THE EFFECTIVENESS OF SUCCESSION PLANNING IN SARS ENFORCEMENT PORT ELIZABETH

By

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Submitted in partial fulfilment of the requirements for the degree of Masters in Business Administration at the Nelson Mandela Metropolitan University

December 2009

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DECLARATION:

In accordance with Rule G4.6.3, I hereby declare that the above-mentioned treatise/dissertation/thesis is my own work and that it has not previously been submitted for assessment to another University or for another qualification.

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ACKNOWLEDGEMENTS

The successful completion of this research would not have been possible without the support, guidance and encouragement of certain individuals. I hereby wish to express my gratitude to the following individuals:

- Doctor Margie Cullen, for her guidance and advice.

- The respondents of the study who supplied empirical data, without which this research document would not have materialized.

- My husband, Bradley, daughters Emily and Allison, for their understanding, support and assistance during the study.

- All other family, friends and colleagues for their words of encouragement and support.

- My Lord and Saviour, Jesus Christ who has given me the strength to complete this study. “Phi 4:13 I can do all things through Christ which strengthens me” “2 Sam 22:33 God is my strength and power: and he makes my way perfect.”
THE EFFECTIVENESS OF SUCCESSION PLANNING IN SARS ENFORCEMENT PE.

This research study addressed the importance of succession planning for the organisations’ survival, which depends on the continuous supply of competent, experienced and well trained managers.

It addresses the problem of determining the strategies that can be used by SARS Enforcement Port Elizabeth to manage succession planning effectively.

To achieve this objective a comprehensive literature study was performed to determine the views on various succession planning models. The literature review serves as a model in the development of a guideline for SARS Enforcement Port Elizabeth management to manage succession planning.

An interview was conducted with the Human Resource Manager and Middle management from the various departments who were requested to complete a questionnaire in order to determine the current practices of succession planning.

The questionnaire was developed in accordance with the findings from the research. A pilot study was conducted to evaluate the relevance of the study to the problem questions and to evaluate whether the questionnaire will be easily understood. The answers of the respondents were analysed and compared to the findings of the literature study. The information obtained from the literature study and from the respondents resulted in various recommendations and conclusions.
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CHAPTER 1

THE EFFECTIVENESS OF SUCCESSION PLANNING IN SARS ENFORCEMENT PE.

“I absolutely believe that people, unless coached, never reach their maximum capability”

Bob Nardelli, CEO Home Depot (cited by Weiss and Kolberg, 2003:3)

1.1 INTRODUCTION AND BACKGROUND

The statement above by Bob Nardelli brings to the fore the importance of succession planning. Succession planning is a valuable management tool for creating a plan to move high potential people into the higher levels of the organisation. Management development today is a top priority for any organisation that wants to stay in business (Margerison, 1991: 2). Newell (2002: preface) states that organisations can no longer afford to waste ‘people talent’ if they are to remain competitive into the next century.

Through succession planning the active and positive support of people can be gained (Parsloe, 1995:24; Anderson, 2007:1). The primary need of the manager is to have the ability to develop his or her employees. (McCarter and Schreyer, 2000: 11) Correct succession planning in an organisation will reduce the need to bring in new talent and therefore reduces the expense of recruiting (Rollins, G. 2003:15).

Within the South African Revenue Services it is important for skills to be transferred. For example a lack of the necessary skills could lead to an influx of smuggling at border control. This will impact negatively on society and on the economy as crime will increase as there would be huge losses on import taxes.

The present study attempts to evaluate the effectiveness of the South African Revenue Service (SARS) succession planning within the organisation.
1.2 PROBLEM STATEMENT

Succession planning and learning are part of the same talent family. More organizations should explore ways to integrate and automate these key functions. It is more likely to gain the active and positive support of people you work with if able to show a clear and realistic plan (Parsloe, 1995:24; Anderson, 2007:1).

McCarter and Schreyer (2000: 11) state that one of the primary needs of the manager is to have the ability to develop his or her employees: to be a teacher, trainer, and coach; to provide realistic feedback on performance; and to provide support. According to Weiss (2003:80) and Bain (1995:38) succession planning seeks development opportunities for people and ensures that the right cover is in place and that the right development plans prepare people in the right way.

Succession planning is defined as the process of preparing succession for key positions in organisations (Bain, 1995:214).

Succession planning addresses the following key questions:

- What is happening in the outside world that will have a profound influence on the personnel plans;
- What changes to the quantity and quality of our people resource are needed to support the strategic plan;
- What is being done about peaked managers, especially those that are blockages in the organization;
- Appropriately identifying the cadre of high flyers and young managers of potential;
- What are the succession issues? Does the company have cross-divisional or geographical moves planned for key people? Will there be cover in an emergency for top jobs? Will there be cover for a more natural succession timing? (Bain, 1995:41)
In terms of previous discussions, the question can justifiably be posed as to whether the current succession planning system does empower management to attain individual and departmental goals, in order to enhance its overall performance.

These findings address the importance of establishing a steady and reliable supply of fully developed managers. Shortages of fully developed managers inevitably means that the succession planning process was not developed or implemented properly.

1.3 DELIMITATION OF THE RESEARCH

The purpose of this delimitation is to make the research topic manageable from a research point of view. The omission of certain topics does not imply that there is no need to research them.

1.3.1 MANAGEMENT LEVEL
The proposed study will be conducted at the South African Revenue Services (SARS), Enforcement Port Elizabeth division for positions falling in the first level management category. Middle management is as important, but for purposes of this study will be excluded to make it possible to carry out the research.

1.3.2 SUCCESSION PLANNING
This study will be delimited to the succession planning phase and does not include the implementation thereof. The implementation of succession planning is as important, but for purposes of this study will be concentrating on planning to make it possible to handle the research.

1.3.3 THEORETICAL DELIMITATION
This research aims to evaluate to what extent succession planning is implemented, what current literature states regarding succession planning and developing a proposed model based on the literature review. The aim of this research is to use
current guidelines found in the literature, by bringing together what is included in
the theory rather than generating new theoretical principles.

1.3.4 GEOGRAPHICAL DELIMITATION
This study will be conducted with the Business Area Managers (BAM’s) within the
Enforcement Port Elizabeth division of SARS Eastern Cape. The five business
area managers compose of the five departments within Enforcement with a total of
162 staff members (Team members), with 15 first level managers (Team leaders).

1.3.5 SUBJECT OF EVALUATION
This research is limited to the evaluation of the process of succession planning,
that is evaluation of the measure to which succession planning takes place in
practice according to guidelines developed for the individual steps in the model.
It is not an objective of this research to evaluate either the content or the output of
succession planning.

1.4 DEFINITION OF CONCEPTS
For the purpose of this study the following meanings are associated with the
concepts in the title and problem statement of this research.

1.4.1 SUCCESSION PLANNING
Succession planning is a process designed to ensure the continued effective
performance of an organisation by making provision for the development and
replacement of key people over time.
(www.cs.state.ny.us/successionplanning.com, accessed 22.04.2009)

Denton and Tromp (1991:17) write in this regard that formal succession planning
can contribute to the identification of manpower shortages/needs, promotability
indices, development needs, career path planning as well as promotion blocks.
1.4.2 FIRST LEVEL MANAGEMENT
First level managers refer to supervisors and team leaders referred to as Line Management. Line Management spend most of their time planning organizing and leading ensuring that subordinates operate as efficiently as possible.

1.4.3 SELECTED ORGANISATION
The South African Revenue Service (also known as SARS) is the section of the South African government responsible for collecting taxes, tariffs, duties and all other forms of revenue levied by the South African government. It also has responsibility to manage all imports and exports.

The research will be delimited to The Port Elizabeth Enforcement division of SARS.

1.5 SIGNIFICANCE OF THE RESEARCH
Developing internal successors and building a leadership pipeline is an often undervalued element to an organization’s performance management process. Yet preparing your employees for future leadership roles and managing their ongoing performance through feedback at ALL employee touch points is crucial to an organization's overall success. (www.wikipedia.com, accessed 23.08.2009)

Managing a company’s risk should be at all levels. What happens when a key player in a company goes down? Who takes over? Succession planning is often viewed as a compliance issue rather than a genuine threat to business (Mammatt,J and Ernest and Young 2007:34). A primary component of good corporate governance is allocating sufficient resources to address succession planning. The visible succession planning at board level is a definite morale boosting factor throughout any organisation. Recently seen in SARS where Oupa Magashoula previous HR executive succeeded Pravin Ghordhan as commissioner.

On the other hand leaving succession planning until a key player such as a CEO or chairman has left will result in a dip in confidence from stakeholders and investors and also have serious repercussions on the company’s reputation. The failure to
plan for succession particularly at board level is one of the most frequent causes of the rapid demise of organisations (Mammat et al 2007: 34)

Mammat et al continues that it is necessary to build a sustainable pipeline of potential successors due to factors such as the skills shortage that is plaguing the country. Organisations therefore have to create a pool of candidates with high leadership potential.

In a study by Aberdeen Group (2007:10), it was revealed that succession planning accelerates the transition of qualified employees from individual contributors to managers and leaders. Succession planning:

- Prepares current employees to undertake key roles;
- Develops talent and long-term growth;
- Improves workforce capabilities and overall performance;
- Improves employee commitment and therefore retention;
- Meets the career development requirements of existing employees;
- Improves support to employees throughout their employment;
- Counters the increasing difficulty of recruiting employees externally;
- Focuses on leadership continuity and improved knowledge sharing; and
- Provides more effective monitoring and tracking of employee proficiency levels and skill gaps.

Succession planning can take the form of a myriad of strategies and applications. In many instances, succession planning is tightly integrated with a company's competency / assessment and performance management efforts (Aberdeen group 2007:10).

Succession planning needs to be addressed and implemented timeously, it must not be done reactively, but proactively. Waiting until a key leader is on their way out the door is insufficient and can create unnecessary complications, risk and
inherited financial costs associated with the loss of important company knowledge (Workforce Management, 2005:5).

Denton and Tromp (1991, 12) are of the opinion that:

- With reference to succession planning in South Africa, relatively little research has been undertaken in this field to date;
- Further there are not enough managers in South Africa with the required skills, hence the need for early identification and training of people with the potential to fill key positions;
- The shortage of skilled management not only results in management suffering a work overload but also leads to the premature promotion of people.

1.5.1 SUCCESSION PLANNING AT SARS, ENFORCEMENT PORT ELIZABETH

At the South African Revenue Services (SARS) revenue collections have exceeded growth in GDP. In addition the contribution resulting from strong economic growth, revenue collections have been fuelled by a number of factors such as effective administrative, legislative interventions and increased tax payer compliance. All this has a direct impact on effectiveness of succession planning within SARS. Effective succession planning is needed to ensure that the needed skills are in place to sustain the effective revenue collection of the past decade (Leolo 2007:4).

