



SUCCESSION PLANNING AND EMPLOYEE PERFORMANCE ON DAIRY INDUSTRIES IN KIAMBU COUNTY, KENYA

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ABSTRACT

The expansion of Kenya's dairy sector is widely regarded as a success story; however, further advancements in production and marketing remain hindered by a variety of challenges. Much like other dairy-oriented communities, the industry has experienced both prosperous and difficult periods, with setbacks largely due to political influences and ineffective governance. In several cases, companies have nearly collapsed because of poor management practices, leadership deficiencies, and political interference. Therefore, the study main objective was to establish the relationship between successions planning on dairy industries in Kiambu County. The study specific objectives were to determine the effect of readiness and development and employee performance at dairy industries in Kiambu County and to examine the relationship between leadership competency and employee performance at of dairy industries in Kiambu County. The study applied a descriptive research design to collect quantitative. The target population was 115 employees from new KCC dairy company, and 135 employees from Brookside Company, making a total of 250 employees. The study employed stratified sampling sample size of 154. This study employed questionnaires as an instrument for collecting data. The study applied the Cronbach's alpha consistency method to test the instrument's reliability and content validity to test validity. The study used descriptive statistics to analyze the data using percentiles, the mean and standard deviation for qualitative and inferential statistics which include correlation and regression analysis. Therefore, the study concluded that readiness and development, and leadership competency are key in improving employee performance of dairy industries at Kiambu County, the study recommend that the organization should invest in structured training and development, and prioritize leadership program to continually improve employee performance.

Key Words: Successions Planning, Readiness and Development, Employee Performance, Dairy Industries, Leadership Competency

Background of the Study

Succession planning is the process of shaping the future managerial needs of organization and developing the skilled pool of employees to meet up the potential needs of the organization (Moody et al., 2023). It is not pre-decided that who will chair or promote for specific position but succession planning activities ensure that individuals have a chance to capture the key positions when they arise (Kathy, 2020). Succession planning helps to identify, train and retain the individuals to fill the key position that are essential for achieving the existing and projected business objectives. Rothwell (2019) suggested that succession planning management is the process of continuity of leadership development to fulfill the expected key positions and encourage innovation. He also recognized that a systematic process of developing employee must be proactive in nature that gives more fruit to organization in progressing and facing the dynamic challenges of vibrant business environment. Succession planning can be a controlling tool for any dynamic organization to match up the needs of human capital and fulfill the goals of business (International personnel Management, 2022). Rothwell (2019) has highlighted the reasons why an organization adopts succession planning management. Following are some reasons which were explored by him.

Every organization wants to introduce the mechanism for improvement and development of trained and talented people in the organization and boost up the pool of develop and skilled employees to capture the vacant key positions available in the organization. A progressive organization ensured that people must get proper training and developmental opportunities to meet the future organizational requirements. Succession planning helps the organization to formulate the organizational strategic business plan and multiple strategies for growth of business and develop the ability of employees to softly tackle the continuous changing of environmental demands. HR Department of organization try to strengthen the morale of people working in organization and boost up the commitment level of employees. Deriving force of succession planning is supply and demand forecasts, which assess the existing potential of employees and review of performance (Armstrong, 2006). A good succession plan help to identify the key organizational players and locate the organizational gaps in training, work experience and skills, information which is crucial for determine the training and developmental needs (Joinson, 2020). Beardwell and Claydon (2021) and Torrington et al., (2022) highlighted that in early days, Organizations exercise the succession system as a short term tool to replace the senior managers when any one leave the organization. Now days, it has become long-term focus with the major objective is to develop a pool of key talented individuals who are in a position to take the front end roles which are not currently prevailing in organization. Succession makes leadership which is a key driver for enhancement of employee performance. Leading individuals are responsible for making all major decisions like what is the organization vision, mission, purpose and goal, how employees treated interpersonally and compensated, what products or services to be produced, what was the target market (customers) and what was the delivery of products and services (Bass & Stogdill, 1990; Hoy & Miskel, 1991; Zhu, Chew, & Spangler, 2005).

