their succession plans.

The mistake made by organisations is to recruit externally for a key leadership position instead of creating a pipeline through suitable employees to be promoted (Mathur, 2011). Thus, the literature indicates that a leadership programme as part of

succession planning is crucial to create a sustainable feeder of successors. Dalton (2006) found that 40% of leaders are set up to fail in their first 18 months due to a lack of development initiatives for senior management. This obstacle to effective succession needs to be understood for succession implementation success (He et al., 2010).

### ***Lack of communication***

Lastly, the literature has shown how a lack of communication between the predecessor and the successor during the transition can be fatal to the success of the succession progression. Communication has been found to be paramount for the transition into the new position. In the 1990s Morris et al. (1997) argued that frequent, clear communication between the predecessor and successor can lead to a better understanding, fruitful relationship and can decrease the likelihood of failure during transitions, including those involving leadership transitions.

Communication breakdowns can be frequent during the transition of the leadership (Ibrahim, 2001). Lack of communication may develop from a lack of knowledge, capability, confidence, and past negative experiences, all or any of which generate a reluctance on the part of the predecessor to share information with their successor (Hubler, 1999). In addition, a lack of communication, can give the successor the impression that crucial information, procedures, and process knowledge are being purposely withheld by the predecessor in order to undermine the succession planning process, and this needs to be avoided (Ibrahim, 2001). Communication failure not only has the potential to affect the effectiveness of succession planning but can also create resistance to succession planning implementation (Perrenoud, 2012).

### **In Summary**

The literature reviewed in this chapter has shown that succession planning has the potential to provide several benefits both for employees and for the organisation. Research has shown that those organisations that engage in succession planning and other initiatives to promote employees' knowledge, skills, talents, and capabilities have been able not only to tackle problems created by challenging and changing environments but have managed to retain talented employees (Mehrabani & Mohamad, 2011). On the other hand, studies have shown that organisations that have

failed to devise an optimal succession planning strategy have risked not only leadership continuity, but lose knowledge and expertise when senior executives retire, resign, or are dismissed, and, in so doing have overall missed an opportunity to strengthen the organisation (Chavez, 2011; see also Getty, 1993).

Despite the widely recognised importance of succession planning, relatively little is known about succession planning in the South African construction industry. This research therefore aimed to explore the succession planning practices and trends of South African construction companies.

## **Chapter 2: Method**

This section describes the research design and methodology adopted for this study, together with the rationale for their choice.

### **Research paradigm**

Given the research question at hand, the researcher choose a constructivist approach to the research. This epistemological position sees knowledge as constructed and focuses its analysis on processes or functions, making it suitable for the current research. A qualitative study was designed to engage participants and collect data (using probes and follow-up questions) to gain a better understanding of the concept (in this case success planning) (Yin, 2012).

### **Research design**

An exploratory research design with a qualitative approach was used for this research. The exploratory design was deemed appropriate because the researcher aimed to discover new insights into, and report observed patterns and trends in succession planning in six South African construction companies (Yin, 2012). With the qualitative inquiry, the researcher was able to gather meaningful information from the sampled study participants about the phenomenon under investigation (succession planning) (Creswell, 2015; see also Baxter & Jack, 2008).

### **Data collection**

The primary data collection method for this study was in-depth interviews using semi-structured questions. The interview schedule can be found in Appendix A. Creswell (2015) and Qu and Dumay (2011) argue that interviews are effective for collecting qualitative data. Supportively, Flick (2014) explains that in-depth interviews allow deep information, and see the knowledge to be sought with this information usually being related to matters such as decision-making. Thus, interviews as a data collection tool were considered to be applicable to this research.

### **Sampling strategy and sample**

Given the nature of the research, the researcher considered it necessary to interview Human Resource (HR) representatives from six South African construction

companies. Creswell (2015) recommends a sample size of between three to ten participants when a qualitative inquiry is performed. The researcher aimed to interview approximately 10 participants or to continue with the interviews until saturation was reached.

Trochim (2006) defined a sampling strategy as a process of choosing participants or companies for research. The sampling strategy for this research was non-probability purposive sampling. The researcher needed to choose and recruit participants from a population of those who were directly involved in and/or influenced decision-making concerning policies and procedures.

The final sample consisted of six HR representatives (senior-level employees) working in Cape Town (n = 1) and Johannesburg (n= 5). All of the six participants were working for construction companies and occupied decision-making positions. Their respective roles in their organisation included responsibility for the implementation of succession planning and/or talent review. Data collection was discontinued after interview six due to no new data emerging, and saturation having been reached (Burmeister & Aitken, 2012; see also Dibley, 2011). Guest et al. (2006) confirm that data saturation can be reached after as little as six interviews, depending on the sample size of the population.

## **Procedure**

The target participants were sourced via employer sites and groups on LinkedIn. Participants were invited to participate in the research via email and were requested to sign a consent letter that accompanied the invitation. This letter detailed the aim and objectives of the research and enabled the participant to indicate their willingness to participate. The consent letter can be found in Appendix B.

Interviews were scheduled with those participants who agreed to participate. Five interviews took place online via the Microsoft teams platform, and one interview was conducted face-to-face (based on the preference of the participant). The interviews were between 45 minutes to an hour in duration and were recorded to enable transcription. Transcription was completed by the researcher once all six interviews were performed.

## **Data analysis**

The researcher used thematic analysis to analyse the interview transcripts. No software package was utilised; the researcher used the paper-pencil approach. Thematic analysis is used to identify and group similar data across interviews (Boyatzis, 1998). These similarities form themes that connect the data and that can be interpreted by the researcher (Boyatzis, 1998). The researcher examined the data closely, then proceeded to identify, analyse, and report the patterns/themes that came up repeatedly during the interviews. In the process of using thematic analysis, the researcher experienced an increased understanding of the patterns and trends of succession planning in six companies in the South African context (Marks & Yardley, 2004). Namey et al. (2008) support this approach by describing thematic analysis as a process used by the researcher to understand both the explicit and implicit thoughts of the participants involved in the research. The following steps were followed during the thematic analysis process:

Firstly, the researcher replayed the recordings of each participant to listen intensively to the responses provided. This was to familiarise herself with the data collected as well as to assign preliminary codes that the researcher considered at this stage to describe the content of each interview (Carpenter & Suto, 2008). These preliminary descriptor codes and shorthand labels were then used to identify broad themes (common meanings and associations) within the data (Carpenter & Suto, 2008). The researcher highlighted segments of transcribed text manually and jotted down code names. These were subsequently changed and modified throughout the process. These final themes represented patterns and trends in the data. As part of the thematic analysis process, the researcher was able to link similarities and differences within the raw data of each interview, and count the reoccurrences of themes across interviewees.

