

# Impact Of Succession Planning On Employee Retention: Mediating Role Of Career Development

Dodo Khan Alias Khalid Malokani<sup>1</sup>, Shahbaz Ali<sup>2</sup>, Dr.Fareena Nazim<sup>3</sup>, Faisal Amjad<sup>4</sup>,  
Syeda Seerat Hassan<sup>5</sup>, Saima Rani<sup>6</sup>, Sohail Ahmad<sup>7</sup>

<sup>1</sup>Dodo Khan Alias Khalid, Malokani<sup>1</sup>, Assistant Professor, Department of Business Administration Government College University, Hyderabad, Pakistan, Email: [alias.khalid@gcu.edu.pk](mailto:alias.khalid@gcu.edu.pk)

<sup>2</sup>PhD Scholar - Education - Western Sydney University, Australia, Email: [shahbaz24@live.com](mailto:shahbaz24@live.com)

<sup>3</sup>Assistant Professor, Alhamd Islamic University, Islamabad, Email: [fareena.nazim@aii.edu.pk](mailto:fareena.nazim@aii.edu.pk)

<sup>4</sup>M.Phil Scholar, Department of Education University of Management and Technology Lahor, Pakistan  
Email: [f2021189002@umt.edu.pk](mailto:f2021189002@umt.edu.pk)

<sup>5</sup>M.Phil Scholar, Department of Education University of Management and Technology Lahore Pakistan,  
Email: [f2021189017@umt.edu.pk](mailto:f2021189017@umt.edu.pk)

<sup>6</sup>M.Phil Scholar, Department of Education University of Management and Technology Lahore, Pakistan  
Email: [f2021189025@umt.edu.pk](mailto:f2021189025@umt.edu.pk)

<sup>7</sup>Govt. School Education Department (SED), Punjab, Pakistan, Email: [ahmad.sohail664@gmail.com](mailto:ahmad.sohail664@gmail.com)

Corresponding Author:

Dodo Khan Alias Khalid, Assistant Professor, Department of Business Administration Government College University, Hyderabad, Pakistan, Email: [alias.khalid@gcu.edu.pk](mailto:alias.khalid@gcu.edu.pk)

## Abstract:

The purpose of this study is to examine the mediating role of career development between succession planning and employee retention in private universities of Sindh, Pakistan. Primary data collected through questionnaire research instrument which is adopted from the previous studies. In order to test the proposed hypothesis, the gathered data is analysed with help of statistical tests including confirmatory factor analysis and CB-SEM in AMOS version 25. Findings, of the research study confirmed the full mediation effect of career development between succession planning and employee retention in private universities of Sindh, Pakistan. Due to higher number of private universities in Sindh, Pakistan, there is a high level of competition in order to maintain the retention of the well-trained faculty members. This research would help the top management of private universities for the retention of the faculty through designing the strategies with help of these identified variables in the current research study.

**Keywords:** Succession Planning, Employee Retention, Career development.

## Introduction

Most of successful firms gained competitive advantage through development of the design and implementation of the succession planning within firm especially the service sector-oriented firms (Battaglio, 2014). With passage of time the firms and institutes are showing seriousness about the retaining of the firm's employees because of

uncertain situation within the country. These uncertainties happened for number of reasons including the resignation of employees, demand fluctuations, sickness, and death of the employees (Copel et al., 2022). The Human resource management department is mainly responsible for managing and controlling these uncertainties and devised the strategies such succession

planning in order to address the issues within firm premises (Medeiros, 2022; Harmon et al., 2022).

Furthermore, the Arrieta et al., (2022), suggested that the succession planning is the right strategy in order to fill the vacant position within firm. Succession planning also reasonable element for the retention of employees within institutes with less or acceptable turnover rate (Musakuro, 2022). The various challenges identified and can be resolved with the help of succession planning such as career development and retention of productive employees (Shin, 2022; Salau & Nurudeen 2022). In addition, the career development has its direct impact on the job satisfaction of an employee and they felt valued within the firm (Hendri, 2019). Most of the times, it has been noticed that the dissatisfied employees leave the firm and it will have negative impact on succession planning and its unfinished goals (Kryscynski, 2021).