Whether public or private, the organization's survival is based on its ability to bring on board and sustain high quality workforce over a period of time. Many organizations are currently facing mounting pressures to ensure their sustainability, flexibility, and responsiveness to the increasing uncertainty and limitations in the economic world. Ultimately, increased turbulence in the employment environment, characterized by organizational restructuring, funding uncertainties, and increasing program complexities have substantial effects on the ways organizations respond to workforce replacement (Caudron, 2019). At a global level, succession planning in the recent past has received more attention not only as a concern for the management of human resources, but also as institutional strategic management component for ensuring performance and growth.

Statement of the Problem

The expansion of Kenya's dairy sector is widely regarded as a success story; however, further advancements in production and marketing remain hindered by a variety of challenges (Kihanya, 2019). Much like other dairy-oriented communities, the industry has experienced both prosperous and difficult periods, with setbacks largely due to political influences and ineffective governance. In several cases, companies have nearly collapsed because of poor management practices, leadership deficiencies, and political interference (Muriuki, 2022).

Research indicates that organizations with well-established succession planning tend to enjoy higher employee retention. For instance, a study by the Center for Creative Leadership reports that companies prioritizing succession planning achieve retention rates for high-potential employees that are 20-30% higher. Additionally, findings from Gallup demonstrate that engaged employees can be 21% more productive, suggesting that investments in succession planning not only boost employee morale by providing clear career pathways but also enhance overall engagement. Moreover, research published in the Harvard Business Review found that companies with formal succession plans outperform their competitors financially showing a 27% higher performance over a three-year span.

Real-world examples further illustrate these trends. In July 2010, Safaricom experienced a significant leadership transition when it announced the exit of its founding CEO and the appointment of a successor. Although this change initially created uncertainty in the market, Safaricom maintained a consistent performance trajectory and eventually established itself as the largest company in East Africa, with profitability increasing from KES 15 billion in 2010 to KES 31 billion in 2015 (Safaricom, 2016). Similarly, in 2012, KCB Group underwent a leadership change when its former CEO stepped down and the current CEO took charge. This transition did not adversely affect the company's performance; rather, profitability grew from KES 12.2 billion in 2012 to KES 16.5 billion in 2015 (KCB, 2016).

Despite these examples, a critical issue persists within many dairy industries: understanding the effect of strategic succession planning on employee performance. Data from Gallup suggests that when employees are not provided with clear advancement opportunities particularly when they are bypassed for leadership roles their engagement can decline by up to 25%, leading to reduced performance. It is against this backdrop that the current study seeks to explore the relationship between succession planning and employee performance within dairy industries in Kiambu County, Kenya.

General Objectives

To determine the role of succession planning on employee performance on dairy industries in Kiambu county, Kenya

Specific Objectives

- (i) To determine the effect of readiness and development on employee performance of dairy industries in Kiambu county, Kenya
- (ii) To determine the effect of Leadership competency on employee performance of dairy industries in Kiambu county, Kenya

THEORETICAL FRAMEWORK

Human Capital Theory

This theory was advanced by Garrick (1999) and it states that people are worth investing in as a form of capital. People's performance and the results achieved can then be considered as a

