

# Impact of Succession Planning on Employee Retention: A Literature Review

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**Abstract:** This study investigates the connection retained employee in addition succession preparation, highlighting the role that organized succession plans have in maintaining workforce stability. Research on succession planning is reviewed in this study, with an eye on key factors that influence its implementation, such as organizational vision, managerial support, training, technical advancements, and a flat organizational structure. This study aims to examine how succession planning helps retain skilled workers by providing leadership development, career advancement, and growth possibilities. The study investigates the relation in between succession strategy and keeps the employee in a comprehensive review of literature and qualitative studies approach. The results show that by preparing workers for leadership positions, good succession planning improves organizational performance, lowers turnover, and increases employee wellness. Employers who have well-designed succession plans report increased employee loyalty and sustained staff stability. According to the study's findings, succession planning is an essential tactic for retaining talent, maintaining leadership, and achieving overall organizational success. Organizations may create a sustainable workforce ready for future challenges by combining training, managerial assistance, and technology improvements.

**Keywords:** Employee retention, Human resource management, Literature, Succession planning.

## I. SUCCESSION PLANNING

According to Mehrabani and Mohamad (2011) [1], succession strategy includes a fundamental structure for takes into account what the organization has to offer for the training and protection of high-potential employees. Atwood (2020) [2] described succession planning as placing the right employee in the time

and at right place. It is a continuous process of finding and training candidates for important positions within a company so they are prepared to assume leadership roles. Ibarra (2005) [3] explained that the succession planning is most widely used which helps an organization stay afloat and succeed by making sure that people have been trained to take on more responsibility, that replacements are ready to step in quickly to fill important positions, and that they are ready to advance in their careers. Rothwell (2015) [4] has stated that it is a method for determining key management roles, ranging from the highest position in the company to the project manager and supervisor levels. It additionally outlines leadership roles to ensure that diagonally handling gets are as flexible as possible while guaranteeing that once individuals grow in longevity, their abilities as managers can be broaden become highly general relation with the larger organization goals not just goals for individual department, promising persons, regardless of the level of the organization or function, but particularly at or near the top. The intentional and structured procedure that makes it easier for one family member to pass managerial authority to another is known as succession planning (Sharma *et al.*, 2005) [5].

## II. FACTORS THAT INFLUENCE THE IMPLEMENTATION OF SUCCESSION PLANNING

In the work factors which influence the implementation of succession planning, Mehrabani and Mohamad (2021) [6] listed the factors.

- *Training:* Researchers have explained that if the managers provide the training to their employees, it will directly help them to learn new skills, knowledge, and abilities. Therefore, they are available for any succession.
- *Management Supports:* Researchers explained that if the manager wants to put the succession planning framework into practice, employees need a support from top management.

- *Creating a Positive Vision:* Researchers have experimented and found that there are many employees who do not have positive vision towards succession planning. It is part and parcel for the organisations to give the clear picture and create the positive vision towards implementation of succession planning.
- *Technology Advancement:* Researchers stated that if new and updated technologies will be implemented in the organisations, it will be helpful to the employees for preparing themselves for the new position and retain in the organisation for a longer period.
- *Flat Structure:* Researchers analysed that flat structure helps to improve interaction and information sharing between employer and employee that leads to directly help in implementing succession planning system in the organisations.

### III. EMPLOYEE RETENTION

Das and Baruah (2013) [7] defined retention of personnel as the practice of motivating staff members to stay around the company for an extended length of time. The process encourages workers to stay with the company as long as feasible or until the project is finished. Yamamoto (2009) [8] has examined that “Retention” is the essential word in human resource management. The word acquires a new meaning in business management in addition to its broad definition, which is “retaining, upholding, continuing, and keeping from departing securing employees in a company” is what it means. As “the entire human resource management policies for retaining the current or expected high performing employees within an organization for long periods of time, enabling them to exercise or develop their capability” retention management

is a particular organization management issue that relates to the retention concept, in which a company is the main actor.