## **Data management**

Data management includes the procedure by which data is acquired, validated, stored, protected, and processed throughout its lifecycle. The raw data from this research (in the form of interview transcripts) were uploaded onto the University of

Cape Town's data management platform for safe storage and in compliance with the institution's research data management policy.

### **Ethical considerations**

The researcher sought ethical approval from the Commerce Faculty's Ethics in Research Committee (Ref No. MS\_2020\_MFKSUS001). Barbour (2014) states that to be ethical is to conform to accepted professional practices. Thus, as has been mentioned, participants were made aware of the research objectives before they made an informed decision regarding their participation. Participation was voluntary and participants were informed that they could withdraw at any time. Consent to participate was captured via an informed consent letter. Participants remained anonymous throughout the research process: any identifiable information was removed from the interview transcripts and interviewees were allocated an interviewee number for reporting. The researcher transcribed the interviews to ensure confidentiality was maintained.

## Chapter 3: Results

The following chapter presents the reader with the results that emerged from the six interviews undertaken with the sampled HR executives about the succession planning practices in their respective organisations. The results are presented according to the themes which emerged from the interviews. Overall, a total of 5 themes are detailed below:

Theme One: Good understanding of succession planning

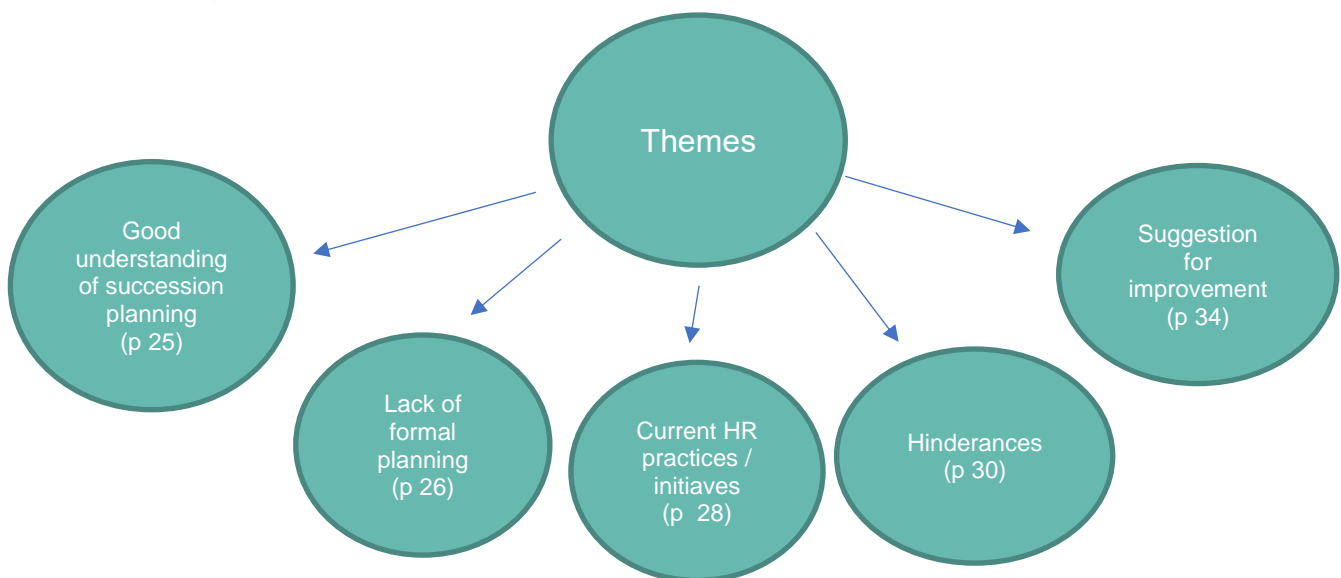
Theme Two: Lack of formal succession planning

Theme Three: Current practices around succession planning

Theme Four: Factors hindering the implementation of succession planning

Theme Five: Suggestions for improving succession planning implementation

Figure 1. Thematic map.



### Theme One: Good understanding of succession planning

As part of the interviews, participants were asked about their knowledge of succession planning. Responses indicated that most of the interviewees (five

participants) had a relatively thorough understanding of what this process entails. Thus, this became the first theme to emerge from the results.

Two participants were able to demonstrate their understanding of succession planning as being a process to evaluate the readiness of the employees to take on future roles. Specifically, interviewees commented that the process is usually used to fill vacant leadership positions within an organisation.

*"It is the process to assess the current position plan to ensure sustainability and identifying people, multi-functions of who is the person next to the job, ensuring skills development initiatives to capitalise on identified people strengths to make them ready for future [internal] opportunities."*  
Participant 4

*"Succession planning is a long-term talent management strategy which assists the leadership team to plan better for employees development growth to enable future deployment in the organisation and retain them."*  
Participant 6

One of the participants had knowledge of succession planning but due to working in a small, local construction company where day-to-day activities are based on short-term projects, they had not been exposed to a formalised succession planning process:

*"I have direct exposure of a formal succession planning structure but I have not seen the successful implementation of it."*  
Participant 5

Despite this participant's lack of exposure to this planning, however, they nevertheless understood the fundamentals of the process and were able to comment on their organisation's practices in their interview.

## **Theme Two: Lack of formal succession planning**

When participants were asked about the succession planning procedures and processes in their organisations, it became evident that within all six organisations there was no formal succession planning taking place. The participants confirmed that their company's succession planning was either unstructured, informal, and or non-

existent. As such, the lack of actual succession planning, or related processes, became the second theme emanating from the results.

Two participants explained that their organisation refers to succession planning, but in fact, nothing is happening to improve or groom the current, capable, and skilled employees. This organisation promotes from within, but their motive is primarily to reduce recruitment agency costs. The role of 'succession' in these organisations is not to develop employees nor help them with career planning. Instead, it is the term used when management promotes an employee as and when a vacancy occurs: The following quotes testify to this.