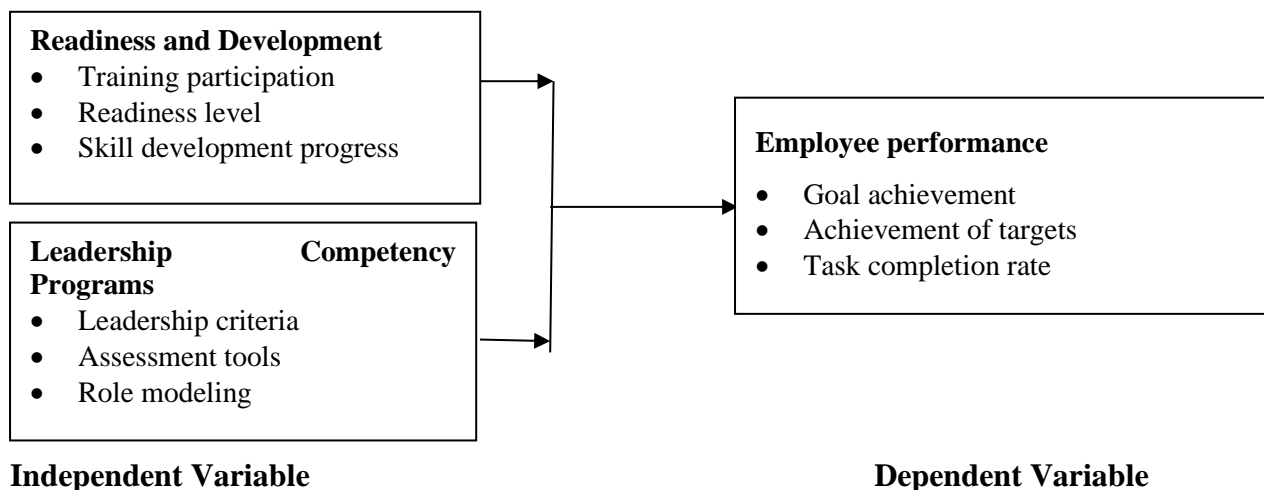
return on investment and assessed in terms of costs and benefits. This theory can explain workplace learning because it concentrates on the agency of human beings through skill knowledge, effort in augmenting production, possibilities. Training attempts to close the gap by bringing employees up to, but not beyond, the desired standard or competence. The widespread investment in human capital creates in the labor-force that is skill-base. The relevancy of this theory to this study is that performance management systems at the work place equip employees with vital skills and knowledge which enables them to be vital assets that help sustainability of an organization. The human capital theory postulates the importance of people in an organization and how in the end the organization benefits in terms of increased productivity, high returns, asset growth and increased quality of products, whenever an organization invests in its people. This theory relates the importance of employee development which constitutes training on organizational output for better customer satisfaction.

System's Theory

Lincoln (1985) perceived management of organization through the systems theory. He noted that an organization, just as a system, will exist and operate in a system entailing a range of components associated to pursue an identified goal. If a single component fails or is inadequate, the entire system is incapacitated too. Essentially, through the 'system theory', such a system will possess integrals such as inputs/ resources (capital, human, financial, marketing), processes (strategizing, planning, operations, control), outputs (goods, services), and lastly aftermaths (organizational productivity, consumer/ stakeholder wellbeing). Ideally, the systems theory describes management as procedural and pursuing organizational succession in all spheres (Harris and Fitzpatrick, 2009; Lincoln, 1985). As such, an organization must align entirely all its wits, resources, and strategies for the system to prosper. Notably, the study identifies these aspects as staff retention, organizational conflicts' resolution, and shareholder outcomes as being integral components that must be systematically aligned through a continued planning and enriched practice. Further, (Huang, 2001) conceptualizes the essence of a successional chain as resulting from continued planning practices. He posited that successive chains fostered synergy, which was a prerequisite for crafting complimentary or supplementary functionalities for attaining and sustaining performance.

Conceptual Framework

Munroe (2022) defined a conceptual framework refers to a theoretical structure or a set of concepts that provides a basis for understanding relationships between variables or phenomena being studied. It serves as a foundation for formulating hypotheses, conducting analysis, and interpreting findings in a systematic way within a particular field or discipline. The figurative representation of the dependent and independent variable is shown below



Empirical Literature Review

Readiness and Development Level

Kleiner (2022) studied succession management systems and human resource outcomes. The purpose of the study was to investigate whether local firms with a more sophisticated succession plan achieved more favorable human resource outcomes than those with less sophisticated plans. He concluded that there is no significant difference in human resource outcomes between companies which adopted succession planning and those who did not. However, he argued that there is an important relationship between the level of sophistication with which succession plans were carried out and human resource outcomes. In addition, he found out that line-manager involvement, non-political succession criteria, the credibility of succession planning staff, review and feedbacks, effective information systems are some characteristics which affected the performance of human resources.