With new human resource (HR) policies and procedures introduced since 2004 SARS has come a long way in terms of its historical background. SARS has also made major strides in revenue collection where collection surpassed the stated amount by the Minister of Finance each year. It can be envisaged that the capacity of SARS will grow. The workforce of SARS will need a leadership to not only lead them through this growth, but also develop them into leaders as well. To ensure that SARS continues to surpass revenue collections in the future, SARS has to ensure that succession planning is addressed.
The primary objective of this study is to improve the retention of critical skills by investigating the importance of succession planning and management development in retaining staff. More specifically, the study investigates how effective succession planning is done at SARS Enforcement, Port Elizabeth?

In order to develop a strategy for solving the primary objective, the following secondary objectives are identified:

1. What succession planning strategies does the literature reveal that will assist managers in effectively retaining critical skills?
2. What management development strategies do managers utilise to assist them in key labour retention?
3. How can the results of sub problem one and two be integrated?
4. How does management succession planning practice at SARS Enforcement Port Elizabeth comply with the theoretical Model and guidelines developed in this research?
5. What recommendations can be made to further optimize the process?

To achieve the above objectives, the following research design objectives will be executed:

- Conduct secondary literature overview on succession planning;
- An investigation will be done by means of an interview with the Human Resources Manager on the current practices followed with regards to succession planning;
- Conduct questionnaires with the Business Area Managers (BAM’s) within the Enforcement, Port Elizabeth division based on the guidelines contained in the model developed for succession planning;
- Write up the results;
- Interpret the results;
- Draw conclusions;
- Make recommendations to management.
1.6 ANTICIPATED BENEFITS FROM THE RESEARCH

It is expected that the product of this research will be a resource for human resource planning managers who are responsible for succession planning and provide a basis for further research.

1.7 RESEARCH DESIGN

In this section the researcher will deal with the aspects relating to research questions, the research approach and the research methodologies. The purpose for the adoption of the methodologies will also be discussed.

1.7.1 LITERATURE STUDY

Various literature sources will be reviewed in order to establish strategies that can be used in the proposed model for effective succession planning. The literature will be gathered from various electronic databases, namely Emerald, Ebscohost and Science Direct as well as various libraries, both local and overseas.

1.7.2 RESEARCH METHODOLOGY

A combination of qualitative and quantitative approaches will be adopted, specifically, interviews and report analysis.

The rationale for the adoption of a combination of methodologies is that:

- It is in line with the nature of the research project;
- Quantitative research allows for the collection of objective, numerical data;
- Qualitative research allows for the collection of subjective data; and
- The use of complimentary approaches provides a means of eliminating gaps which can be present, if only one type of approach is adopted.
Rationale for the adoption of these methodologies:
The adoption of the questionnaire as a methodology is because:

- It provides direct and factual quantitative information.
- It aids in speed with which the research is conducted.

An interview was conducted with the division’s HR Manager. The adoption of the interview as a methodology, (specifically the unstructured interview) is because:

- It allows for the understanding of certain constructs which are used as a basis of certain thinking;
- It provides an understanding of the respondent’s “world”.

1.7.3 The development of an integrated report
The results of the literature survey and the empirical study will be integrated to develop a report to be used for future reference.

1.8 OUTLINE OF THE STUDY

A brief introductory paragraph will explain to the reader the contents covered by each chapter. Chapter’s two to six will cover the following topics:

**Chapter 2** will discuss the role of succession planning in human resource management within South African Revenue Services;

**Chapter 3** will discuss the role of succession planning in human resource planning and the development of a model for succession planning;

**Chapter 4** will discuss the research methodology;

**Chapter 5**, the findings and analysis;

**Chapter 6**, the final chapter will include the conclusion and recommendations.

1.9 CONCLUSION

In this chapter the main problem and sub-problem were stated. Selected concepts were defined and an outline of the study was presented. Once the secondary literature study has been completed, taking note of the relevant literature
resources, the findings and analysis will be embarked on in chapter five. Chapter six will conclude the study, and conclusion and recommendations will be made regarding the main problem. All relevant annexures, lists of statistical data and tables will be attached and form part of the document. In chapter two the aim is to investigate the role of succession planning in human resource management at SARS.
CHAPTER 2

THE ROLE OF SUCCESSION PLANNING IN HUMAN RESOURCE MANAGEMENT AT SARS.

2.1. INTRODUCTION

Succession planning in human resource management at the South African Revenue Services (SARS) will be discussed in this chapter by means of an overview of SARS and an indication of the operating human resource model currently in use. The importance of people development and the existing policies within SARS regarding the role of succession planning are discussed, with the view of comparing these to current trends and other existing succession planning models in practice in subsequent chapters.

2.2. SARS OVERVIEW

According to SARS 2007 – 2008 Annual report, (2008: 97) the South African Revenue Service was established by legislation to collect revenue and ensure compliance with tax law. Its vision is to be an innovative revenue and customs agency that enhances economic growth and social development, and supports South Africa’s integration into the global economy in a way that benefits all citizens.

Its main functions are to:

- Collect and administer all national taxes, duties and levies;
- Collect revenue that may be imposed under any other legislation, as agreed on between SARS and an organ of state or institution entitled to the revenue;
• Provide protection against the illegal importation and exportation of goods;
• Facilitate trade; and
• Advise the Minister of Finance on all revenue matters.

The South African Revenue Services has just over 15000 employees, and up until April 2009 was headed by the Commissioner Pravin Gordhan who is the Chief Executive Officer and Accounting Authority [SARS Act section 9(1)(d) and PFMA section 49(2)]. Mr Pravin Gordhan, was appointed by President Thabo Mbeki in 2004 to serve a second five-year term. This year, saw the succession of Mr Gordhan by the new commissioner Oupa Magashula the previous Chief officer : Business Enabling and Delivery Services to SARS. The Commissioner is accountable to the Minister of Finance who is the Executive Authority. The Minister of Finance performs an oversight role over SARS through statutory reporting and regular meetings with members of SARS senior management (SARS Annual Report 2007 – 2008: 93).

The Commissioner established an Executive Committee (Exco) and various other governance committees. The Exco is chaired by the Commissioner and is accountable for the performance and affairs of SARS. Among the Exco’s duties is proper governance of SARS, providing strategic advice to the Commissioner and maintaining open communications with SARS management (SARS Annual Report 2007 – 2008: 93).

SARS continues to focus on attracting, developing and retaining staff, raising skills levels and addressing growth opportunities. This is done by setting challenging targets and measures for staff, providing regular, clear and constructive feedback, and encouraging innovation and new ideas. As well as recognising that a motivated, skilled workforce with high levels of engagement result in improved business success – and this is vital to achieve SARS mandate and aspirations (SARS Annual Report 2007 – 2008: 93).
The SARS Governance Framework details the structures and processes to facilitate and monitor effective management of the organisation, including mechanisms to ensure legal compliance and prevent improper or unlawful behaviour. The framework supports enhanced organisational performance while ensuring balance and alignment with conformance requirements (SARS Annual Report 2007 - 2008 Page 92).

2.3. SARS OPERATING MODEL

The SARS operating model will now be discussed as described in the SARS human resource intranet portal, where SARS is described as evolving a culture of listening and greater participation by internal stakeholders in the generation of innovation, best practice, and professionalism. The progressively better service which South Africans receive reflects the change in orientation of staff. Whilst significant achievements have been achieved over the past few years, particularly in the arena of market-related remuneration and benefits and enhanced people management administration and systems, a number of important internal challenges remain:

a) Leadership
   • To create a powerful cadre of SARS leaders that has the capacity and capability to sustain the achievement of the SARS strategic and operational objectives;
   • To provide the necessary support through training, coaching, mentoring and performance measurement for team leaders in order to enable the delivery of the operational objectives. Including, creating succession opportunities into higher level roles.

b) Technical skills
The need to attract, manage and retain critical skills to fill positions that disproportionately contribute to SARS’ success. Moreover, complex roles (for example auditors, investigators, and risk analysts/profilers) require high-end skills
which are often difficult to attract into the organisation as a result of the skills shortage in the country presently. This in turn means that it is essential for SARS to implement a talent attraction and retention strategy that differentiates the approach to managing these critical high-end skills from other skills and roles in the organisation.

c) Culture
To engender the behaviour and practices that facilitate ownership and accountability for the achievement of business and individual performance and the building of a robust organisational approach that supports professionalism, integrity, service and a learning environment. The culture must drive individuals towards positive enterprising attitudes fuelled by an urge for learning and self development. Collectively, these attitudes and culture must drive a strong service ethic.

“SARS recognises that its people hold the key to the organisation’s ability to operate efficiently and transform successfully” – Commissioner Pravin Gordhan (SARS Annual Report 2007 - 2008 Page 29).

Putting people first is an integral part of SARS’ business strategy. In support of this and the ongoing evolution towards becoming the best employee-centric employer in South Africa, Human Resources strategy aims to create a high performing environment for people by role modeling and embedding the right behaviours and values. By developing an integrated talent management strategy will enable SARS to:

- Integrate management of business and people performance, through a robust performance management and incentive system;
- Develop leadership and employee interventions to enhance the organisation’s capabilities, in particular increasing the number of tax and customs professionals;
- Determine and define a strategy for closing specific and technical skill gaps as well as generic managerial and leadership skill; and
• Focus on embedding organisational values to ensure they are instilled in the way people work.

SARS will contribute to the development of a social culture of compliance, build a resilient and professional organisation at the service of the Government and the people and deliver on annual targets with increasing efficiency and effectiveness (http://www.sars.gov.za).

For the purpose of this research, succession planning within the Eastern Cape, Enforcement Port Elizabeth office will be investigated.

2.4 PEOPLE DEVELOPMENT

As further discussed in the 2007 – 2008 annual report SARS has implemented an integrated people development strategy to ensure alignment between organisational needs and staff skills and competencies. The strategy aims to attract appropriately skilled people to the organisation through programmes such as the Graduate Recruitment and Development Programme and Training Outside Public Practice (TOPP). A career and talent management framework has been introduced in line with the career development programme to ensure that growth opportunities are created for staff.

2.4.1. HUMAN CAPITAL PLANNING

A comprehensive human capital planning and information solution has been developed. This entails mapping out SARS’s current staff, the positions they occupy and their capabilities. This information will be analysed against SARS’s current and future business needs and steps taken to address gaps. This approach will allow managers to take informed decisions regarding current and future investment in human capital.

2.4.2. TALENT AND CAREER MANAGEMENT

The reward, recognition and compensation strategy was reviewed and enhanced to support talent retention. In line with the human capital plan, a number of new
talent intake initiatives were also successfully completed, such as the intake of candidates into both TOPP and the Graduate Recruitment and Development Programme.