There are various studies conducted in the premises of Pakistan on topic related to succession planning such as research study on the Rawalpindi Telecommunication sector (Gulzar & Durrani, 2014). Similarly, Ali et al., (2019), confirmed the impact of succession planning on employee performance in the commercial banks as the positive and significant impact. A study by Zulqurnain and Mehreen, (2018) also revealed the impact of succession planning on turnover intention, employee engagement and employee performance. However, based on the limited knowledge of authors this study attempts to fill the research gap in various ways. First, the higher education sector as the service-oriented institute is not studied before in context of succession planning. Secondly, the role of succession planning on career development and employee retention is verified. Lastly, in past studies various levels of employees studied in regard of succession planning. However, in this study only the faculty members of private universities are taken as the sample.

## **Theoretical background and hypothesis development**

The Agency theory (Eisenhardt, 1989) provided a straight path for understanding the relationship among succession planning, career development and worker retention. The theory proposed that, workers, are motivated by self-interests and might share in the adverse selection or moral hazard, including staying or leaving the organization, with the headliners, that's employers; aptly known as agency cost. The proposition suggests that this cost can be eased by integrating the hand's interests, that's career development, and being integrated into the race plan program, with those of the employers, that's retention of professed workers, can also be integrated into the race plan (Cruz et al., 2010). On the basis of this proposition, offering a hand development conditioning, similar as career development through the race capitulation plans, come necessary to discourage the development of intentions of practices which brought the associations negatively and make the firms lose their competitive edge.

## **Hypothesis development**

### **Succession planning and employee retention**

Succession planning is a retention program that increases the capacity of the firm to retain its workers or to help workers from leaving the organization (Battoo, 2022). As a result, companies now need educated workers to come as successful means of the organization, to retain, grow and maintain the carrier of the workers. Succession planning is a core practice for numerous organizations to retain their workers. Succession planning provided effective performance and helped associations replace crucial individualities over time and farther operations of the key individualities consequently (Chakraborty & Biswas, 2019; Rothwell, 2001). Analogous to Rothwell (2001), it was again stated

that, through Succession planning, one can secure the right people, to fill the vacancy performing from hand withdrawal, creation, and the resignation of the individuals (Liu & Raghuram, 2022; Tucker, 2020). Barton (2020), stated that succession planning is appreciatively affected by worker’s retention among sugar companies. Groves (2019), emphasized that worker’s retention covered all the firm’s hard work including succession planning essential to guard the workers and make sure that they don’t leave the organization. Also, Succession planning plays a vital part in the organizational opinions, on how to handle withdrawal, death, and abdication (Gagne et al., 2021).

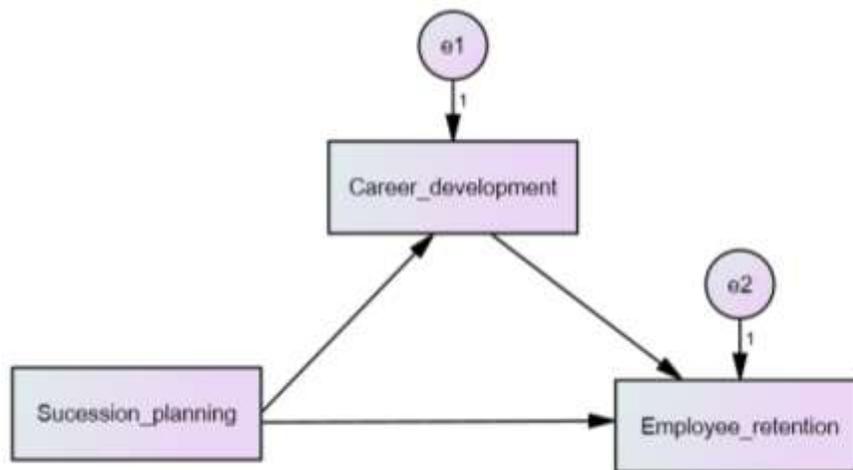
H1: Succession planning has positive and significant impact on employee retention.

**Mediating Role of Career Development**

Many individuals set various goals in order to achieve the career development (Yuniawan, 2022; Kraimer et al., 2011). The career development, as the employees felt satisfied and

this all will impact individuals’ jobs to large extent (Mawardi, 2022; Baroudi et al., 2022). The one of important source of growth the employees on individual basis. According to Yasmeen Bano et al., (2022), succession planning had positive and significant impact in public sector of Malaysian and other developing countries that will improve the performance of the firm. Furthermore, the succession planning had positive impact on employee retention with better career development which cannot be ignored in both manufacturing and service-oriented firms (Mehmood et al., 2022). The succession planning also played vital role for better career development and create a learning environment within the firm with better productivity from the employees (Ghani et al., 2022). A recent study also confirmed that the succession planning improved the individuals and had improved the performance of the firm (Nguyen et al., 2020).