The Seven-Pointed Star Model is a famous model developed by Rothwell (2019) to achieve the systematic succession planning and management. Seven steps in this model are: Make the commitment, assess the present work/people requirements, appraise individual performance, assess the future work/people requirements, assess individual potential, close the development gap, and evaluate the succession planning and management program. In this model, he gave details of each step in these orders: In the first step, the organization's decision-makers should commit to systematic succession planning and management. In the second step, decision-makers should consider the present work requirements in key positions. This is the only way for individuals to be prepared for advancement stability grounded in work requirements. In this step, decision-makers should explain where key leadership positions exist in the organization and should apply one or more approaches to determine work or competency requirements. In the third step, evaluating that how well individuals carry out their jobs is very important, because most succession planning and management programs suppose that individuals must be performing well in their present jobs in order to succeed for advancement. Hence, in this step, the organization should begin establishing a list of talents, to have a clear idea of the existing human assets.

In step four, competency requirements in key leadership positions in the future need to be identified. To do this, decision-makers should make an effort to assess future work requirements and competencies. In that way, future leaders may be ready to cope with changing requirements. The fifth step concerns the assessment of individuals' future potential and its match to their future work requirements. The organization should create a process for assessing future individual potential. That future oriented process should not be confused with past/present-oriented employee performance appraisals. In the sixth step, the organization should establish a continuing program for leadership development to grow future leaders internally. Alternatives to traditional promotion-from-within methods of meeting succession needs should also be searched by decision makers. Finally, to develop the succession planning and management program, it must be subjected to continual evaluation to determine how well it works. That is the seventh and final step of the model, and the results of the evaluation should, in turn, be used to make program refinements and to maintain a commitment to systematic succession planning and management.

Okwakpam (2019) suggested a different approach to grooming executive talents. Rather than targeting one or two hand-picked people for each executive position, an accelerate pool with focus on the development of a group of high-potential candidates for executive positions was proposed. The model highlights the accelerate development of pool members during stretch jobs and task-force assignments. The model offers the best learning, including mentoring, coaching, training, and special developmental activities such as university executive programs and in-company action learning sessions, and also, highest visibility opportunities. Since

succession planning and management is a process and a system, like any other human resource activities it need to be properly implemented in business organizations. As pointed by the researches in the review, there are benefits and returns achieved by firms that had implement successful succession planning and management. Those organizations that already have a succession planning and management program in place must focus on overcoming their exclusive obstructions to a best practice system. Those organizations which do not presently invest in succession planning and management system should perhaps consider it seriously; assessing the needs, requirements, and appropriateness of implementation.

Leadership Competency

Organizations of all sizes and industries are currently facing a range of leadership development challenges, including decimated mid-management levels that often rob high-potential managers of critical on-the-job experiences, depleted resources for employee development, and a rapidly aging workforce that may create shortfalls of experienced managerial talent for senior leadership positions (Rothwell, 2019). The widespread flattening of organizational structures and significant changes in work arrangements force executives and management development professionals to rethink how high potential managers attain the requisite developmental experiences for senior leadership. Furthermore, US workforce statistics suggest that succession planning poses an incredible challenge as the baby boomer generation retires and far fewer college-educated workers are prepared to replace them. In addition, a recent *Journal of Management Development* article (Devos, 2021) articulated the specific career advancement challenges that women and people of color often face in corporate environments, including a lack of mentors and personal networks, stereotyping, and a lack of visible and/or challenging assignments.

However, research evidence suggests that many highly successful companies overcome these and other challenges by marrying the leadership development and succession planning processes for optimal identification, development, and placement of leadership talent (Kim, 2022). Eli Lilly, Dow Chemical, Bank of America, and Sonoco Products are examples of firms that avoid the near-sighted replacement approach to succession planning and adopt a long-term perspective for developing and managing talent throughout their organizations. Indeed, Lynn (2021) recent review of succession planning and leadership development practices argued that “corporate leadership development can no longer simply rely on planning the replacement of existing leaders” (p. 761) and that organizations must focus on developing the leadership function rather than individual leaders. Unfortunately, many organizations confuse effective talent management with replacement planning, which is focused narrowly on identifying specific back-up candidates for given senior management positions and essentially functions as a forecast (Kesler, 2002). Conversely, highly successful organizations focus on creating a comprehensive set of assessment and development practices that support the entire pipeline of talent across the organization (Huang, 2019).