TOPP focuses on training in financial management, management accounting, financial accounting, auditing and taxation. The internal Career Development Programme has been essential in ensuring recognition for competencies required, acquired and applied by staff in different job categories as informed by operational requirements.

2.4.3. LEADERSHIP DEVELOPMENT

The SARS Academy has established partnerships with institutions such as UNISA, the University of Stellenbosch, the Gordon Institute of Business Science and Franklin Covey SA, to ensure customised training for SARS managers in line with business needs. In 2006/07, 111 staffers in managerial/leadership and specialist positions graduated successfully from management development programmes.

2.4.4. SARS ACADEMY

The objective of the SARS Academy is to provide and facilitate training across all SARS business areas. In the review period the Academy concluded a workplace skills plan, which met the requirements of the sector education and training authority, and delivered a total of 26,626 training interventions, exceeding its target for training (SOUTH AFRICAN REVENUE SERVICE ANNUAL REPORT 2006/07 103-104).

2.5. EXISTING POLICIES WITHIN THE SOUTH AFRICAN REVENUE SERVICES REGARDING SUCCESSION PLANNING

The Career Development Programme (CDP) will be discussed as outlined on the SARS's intranet portal (CDP Policy Framework 2008:3).

2.5.1. CAREER DEVELOPMENT PROGRAMME

The Career Development Programme is a comprehensive and systematic programme designed to create opportunities for SARS staff to develop and grow in
their work and careers as well as in their personal capacity. The CDP includes training and development as well as performance management.

It is a comprehensive and systematic programme intended to ensure that SARS can ATTRACT, DEVELOP & RETAIN the best tax, customs and other key talent in the country.

SARS operates in a dynamic external environment and it needs a CDP that is capable of accommodating regular reviews of skills needed to meet its goals.

According to SAR’s CDP Policies Framework (2008:3) the CDP comprises of four main elements, namely:

- **Career Management policies:**
  - Recruitment;
  - Training;
  - Advancement;
  - Remuneration.

- **Succession Planning:**
  - Recruitment;
  - The Performance Management and Development.

- **Career planning:**
  - Matching organisational needs with available set of skills and competencies;
  - Talent pool for vacancies arising out of natural attrition and future roles.

- **Advancement of individuals within the organisation:**
  - Placing employees in roles based on organisational needs and their readiness for these and ultimately rewarding them accordingly.

The outcome of the career management programme is to ensure that the right person is recruited or positioned in the right role, career development and growth opportunities are provided, and disparities in salaries and grading issues are addressed. Ultimately, personal career development depends on how much time
an individual is prepared to invest in themselves. It is for this reason that the programme is called ‘my career’. The Career Management policy provides the framework and guiding principles for the design, positioning, interfacing and operating of the Career Model (MANUAL CAREER DEVELOPMENT Revision: 1 2008: 1).

2.5.2. PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM (PMDS)

Performance management and development is an integral part of the CDP. The PMDS is a way in which competencies applied can be assessed and measured. Without PMDS, there will be no way to determine whether anyone is applying their new skills.

Once training and development has occurred, staff needs to demonstrate that competencies have been applied in their jobs. Appropriate assessment tools are developed to facilitate this. The outcome of the Personal Development Plan (PDP) will also form part of the performance review in terms of the PMDS process.

Performance and potential assessments are, therefore, conducted within the PMDS framework and model.

The PMDS broadly looks at assessing employees on previous performance, and potential for growth (Performance Management and Development System 2008: 5).

The CDP is a business program that enables the organisation to leverage its human capital’s ability and capability to deliver its short, medium and long-term objectives based on business needs. PMDS is the vehicle through which this human capital delivers and the effectiveness of the delivery is measured and continuously improved (Comprehensive blueprint Career Model, 2008:12).
2.6. THE ROLE OF SUCCESSION PLANNING IN THE HUMAN RESOURCE PLANNING PROCESS

Succession planning is defined as the process of preparing succession for key positions in organisations (Bain, 1995:214).

A study by Bain (1995:41) reveals that succession planning addresses the following key questions:

- What is happening in the outside world that will have a profound influence on the personnel plans?
- What changes to the quantity and quality of our people resource are needed to support the strategic plan?
- What is being done about peaked managers, especially those that are blockages in the organisation?
- Appropriately identifying the cadre of high flyers and young managers of potential.
- What are the succession issues? Does the company have cross-divisional or geographical moves planned for key people? Will there be cover in an emergency for top jobs? Will there be cover for more natural succession timing? (Bain, 1995:41).

In terms of previous discussions, the question can justifiably be posed as to whether the current succession planning system does empower management to attain individual and departmental goals, in order to enhance its overall performance.

According to Hellriegel; Jackson; and Slocum, (2001:245) the first stage of the staffing process, human resources planning, involves forecasting the organisations human resources needs and developing the steps to be taken to meet them. It consists of setting and implementing goals and action needed to ensure that the
right number and type of individuals are available at the appropriate time and place to fulfill organisational needs.

Some of the tools and techniques used for planning and forecasting these needs are competency inventories, job analyses, replacement charts and expert forecasts. There are many tools available to assist in the human resource planning process, one of which is succession planning (Hellriegel et al, 2001:245).

Succession planning is a process designed to ensure the continued effective performance of an organisation by making provision for the development and replacement of key people over time. Succession planning is generally considered to be a strategy of workforce planning (www.cs.state.ny.us/successionplanning.com, accessed 22.04.2009).

2.7. CONCLUSION

Chapter two reviewed the role of succession planning in human resource management at SARS and SARS operating model as well as existing policies regarding succession planning. The chapter concluded with the role of succession planning in the human resources planning process.

Chapter three looks at three succession planning models and what literature says about succession planning.
CHAPTER 3

THE ROLE OF SUCCESSION PLANNING IN HUMAN RESOURCE MANAGEMENT

3.1. INTRODUCTION

Chapter three will examine existing models of succession planning, extracting the core elements of each model to determine how succession planning should be conducted to be effective. A selection of the most relevant models will be presented. The core elements of each model will be identified to develop a proposed model for succession planning.

Succession planning must be a key business strategy and this chapter will discuss the role of succession planning in human resource management. Managing a company's risk should be at all levels, however succession planning often receives little attention and boards do not allocate sufficient resources to address it, yet it is a primary component of good corporate governance (Mammatt, Ernest and Young, 2007:34).

3.2. THE ROLE OF SUCCESSION PLANNING IN THE HUMAN RESOURCES PLANNING PROCESS

According to Robert Fulmer (2009:2) the demand for effective managers continues to grow; the retirement of baby boomers is producing a sharp decline in the ranks of available personnel. In addition, the executives of the future are expected to be more sophisticated in order to develop and lead new global and technological initiatives. For these reasons, careful planning for the eventual replacement of managers at all levels in organisations has gained strategic importance.

This is true for small firms as well as large ones. It's not just succession to the top, it's getting the right person in place for every job. Some of tomorrow's key jobs
may not even exist now. If a firm plans to double in size in five years, they will need more talented managers (Fulmer, 2009:2).

The larger issue is leadership development, tracking, and developmental opportunities. The real key in succession management is to create a match between the organisation’s future needs and the aspirations of individuals. The only way to keep talented people is to provide them with growth opportunities that keep them stretching and finding more promising opportunities they might find elsewhere. The average college graduate will change jobs five times in his or her career. Within the next decade, this norm will probably increase to seven job changes. Recruiting and retaining leaders becomes an economic and strategic challenge (Fulmer, 2009:4).

The following models for succession planning have been identified and will be discussed, with the aim of developing a model for succession planning.

3.3 Model 1 – THE SEVEN-POINT STAR MODEL FOR SYSTEMATIC SUCCESSION PLANNING AND MANAGEMENT

3.3.1 Overview

Rothwell (2005:10) warns that organisations need to plan for talent to assume key leadership positions or backup positions on a temporary or permanent basis. Succession planning and management is the process that helps ensure the stability of the tenure of personnel.

Rothwell (2005:10) further states that succession planning should not stand alone. It should be paired with succession management, which assumes a more dynamic business environment.

Step 1: Make the Commitment

As illustrated in figure 3.1 the first step the organisations decision makers should commit systematic succession planning and management (SP&M) and establish an SP&M program. To some extent, this represents a “leap of faith” in value of
planned over unplanned approaches to SP&M. In this step the organisation’s decision makers should:

- Assess problems and practices;
- Assess and demonstrate the need for the program;
- Determine the organisation’s exact SP&M program requirements;
- Link the SP&M program directly to organisational and human resource strategic plans;
- Benchmark SP&M practices in other organisations;
- Clarify the roles of different groups in the program;
- Formulate a program mission statement;
- Write a policy and procedures to guide the program;
- Communicate the action plan;
- Conduct SP&M meetings as necessary to unveil the program and review the progress continually;
- Train those involved in the program as necessary;

Managers should be counselled about any SP&M problems in their areas of responsibility (Rothwell, 2005:78).
Step 2: Assess present work/people requirements

As a second step illustrated in figure 3.1 decision makers should assess the present work requirements in key positions. Only in that way can individuals be prepared for advancement in a way that is solidly grounded on work requirements. In this step, decision makers should clarify where key leadership positions exist in the organisation and should apply one or more approaches to determining work or competency requirements (Rothwell, 2005:78).

Step 3: Appraise individual performance

Illustrated above as the third step is appraising individual performance and this refers to how well are individuals presently performing their jobs? The answer to this question is critical because most SP&M programs assume that individuals must be performing well in their present jobs in order to qualify for advancement. As part of this step, the organisation should also begin establishing an inventory of talent as that it is clear what human assets are already available (Rothwell, 2005:79).
Step 4: Assess Future Work / People Requirements

In other words, as illustrated in figure 3.1 step four refers to what will be the work or competency requirements in key leadership positions in the future? To answer this question, decision-makers should make an effort to assess future work requirements and competencies. In that way, future leaders may be prepared to cope with the changing requirements and organisational strategic objectives (Rothwell, 2005: 79).

Step 5: Assess Future Individual Potential

How well are individuals prepared for advancement? What talents do they possess, and how well do those talents match up to future work requirements? To answer these questions, the organisation should establish a process to assess future individual potential. That future-orientated process should not be confused with past or present –oriented employee performance appraisal (Rothwell, 2005:80).

Step 6: Close the Developmental gap

This step concerns how the organisation can meet SP&M needs by developing people internally or using other means to meet succession needs? To answer this question, the organisation should establish a continuing program for leadership development to cultivate future leaders internally. Decision-makers should also explore alternatives to traditional promotion-from-within methods of meeting succession needs (Rothwell, 2005:80).

Step 7: Evaluate the Succession Planning Program

To improve, the SP&M program must be subjected to continual evaluation to assess how well it is working. That is the seventh and final step of the model. The results of evaluation should, in turn, be used to make continuous program improvements and to maintain a commitment to systematic SP&M (Rothwell, 2005:81).
A second model namely, the Best-in-Class PACE Model will now be explored.