**H2: Career development mediates the relationship between succession planning and employee retention**



**Figure 1:**  
**Conceptual Framework**

**Methodology**

**Research Design and sample size**

The purpose of this research study is to examine and analyze the impact of succession planning on the employee retention and career development in the private universities of Sindh, Pakistan. In the current study descriptive research survey conducted and quantitative research approach had taken into consideration. Only faculty members with the position of lecturer and Assistant professor of private universities of Sindh, Pakistan is the population of this current study. Furthermore, the 350 questionnaires distributed via google form electronically but only 300 questionnaires received as a complete and fit for analysis. The response rate is 86 %.

### Measurement

The succession planning is considered as the independent variable and adopted from the past studies of Tetteh & Asumeng (2020). Sample items are “In my university, succession planning puts into consideration on all key positions”, “In my university, employee career paths are clearly defined and are available from the HR Department”, “In my university, management supports employees who wished to advance in their careers through the Education Policy and sponsorships for training”, “Talented employees are always attracted to join my organization due to its good reputation in retaining talent, and “In my university, the succession plan encourages promotion from within strictly based on merit”.

The Career development is considered as the dependent variable which is adopted from the past studies of Tetteh & Asumeng (2020). Research items are given as “My university conducts extensive training programs for its employees in all aspects of quality”, “My university training needs are identified through a formal performance appraisal mechanism”, “My

Table 1: Construct Validity and Reliability

university, there are formal training programs to teach new employees the skills they need to perform their jobs and my university training has helped me in improving my overall required skills for work”.

The employee retention considered as the dependent variable that is adopted from the past studies of Tetteh & Asumeng (2020). Research items included “I 'm planning on working for another university within three years”, “If I could start over again, I would choose to work for another university”, “The work I'm doing is very important to me”, “I have checked out a job in another university previously”, “It doesn't matter if I'm working for this university or another”, “As long as I have worked & within this university my work gives me satisfaction”.

### Results and Discussion

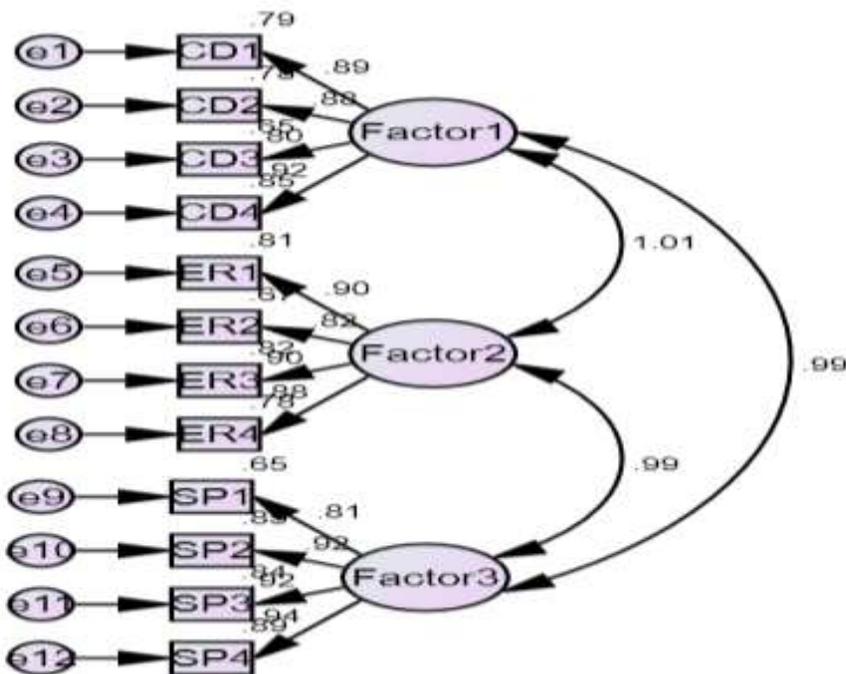
#### 4.1 Reliability and Validity

The reliability and validity of this study is shown in the Table 1 below. In the present study confirmatory factor analysis is performed in the AMOS version 25. All items are greater than 0.50 as suggested by Hair et al., (2019). Furthermore, the two important values shown in the Table 1, the value of Cronbach alpha and composite reliability. The recommended value should be equal to or greater than 0.70, it can be noticed that all variables including career development, employee retention and succession planning met the recommended criteria. Lastly, the average variance extraction values found also are greater than suggested value by the research scholars (more than 0.50). Therefore, the validity of research is accepted, now the hypothesis can be performance for the present research study.