There is also growing evidence that organizations are increasingly engaging managerial personnel in the leadership development process, and that managers add unique value to building the leadership pipeline beyond that of management development specialists, consultants, academics, or other professionals (Salaman, 2020). The most prominent example of this approach is General Electric’s (GE) John F. Welch Leadership Center at Crotonville, a comprehensive development program in which executives and managers at all levels are largely responsible for teaching the curriculum and delivering a range of leadership development activities (Taylor, 2023). Each year several thousand GE managerial employees attend leadership development programs primarily taught by corporate officers, business unit CEOs and other senior executives, and early-career managers. In addition to conducting workshops on key GE strategic challenges, executives facilitate action learning projects in which participants return to their organization with aggressive agendas for change. Not

surprisingly, many CEOs at leading companies have adopted the executive-led approach to leadership development.

Rothwell (2019) investigated leadership succession and how anticipating future leaders' responsibilities aids in the process. His work serves as a foundation for the literature on leadership continuity through succession planning, which is the focus of this study. Rothwell's notion encompasses more than just identifying substitutes for important tasks. It focuses on identifying internal positions vital to an organization's stability and effectiveness, as well as actively developing skills in employees with leadership potential so that they may take over those critical duties in the event of retirement or an unexpected vacancy (Rothwell, 2019). Rothwell uses the terms important roles and critical positions interchangeably, describing them as positions critical to the survival and continuation of an organization. To put it another way, these individuals not only function as leaders within their organizations, but they also have competencies or unique qualities that are crucial to the efficacy and success of their organizations.

Secondly, Rothwell's model emphasizes the need of preserving institutional knowledge from predecessors and passing it on to successors before they go. When a leader is ready to retire, a transition period is established between the predecessor and successor, resulting in a "relay race" effect between arriving and outgoing leadership. There is also an emphasis on the importance of aligning leadership succession planning with the company's strategic goals and objectives (Rothwell, 2019). As a result, succession plans should be incorporated into organizational strategy plans, which include particular strategies and actions for preparing future leaders in advance of retirements from important roles within the corporation (Rothwell, 2019). In essence, succession planning strategy is meant to assure the sustained effectiveness of an organization, department, or team by assisting in the improvement, replacement, or planned assignment of essential employees. Unlike prior succession models, Rothwell's framework is designed to connect current organizational leadership talent with future organizational demands, and it connects succession planning with succession leadership. This drives daily efforts to cultivate leadership talent within the organization through mentoring and coaching personnel in accordance with the succession plan. This ongoing step in Rothwell's method distinguishes this conceptual framework since it enables long-term leadership development in response to the future demands of the company. Thirdly, this paradigm is useful because it supports long-term efforts to build and retain leadership over a long period of time by examining the effects of departing leadership (Rothwell, 2015), institutional knowledge loss as a result of leadership retirement, and the total cost of employing new managers and leaders. Despite the fact that succession planning has been shown to be beneficial across industries, critics have pointed out faults in the strategy based on trans-disciplinary techniques employed across industries.

RESEARCH METHODOLOGY

The study employed descriptive research design for the purpose of collecting quantitative and qualitative data. Descriptive research design describes a situation as it exists at present, Miller, (2018). The target population of the study was Dairy Industries in Kiambu county, Kenya. The unit of analysis will consist of three Dairy Industries in Kiambu county; Githunguri dairy company, new KCC dairy company and Brookside company.

Table 1: Target Population

	No. of Employees
Top level management	30
Middle level	120
Lower level	100
Total	250

The study used Slovin's formula (2018) also developed by Yamane (1967) to calculate the sample size. The population size (154). The accuracy of any data collection and analysis relied on coding and SPSS software version 25. The study collected both qualitative and quantitative data. Quantitative data was analyzed using the Statistical Package for Social Sciences (SPSS) version 25. The study will use descriptive statistics to analyze the data by use of percentages, mean and standard deviation for qualitative data. The study also analyzed the data using inferential statistics which include correlation and regression analysis.

RESULTS AND DISCUSSIONS

The study administered a total of 154 questionnaires to employees at various levels—top management, middle management, and lower-level staff—across three dairy industries in Kiambu County: Githunguri Dairy Company, New KCC Dairy Company, and Brookside Compan. 134 were returned, resulting in a response rate of 87%, which is considerably high. However, after screening for missing data and outliers, 6 questionnaires were deemed unusable, leaving 128 usable responses, representing a final usable response rate of 83.1%.