3.4 Model 2 – The Best-in-Class PACE Model

3.4.1 Overview

The use of succession planning to achieve corporate goals requires a combination of strategic actions, organisational capabilities, and enabling technologies as indicated in the table below (Table 3.1).

<table>
<thead>
<tr>
<th>Pressures</th>
<th>Actions</th>
<th>Capabilities</th>
<th>Enablers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Insufficient management bench strength (in terms of the number of candidates)</td>
<td>• Establish a &quot;development&quot; culture / mindset within the organization</td>
<td>• Gain support and buy-in from senior management</td>
<td>• Performance management tools</td>
</tr>
<tr>
<td></td>
<td>• Improve the company's bench strength (in terms of the number of candidates) at key positions</td>
<td>• Standardize an approach to employee evaluation and development</td>
<td>• Multi-rater assessments</td>
</tr>
<tr>
<td></td>
<td>• Identify high potential talent early</td>
<td>• Identify positions where succession planning is needed</td>
<td>• Assessments / testing tools for attributes and / or behaviors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Define skills and /or knowledge required for each position</td>
<td>• Assessments / testing tools for skills and / or knowledge</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Define attributes and /or behavior required for each position</td>
<td>• Skill gap analysis or competency variance tools</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Define succession planning metrics</td>
<td>• Competency model libraries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Align succession planning with the company's overall corporate strategy</td>
<td>• Tools that automate and provide visibility into organizational charts</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2007

Table 3.1: The Best-in-Class PACE Framework

Pressures Driving Succession Planning

To prepare for the loss of key leaders to retirement, and prevent the loss of high potential talent to competitors, and strengthen the pipeline in terms of quantity and quality of successors, Aberdeen's Best-in-Class have placed increased emphasis on succession planning (Aberdeen Group, 2007:6).

Leading Best-in-Class Strategies

Pressures to stave off the loss of high potential talent and improve the quality of next-generation leaders, are forcing organisations to view succession planning more as a key retention and development enabler. As a result, the leading strategies that Best-in-Class are pursuing to address these pressures are establishing a development culture / mindset within the organisation and improving the company's bench strength at key positions (Aberdeen Group, 2007:6).
Capabilities and Enablers

The essential ingredients of a succession planning strategy that produce top results include the proper mix of process, organisational knowledge, technology, and performance measurement.

Process

Best-in-Class organisations understand that a standardized approach to employee evaluation and development helps establish and reinforce a "development" culture or mindset within the organisation. This standardization is critical for creating consistency within the organisation; consistency that not only negates potential employee dissatisfaction that results from misaligned expectations, but also reduces errors in employee development plans and successor identification. These work in tandem to improve employee retention (Aberdeen group, 2007:7).

Organisation

To pursue succession planning, senior management buy-in is critical. So is identifying key positions where succession planning is (or will be) required. Across all organisations surveyed, these two capabilities were among the most prevalent. However, an area where Best-in-Class companies stand out is in the understanding of how changes to the business (in terms of strategy, goals or structure) impact the quantity and type of successors needed. This helps the Best-in-Class anticipate future hiring needs as well as offer development plans with roadmaps for employees to work towards.

Furthermore, Best-in-Class organisations leverage more experienced and/or high performing employees to connect with and provide guidance to newer workers and/or high potential workers. This not only aids in instilling best-practice methodology, but also helps younger workers connect and build relationships with people they should emulate within their organisation. (Aberdeen group, 2007:8)
3.5 Model 3 – Deegan’s seven-step succession planning model

3.5.1 Overview

According to Deegan (1986:45) succession planning is best done in a bottom-up sequence. The reason for the bottom-up sequence is, if you are a general manager wishing to determine the best back-up people for yourself and those reporting directly to you, you will wish to have in hand the documentation of evaluations carried out by those reporting to you concerning the people reporting to them in order to have up-to-date information to use in making your judgments.

Step 1: Complete performance evaluations of key persons

Deegan (1986:40) describes performance evaluation as a process of analysing, reviewing, and reporting the extent to which an individual effectively accomplish his or her assigned job responsibilities against agreed on objectives.

According to Deegan (1986:57) succession planning begins with performance evaluation which focuses on the major tasks accomplished by individuals over predetermined time period. These major tasks refer to those duties which contribute to the company objectives and strategies. The purpose is to examine current performance of employees to find those candidates suitable as successors to fill key positions in the organisation when required.

Step 2: Complete potential evaluations of key persons

Deegan (1986:57) states that potential evaluation is a process of analysing and reporting the likelihood of an individual performing effectively in another position usually at the next higher level of management or in a key position with greater responsibilities than currently held. This step involves comparing those people, who are performing well in their current positions, against others at the same level of responsibility in order to select which of them seem to be capable of performing well at the next higher level of responsibility. This is achieved by observing and
documenting incidents on which they manifested some of the characteristics which have been set up ahead of time as the marks of effective persons in the organisation.

Step 3: Complete other factors evaluation by reviewing individual history

Deegan (1986:40) describes other factors evaluation as a process of analyzing, reviewing and reporting on personal data and interest of the individual on the one hand and business conditions needs and company requirements on the other. This covers the evaluation of the remaining factors in making promotability decision after performance on the job and the potential for effectiveness at a higher level of responsibility at being considered.

Step 4: Complete promotability evaluation of key persons

Deegan (1986:41) says that promotability evaluation is a process of analyzing, reviewing and reporting on an individual's readiness to move to a higher position based on performance evaluation, potential and other related factors. It deals with making summary judgments about an individual's readiness to move to another position now or in the future.

Step 5: Complete succession planning chart to summarise present picture of your organisation, to include identification of high potential person’s.

Deegan (1986: 41) describes a succession planning chart as a summary providing a composite view of the top human assets of the organisation. A completed succession planning chart will provide a readily visible summary of the evaluation judgements concerning key personnel who have been identified.

Step 6: Complete individual development plans for key persons

Deegan (1986: 41) describes the development plan as a document detailing those areas of each individual which need development, the objectives in each area to
be achieved as well as action plans to achieve the degree of growth/improvement agreed upon.

Deegan (1986:41) describes a succession planning chart as a summary providing a composite view of the top human assets of the organisation. A completed succession planning chart will provide a readily visible summary of the evaluation judgments concerning key personnel who have been identified.

Step 7: Furnish documentation to succession planning board at division or corporate level.

The last step involves appointing a succession planning board. Deegan (1986:41) describes the succession planning board as a group of senior executives who monitor the implementation of succession planning and who maintain a summary of key position resources.

Various SP models were explored and no perfect model can be selected. The aim would be to find a model that fits the organisation or integrate certain models, hence the researcher will now focus on an integrated model for succession planning.

3.6 AN INTEGRATED MODEL FOR SUCCESSION PLANNING

Based on the literature surveyed an integrated model for succession planning can now be developed. From this point the model developed for succession planning will be referred to as the model.
Figure 3.2 An Integrated model for Succession Planning
Source: Adapted from Rothwell, PACE and Deegan

**Step 1**

**Assessing current needs, problems and practices**

Considered the logical starting point of any succession planning process is assessing the current practice the organisation uses to ensure successors are available to fill critical positions. Rothwell (2005:96) is of the opinion that attention should be focused on identifying the most important problems the organisation is facing and review how these problems are influenced by existing succession planning practices.

According to Drucker (1964:104) knowledge is the business as much as the customer is the business. Physical goods or services are only the vehicle for the
exchange of customer purchasing-power against business knowledge. Business is a human organisation, made or broken by the quality of its people. Labour might be one day be done by machines to the point where it is fully automated. But knowledge is a specifically human resource. It is the ability to apply information to specific work and performance. And that only comes with a human being, his brain or the skill of his hands.

Soonhee (2003:143) advocates the use of employee assessments to provide insight into employee strengths and weaknesses, especially as it relates to the technical aspects of job functions. These assessments can provide valuable information about the bench strength of new and developing employees. Assessment procedures can take into account career development, training needs, retirement plans, workforce diversity, succession planning and mentoring programs. Skills assessment information can provide an important framework to knowledge extension by developing a mentoring program based on the needs, strengths, skills, and deficiencies of the employees.

Gubman (1998:76) is of the opinion that a strategy is fundamental to aligning and managing people, yet not enough companies do it. They may plan how they recruit, or they may create a process of developing certain key types of people. Rarely do they take a thoughtful, co-ordinated, and planned approach to hiring, utilising, growing, and keeping their people.

**Step 2**

**Establishing the need for succession planning**

The second step would be to build an inventory of skills throughout the organisation by first profiling employees and identifying their unique skill sets, education, certifications and experience as well as documenting employee career preferences (Cornerstone 2009:2).
According to Certo (1990), succession planning and mentoring play a key role in organizational success. Organizational objectives cannot be attained with appropriate staff. Future needs for manpower are mainly influenced by employee retirements, employee turnover, the nature of the present workforce, and the rate of growth of the organization.

It is essential to tie succession planning issues to an organisational problem and to the organisations core mission. Suggested ways to establish the need are as follows:

- Workload (how many positions need to be filled);
- Speed of filling positions (how long does it take to fill positions);
- Results (how many position were filled over a given time span) (Cornerstone, 2009:2).

Succession planning can thus be measured by the number of key positions to be filled, the length of time to fill them, and the number of key positions filled over a given time period (Rothwell, 2005:105).

An unavoidable and growing leadership void is being created by two distinct forces:
1) The mass of baby boomers that will soon leave the workforce
2) The limited number of skilled workers entering the workforce.

These two forces, which are pressing organisations to plan and prepare for anticipated leadership needs, are also compounding the existing complexity that organisations face to retain and develop top talent. Succession planning, once reserved for the most senior positions at organisations and considered a component of leadership development is being viewed more holistically across the organisation and its stakeholders. (Aberdeen group, 2007:5)
**Step 3**

**Determining organisational requirements**

Thirdly, top management goals are always key considerations. Begin determining the essential requirements of a succession planning program by interviewing top managers. Then prepare and circulate a written proposal for a succession planning program that conforms to the consensus opinion of key decision-makers (Rothwell, 2005:108).

Important questions on which to focus include the following:

- How stable is the current organisational structure? Work processes? Can either – or both – be reliably used to plan for leadership continuity or replacements?
- How willing are decision makers to devote resources to cultivating talent from within?
- How much do decision-makers prefer to fill key position vacancies from inside rather than from outside the organisation?
- How willing are decision-makers to use innovative alternatives to simple replacements from within?

**Step 4**

**Linking Succession planning to organisational strategy and human resources strategy**

Succession planning should be linked to organisational and human resource strategy. However, achieving those linkages can be difficult. Achieving effective linkages is difficult for three major reasons:

- First while effective strategy implementation depends on having the right people in the right place at the right times, it is not always clear who the right people are, where the right places are and when those people will be needed;
• Secondly, strategy is frequently expressed in a way that does not lend itself easily to developing an action plan for succession planning;
• Thirdly, organisational strategy as practiced may differ from organisational strategy as theorised (Rothwell, 2005:111).