*"In my organisation succession planning is a wishy-washy ineffectual and nothing is communicated. The leadership team wants to portray as if they are doing something about developing employees but it is just for window-dressing to look good on paper."*

*Participant 2*

*The organisation [claims to have] informal succession planning. [But] there is a lack of [formal] succession planning processes or systems, a lack of skills development plans, [and] a lack of performance management systems. [This] leads [to] the process [being] unstructured as employees get promoted to positions without proper evaluation".*

*Participant 3*

Two participants illustrated their organisation's lack of succession planning by using their appointment as an example. One individual, who occupies a strategic HR position, was hired into the organisation when the position became available. There was at the time no internal employee ear-marked or developed to take on this role. The following two quotations support the finding of a lack of succession planning:

*"There is no succession plan for the key leadership roles and we are exposed as we [don't] motivate and retain talent. Instead [we] keep on replacing externally not addressing succession plans, [and] not identifying key roles that [require] succession planning.*

*Participant 2*

*"As the HR executive, I was hired, which simply explains that my organisation did not secure successors for a key position such as mine."*

*Participant 6*

### **Theme Three: HR initiative aligned to succession planning**

During the interviews, participants were asked about their organisation's lack of formal succession plans, as well as their lack of attempts to put such plans in place or intentions to implement current succession planning practices. Three participants agreed that their organisations do have some strategies to upskill and develop employees, but that these interventions are not formalised as part of succession planning. In some instances, there is no intention to retain the developed employees within the organisation, and in others, upskilling is intended to enable employees to take on possible future roles, but these roles are not specifically identified nor matched to an employee or employees. Three subthemes thus emerged which represent these strategies. These include mentoring, leadership, and graduate programmes. These are detailed further below.

#### **Theme Three - Sub-theme One: Mentoring programme**

While, according to one participant, their organisation does not have formal succession planning, the organisation does provide mentoring opportunities that are aimed at developing and upskilling employees. The goal of mentoring is to increase the availability and pool of experienced, prepared, and capable talent in the organisation so that they can fill key roles as and when these positions become available. This particular organisation runs two types of mentoring programmes: a) a formal mentoring programme that relates to technical skills, and b) an informal mentoring programme that relates to organisational culture. After employees finish the mentoring programme, they are allowed to lead and manage future projects when the need arises. Participant 1 elaborates on this programme:

*"The mentoring programme is a useful tool that we are committed to. Due to the leadership team's understanding of technical skills, we allow them to become mentors and be fully involved in mentoring employees for future leadership roles. The organisation established mentoring circles in which they pair employees from different departments and get mentors from different countries to ensure sufficient exposure."*

*Participant 1*

Two participants, each from their respective construction organisation, believe that mentors and coaches are a risk to the organisation. In their circumstances, these

mentors and coaches are external to the company (third parties). Thus the participants perceived that they do not necessarily have the organisation's interest at heart as they do not understand the bigger picture and the company's future. It was also voiced that outside mentors/coaches can unintentionally disconnect the relationship between employee and employer.

*"Coaches and mentors need to understand the business fully and strengthen the employer-employee relationship, using externally coached and mentors can dent the relationship and can miss the scope of the mentoring programme"*

*Participant 4*

### **Theme Three - Sub-theme Two: Leadership programme pipeline**

According to one participant, their organisation had attempted to implement a leadership programme as a means to begin to engage in some form of succession planning. The programme, however, was deemed unsuccessful due to a lack of preparation. The organisation failed to assess the leadership teams' levels of readiness before enrolling them in the extensive programme. The participant also explained that another factor that caused the intervention to fail was how the programme was introduced and communicated to employees. The purpose of the programme was not explained to employees and several individuals in the leadership team felt that they were forced to do the programme. Participant 2 clarified this shortcoming:

*"The organisation put in place the Route to Leadership (RTL) programme to assist the leadership team to develop the necessary skills and be able to lead with a vision, which was useless as the leadership team was not assessed and were not capable of taking on such a programme which became a failure."*

*Participant 2*

### **Theme Three - Sub-theme Three: Graduate programme**

One participant mentioned that in the construction industry there is limited succession planning due to employees remaining in the same positions for lengthy periods. This participant explained that construction employees tend to know their work roles well and do not always adapt to areas outside of their expertise. Essentially these employees become stagnant in their roles and continue in the same position for

as much as 20 years. This prevents relatively young and recent graduates from being absorbed into leadership roles and directly affects succession planning implementation.

To counter this, the participant's organisation introduced a graduate programme targeted at engineering students with the intention of engaging with the idea of succession planning. However, the organisation neglected to plan how the students would be retained when they completed the programme. The programme, therefore, served more as an intervention to respond to skills shortages in the industry as opposed to an organisational succession planning strategy. Participant 3 described the lack of a detailed plan to retain these promising graduates:

*“The organisation put in place graduate programme which lacks a detailed plan on how the organisation is intending to retain graduates when they finish. The organisation may not be in the position to absorb and deploy qualified, talented graduates due to stagnant employees who are in the same roles for more than 20 years. Graduates end up exiting the organisation.”*

*Participant 3*

#### **Theme Four: Factors hindering the implementation of succession planning**

During the interviews, the participants were asked to elaborate on the factors they considered as hindering succession planning implementation in their organisations. Each factor became a sub-theme of theme four, namely: a lack of leadership buy-in, a lack of available positions, a lack of retention strategy and/or initiatives, a lack of career discussions, and a lack of talent management. Interestingly, participants also explained that these factors not only affected successful succession planning, but also affected employee morale, employee retention, and productivity.

##### **Theme Four - Sub-theme One: Lack of leadership buy-in**

A strong sentiment expressed amongst all participants was that the leadership teams within their organisations are the custodians of succession planning implementation. In other words, executive management is the driver of succession planning. It is only with their support that succession planning can be implemented correctly and monitored. All participants, however, agreed that there is no buy-in from the leadership team in their respective organisations for succession planning, and thus its implementation is hindered. Some participants further explained that the leadership

team fails to identify employee gaps, nor do they plan short and long-term activities to address these gaps with training programmes:

*“The leadership team is disconnected from implementing succession planning as they are under pressure and are concentrating on ensuring daily production 24/7 to reach production targets. Hence [they are] losing focus in investing in talent management; [they don’t] ensure processes and programmes that aim to create and enhance the growth of the future talent by providing [for] training [to] take place, and that development programmes are effectively executed.”*

*Participant 6*

*“The leadership team is not taking full responsibility and accountability toward succession planning implementation, hence they fail to build employee’s capabilities to ensure coverage should the need arise to promote within.”*

*Participant 3*

#### **Theme Four - Sub-theme Two: Lack of available positions**

Five participants highlighted the organisational constraints they considered were affecting succession planning implementation, specifically the headcount budgets which are reviewed yearly. In the construction industry, certain percentages of permanent and contract employees are amended each year due to financial budget constraints. The participants reported that their construction organisations are both known for having a lean organisational structure, and that, for this reason, employees need to receive the necessary training to take on more of those roles and responsibilities, which are central to the sustainability and productivity of the organisation. Thus in these organisations, employees would be retained in their current positions but would be provided with continuous training to promote multi-tasking and to allow them to be flexible. Three participants described how an over-emphasis on short-term, and what their respective organisations consider cost-effective, planning undermines this principle as well as the retention of permanent employees:

*“We don’t plan long-term projects which will guarantee the permanent positions but we plan for the short-term projects because the organisation needs to be cautious with the instability of the*

*construction market.”*

*Participant 2*

*“The leadership team is reminded to be always cognisant of not bloating personnel headcount due to tight headcount budgets, [instead of to] make use of contractors and temporary workers which impact the implementation of succession planning.”*

*Participant 1*

*“In my organisation there are no guarantee positions, I cannot promise employment or [promotion] but I can promise employability due to the organisational headcount budget constraints; all I could do is to grow your developmental areas to secure future employment.”*

*Participant 4*

#### **Theme Four - Sub-theme Three: Lack of retention strategy and/or initiatives**

Four participants expressed their belief in retention strategies as a means to attract the best candidates, to ensure that they are upskilled in their current roles, and to create a pool of talent within the organisation. They mentioned that, if their organisation had a retention strategy it would help to facilitate succession planning. Currently, in five of the organisations, there is no formal process to identify which employees are valuable, who contributes the most, and who has the potential to grow within the organisation.

One participant emphasised that their organisation must do more to retain their employees, reduce recruitment costs due to employee turnover, and prevent the organisation from losing skilled employees:

*“In my organisation retention strategy and succession planning strategy is not part of [our] corporate strategy. Strategies are not aligned, hence not chasing the same goals, which impacts succession implementation failing, and therefore, we witness a high employee turnover, with employees leaving the organisation with a bad taste in their mouth due to being demotivated for a long time.”*

*Participant 1*

#### **Theme Four - Sub-theme Four: Lack of career discussions**

Two participants emphasised the importance of line managers holding career path conversations with employees. They were of the view that without these career conversations line managers are not able to identify the future skills gaps of an individual employee. With career discussions, however, line managers and employees could have meaningful conversations and together develop strategies for how to address skills gaps. It was understood by the five participants that currently in their respective organisations career conversations are not about future promotions. The lack of a mindset to hold career discussions was, therefore, another factor impacting the implementation of succession planning. Without these conversations, the identification of future positions and the progress in building capable talent for these are missed. Two participants enumerated the results of this absence:

*"Absence of credible career conversations are contributing towards disengaged employees, job satisfaction, employee morale issue, and high employee turnover because employees are clueless*

*about their future and are not growing their skills for future promotions."*

*Participant 4*

*"In my company line managers are not bothered to doing career discussions with the employees to discuss develop a career path and evaluate the gaps to plan the required skills and make sure that they are engaged and retained in their current jobs."*

*Participant 2*

#### **Theme Four - Sub-theme Five: Lack of skills development**

All six participants understood the purpose of skills development as part of the value-add in encouraging employees to remain with the company. They explained that development opportunities not only position an employee for future growth in the organisation, but these interventions play a vital role in job satisfaction. Participants explained, however, that the leadership teams in the construction organisations fail to identify organisational gaps, nor do they compile a plan for ways in which they will address those gaps. A lack of understanding of the competencies needed to perform certain tasks remains an issue in their respective companies and, with financial

challenges, the participants' organisations cannot invest significantly in the necessary learning and development. Two participants described the failure of their organisations to recognise the importance of this training and the consequences of this:

*“Potential successors are not allowed to attend scheduled training, instead the question is always, who will be running the machines to meet certain organisation targets which show that training always takes a second spot in the line.”*

*Participant 3*

*“The leadership team are not [clear on how to] detect, identify and develop talent which impacts succession planning implementation, employee morale, and employee retention. On the other note this impact the organisation as they cannot obtain a certain maximum performance from the employees to meet the current and future business objectives.”*

*Participant 2*

## **Theme Five: Suggestions to improve succession planning implementation**

Participants were asked to share their suggestions about what measures could be adopted by construction organisations to improve their succession planning implementation. The main suggestion shared by all participants was leadership buy-in and participation in succession planning. They considered that this would ensure proper facilitation, as well as provide the organisation with direction and guidance in implementing succession planning to attract, develop, and retain capable talent.

### **Leadership buy-in**

All six participants suggested the need for their leadership teams to buy into the succession planning concept to improve their organisation's succession planning practice. They explained the importance of those in leadership positions to agree on how succession would or could be implemented and the timeframes for this implementation. They were of the view that leadership needs to imbed a culture of people planning in their organisations. The participants were all of the view that successful succession planning needs to be integrated with the organisational design, performance management system, and reward and talent management processes. Four participants elaborated:

*“The organisation needs to leverage technical [or/and] leadership expertise to allow potential employees to grow, be enrolled for supervisory skills programmes, close the gaps identified during 360 feedback sessions, lead the challenging project, and for those projects to be reviewed by [a] leader expert with an aim to coach and mentor.”*

*Participant 4*

*“The leadership team needs to understand how to identify talent, how to build succession and how to develop top talent, understood by all stakeholders [and enables] them to identify key performers and know their strengths and weakness in order to craft a developmental plan, training initiatives, and support to leverage their key developmental areas for future vacancies so they don't leave the organisation but take on more [responsibility].”*

*Participant 2*

*“Key performers and capable employees need to be given exposure, sharpened their skills by enrolling them for leadership development programmes to strengthen their individual growth which will enhance their confidence and be able to be promoted in future senior roles should they become available.”*

*Participant 3*

*“Creation of a formal development plan for the successor to be used as a guiding tool to implement structured development initiatives to showcase growth and readiness of the successor for future opportunities.”*

## **Summary of the results**

The results obtained from the data analysis indicate a lack of succession planning implementation in all of the six construction organisations that formed part of the sample. A lack of leadership buy-in and complementary HR processes was found to have hindered succession planning in these organisations and resulted in high employee turnover. The reports by participants of the lack of talent management processes and leadership development programmes indicate a lack of feeder pools consisting of capable successors ready to take up vacancies and promotion positions in these organisations.

## **Chapter 4: Discussion**

The current research study aimed to explore the extent to which South African construction companies are utilising succession planning. The research was envisioned to report trends and patterns of succession planning in this context. Overall, the results showed one trend, namely that succession planning is not taking place. As part of the research, I was able to gain perspectives from HR executives about the factors that support and hinder succession planning implementation in their organisations. These results are discussed in this chapter as well as some recommendations on ways in which the succession planning processes could be improved.