Factor	Coding of Item	Items loading	Cronbach's Alpha Value	Composite Reliability	Average variance Extraction
	CD1	0.889	.92	.93	.76

<b>Career Development</b>	CD2	0.880	.93	.93	.77			
	CD3	0.805						
	CD4	0.919						
<b>Employee retention</b>	ER1	0.902						
	ER2	0.819						
	ER3	0.904						
	ER4	0.882						
<b>Succession planning</b>	SP1	0.806				.94	.94	.80
	SP2	0.920						
	SP3	0.918						
	SP4	0.942						

2:



Figure

**Confirmatory factor Analysis**

**Figure 1: Confirmatory factor analysis**

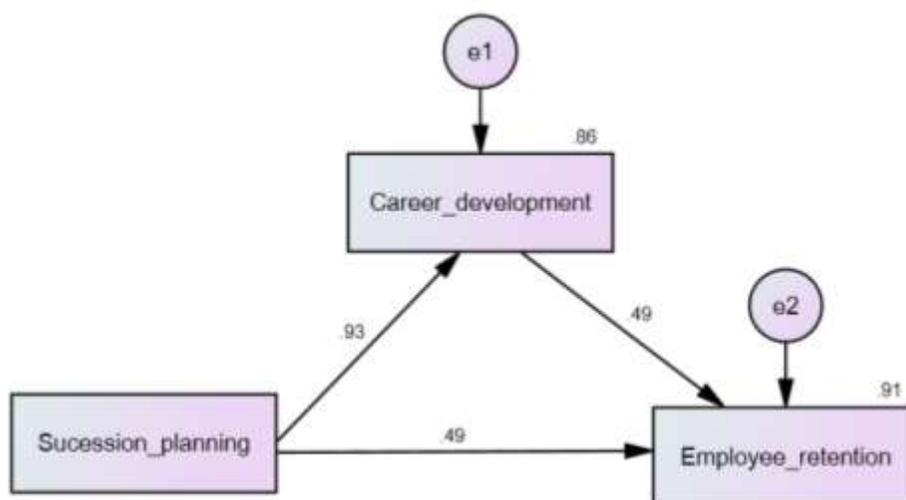
**4.2 Mediation analysis**

In the current study, the mediating role of career development is checked between succession planning and employee retention in private universities of Sindh, Pakistan. All the three effects including total effect, direct effect and indirect effect are found to have positive and significant with the beta values and significant values given as: .904, .467, .437 and .002,.001

and .001 respectively are shown in Table 2. Furthermore, for this research study both proposed alternative hypothesis H1 and H2 are accepted and a partial mediation effect is revealed. Therefore, it is suggested that there is role of career development as a the mediating variable between succession planning and employee retention in private university of Sindh, Pakistan.

Table 2: Succession Planning (Mediation effect)

Path effects	Directions of Paths (SEM)	Value of Beta	Significant value
Total effect	SP->ER	.904	.002
Direct effect	SP->ER	.467	.001
Indirect effect	SP->CD->ER	.437	.001



**Figure 2: CB-SEM (Structural equation modelling)**

### Discussion on results

Present study revealed that, there is a mediating role of career development for succession planning and employee retention in private universities of Sindh, Pakistan. Findings of this study are aligned with past studies such as Eshiteti et al., (2013), also confirmed that the impact of succession planning practices on employee retention among employee. Another recent study by Hassan and Siddique (2020), found same results, a positive and significant impact of succession planning on employee retention and also found role of career development for succession planning and employee retention. A study conducted by (Ali et al., 2019), also recommended that the there is a positive and significant impact of succession planning on career development. The mediating role is also supported in the previous studies, research conducted by Tetteh (2015), confirmed career development role for succession planning and employee retention and the researcher

suggested that the career development make stronger relations between succession planning and employee retention. Another recent study conducted by Salau & Nurudeen (2022), in Nigeria, the researchers considered research sample from public service firms and confirmed the impact of succession planning on employee retention. Lastly, a research study carried in the Malaysian property industry, revealed that there is a positive and significant impact of succession management on employee retention (Hee et al., 2019).