Furthermore Rothwell (2005:112) states that active steps must be taken to ensure that HR practices facilitate, and do not impede, long-term efforts to groom talent from within. By aligning succession planning with the company’s strategic plan and then making that gathered knowledge available across the organisation. Without this alignment, buy-in from senior management is diluted. This will provide organisational knowledge and access to employees across divisions.

The importance of mentoring and succession planning is provided by the Institute for Advance Studies, Colorado Technical University International Journal of Business and Management (cited by Safi and Burrell, 2007:169), which reads as follows, “Linking leadership development to the organization’s mission and strategic goals is a smart business strategy. The looming retirements of government employees that are members of the “Baby Boomer” generation demands solid commitment to the development of future leaders”. According to Watt (2004:54), successful organisations maximise their investment in human capital by developing leadership potential throughout the organisation with integrated programs that emphasize corporate values, critical skills and competencies, knowledge management, succession planning, and a global mindset for business success.

With collaborative leadership taking centre stage as the new paradigm in today’s global marketplace, organisations that strategically focus on building leadership capacity for the future will reap the benefits in the years to come (Joiner, Bartram, & Garreffa 2004:125).
Step 5

Establishing strategies for rolling out a succession planning program

An organisation needs to align, engage, measure who it really is as a company, because that is how to enable the work force to deliver the right customer value. The only real change as a company comes when it has to change its basic value proposition. By getting to know who the company really is involves looking at the enduring value proposition, specific strategies and tactics, how decisions about customers and employees are made and then deciding about what style is or should be (Gubman, 1998:279).

Establish processes that support employee evaluation and development. Focusing on career planning and development is forward looking and proactive, and demonstrates the company's vision and commitment to its employees. Continuing to monitor and assess progress against evaluation criteria and development goals.

This can be done by institutionalising organisational coaching and / or mentoring programs. Help employees build relationships with people within the organisation whom they can emulate and learn from. Connecting high potential workers with those at high levels who demonstrate or represent organisational core competencies will help high potentials feel more connected to the company. This will also provide them with credible sources that can introduce them to key stakeholders and provide recommendations to navigate the organisation successfully. This program does not need to be automated (Aberdeen group, 2007:16).

A succession planning program will be effective only when it enjoys support from its stakeholders. The stakeholders should not only perform succession planning for it to work, they must own the process (Rothwell, 2005:120).
Step 6

Preparing and communicating the action plan

Organisations should avoid getting caught up in the term "succession planning." Organisations should embrace what it is intended to do: help organisations plan appropriately for key position voids as well as to identify, develop, retain, and allocate key talent (Aberdeen group, 2007:16).

In preparing and communicating the action plan, companies should also evaluate their processes to ensure they effectively accomplish the following:

- Educate the company on the new trends in succession planning and instill a strong process to build succession bench strength;
- Ensure that succession planning is integrated with other processes of talent management including performance management, training and development, compensation, and assessment;
- Link succession planning to competency management and include a reporting and analytics component;
- Integrate with career development tools;
- Automate the succession planning process for greater efficiency and less operational risk; and develop both a top-to-bottom approach and also a bottom-up approach for succession planning (Aberdeen 2006:3).

According to the Cultural Human Resources Council, too often succession planning focuses on the “cream of the crop”, overlooking hidden talent that can be found in the most “invisible” workers, who may need some encouragement. The succession plan should include education of and communication with existing staff so that they understand where gaps might develop and are in a better position to step forward and say they are interested (Reed, 2004:12).
Step 7

Training and counseling managers

According to Conger and Fulmer (2003:77) it is far more effective to pair classroom training with real-life exposure to a variety of jobs and bosses-using techniques like job rotation, special assignments and "action learning" which pulls together a group of high-potential employees to study and make recommendations on a pressing topic, such as whether to enter a new geographical area or experiment with a new business model. This provides developmental experiences for employees and results in a useful work product for the company.

Managers should be given the opportunity to voice their issues concerning succession planning in their work areas. Where honest efforts are made to meet the succession planning needs of the organisation and counselling is requested, managers would value advice about people management issues. Individual counselling with these executives by the succession planning co-ordinator can serve an invaluable purpose for improving succession planning practices. The succession planning coordinator and the executive in charge can discuss sensitive personnel issues that executives may be reluctant to bring up in group meetings (Rothwell, 2005:172).

Step 8

Evaluating the succession plan

The final step should include collecting, analysing, and interpreting data on effectiveness of communications and succession development.

Measures of Success would include:

i. one or more well-qualified internal candidates are prepared and ready to assume each key job (i.e., ready list);

ii. a record of successful promotions (or lateral placements); a few people fail;

iii. few superior performers leaving the organisation because of 'lack of opportunity.
By focusing on metrics that accurately reflect the company's ability to cultivate and groom internal successors, and put in the place the processes to support this process. Regular assessment of progress against a goal will allow your organisation to modify strategies and applications of its strategy (Brooks, 2005:74).

3.7 Conclusion

Chapter three reviewed available models found in literature for succession planning and the core elements of each model were extracted. Based on these models an eight step model for succession planning was developed.

Chapter four looks at the methodology used by the researcher and the theoretical basis for conducting this type of research.
CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

Chapter three reviewed existing models found in literature for succession planning and the core elements of each model were extracted. Based on these models an eight step model for succession planning was developed.

Chapter three was used to establish the answer to sub-problem two: What succession planning strategies does the literature reveal that will assist managers in effectively retaining critical skills?

The main problem being addressed in this research project is how effective succession planning is done for Team Leaders and Managers at the South African Revenue Services, Eastern Cape? To achieve this, it is necessary to test the actual situation. The purpose of this chapter is to describe the research methodology pursued for this study and the theoretical basis for conducting this type of research.

4.2 RESEARCH DESIGN

Allison, O’ Sullivan, Owen, Rice, Rothwell, and Saunders (1996: 4) state that research is a systematic enquiry that is reported in a form that allows the method of research results to be known to others. This technique will enable the researcher to resolve the main and some or all the sub-problems.
Choosing a research design involves decisions regarding the purpose of the research, the intended use of the research, units of analysis, the time dimension and the data collection techniques used.

The main problem addressed in this research project is how effective is succession planning done at the South African Revenue Services, Enforcement Port Elizabeth?

To achieve this, it is necessary to test the actual situation. The purpose of this chapter is to describe the research methodology pursued for this study.

4.2.1 Methodology
Methodology refers to the overall approach to the research process, from the theoretical underpinning to the collection and analysis of the data; Collis and Hussey (2003) identify two main research paradigms, namely the positivistic paradigm and the phenomenological paradigm. The positivistic approach attempts to explain social phenomena by establishing a relation between variables which is information converted into numbers. The phenomenological paradigm suggests that social reality lies within the unit of research, and that the act of investigating the reality has an effect on that reality. This paradigm pays considerable regard to the subjective state of the individual.

According to Leedy and Ormrod (2005:196), face-to-face interviews yield the highest response rate and allow the researcher to clarify ambiguous answers. However, they may not be practical in terms of prohibitive time and expense factors if the respondents are spread over a large geographical area.

Surveys are usually conducted via a questionnaire by post (postal surveys) (Emory and Cooper, 1991:332-333). Typed questionnaires can be sent to respondents thousands of kilometres away at very little expense and the replies are more likely
to be truthful because the respondents can remain anonymous (Leedy & Ormrod, 2005:197). It was decided to make use of the descriptive survey method.

Descriptive surveys are concerned with discovering answers to the questions who, what, where, when or how much in terms of the research topic. In certain circumstances such as these the questionnaire is a useful instrument available to a researcher. The information gathered should be:

- Presented in a simple and structured manner;
- The questioning style should be clear and concise, removing opportunity for bias.

The descriptive survey method has disadvantages according to Leedy (1989:168):
- It is a complex research method and demands more activity from the researcher than other methodologies;
- It is also complex in terms of choosing a technique for sampling it, that is, should you send out a questionnaire or conduct an interview.

Leedy (1989:151) concludes by stating that it is vital to design descriptive surveys with the necessary care, precision and consideration. The population also needs to be carefully selected.

The empirical study will be done by emailing questionnaires to the respondents. A structured questionnaire will be used (see Annexure i). The process followed during the empirical study is discussed further below.

4.2.2 The purpose of the research
A qualitative study refers to a person’s perception of the meaning of an event attempting to understand people’s perceptions, perspectives, and understandings of a particular situation. In other words, it tries to answer the question, what is it like to experience such-and-such? What something is like from an insider’s perspective (Leedy and Ormord 2005:139)? The purpose of the research is to understand how
individuals perceive the effectiveness of succession planning, dictates that the qualitative approach should be used in this study.

4.2.3 The use of the research
This research can be classified as a subjective approach which includes examining and reflecting on perceptions in order to gain an understanding of social and human activities (Collis and Hussey 2003: 353). The result of this research will be used as recommendations to improve the implementation of succession planning at SARS, Enforcement Port Elizabeth.

4.2.4 Units of analysis
The principal means of data collection will be via a survey of the effectiveness of organisational practices, and the capturing thereof. The population of the study should be carefully selected and delimited.

The researcher has selected Business Area Managers (BAM’s) from various divisions within SARS, Enforcement Port Elizabeth. This was done to limit the research and make it more manageable. The Enforcement Port Elizabeth division has five BAM’s with a total of 171 employees with 15 team leaders (first level supervisors).

Divisions include:
- Business Intelligence unit;
- Criminal investigations;
- Audit, and
- Collections.

4.3 Questionnaire Construction
Easterby-Smith, Thorpe and Lowe (1991:119) state that although questionnaires seem simple to use and analyse, their design is not simple as the main decisions to be made in terms of their design, centre around the type of questions to be
4.3.1 Question Construction
The questionnaire was constructed to facilitate an electronic survey. Electronic questionnaires can be highly effective when participants feel comfortable with computers (Leedy and Ormord 2005: 197). The questionnaire will be started off with an explanatory paragraph to ensure that the respondents are aware of the context in which the questions are posed. Precise instructions will be given to respondents regarding whether boxes have to be ticked, whether more than one box can be ticked at a time or whether numbers or words should be circled to indicate the response.

Questionnaires will be numbered. Generally, a funnelling approach will be applied, which entails moving from general to specific questions, grouping questions according to topic, example Training and Development and Coaching and Mentoring. In certain instances, filter questions will be used. For example, “Did you receive any formal training prior to completing the management development program?”

It is envisaged that a final questionnaire of 35 items will emerge from the pilot study. According to Leedy and Ormord (2005:185) participants may be more truthful in questionnaires than they would be in personal interviews, as they are assured that their responses will be anonymous.