### **Succession planning in construction companies**

The results of this research indicated that the HR executives interviewed from the various construction organisations have a good overall understanding of the aim of succession planning, and why it is important to have formal succession planning. They acknowledged that succession planning ensures organisational human sustainability and is a plan for long-term talent management. Despite this, however, their corporates are failing to implement succession planning for several reasons.

The following hindrances were outlined and discussed in the interviews: lack of leadership buy-in, lack of available positions, lack of retention initiatives, lack of career discussions, and lack of skills development. Each of these factors is discussed in more detail in the sections that follow.

#### **Lack of leadership buy-in**

The lack of leadership buy-in was identified by the interviewees as the key factor affecting succession planning implementation. Research has shown that organisational leadership plays an important role in succession planning (Hall-Ellis, 2015). Those individuals who form part of the executive team ultimately influence the uptake and success of such a process (Fairholm, 2004). Additionally, for the organisation to have effective succession planning, the leadership team needs to allocate time and resources to enforce implementation (Rothwell, 2005). The HR executives interviewed supported this notion but were of the view that in their

construction organisations the leadership teams would be the custodians of the succession planning implementation, and as such their buy-in, commitment, and involvement would be required.

However, from both the literature and the findings of the current study, a lack of leadership buy-in is not uncommon. Some studies have found that up to 50% of organisations are not planning for the leadership transition due to their leadership teams' resistance to the implementation of a succession plan (Ford et al., 2008). A similar finding was evident in the construction organisations that formed part of this study, where leadership buy-in appears to be a challenge. This crucial factor accounts for why these construction organisations have failed to implement an effective and formalised succession planning process. The leadership team must understand the important pointers for succession planning which are, a) the aptitude to identify new talent, b) the aptitude to develop new talent, c) the aptitude to adopt required organisational culture, d) the aptitude to sustain core capabilities, and e) the aptitude to initiate change management when needed to do so (Mehrabani & Mohamad, 2011).

The introduction of any new process or HR system is usually met with resistance (Stone, 2002). If the HR executives interviewed are serious about implementing succession planning, they should approach this as a change management project (Krieg, 2002). *The researcher, therefore, recommends the following approach:*

### ***Develop a change vision***

The leadership team needs to support the vision and strategy of the agreed-upon succession planning system and familiarise themselves with the new ways required to ensure translation of vision into practice (Hooper & Potter, 2000). Along with developing a vision that these leaders can buy into, the leaders also need to understand the critical role that they play in the change management process involved with the implementation of succession planning (Garg & Van Weele 2012). The leadership team also needs to be aware that formalised succession planning gives them the pleasure of experiencing stability in strategic leadership (Trepanier & Crenshaw, 2013). Importantly, while developing the plan, the leadership team should

be engaged throughout this crafting stage, and should also provide input (Gowthami, 2012).

The succession plan itself should include clear guidelines for: a) how the plan will be implemented; b) how the commitment and supportive leadership team will guide the human resources process; and c) the identified stakeholders, their required buy-in, and their role in the process (Kowalewski, 2011). Furthermore, it is important for the plan to capture the various sub-processes that would form part of the succession planning process, namely, a collective obligation for employee development, which would include encouraging career path discussions, crafting individual development plans for each employee to ensure their growth prospects, and enabling employees to take ownership of their career advancement.

### ***Communication strategy***

The construction organisations need to establish a Transformation Committee (TC) which will take care of the organisational transformation. Once the committee has been established the leadership team must steer this committee and become change agents who will lead the TC to showcase their participation during the succession planning implementation process (Kowalewski, 2011). This committee would thus ensure the leadership team's commitment and accountability. As custodians and change agents, they are expected to communicate a clear succession plan change management process, its precise purpose, project objectives, as well as project the scope of the succession planning process, and explain the various expectations to each project stakeholder (Chia, 2006). These expectations essentially outline what is required from the leadership team during the succession planning implementation.

For avoiding breakdowns and strengthening the communication channels to promote smooth and clear transition plans, a two-way approach is required (Watson & Noble, 2005). This communication approach would assist the leaders to engage stakeholders and receive feedback regarding change management. This approach will further assist in ensuring communication flow and promoting transparency to the targeted affected audiences, as well as promoting an inclusive culture to allow these audiences to raise their views, concerns, and ideas, and to seek clarity about the change (Watson & Noble, 2005). On the other hand, the leaders will have an

opportunity to gauge the level of understanding regarding the planning proposal and intended actions to avoid a disengaged process and promote collaboration (Armstrong, 2001).

### ***Decide on the change process strategy***

To enhance change management, the TC needs to craft certain ground rules and reflect on creative ideas, strategies, procedures, and processes, and adopt new systems to accommodate the new way of working (Mosia & Veldsman, 2004). This would allow the leaders to identify the appropriate workforce plan to fit the organisational structure based on the organisation's particular needs.

The workforce plan would include precise details on how the stakeholders are to be upskilled and trained, setting out a detailed coaching and mentoring procedure, and identifying the roles affected by envisioned necessary changes (Schleifer et al., 2014). Leaders need to update current job profiles of affected employees to fit the workload, outline the output and specify the timelines for each step of the process. Leaders would also need to define the criteria for selecting the ideal predecessors to coach and mentor the successors. In so doing, leaders would help to ensure the successor's stability, safeguard the continuity of leadership, and deliver a compacted foundation for both the organisation and successors (Moesia, 2007).

### ***Prepare the organisation and stakeholders***

As part of the Change Agents, members of the TC need to encourage the affected employees to showcase their willingness to change and to support the change management process in ways that ensure the successful implementation of the planning (Herold et al., 2008). This they would do by conducting assessments to gauge the knowledge and understanding of employees being mentored and coached, by facilitating training sessions based on the organisation's outlined needs, and having coaching and mentoring sessions formally inserted into the new process (Schleifer et al., 2014).

### ***Implement the change***

The plan needs to include a detailed and clear graphic roadshow map plan clearly outlining descriptions of policy, procedure, and the actual plan. This plan should include details such as specific timelines indicating when the entire organisation is to receive training and identified facilitators (Dyck et al., 2002). These facilitators would be trained in what is needed for the process, and such training should cover the entire organisation. This project plan also needs to detail the specific timelines for each step, the responsible stakeholders, specific expectations, and lastly, the monitoring, evaluation, and feedback protocols (Venohr & Meyer, 2007). This will ensure effectiveness and sustainability.