### Concluding Remarks and Practical Implications

Present study revealed that, there is a mediating role of career development for succession planning and employee retention in private universities of Sindh, Pakistan. Primary data is gathered with questionnaires and analyzed in AMOS version 25. Findings of the current study revealed that, to sustain the productive employee the positive impact of succession planning cannot

be ignored in presence of career development of the said employees.

This study will add in filed of knowledge in regard of concept of succession planning, career development and employee retention in private universities of Sindh, Pakistan. Due to higher number of private universities in Sindh, Pakistan there is a lot of competition in order to retain the assured services of the well-trained faculty members. This research would help the top management of private universities for retention of top level performing faculty through designing the strategies with help of these identified variables.

Present study adds in the field of knowledge in various ways. However, there are some shortcomings which can be improved by the future researchers. First, only faculty members are taken as the sample in this study. Second, only private universities are studied, in future both public and private universities can be studied together in order to get better results. Lastly, the direct and indirect impact is checked among studied variables. Future researcher can compare the both private and public universities together.

## References

1. Ali, Z., Mahmood, B., & Mehreen, A. (2019). Linking succession planning to employee performance: The mediating roles of career development and performance appraisal. *Australian Journal of Career Development*, 28(2), 112-121.
2. Arrieta, G. S., Barrameda, C. N., & Sudarsana, I. K. (2022). A Succession Planning Model for Academic Heads. *Jurnal Penjaminan Mutu*, 113-135.
3. Baroudi, S., Tamim, R., & Hojeij, Z. (2022). A quantitative investigation of intrinsic and extrinsic factors influencing teachers' job satisfaction in Lebanon. *Leadership and policy in schools*, 21(2), 127-146.
4. Barton, A. (2019). Preparing for leadership turnover in Christian higher education: best practices in succession planning. *Christian Higher Education*, 18(1-2), 37-53.
5. Batool, E., Usmani, S., & Rizvi, S. A. A. (2022). Succession Planning Practices and Employee Retention: Mediating Role of Career Attitudes. *City University Research Journal*, 12(2). 208-220.
6. Battaglio Jr, R. P. (2014). *Public Human Resource Management*. Sage.
7. Chakraborty, D., & Biswas, W. (2019). Evaluating the impact of human resource planning programs in addressing the strategic goal of the firm: An organizational perspective. *Journal of advances in management research*. 16(5), 659-682.
8. Copel, L. C., Lengetti, E., McKeever, A., Pariseault, C. A., & Smeltzer, S. C. (2022). An uncertain time: Clinical nurses' first impressions during the COVID-19 pandemic. *Research in Nursing & Health*, 45(5), 537-548.
9. Cruz, C. C., Gomez-Mejia, L. R., & Becerra, M. (2010). Perceptions of benevolence and the design of agency contracts: CEO-TMT relationships in family firms. *Academy of Management Journal*, 53, 69-89.
10. Eisenhardt, K. (1989). Agency Theory: and Assessment Review. *The Academy of Management Review*, 14(1), 57-74.
11. Eshiteti, S. N., Okaka, O., Maragia, S. N., Odera, O., & Akerele, E. K. (2013). Effects of succession planning programs on staff retention. *Mediterranean Journal of Social Sciences*, 4(6), 157-162.
12. Gagné, M., Marwick, C., Brun de Pontet, S., & Wrosch, C. (2021). Family business