Descriptive Statistics

Descriptive Statistics for Employee performance

Employee performance is a critical determinant of organizational success, particularly in labor-intensive industries such as dairy processing. Effective performance management ensures that employees meet organizational goals, maintain high work standards, and adhere to established procedures. Table 2 the descriptive statistics on employee performance in dairy industries within Kiambu County, highlighting key trends, strengths, and areas that require improvement..

Table 2: Descriptive Statistics for Employee performance

		SD	D	N	A	SA	Mean	Std. Dev
Employees always achieve the set goals on time	%	18.8	38.3	17.2	10.9	14.8	2.65	1.31
I deliver high standard of work.	%	0.0	35.2	19.5	0.0	45.3	3.55	1.37
There are minimal complaints regarding the way I discharge my roles.	%	8.6	27.3	8.6	0.0	55.5	3.66	1.55
I respond to emergencies and crises at work accordingly.	%	0.0	10.9	35.9	20.3	32.8	3.75	1.03
I usually accomplish tasks assigned to me on time	%	10.2	14.1	30.5	0.0	45.3	3.56	1.43
Employees follow the laid down procedures when performing their tasks	%	18.8	27.3	33.6	20.3	0.0	2.55	1.02
Employee performance							3.29	0.96

The descriptive statistics for employee performance, as presented in Table 4.6, provide valuable insights into how employees perceive their work efficiency, goal achievement, and adherence to procedures. The overall mean score for employee performance was 3.29 (SD = 0.96), indicating a moderate level of agreement among respondents regarding their performance. Notably, a significant proportion of employees (18.8%) strongly disagreed that they always achieve set goals on time, while 38.3% disagreed, leading to a relatively low mean score of 2.65 (SD = 1.31). This suggests potential challenges in meeting deadlines, which may be attributed to workload constraints, inefficient work processes, or resource limitations.

Conversely, employees exhibited higher levels of confidence in their ability to maintain high work standards (Mean = 3.55, SD = 1.37) and respond effectively to emergencies (Mean = 3.75, SD = 1.03). This implies that while employees may struggle with time management, they generally uphold work quality and react appropriately to workplace challenges. Additionally, 55.5% of respondents strongly agreed that they received minimal complaints regarding their work performance, contributing to a mean score of 3.66 (SD = 1.55), which reflects a positive perception of work efficiency.

However, adherence to laid-down procedures received a relatively low mean score of 2.55 (SD = 1.02), with 18.8% of respondents strongly disagreeing and 27.3% disagreeing. This suggests potential gaps in procedural compliance, which may hinder consistency and efficiency in task execution. The findings indicate that while employees generally perceive their performance favorably in terms of work quality and crisis management, challenges exist in goal achievement and procedural adherence. Addressing these issues through improved workflow management, targeted training programs, and enhanced performance monitoring mechanisms could significantly improve overall employee performance in dairy industries.

Descriptive Statistics for Readiness and development

Readiness and development play a crucial role in enhancing employee capabilities, preparing them for career advancement, and ensuring organizational continuity. In the context of this study, readiness and development encompass various aspects such as training participation, skill enhancement, and succession planning preparedness. Table 3 presents the descriptive statistics of readiness and development, shedding light on employees' perceptions regarding their preparedness for career growth and the effectiveness of training initiatives

Table 3: Descriptive Statistics for Readiness and development

	SD	D	N	A	SA	Mean	Std. Dev
Employees participate in the training aimed at improving their skills	% 10.2	18.8	38.3	3.1	29.7	3.23	1.33
Training participation enhances employee performance	% 0.0	50.8	9.4	8.6	31.3	3.20	1.35
Readiness level of employees determines their succession planning	% 10.9	36.7	21.1	0.0	31.3	3.04	1.44
Readiness level of employees is enhanced through training and development	% 0.0	40.6	18.0	0.0	41.4	3.42	1.38
The organization has put in place programs aimed at improving employees skill development	% 10.2	48.4	23.4	0.0	18.0	2.67	1.23
Employee skill development progress determines their suitability for succession planning	% 39.8	25.0	16.4	1.6	17.2	2.31	1.45
Readiness and development						2.98	1.08