### ***Remove hindrances***

The leadership team must provide regular feedback to employees on the change management progress during weekly and/or monthly meetings (Venohr & Meyer, 2007). The emerging results of change management should be systematically monitored, measured, and evaluated (Weiner, 2009). This would allow the leaders to be in a position to review the effectiveness of the succession planning and to immediately implement continuous ongoing improvement. Furthermore, this would help to promote a culture of change amongst employees and avoid both resistance and future uncertainty (Weiner, 2009). There are no plans or projects that are immediately cast in stone, hence the leaders need to hold regular follow-up conversations with the affected employees.

### **Lack of available positions**

The participants indicated that headcount analysis in their respective construction companies needed to match the budgeted headcount for the year. This is to ensure a certain percentage is budgeted for permanent employees vs contractors. Hence it is difficult to predict the future of their organisations, which in turn makes it challenging to do workforce planning for continuous training and the enhancement of the level of capabilities for future promotions.

Circumstances within the marketplace should be known, recognised, measured, and forecasted for future consequences through succession planning

(Schleifer et al., 2014). However, within the construction sector, labour supply and demand is volatile, unstable, and sometimes unpredictable (Woodhead et al., 2018). This sentiment was shared by the HR executives interviewed. They explained that they are unable to plan and foresee the make-up of their workforce six months ahead, especially because their organisations operate on a project-by-project short-term basis. This inability to plan, together with the unique nature of the construction industry, make succession planning difficult.

### ***Upskilling coaching and mentoring***

Due to the already mentioned unstable nature of the construction industry, construction organisations have a particular need to keep their employees engaged and motivated (Croteau & Wolk, 2010). I see this as being achieved by introducing initiatives such as upskilling, coaching, and mentoring. In this context, a construction organisation needs to develop a comprehensive training plan which includes the appropriate competencies and which would be designed to identify the employees' undiscovered aptitudes. This would equip employees for future promotions within the organisation.

The upskilling would help to promote employees' flexibility, enhance the idea of the continuous rotating of employees for them to have some experience of other positions in the organisation (Croteau & Wolk, 2010). This will provide the employees an opportunity to gain some insight into the workings of the organisation as a whole. This process could include assigning junior employees to senior employees for coaching and mentoring on important projects. This has the potential to create a succession culture within the organisation, helping to motivate employees to stay focussed, to grow their capabilities, enhance their advancement in careers, and, ultimately, to retain employees (Garg & Weele, 2012).

### **Lack of retention strategy and/or initiatives**

Research has shown that employees who feel stable and secure in their jobs tend to have reduced intentions to quit, and are less inclined to investigate other employment opportunities outside of the company (Schleifer et al., 2014). The HR executives interviewed explained that, because their organisations lack a proper retention strategy, they experience high employee turnover. This results in a cyclical

process, where high turnover, in turn, further impedes their ability to plan for succession.

The lack of retention strategy and or initiatives is a concern because of the direct impact of this hinders succession planning implementation. This strategy needs to align with the succession planning and corporate strategy to collectively achieve the goal of building capabilities and, most importantly, retaining employees. According to Vos and Meganck (2009) construction organisations need to conduct stay interviews and draft career development plans to address the high turnover.

However, employees tend to stay longer in an organisation where there exists a point of flexibility and an abundance of meaningful opportunities for career growth (George, 2015). Thus establishing clear retention guidelines would assist the construction organisation in preventing the issue of turnover and would emphasise the creation of ways to encourage employees to be content with their positions within the organisation (Gulzar & Durrani, 2014).

### ***Implementation of stay interviews***

Regardless of the extensive body of literature on high turnover in organisations, and the reasons for this, it is important to understand those particular factors that can have a direct positive impact on the retention of employees, such as the implementation of stay interviews. The recommended stay interview form (Appendix C) (Vos, 2018).

As has been mentioned, the construction organisation is a volatile industry, and thus, selecting a retention initiative that will be implemented to keep employees fully engaged, involved, and retained in their positions is crucial for the stability and sustainability for any organisation in this sector.

Thus, based on the literature and the findings of the current study, I would argue for the need for construction companies, in general, to consider introducing stay interviews and conducting them in a relaxed manner with the purpose to encourage fruitful engagements (Vos & Meganck, 2009). This culture can be created by regularly checking on the well-being of an employee during their stay interview, together with their report on and feelings about their conditions of work, whether this is an environment that suits the employee best, and lastly, what kind of leadership style they prefer (Finnegan, 2012).

The overall aim of all of this would be to encourage and promote the confidence of employees to speak, share, and raise their concerns freely. However, if these concerns are not addressed and actioned, I would argue that the stay interview could be seen by all employees, including leadership, as a futile exercise, and one that could lead to employees exiting the organisation. I therefore emphasise the importance of fully addressing and concluding each action item that an employee raises during the stay interviews and making sure to arrange follow-up sessions to provide them with feedback. This would help employees to feel that their concerns are heard, desires acknowledged and taken seriously, and that they form an important part of the organisation and thus not see the need to exit the organisation (Garg & Weele, 2012).

Stay interview sessions can help place a construction organisation in a better position to address the retention issue, recognise the employee's performance, develop their job satisfaction, and, in so doing, increase the level of employee's engagement with their roles and with the organisation (Gulzar & Durrani, 2014). In addition, stay interviews have the potential to not only create a culture of psychological safety, but also to increase employee collaboration, thus ensuring leadership competencies, the sharing of regular performance feedback, and the building of individual and collective capabilities by providing career opportunities (Fulmer, 2002).

### **Lack of career discussions**

Career discussions between leaders and employees seeking to advance their careers have been found to improve employee engagement due to these discussions reassuring workers that they have a development and career plan (Garg & Weele, 2012). On the other hand, the absence within an organisation of career discussions, and no identification of meaningful opportunities for career growth has been found to lead to an organisation's inability to retain capable skilled employees. Effective career discussion improves employee motivation, performance and is also useful for identifying the clarity and directive support the employees require rather than leaving them to speculate on their prospects (Bosley et al., 2009).

According to Brown et al. (2010), the aim of structured and focused career discussions should be to establish a pipeline approach for the development of an employee. They are of the view that it is through these conversations future career opportunities can ultimately be identified, and, with these opportunities in mind, the

parties can initiate the appropriate training and development interventions. In a study conducted by Baruch and Peiperl (2000), 194 UK-based organisations agreed on the importance of succession management through comprehensive career discussions that have a clear direction and are conducted properly. Ultimately, the career discussions process must be done thoroughly and with a specific focus. Where this process has been followed, it has been shown to result in meaningful career development, employee career flexibility, strengthened engagement, and good working relationships (Garg & Weele, 2012).