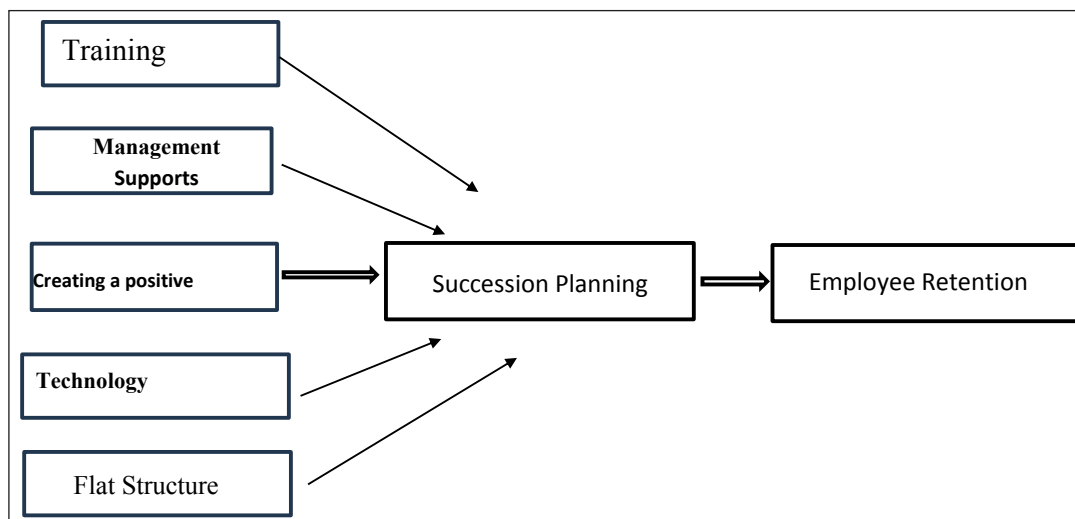
Kamalaveni, Ramesh and Vetrivel (2019) [9] stated in his paper that in human resources management, retention refers to the skill or capacity of a company to retain its employees. They also explained that Persistence is beneficial to an organization’s human resource strategy since it determines the difference between the supply and demand for the workforce that will be needed in the future. While it seeks to identify the capable strategic roles within an organization, it also aids in succession planning. Having a skilled and dedicated team lowers training and development expenses as well as recruitment expenditures. Sandhya and Kumar (2011) [10] Retention of personnel, Even though employee retention is today a challenging task, both the organization and the employee benefit from it. Nazia and Begum (2013) [11] has examined that maintaining a Retained staffing is the task of creating an office atmosphere that motivates former staff members to remain alongside the organization. Many employee retention initiatives seek to meet the diverse needs of their staff members in an effort to boost employee happiness and lower the high expenses associated with finding and integrating new employees.

### IV. OBJECTIVES OF THE STUDY

The following goals are pursued by this assessment of the existing research on a series planning’s effects on staff retention:

- To find out the various researcher works that has been done in succession planning.
- To highlight the various factors of succession planning and their impact on employee retention.
- To explore the relation between succession planning and employee retention.

### V. CONCEPTUAL FRAMEWORK OF THE STUDY



### A. Interpretation

Five crucial factors that directly affect the execution of succession planning and eventually aid in staff retention have been highlighted by Mehrabani and Mohamad (2021) [6]. These factors include a flat organizational structure, technology advancement, positive vision creation, managerial support, and training. By giving the skills and competencies they need for leadership roles, training is essential to ensure a smooth succession planning transition. To create a culture where leadership development is valued and employees are inspired to advance within the company, management support is essential. Furthermore, by giving workers a clear sense of direction and purpose, a positive vision increases employee commitment and increases the likelihood that they will stick with the company. Through process simplification, enhanced talent identification, and data-driven decision-making, technology integration enhances succession planning even more. Additionally, a flat organizational structure promotes improved leadership accessibility, communication, and teamwork, which enhances the efficacy of succession planning. All these elements work together to create a well-organized framework for succession planning, which guarantees long-term organizational stability and improves staff retention.

### B. The Methodology of Research

In depth qualitative analytic approaches are used in this study's qualitative research methodology to investigate the relationship between succession planning and staff retention.