4.3.2 Purpose of the questionnaire
The structured questionnaire was developed taking the main and the sub problems into account. The questions were selected to address effectiveness of succession planning.

A questionnaire is a list of carefully structures questions, chosen after considerable testing, with the view to eliciting reliable responses from a chosen sample (Collis &
Hussey, 2003:173). The rationale behind using the questionnaire as a data collection method is, it is less expensive and less time consuming.

4.3.3 Physical characteristics of the questionnaire

The questionnaire is divided into two parts:

Section A contains the biographical data of respondents designed to provide a relevant profile of the respondents with reference to:

- age group;
- gender;
- occupation;
- tenure, and
- level of education.

Section B contains questions aimed at determining the respondents’ opinions on succession planning with reference to:

- training and development;
- coaching and mentoring;
- performance management, and
- succession planning.

4.3.4 Pilot Study

According to Thomas (1996:122), the pilot study aids the success and accuracy of the final study and offers the researcher the opportunity to fine-tune the document. The importance of a pilot study is emphasized by various authors (Leedy, 1989:143; Emory and Cooper, 1991:382 and Mitchell and Jolley, 1992:470) This pilot study can consist of two steps:

- Informal testing – the draft questionnaire is scrutinised by people familiar with the research topic and/or the construction of questionnaires. Refinements are made to the questionnaire, based on the input received.
- Formal testing – the draft questionnaire is tested on a small population that is representative of the target group. Again, in this instance, refinements are made, based on recommendations received.
The questionnaire was subjected to informal testing in that it was examined by two individuals, one who completed their masters in a different field and one who completed their doctoral studies in a similar field and who has extensive experience in the construction of questionnaires. The feedback was used to refine the questions.

4.4 TYPES OF QUESTIONS ASKED

Alreck and Settle (1985: 119) state that there are two basic formats for survey questions: unstructured and structured. Unstructured questions are sometimes called “open-ended” questions because respondents can give a personal response to the questions. According to Behr (1988: 157), respondents can state their case freely in the open ended section of the questionnaire and this evokes further and richer responses than the closed questions. Structured survey items ask a question and then list the alternative answers the respondent must choose from. Both open ended and closed questions were used in the questionnaire for empirical study.

4.5 THE SAMPLING DESIGN

The purpose of the sample design is to make the research topic manageable. (Collis and Hussey, 2003:155) The various methods which can be used to select a sample are discussed below:

- Random sampling: For small populations numbers are chosen at random, for large populations numbers are taken from tables of random numbers;
- Systematic sampling the population is divided by the required sample size (n) and the sample chosen by taking every ‘nth’subject;
- Stratified sampling each identifiable strata of the population is taken into account (Collis and Hussey, 2003:156).

The sample frame will include all employees within the Eastern Cape Region of SARS. Stratified sampling will be used to identify supervisors (team leaders) and managers within this sample frame. It is important that your sample is not biased and is representative of the population from which it is drawn. Stratified sampling
overcomes this problem as each identifiable strata of the population is taken into account (Collis and Hussey, 2003:157).

4.6 COVERING LETTER

The letter should be concise and focus on a brief explanation of the fact that the researcher is completing a treatise towards an MBA, and what the aim of the questionnaire is. Respondents should be assured of confidentiality and anonymity.

The respondents should be reassured that the time taken to complete the questionnaire would be a maximum of 15 minutes. A final date of return mail should be communicated and the respondent should be thanked in advance for his or her time and assistance. The manner and rate of the response is an important aspect of a survey. Should the response rate and validity of the responses be high and accurate respectively, the accuracy and credibility of the researcher's survey will be enhanced. Research response will now be discussed.

4.7 RESEARCH RESPONSE

The lead-time from distributing the questionnaire to the tabulation of the results in chapter five was kept to a minimum. This ensured that the results were not stale, optimizing the accuracy of the outcomes. Any doubt as to the interpretation of the questionnaire was dealt with immediately and this too expedited the process.

The general response to the questionnaire was that the questions were unambiguous and the respondents were able to be supply the necessary information required.

The results of the empirical study will be compared with the Model for succession planning which was developed, and for this study the findings will be presented in detail.
4.8 CONCLUSION

This chapter discussed the methodology by referring to the research design, types of questions asked, sampling, the covering letter and the research response. The information gained from the questionnaire will be considered in the following chapter and ultimately aid the researcher by giving the necessary feedback required to solve the main problem. This leads to the next chapter in which the findings and analysis will be presented and discussed.
5.1 INTRODUCTION

In this chapter the findings and analysis of the study described in chapter four will be presented and discussed in detail. Presenting the results of the empirical study will solve the third sub-problem, namely, how the literature research conducted in chapter two, and the model developed in chapter three compares to what currently is in place at SARS. The results of this empirical study and chapter three can be integrated into a model for future reference on which business can be built.

Leedy and Ormrod (2005: 22) state that measurement is ultimately a comparison: “a thing or concept measured against a point of limitation.” The results obtained will be discussed, and recommendations and conclusion will be offered at the end. This practical survey will be related back to theory where applicable.

5.2 COLLECTION OF DATA

The collection of data took place through telephonic interviews and distributing the questionnaires via e-mail to the Business Area Managers (BAM’s) of Enforcement Port Elizabeth. Enforcement Port Elizabeth consists of Criminal Investigations, Business Intelligence Unit, Audit and Collections.

The questionnaires were divided into two sections:
- Section A, the biographical data;
- Section B, based on the information gained from the literature study that suggested an integrated model for succession planning.

A telephonic interview with the Human Resource Manager was conducted and it was indicated that a proposal on succession planning was communicated to the Port Elizabeth Enforcement division early in the year, however this has not been implemented to date.
The human resource manager indicated that line management needs to be fully involved in the succession planning process, while HR will facilitate the succession planning program, the involvement of line management is essential. Due to the emphasis on revenue collection and the implementation of the career modeling the proposed succession planning process for Enforcement was not implemented.

5.3 AN ASSESSMENT OF THE FEEDBACK

The findings of the questionnaire will now be analysed and discussed. Each question from the questionnaire which was used will be provided to save the reader the inconvenience of having to refer to the questionnaire included as annexure A. The questionnaire was sent to all five Business Area Managers and all the respondents completed and e-mailed the questionnaire back.

RESULTS FROM SECTION A OF THE QUESTIONNAIRE

5.3.1 Racial Groups
Section A required the respondents to furnish personal details. This information may further assist the researcher in assessing the profile of managers, development and training needs should the requirement arise. Figure 5.1 indicates that eighty percent of respondents were white and twenty percent were black.

![Figure 5.1 Graphical illustration of the respondent's race (%)](image)
5.3.2 Age group of respondents

Figure 5.2 indicates the age of the respondents. The majority (80%) falls into the forty to forty nine years’ age bracket and twenty percent of the respondents’ 50 years and over. This implies that the majority of respondents have had a number of years working experience and that they could provide valuable input for this study.

![Figure 5.2 Graphical illustration of age of the respondents (%)](image)

5.3.3 Gender

Figure 5.3 indicates the gender of the respondents. The majority (80%) is female and twenty percent is male.

![Figure 5.3 Graphical illustration of the respondent’s gender (%)](image)
5.3.4 Position

Figure 5.4 indicates that all the respondents were Managers.

![Position in Company](image)

Figure 5.4 Graphical illustrations of respondent’s positions

5.3.5 Length of Service

Figure 5.5 indicates that all the respondents were employed for more than ten years. This implies that the majority of respondents have had a number of years working experience and that they could provide valuable input for this study.
5.3.6 Level of education

Figure 5.6 illustrates the qualification levels of the respondents. The majority of the respondents (100%) have a qualification higher than grade 12 (Standard 10). With eighty percent having graduate qualifications and twenty percent post graduate qualifications.
5.3.7 Summary of biographical information

The information above indicates the profile of the sample. The data received from the questionnaire indicates a representative sample from the department, since a 100 percent response rate was achieved from respondents from the various departments. Majority of the respondents were female. The majority of the respondents (80%) are in the age bracket of 40 and 49 years old. All respondents were in management positions and employed for more than ten years. The majority of respondents (100%) held a qualification higher than standard ten / grade 12. It can thus be deducted that the respondents are educated and have been exposed to business in general.

The relevance of this information will be referred to in statements made in the conclusion of this chapter. This leads to the next section of the questionnaire.

### 5.4 QUALITATIVE ANALYSIS OF THE RESULTS OF SECTION B OF THE QUESTIONNAIRE

<table>
<thead>
<tr>
<th>Question</th>
<th>Respondents perception on succession planning with regard to:</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Training received prior to completing the management development program</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>8</td>
<td>Do you think SARS values training and development</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>9</td>
<td>Is coaching and mentoring offered for positions</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>16</td>
<td>Are potential successors identified for key positions</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>17</td>
<td>Is training offered for potential successors</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>25</td>
<td>Do you believe succession planning will benefit your organisation?</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>How important is it for SARS to implement a formal succession planning system</td>
<td>60% Very important</td>
<td>40%</td>
</tr>
<tr>
<td>27</td>
<td>Are successful promotions recorded?</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Question</td>
<td>Respondents perception on succession planning with regard to:</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>----------</td>
<td>---------------------------------------------------------------</td>
<td>-----</td>
<td>----</td>
</tr>
<tr>
<td>29</td>
<td>Do you have a ready list?</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>30</td>
<td>Have you had superior performers leave the organisation due to lack of opportunity?</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.1 Respondents perception on succession planning

Table 5.1 covers questions 7, 8, 9, 16, 17, 25, 26, 27, 29 and 30 and illustrates that sixty percent of the respondents received formal training prior to completing a management development programme while forty percent indicated that they did not receive prior training. Eighty percent of the respondents thought that SARS valued training and development. Sixty percent of the respondents offered coaching and mentoring for positions in their department while forty percent did not.

All respondents (100%) indicated that potential successors were not identified and no training was offered for potential successors. All respondents (100%) believed that succession planning would benefit the organisation. Sixty percent believed it was very important for SARS to implement a formal succession planning system and forty percent believed it was slightly important. Fifty percent of respondents indicated that promotions were recorded and fifty percent indicated that promotions were not recorded, with one respondent not indicating. All respondents (100%) indicated that they did not have a ready list. With all respondents (100%) agreeing that they had superior performers leave the organisation due to lack of opportunity.

The questions in section B were designed to establish what current practices were used for succession planning and the effectiveness thereof. The questions were based on the information gained from the literature study that suggested various succession planning models and the steps of the integrated model developed.