### ***Individual development plans***

I found the lack of career discussions reported by participants in the sampled construction organisations to be a matter of concern. Therefore, from this finding from I recommend that construction organisations, in general, begin to introduce structured career discussions between line managers and employees. I argue that through these meaningful conversations, the parties would have opportunities to gain insight into, and understanding of what each party values most when comes to their career development (Garg & Weele, 2012). Career discussions can also potentially be a session for encouraging and crafting individual development plans for the employees' professional growth. However, the leadership team needs to ensure that the individual development plans get to be implemented by ensuring that each training needed is taking place. Recommended individual development form (Appendix D) (Vos, 2018).

Additionally, in this process, the line manager would be made aware of the necessity for the organisation to support the employees with their career plans. This process would include exploring upcoming opportunities within the organisation. In the process of conducting these career discussions, the construction organisations would have the potential to enhance their succession planning practice, and in so doing, ensure that talented employees are identified, noticed, and groomed for future promotions.

### **Lack of skills development**

As discussed under lack of available positions, the construction industry is unable to plan for succession due to the nature of the workforce, unavailable positions, and strict headcount budgets, as well as the vicissitudes of the economy in South

Africa. Organisations that have failed to devise an optimal succession planning strategy in the past have risked leadership continuity and have missed an opportunity to strengthen their organisation (Gary & Weele, 2012).

There seems to be a consensus in the literature on succession planning that construction organisations need to establish and foster those succession exposure opportunities that can develop a focus on the continuous grooming of talent by in turn providing opportunities to employees within the organisation to develop their skills. As already mentioned, this could be done by providing coaching, mentoring, or any additional on-the-job training and aimed at developing multi-, rather than unskilled employees, laying the ground for future deployment (Carey & Ogden 1997).

Failure to spend time on skills development, and instead concentrating on other day-to-day pressing issues, can have the effect of shifting a vital focus from people, succession planning, and talent retention to short-term holding operations (Hall-Ellis, 2015). This points to identifying a wider pool of talent, knowing whom to identify as key performers based on potential, and performance, and for them to be groomed for top-level positions, and/or be given opportunities to be allocated to a range of different roles within known capabilities.

Chitsaz-Isfahani and Boustani (2014) mention that the focus should be on skills development to promote succession. This suggests that leaders themselves need to be coached and mentored in the various ways of identifying skills gaps and crafting individual development plans to close those gaps.

### ***Building employees capabilities***

The recommendation for the stability and sustainability of construction organisations is to create a talent management process that focuses on building employees' capabilities. Talent management should be structured, monitored, and regularly reviewed to evaluate its effectiveness (Koranteng, 2014). Already mentioned and emphasised is skills development initiatives, such as coaching, mentoring, upskilling programmes, assisting a construction organisation to plan for a long-term workforce, to create opportunities for both employees and the organisation to grow and develop, to assign projects which increase employees' capabilities to become agile and flexible (Rothwell, 2010). These would include reviews of individual

employees, and evaluation of processes together with regular feedback, and lastly, performance management, all of which would ultimately be geared towards increasing the sustainability and productivity of the organisation (Dominique, 2016).

### **Summary of recommendations**

Based on the above discussion, the following recommendations were proposed.

1. In order to formalise and ensure effective succession planning, change management projects need to be deployed to gain leaderships' commitment. (p 37-40).
2. Due to the volatile nature of the construction industry, it is important to keep employees motivated and competitive through coaching, upskilling and mentoring. (p 40-41).
3. Implementation of stay interviews will assist the construction industry in gaining a better understanding of what encourages employees to stay and what influences them to exit the organisation. (p 41-43).
4. Individual Development Plans (IDP) aids employees and management in crafting short or long-term career advancement objectives. IDP feeds into succession planning and in so doing creates opportunities for internal promotion and retention of skilled employees. (p 44-45).
5. Building employees' capabilities will enhance performance and prepare them to face current and future obstacles through the development of their competencies, knowledge, and skills. (p 44-45).

### **Limitations of this study**

The study recognises the following limitations:

This study was limited to one industry which was the construction industry and organisations operating only in South Africa. It focused on only six organisations within the industry. The sample size was small and participation was relatively limited as sampled participants were from only two provinces. Although participation invitations were sent to several participants, it was difficult to secure interviews due to the Covid-

19 pandemic. It is important to note, however, that data saturation was still reached within the sample of this research.

Participants were willing to share documentation as evidence, but, due to the lack of formal succession planning in their respective organisations, they were unable to produce documentation that related specifically to succession planning implementation procedures at their organisations.

## **Conclusion**

The researcher investigated the extent to which six South African construction companies were utilising formalised succession planning. Questions were asked of the participants to gauge their level of understanding regarding current skills development initiatives, to discover those factors which they saw to be hindering the implementation of formal succession planning in their respective companies, and invite possible suggestions from them on how to improve and/or establish a formal succession planning process. The result of the current study suggests that the sampled HR executives understood the concept of succession planning and acknowledged its importance even though they reported that such planning had not been formalised in their respective organisations.

Furthermore, from their responses, the leadership buy-in in their organisations appeared to be lacking and to significantly impact any potential succession planning implementation if one assumes that organisation leadership teams are supposed to be drivers and custodians of this process. Other factors, besides lack of leadership buy-in, were found to contribute to the hindering of formalised succession planning implementation. These factors included lack of retention strategy, lack of career discussion with employees, lack of skills development, and lack of available positions within the respective organisations.

From the interviews of a relatively small sample of HR executives across six companies, it appeared that the construction organisations is currently a volatile industry and that it remains project-based. All of these factors contribute to the difficulty HR executives experience when planning for the long term. The findings suggest the negative effects of this lack of formalised succession planning, particularly plans to

develop employees for retention, on the sustainability, not only of individual construction companies as organisations but of the industry as a whole.

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## **Appendix A: Interview Guide**

**Project Title:** Investigating succession planning practices in South African construction companies

**Researcher & Interviewer:** Susan Mfeka

### **Questions:**

1. What do you understand by the term succession planning? [The researcher will probe if insufficient information is provided]
2. Can you tell me about your company's succession planning and implementation?  
[As part of this question the researcher will probe to the interviewee about their perceptions, e.g. are you satisfied with the succession plan and implementation in your company? Do you think the company is doing enough in terms of succession?]