## VI. LITERATURE REVIEW

Groves (2007) [12] in his paper titled "Integrating leadership development and succession planning best practices" has found that this paper's goal is to offer a model of best practices for the greatest possible leadership pipeline development along with several useful suggestions for businesses. According to an analysis of interview data, optimal method identifying and categorizing high potential employees, developing high potential through manager-facilitated workshops project based learning experiences, establishing a flexible and fluid succession planning process, putting up organization wide form to reveal high potential employees to different customers, utilizing management staff to the fullest extent possible in order to build an organization wide mentor network, and cultivating an environment that is supportive and cultivating an empowering workplace environment. Companies are able to successfully integrate succession designing and development of leadership systems.

Sharma *et al.* (2003) [13] in their paper titled "Succession planning as planned behaviour: Some empirical results" the satisfaction of the succession process in family businesses is influenced by a number of factors, including the successor readiness to takeover, the incumbent desire to step aside, the

family members consent to continue family involvements in the business acceptance of individual roles, and succession planning. Data from both incumbent leaders and their successors provide compelling support for these linkages. However, there is disagreement between incumbents and successors over the significance of each other's roles. This suggests that the family business needs to synchronize the perceptions of these critical stakeholders.

Das *et al.* (2013) [7] in their paper titled "Employee retention: A review of literature" directing and keeping these personnel is the biggest issue facing enterprises today. Since employee's knowledge and abilities are essential to a company capacity to compete in the market, hiring and keeping competent workers is vital for any firm. Additionally, one of the challenges businesses face nowadays is consistently satisfying their workforce. The current study attempts to review the numerous literature and research works on employee retention and the factors impacting employee retention and job satisfaction among the employees, considering the significance and sensitivity of the retention issue to any firm.

Kossivi *et al.* (2016) [14] in their paper titled "Research on determining factors of employee retention" their study focuses on analysing the findings of previous research projects conducted by different scholars in orders to identify the factors that affect employee retention. In this study, we looked closely at development opportunities, compensation, work-life balance, management/leadership, work environment, social support, autonomy, training, and development. The study came to the conclusion that additional research on employee retention is necessary in order to completely comprehend this complex area of HR administration.

Kyndt *et al.* (2009) [15] in their paper titled "Employee retention: Organisational and personal perspectives" research has shown that employee learning receives special attention since it is seen to be an activity that increases retention. After three hundred and fifty – workforce members filled out an online survey, 11 people underwent interviews. The purpose of the conversations is providing context and examples for the quantitative results. Their result is consistent with the findings of earlier studies. However, maintaining the benefits of individual chances when attempting to increase retaining staff members. This is how retaining staff is impacted by individual variances.

Samuel and Chipunza (2009) [16] in their paper titled "Employee retention and turnover: Using motivational variables as a panacea" employee learning is given special consideration because it is believed to be an activity that increases retention, according to research. The benefits of personal development for retention, however, offer additional options in the pursuits of better employee retention. A quantitative research design was employed, which was selected due to the objective nature of the data and the generalizability of the findings. The study looked at two South African public and two private sector organizations. With a sample size of 145 respondents, the research's overall

population consisted of 1800 workers from the organizations that were surveyed. A self-made survey with Proportional scale scores was used to collect information about responders. This study also illustrated the impact of individual differences on employee retention.

## VII. RESULT AND DISCUSSION

Through a review of the literature this study investigates the impact of succession planning on employee retention emphasizing a favourable relationship amongst planned succession approaches and sustained employee commitment. By encouraging career advancement leadership development and organizational stability through essential elements including training management support a positive vision technological developments and a flat organizational structure succession planning improves employee retention according to the research. Effective succession planning thereby helps to increase organizational performance, lower labour turnover, and boost employee satisfaction. This review of the research significantly advances our understanding of the critical connections among succession planning employee retention and overall organizational success.

## VIII. CONCLUSION

This study emphasizes the beneficial association between planned succession strategies and long-term employee commitment, as well as the substantial influence that succession planning has on staff retention. Succession planning becomes an essential tool for increasing employee retention by promoting career advancement, leadership development, and organizational stability through important elements like training, management support, a positive vision, technological advancements, and a flat organizational structure. According to the research, good succession planning improves employee satisfaction and organizational performance in addition to lowering labor turnover. In the end, this research strengthens the necessity for well-structured succession initiatives in contemporary workplaces by advancing knowledge of the crucial connection between succession planning, employee retention, and overall organizational success.

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