5.4.1 ANALYSIS OF CURRENT NEEDS, PROBLEMS AND PRACTICES

In this section of the questionnaire the respondents identified the needs and problems with regard to succession planning in their departments.
Making the commitment by assessing and demonstrating the need for a succession planning program is emphasized as the first step the organisation’s decision makers must systematically commit to (refer 3.3.1, Rothwell 2005:10). The essential ingredients of a succession planning strategy that produces top results includes the proper mix of process, organisational knowledge, technology, and performance measurement (refer 3.4.1, Aberdeen group 2007:7).

Question 1: What is your understanding of succession planning?
As indicated in the questionnaire response all the respondents had a clear understanding of what succession planning was and the importance for future operational requirements.

Question 2: What are your thoughts about approaching succession planning in this organization in a planned way?
All the respondents agreed that it was important to approach succession planning in a planned way. One of the respondents indicated that external recruiting results in negative attitudes from staff that has extensive experience in a position and then transferring skills to an external candidate.

Question 3: How often do you assess your department’s needs by forecasting future staffing requirements and determining work or competency requirements with regards to succession planning?
Two respondents indicated that it was not done. One said it was difficult to do due to budget constraints. Another said that this was done constantly, however due to crisis management being prevalent; forecasting is low on the priority list. One respondent did not respond.

5.4.2 ESTABLISHING THE NEED FOR SUCCESSION PLANNING.

Literature states that decision makers should clarify where key leadership positions exist in the organisation by identifying key positions it will be evident where succession planning is (or will be) required (refer 3.3.1, Rothwell 2005:78; 3.4.1, Aberdeen Group 2007:7).
Question 4: Do you consult the strategic plan to determine succession planning needs?

![Figure 5.7 Strategic plan for succession planning needs.](image)

Two respondents indicated yes and two indicated no. With one indicating yes and no, as it was felt that very little attention was given to succession planning which resulted in the respondent preparing a mentorship plan to cater for the departments succession planning.

As mentioned in chapter three building an inventory of skills throughout the organisation is important. This is done by first profiling employees and identifying their unique skill sets, education, certifications and experience as well as documenting employee career preferences (refer 3.7, Cornerstone 2009:2).

Question 5: Are you aware of the number of key positions to be filled and the length of time it will take to fill them.

Three respondents indicated yes, and two no.

Question 6: Does your department have a skills profile of each employee and are these skills in line with goals of the department?

Four respondents indicated that they did have a skills profile in place and one indicated that they had no skills profile in place.
Questions seven to nine are covered in table 5.1 indicating what the respondents perception on succession planning is.

Question ten: *Please rate the following activities in terms of their effectiveness in developing employees.* (1 being most important and 6 being least important)

![Q10: Please rate the following activities in terms of their effectiveness in developing employees.](image)

Figure 5.8 Effectiveness in developing employees.

Training and coaching is seen to be the preference of the respondents as these activities are rated as ones and twos by the majority of the respondents. In figure 5.8 above the ratings of the respondents are illustrated tabled as received.

Completing a development plan as a document detailing those areas of each individual which need development as well as action plans to achieve the degree of growth/improvement agreed upon is important to develop employees (refer 3.5.1, Deegan 1986:41).

Question 11: *Please rate the following methods in terms of their effectiveness in identifying potential successors?* (1 being most important and 6 being least important)
Figure 5.9 Identify potential successors

In figure 5.9 respondents 2 and 3 are in agreement that the supervisor is the most effective person to identify potential successors. Supervisors are the first line of managers and should have a direct and interactive involvement in identifying potential successors. There is a strong indication that Supervisor, Head of department and management are amongst the preferred methods.

As discussed in literature succession planning begins with performance evaluation the purpose being to find those candidates suitable as successors to fill key positions in the organisation when required (refer 3.5.1, Deegan 1986:57).

Question 12: Please indicate which of the following methods would be most effective in assessing development needs? (1 being most important and 6 being least important)
From Figure 5.10 it is evident that respondents one and two have a strong preference to self assessment and respondent three and four indicates performance evaluation as the most effective method of assessing development needs. The interview method is also considered as important by majority of the respondents. One respondent did not answer the question.

5.4.3 DETERMINING ORGANISATIONAL REQUIREMENTS

Question 13: How willing are decision makers to devote resources to cultivate talent from within?

One respondent indicated that there is a small sense of willingness to cultivate talent from within. With the other four indicating that there is no willingness at all to cultivate talent and emphasis is more on reaching targets and what the employee is capable of doing now and not that of the future.
Question 14: How much do decision-makers prefer to fill key position vacancies from inside rather than form outside the organization?

Two respondents indicated that there is a preference to fill from within. One indicated that it depends on the position and the availability of the candidates that internal recruits have an advantage of understanding the business and external recruits can bring in new ideas. One respondent indicated that often positions are filled for the sake of filling and obvious candidates are overlooked because of the administrative burden, which would be caused by the appointment.

As mentioned in chapter three determining organisational requirements should begin by interviewing top managers with regards to the essential requirements of a succession planning program (Rothwell 2005:108). To pursue succession planning, senior management buy-in is critical (refer 3.4.1, Aberdeen group 2007:6).

5.4.4 LINKING SUCCESSION PLANNING TO ORGANISATIONAL STRATEGY AND HUMAN RESOURCE STRATEGY

Question 15: How do you feel about establishing a plan for meeting succession planning needs through individual development plans?

Four respondents indicated that this would be good and will create positive attitude among staff, however expectations should be realistic. One respondent indicated that future leaders should first be identified and then placed on a program.

Question 16: In your department are potential successors identifies for key positions?

All respondents indicated that this is not done.

Chapter three emphasised the importance of linking or aligning succession planning with the organisation’s strategic plan and then making the gathered knowledge available across the organisation (refer 3.3.1, Rothwell 2005:78)
ensuring that HR practices facilitate and do not impede the succession planning process (refer 3.7, Rothwell 2005:112).

5.4.5 ESTABLISHING STRATEGIES FOR ROLLING OUT A SUCCESSION PLANNING PROGRAMME

Question 18: What strategies are in place for rolling out the succession planning process?
Four respondents indicated that they are not aware of any strategies in place for rolling out the succession planning process. One respondent indicated none except for the graduate recruitment programme.

Question 19: Do you believe that your organisations strategies are value adding to succession planning, i.e. career modeling and performance management system?
Two respondents indicated no and one indicated yes. One respondent indicated that it was too early to tell if these strategies were value adding. Another respondent indicated that career modeling could add value if managed properly, and the performance management system was not adding value, it rather distracted the department from core business and only focused on certain aspects.

Question 20: Are stakeholders actively involved in their career planning?
Four respondents indicated no and one indicated that they should be with the new career modeling being implemented.

The literature states that stakeholders must own the process (refer 3.7, Rothwell 2005:120). Being forward looking and focusing on career planning and development demonstrates the company's vision and commitment to its employees (Aberdeen group, 2007:16). Organisation's need to align, engage, and measure who it really is as a company, because that is how it will enable the work force to deliver the right customer value (Gubman, 1998:279).
5.4.6 PREPARING AND COMMUNICATING THE ACTION PLAN

Preparing for the loss of key leaders to retirement, preventing the loss of high potential talent to competitors, and strengthening the pipeline places increased emphasis on the need for succession planning and the communication of an action plan that all are aware of (refer 3.4.1, Aberdeen group 2007:6).

Question 21: Do you believe that succession planning is integrated with other processes of talent management including performance management, training and development, compensation, and assessment?
Two respondents indicated yes, one indicated that in the department no succession planning is in place. One indicated that it should be, and another indicated no.

Question 22: How do you feel the new career modeling can help organisations plan appropriately for key position voids as well as to identify, develop, retain, and allocate key talent?
One indicated it was too early to judge. Another indicated that it would help to give the identified person the necessary training. Another indicated that due career modeling was not fully implemented and the purpose is to retain staff with important skills and pay them according to their skills and knowledge.

5.4.7 TRAINING AND COUNSELLING MANAGERS

Question 23: Do you provide training and counseling to team leaders with regards to issues concerning succession planning.
Four respondents indicated no and one indicated yes.

Question 24: Do you think a succession planning coordinator would be useful for your organisation?
All respondents indicated that a succession planning coordinator would be useful.
Literature indicates that the succession planning coordinator can serve an invaluable purpose for improving succession planning practices as well as to counsel on personnel issues that executives may be reluctant to bring up in group meetings (Rothwell, 2005:172).

5.4.8 EVALUATING THE SUCCESSION PLAN

Regular assessment of progress against a goal will allow organisations to modify strategies and applications. Measures of success are when one or more well-qualified internal candidates are prepared and ready to assume key jobs (i.e., ready list). There is a record of successful promotions (or lateral placements); and few superior performers leave the organisation because of 'lack of opportunity' (refer 3.7, Brooks, 2005:74).

Question 28: Has your organisation succeeded in cultivating and grooming internal successors, and are processes in place to support this?
All respondents indicated no.

5.5 CONCLUSION

The purpose of this chapter was to analyse and interpret the data obtained from the research questionnaire. The data provided information that indicated that the information obtained from the literature study could be applied and that the situation at SARS Enforcement has room for improvement. Chapter 6 will focus on various recommendations based on the previous findings of this study.
CHAPTER 6
FINDINGS AND RECOMMENDATIONS

6.1 INTRODUCTION

In this final chapter the fourth sub-problem will be resolved. This sub-problem addresses the question of how management succession planning practice at SARS Enforcement Port Elizabeth comply with the theoretical Model and guidelines developed in this research.

By resolving the three sub-problems in this research, the main problem of this research will have been resolved. The main problem addresses: how effective succession planning is done at SARS Enforcement, Port Elizabeth?

This chapter will summarise the extent and effectiveness of succession planning at SARS Enforcement, Port Elizabeth. The results of the prior chapters of the study will be revisited. Conclusions and recommendations will be made based on the information gathered from the study.

A general reflective overview of the study will be provided. The key research objectives are addressed and the research findings are mapped to the research content. Specific recommendations are made to mitigate the research problem as stated in chapter three.

This chapter is divided into three sections:
• Main findings of the study;
• Conclusions based on the results of the study; and
• Recommendations for further study.
6.2 MAIN FINDINGS OF THE STUDY

According to the findings discussed in chapter 5, the main issues that need to be addressed are:

- The assessment of current needs with regards to strategic planning needs;
- No willingness to devote resources to cultivating talent;
- Pressures to reach daily targets on revenue collection placed above succession planning;
- Stakeholder support and clear communication lacking;
- Appointing a succession planning co-ordinator;
- Training and counselling with respect to succession planning was not offered.

The integrated model for succession planning developed in chapter three will now be discussed and its relevance justified based on the questionnaire issued in chapter four and feedback received in chapter five.

6.2.1 ANALYSIS OF CURRENT NEEDS, PROBLEMS AND PRACTICES

All respondents had a clear understanding of what succession planning was and the importance for future operational requirements. All respondents agreed on the importance of approaching succession planning in a planned way. Assessment of needs was not done. Potential successors were not identified and training was not offered to them. Action plans and strategies regarding succession planning was not communicated and planned clearly. When assessing the current needs, problems and practices at SARS one finds that there are several good programs being put together from the human resource department but current practices among the various line managers within departments are not implementing these programs.