### **QUESTION 3 & 4 - ONLY FOR INTERVIEWEES WHOSE COMPANY IS NOT EFFECTIVELY IMPLEMENTING SUCCESSION PLANNING:**

3. In your company what are the factors hindering the implementation of succession planning? [The researcher may ask the interviewee to elaborate]
4. What is needed to help you to implement SP more effectively in your company?

### **QUESTION 5 - ONLY FOR INTERVIEWEES WHOSE COMPANY IS EFFECTIVELY IMPLEMENTING SUCCESSION PLANNING:**

5. What contributed to the success of your company's succession plan and its implementation?
6. How does the succession plan influence promotions in your company?

## Appendix B: Interview Invitation & Informed Consent Letter



Date:

Name of Company:

Attention:

### Re. Masters Research Project

Project Title: Investigating succession planning practices in South African construction companies

Dear

My name is Susan Mfeka, I am a Human Resources Manager for Saint-Gobain Cape Town and I am currently doing my Masters in People Management at the University of Cape Town. As part of the degree, we are required to conduct a research study. I have chosen to report on the patterns and trends of succession planning in South African construction companies. As part of the research, the roadblocks that impact succession planning implementation will be uncovered.

With this data, we can better understand what prevents construction organisations from having a pool of trained employees ready to take-on internal leadership roles. The data will be used to present relevant and useful recommendations on how succession planning processes can be improved.

I would like to invite you to partake in my research. The research has been approved by the Commerce Faculty's Ethics in Research Committee. Your participation would involve an interview about the succession planning practices in your organisation. Interviews will be conducted online via Zoom or Skype or face-to-face depending on the interviewee's preference. The interview will not be longer than 60 minutes.

Your participation would be voluntary and you can choose to withdraw from the research at any point, without any consequence. Your name and that of your organisation will not be identified in the research. Themes from all of the interviews will be clustered and reported. Where necessary quotations from individual interviews may be used to illustrate a finding (pattern/theme/trend). Where quotations are used, an interviewer code will be inserted to ensure anonymity.

To enable transcription, the interview will be voice recorded. The recording and transcribed interview will be uploaded onto UCT's data management platform for safe storage.

If you wish to ask for clarification questions pertaining interview please do not hesitate to contact 0824891808 or email me in confidence at [bancomile@yahoo.co.uk](mailto:bancomile@yahoo.co.uk)

Best Regards



Susan Mfeka

**Researcher – Susan Mfeka email address [bancomile@yahoo.co.uk](mailto:bancomile@yahoo.co.uk)**

**Supervisor – Carren Duffy email address [carren.duffy@uct.ac.za](mailto:carren.duffy@uct.ac.za)**

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**Informed Consent Provided**

I, \_\_\_\_\_ (name) as the \_\_\_\_\_  
\_\_\_\_\_ (job title) for \_\_\_\_\_

**(company name) have read the informed consent information above and agree to partake in Susan Mfeka's Master's research.**

\_\_\_\_\_

\_\_\_\_\_

**Signature**

**Date**

## Appendix C: Stay Interview (Vos, 2018)

<b>Stay interview</b>
-----------------------

<b>Name and Surname:</b>	<b>Job Title:</b>
<b>Line Manager:</b>	<b>Date:</b>

Good day

The purpose of the conversation is to gain insight into what motivates and frustrates you as an employee, understand what you value in our organisation, and how to discover or understand how we improve our support, development, and retention of you as a valued employee. We want to build and strengthen our relationship, and ultimately discover the key to keeping your engagement levels high.

In this session, I will be asking you questions to unpack and understand how you feel about the different aspects of your work.

Questions					
<b>1. Tell me a bit about some of your current priorities from a work perspective and how you are doing overall?</b>					
<b>2. What parts of your work keep you motivated and engaged?</b>					
<b>3. What parts of your work or work environment reduce your energy, demotivates you, or places obstacles to your ability to perform at your best?</b>					
<b>4. Do you feel that your skills are being fully utilized in your current role?</b>					
<b>5. What aspects do you enjoy about working for Saint-Gobain?</b>					
<b>6. Similarly, what in your view exists in the Company that?</b>					
<b>Attracts people to stay:</b>			<b>Results in them wanting to leave:</b>		
<b>7. What aspects would you change about working for Saint-Gobain?</b>					
<b>8. What is your next career milestone or personal development milestone?</b>					
<b>9. Do you feel that you have sufficient support and or opportunities to achieve your personal and or career milestones at Saint-Gobain?</b>					
<b>I do feel supported</b>		<b>I don't feel sufficiently supported</b>		<b>I have a development Plan</b>	
How can we improve the level of support or opportunities?					
<b>10. What ideas would you love to see implemented to improve as an employer or make you stay employed and engaged?</b>					
<b>Overall</b>					

<b>Overall, I am? (Please tick the box)</b>	<b>Considering opportunities outside of Saint-Gobain</b>	<b>Dissatisfied with working</b>	<b>Satisfied with working</b>	<b>Highly motivated and engaged</b>
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<b>Currently, how would you rate the following: (Please tick the relevant box)</b>				
<b>Aspects</b>	<b>Not meeting my expectations</b>	<b>Needs improvement</b>	<b>Meeting my expectations</b>	<b>No View/ Comment</b>
<b>My wellbeing</b>				
<b>Job satisfaction levels</b>				
<b>Career Opportunities</b>				
<b>Quality of Leadership</b>				
<b>Relationship with my Manager</b>				
<b>Relationship with Peers/Team</b>				
<b>Performance reviews or process</b>				
<b>Reward for Performance</b>				
<b>Recognition for work and contributions</b>				
<b>Opportunities to Develop</b>				
<b>Pay and Benefits</b>				
<b>Working Conditions</b>				
<b>The Organisation</b>				
<b>Other:</b>				

<b>What actions can we put in place to take this discussion forward?</b>		
<b>Action</b>	<b>Responsibility</b>	<b>When and how will we give feedback?</b>
1. n/a		

2.		
3.		

<b>Interviewer overall comments from discussion</b>

**Appendix D: Individual Development Plan (Vos, 2018)**

<b>Individual Development Plan</b>			
<b>My career evolution wishes:</b>			
<b>Career Development Wishes and Recommendation:</b>			
<b>Job/Exposure/Role</b>			
<b>Comments:</b>			
<b><u>My Development Goals (Next 12 months)</u></b>			
<b>Competency/Job Related Skill</b>	<b>Development Goal</b>	<b>Development Activity</b>	<b>Timescale</b>
	<b>Line Manager</b>	<b>Employee</b>	
<b>Name:</b>			
<b>Date:</b>			
<b>Signature:</b>			