- succession: What's motivation got to do with it? *Family Business Review*, 34(2), 154-167.
13. Ghani, B., Zada, M., Memon, K. R., Ullah, R., Khattak, A., Han, H., ... & Araya-Castillo, L. (2022). Challenges and Strategies for Employee Retention in the Hospitality Industry: A Review. *Sustainability*, 14(5), 2885.
  14. Groves, K. S. (2019). Examining the impact of succession management practices on organizational performance: A national study of US hospitals. *Health care management review*, 44(4), 356-365.
  15. Gulzar, S., & Durrani, A. (2014). Impact of succession planning on employee engagement in telecommunication sector in Rawalpindi, Pakistan. *European Journal of Business and Management*, 6(37), 274-281.
  16. Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European business review*, 31(1), 2-24.
  17. Harmon, H. L., Bergeron Jr, L. J., & Johnson, J. D. (2022). Engaging Community Colleges in Rural Development: A Meta-Synthesis of Doctoral Dissertations. *Community College Review*, 50(3), 316-338.
  18. Hassan, S. N. U., & Siddiqui, D. A. (2020). Impact of Effective Succession Planning Practices on Employee Retention: Exploring the Mediating Roles. *International Journal of Human Resource Studies*, 10(2), 21-35.
  19. Hee, O. C., Ying, Y. H., Kowang, T. O., Rizal, A. M., & Ping, L. L. (2019). Succession management practices and employee retention in the property industry: Evidence from Malaysia. *Int. J. Sci. Technol. Res*, 8(10), 1409-1412.
  20. Hendri, M. I. (2019). The mediation effect of job satisfaction and organizational commitment on the organizational learning effect of the employee performance. *International Journal of Productivity and Performance Management*. 68(7), 1208-1234.
  21. Kraimer, M. L., Seibert, S. E., Wayne, S. J., Liden, R. C., & Bravo, J. (2011). Antecedents and outcomes of organizational support for development: The critical role of career opportunities. *Journal of Applied Psychology*, 96(3), 485-495.
  22. Kryscynski, D., Coff, R., & Campbell, B. (2021). Charting a path between firm-specific incentives and human capital-based competitive advantage. *Strategic Management Journal*, 42(2), 386-412.
  23. Liu, X., & Raghuram, S. (2022). The effects of latent withdrawal profiles on employee turnover, destinations, and job performance. *Human Resource Management Journal*, 32(2), 384-405.
  24. Mawardi, M. C. (2022). Alternative Work Arrangements, Work Environment, and Job Stress on Job Satisfaction and Turnover Intention. *Golden Ratio of Human Resource Management*, 2(1), 27-39.
  25. Medeiros, M. (2022). Nurse manager succession planning for unit health and well-being. *Nursing Management*, 53(6), 41-43.
  26. Mehmood, S., Umer, M., Zahid, M. M., & Maqsoom, A. (2022). Marketing and Its Impact on Service Quality in the Healthcare Industry of Pakistan. *International Journal of Business and Society*, 23(2), 1267-1285.
  27. Mehreen, A., & Ali, Z. (2022). The interplay between employee development factors and succession planning in predicting employee

- performance: evidence from retail banks. *Industrial and Commercial Training*, 54(3), 528-543.
28. Musakuro, R. N. (2022). A framework development for talent management in the higher education sector. *SA Journal of Human Resource Management*, 20, 12.
29. Nguyen, A. H., Nguyen, L. H., & Doan, D. T. (2020). Ownership structure and earnings management: Empirical evidence from Vietnam real estate sector. *Real estate management and valuation*, 28(2), 37-51.
30. Rothwell, W. J. (2005). *Effective succession planning: Ensuring leadership continuity and building talent from within* (3rd ed.). American Management Association: New York
31. Salau, N. A., & Nurudeen, A. (2022). Succession Planning as a Panacea to SMEs, becoming a Generational Enterprise in Nigeria: The Moderating Role of Organizational Culture. *Iconic Research and Engineering journals*, 5(8), 20-27.
32. Shin, D., Zaid, B., Biocca, F., & Rasul, A. (2022). In Platforms We Trust? Unlocking the Black-Box of News Algorithms through Interpretable AI. *Journal of Broadcasting & Electronic Media*, 1-22.
33. Tetteh, J., & Asumeng, M. A. (2020). Succession planning, employee retention and career development programmes in selected organisations in Ghana. *African Journal of Management Research*, 27(1), 151-169.
34. Tetteh, S., Wu, C., Opata, C. N., Asirifua Agyapong, G. N. Y., Amoako, R., & Osei-Kusi, F. (2020). Perceived organisational support, job stress, and turnover intention: The moderation of affective commitments. *Journal of Psychology in Africa*, 30(1), 9-16.
35. Tucker, C. A. (2020). Succession planning for academic nursing. *Journal of Professional Nursing*, 36(5), 334-342.
36. Yasmeen Bano, D., Omar, S. S., & Ismail, F. (2022). The Relationship Between Succession Planning Practices and Employee Retention in Public Hlis Malaysia. *Journal of Positive School Psychology*, 2540-2553.
37. Yuniawan, A. (2022). An Examination of the Antecedents and Consequences of Employee Creativity in Indonesian Radio Industry. *The Journal of Behavioral Science*, 17(1), 1-15.