6.2.2 ESTABLISHING THE NEED FOR SUCCESSION PLANNING

Respondents indicated that they were aware of the number of key positions to be filled and the length of time it will take to fill them. Majority indicated that they had a skills programme in place, sixty percent indicated that they did not consult the strategic plan to determine succession planning needs. Assessing the need for
succession planning will assist SARS in reducing its staff turnover and fully leveraging its internal talent pool as well as expanding growth opportunities to employees.

6.2.3 DETERMINING ORGANISATIONAL GOALS
There is no willingness to devote resources to cultivating talent. Respondents indicated that there was a preference to fill vacancies from within. By determining the organisational requirements SARS can utilise the succession planning model to deliver on top management goals for the organisation.

6.2.4 LINKING SUCCESSION PLANNING TO ORGANISATIONAL STRATEGY AND HUMAN RESOURCE STRATEGY
Majority of respondents felt that it would be good to establish a plan to meet succession planning needs through individual development plans. All respondents indicated that potential successors were not identified in their departments. It was indicated by all that training was not offered for potential successors.

6.2.5 ESTABLISHING STRATEGIES FOR ROLLING OUT A SUCCESSION PLANNING PROGRAMME
Majority of respondents were not aware of any strategies in place for rolling out succession planning except for the graduate recruitment programme. Respondents felt that strategies such as career modelling and performance management were not value adding to succession planning as it was still in the implementation stages. Majority of respondents indicated that stakeholders were not actively involved in their career planning.

6.2.6 PREPARING AND COMMUNICATING THE ACTION PLAN
Majority of respondent indicated that succession planning was not integrated with other processes such as talent management, performance management, training and development. Respondents indicated that the career modelling action plan was not properly prepared and communicated it was too early to judge. SARS can reinforce the importance of development across the organisation by communicating the action plan.
6.2.7 TRAINING AND COUNSELLING MANAGERS

Majority of the respondents indicated that this was not offered. All indicated that a succession planning coordinator would be useful.

As evidenced in the biographical profile of the respondents the research reveals that the Business Area Managers are among the active age group forty to forty-nine and work experience in their current positions are over ten years. This indicates that all the respondents have had a number of years working experience and that they could provide valuable input for this study.

6.3 RECOMMENDATION

Based on the findings of the research conducted, the following recommendations are made:

- A formal succession planning process be developed and communicated throughout the organisation;
- Assessment of current needs according to the organisations strategic plan;
- Devote resources to cultivate talent;
- Appointment of a succession planning co-ordinator;
- Train and council managers on the importance of succession planning.

6.4 CONCLUSION

The practise of succession planning in the surveyed organisation does not conform well to the integrated model and guidelines established. The degree of compliance with the guidelines of the integrated model varied mainly between often and seldom being practised.
Throughout the career model emphasis is placed on career planning and individual development plans. No formal succession planning process exists within SARS. A great need exists today to integrate succession planning programs with career planning programs (Rothwell, Jackson, Knight, Lindholm 2007: preface).

Both career planning and succession planning share development as a means to an end but approach it from different directions: career planning tends to be bottom up (from individual to organisation); succession planning tends to be top down (from leaders to individuals) (Rothwell et al, 2007: preface).

In the SARS Annual report 2007 – 2008 it indicates that SARS continues to focus on attracting, developing and retaining staff, raising skills levels and addressing growth opportunities. SARS does this by setting challenging targets and measures for staff, providing regular, clear and constructive feedback, and encouraging innovation and new ideas.

This concluding chapter presents the recommendations and conclusions regarding the effectiveness of succession planning at SARS, Port Elizabeth.

6.5 SUMMARY

In chapter one the importance of succession planning was discussed with regards to the overall success of the organisation. Discussing why identifying successors for key positions is important and the importance of developing successors in order to retain skills and talent within an organisation.

In chapter two, research revealed the succession planning in human resource management at SARS. This chapter primarily looked at which strategies were in place for succession planning and leadership development. SARS has extensive career planning programmes in place to help individuals discover their career goals and provide reasons to qualify for advancement.

Chapter three discussed the literature review on the role of succession planning in the HR planning process, looking at three models and formulating an integrated model. Chapter three was used to establish the answer to sub-problem one: What
succession planning strategies does literature reveal will assist managers in effectively retaining critical skills?

Chapter four discusses the research methodology pursued in this study and the theoretical basis for conducting this type of research.

Chapter five covered the findings and analysis of the study, solving the third sub-problem namely how research conducted in chapter two and the model developed in chapter three compares to what currently is in place at SARS.

Chapter six deals with the recommendations and conclusions.

The findings of the empirical study were illustrated in chapter five and the aim of each question quantified. Results were graphed and tabulated allowing for recommendations and conclusions to be made. This study, however, still exposes a number of opportunities and areas for future research.

A great need exists today to integrate succession planning programs with career planning programs. Succession planning programmes help to ensure the continuity of talent needed to preserve economic growth and organisational viability. Career planning programmes help individuals discover their career goals and provide reasons to qualify for advancement or simply keep their skills current, as employability in a new economy places more responsibility on individuals to remain competitive in a dynamic labour market (Rothwell et al, 2007:preface).

Integrating career planning and succession planning is essential because career plans give individuals goals to develop themselves and methods by which to do so, while succession plans give organisations ways to focus on meeting new talent needs over time and provide direction to development efforts (Rothwell et al, 2007:preface).

Succession planning includes aspects of mentoring and coaching which are important in order to develop employees, career planning is a process where the individual can get themselves to a level in order to qualify for advancement, however succession planning can ensure that a pipeline of capable candidates are available to fill key positions (Rothwell et al, 2007:preface).
The final words on the importance of succession planning as previously stated is that succession planning must be a key business strategy and it is a primary component of good corporate governance (Mammatt et al, 2007:34).
List of References


Leolo, M. 2007. A decade of SARS.


Workforce and succession planning guide

ANNEXURE I

QUESTIONNAIRE COVERING LETTER

12/10/2009

Dear Respondent

AN EVALUATION OF THE EFFECTIVENESS OF SUCCESSION PLANNING OF TEAM LEADERS AND MANAGERS WITHIN THE SOUTH AFRICAN REVENUE SERVICES, EASTERN CAPE.

Kindly find attached a questionnaire relating to the above. Your assistance in completing the questionnaire by 15th October 2009 would be greatly appreciated. Completion of the questionnaire should take no more than 15 minutes.

The questionnaire is strictly confidential and respondent’s names and identity will not be divulged.

This information is needed for the completion of my Masters in Business Administration (MBA) studies.

When completed please email to the undersigned. Your co-operation in completing the questionnaire is greatly appreciated.

Yours sincerely
Lynne Erasmus
Researcher

* SEE ATTACHED QUESTIONNAIRE.*
Annexure II

QUESTIONNAIRE ON EFFECTIVENESS OF SUCCESSION PLANNING IN SARS ENFORCEMENT PORT ELIZABETH

SECTION A:

Name:

**Question 1:** Please indicate what race you are?

- African  •  Asian  •  Coloured  •  White

**Question 2:** Gender:

- Male  •  Female

**Question 3:** Please indicate your age group

- 20-29  •  30-39  •  40-49  •  50 and over

**Question 4:** Please indicate position

- Manager  •  Team Leader

**Question 5:** How long have you been employed with SARS?

- 0 – 3 years  •  3 – 6 years  •  6-9 years  •  10 years and over

**Question 6:** What is your level of education?

- Matric not achieved  •  Matric  •  Graduate  •  Post Graduate
SECTION B:

**Question 1**: What is your understanding of succession planning?

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**Question 2**: What are your thoughts about approaching succession planning in this organisation in a planned way?

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**Question 3**: How often do you assess your department’s needs by forecasting future staffing requirements and determining work or competency requirements with regards to succession planning?

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**Question 4**: Do you consult the strategic plan to determine succession planning needs?

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**Question 5**: Are you aware of the number of key positions to be filled and the length of time it will take to fill them.

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**Question 6**: Does your department have a skills profile of each employee and are these skills in line with goals of the department?

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**Question 7**: Did you receive any formal training prior to completing a/the management development program?

- Yes  •  No

**Question 8**: Do you think SARS values training and development?

- Yes  •  No
**Question 9:** Is coaching and mentoring offered for positions directly above your team leader/member?
- Yes
- No

**Question 10:** Please rate the following activities in terms of their effectiveness in developing employees (1 being most important and 6 being least important)
- Job Rotation
- Stretch assignments
- Job enrichment
- Coaching
- Mentoring
- Training

**Question 11:** Please rate the following methods in terms of their effectiveness in identifying potential successors? (1 being most important and 6 being least important)
- Self-nomination
- Performance Evaluation Ratings
- Job Holder
- Supervisor
- Head of Department
- Management

**Question 12:** Please indicate which of the following methods would be most effective in assessing development needs? (1 being most important and 6 being least important)
- Self Assessments
- Performance Evaluation Ratings
• 360-Degree Feedback
• Interview

**Question 13:** How willing are decision makers to devote resources to cultivating talent from within?

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**Question 14:** How much do decision-makers prefer to fill key position vacancies from inside rather than from outside the organisation?

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**Question 15:** How do you feel about establishing a plan for meeting succession planning needs through individual development plans?

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**Question 16:** In your department are potential successors identified for key positions?

• Yes  • No

**Question 17:** Is training offered for potential successors to ensure readiness to act in a position?

• Yes  • No

**Question 18:** What strategies are in place for rolling out the succession planning process?

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Question 19: Do you believe that your organisations strategies are value adding to succession planning, i.e career modelling and performance management system?

Question 20: Are stakeholders actively involved in their career planning?

Question 21: Do you believe that succession planning is integrated with other processes of talent management including performance management, training and development, compensation, and assessment;

Question 22: How do you feel career modeling can help organizations plan appropriately for key position voids as well as to identify, develop, retain, and allocate key talent

Question 23: Do you provide training and counseling to Team Leaders with regards to issues concerning succession planning.

Question 24: Do you think a succession planning coordinator would be useful for your organisation?
**Question 25:** Do you believe that succession planning will benefit your organisation?

- Yes  
- No

**Question 26:** How important do you think it is for SARS to implement a formal succession planning system?

- Very important  
- Important  
- Somewhat important  
- Not important

**Question 27:** Are successful promotions recorded?

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**Question 28:** Has your organisation succeeded in cultivating and grooming internal successors, and are processes in place to support this?

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**Question 29:** Do you have a ready list?

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**Question 30:** Have you had superior performers leave the organisation due to lack of opportunity?

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Any Further comments:

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THANK YOU