The findings from Table 4.7 revealed the overall mean score for readiness and development was 2.98 (SD = 1.08), indicating moderate perceptions regarding the effectiveness of skill development initiatives and succession planning preparedness. A key observation from the findings is that while 38.3% of employees neither agreed nor disagreed about participating in training aimed at improving their skills, only 29.7% strongly agreed, yielding a mean score of

3.23 (SD = 1.33). This suggests that training participation is not uniform across employees, potentially limiting the effectiveness of workforce development programs.

Moreover, the perception that training enhances employee performance was relatively moderate (Mean = 3.20, SD = 1.35), with 50.8% of respondents disagreeing. This indicates that while some employees recognize the benefits of training, a significant proportion remains skeptical about its direct impact on performance. Similarly, the readiness level of employees as a determinant of succession planning was met with mixed responses (Mean = 3.04, SD = 1.44), with 36.7% disagreeing, highlighting concerns regarding whether employees feel adequately prepared for future leadership roles.

A critical finding was that the organization's efforts in implementing skill development programs were rated relatively low (Mean = 2.67, SD = 1.23), with 48.4% disagreeing that such programs are in place. Furthermore, employee skill development progress as a factor in succession planning received the lowest mean score (Mean = 2.31, SD = 1.45), with 39.8% strongly disagreeing. These results suggest that there is a need for more structured and effective training and development programs to enhance employees' readiness for career progression and succession planning. Strengthening these initiatives through targeted training, mentorship programs, and leadership development frameworks could improve employee preparedness and long-term organizational sustainability.

Descriptive Statistics for Leadership competency

Leadership competency is a crucial factor in succession planning, as it ensures that future leaders possess the necessary skills, behaviors, and strategic alignment to sustain organizational growth. This section presents an analysis of leadership competency, as detailed in Table 4, examining key aspects such as strategic alignment, skill assessment, performance gap management, and role modeling programs.

Table 4: Descriptive Statistics for Leadership competency

	SD	D	N	A	SA	Mean	Std. Dev	
Organization ensures that leaders are strategically aligned with the objectives of succession planning	%	0.0	52.3	0.8	0.0	46.9	3.41	1.50
Organization ensures that leaders have the requisite skills and behaviors necessary for those positions	%	8.6	24.2	27.3	0.0	39.8	3.38	1.43
Organization have developed assessment tools to ensure that leaders meet the requirement of the position	%	18.8	20.3	31.3	0.0	29.7	3.02	1.47
Any performance gaps is addressed immediately	%	3.9	46.9	18.0	8.6	22.7	2.99	1.28
Organization have developed programs aimed at modelling successors	%	53.1	18.8	8.6	0.0	19.5	2.95	1.19
Role modelling programs such as coaching and mentoring enhance smooth transition during succession planning	%	0.0	39.8	23.4	0.0	36.7	3.34	1.33
Leadership competency							3.18	0.93

The analysis from Table 4 The overall mean score for leadership competency was 3.18 (SD = 0.93), indicating moderate perceptions of the effectiveness of leadership development initiatives. The highest-rated statement was that organizations ensure leaders are strategically

aligned with succession planning objectives (Mean = 3.41, SD = 1.50), with 46.9% of respondents strongly agreeing. This suggests that while organizations recognize the importance of leadership alignment with succession goals, a significant proportion (52.3%) disagreed, highlighting gaps in strategic preparedness.

Similarly, the perception that organizations ensure leaders possess the necessary skills and behaviors for their roles received a mean score of 3.38 (SD = 1.43), with 39.8% of respondents strongly agreeing. This indicates a general acknowledgment of leadership preparedness, though the mixed responses suggest the need for more structured competency development programs. The availability of assessment tools for leadership positions scored lower (Mean = 3.02, SD = 1.47), with 31.3% of respondents remaining neutral, implying that while such tools may exist, their effectiveness or utilization may be inconsistent.

Addressing performance gaps emerged as an area of concern, with a mean score of 2.99 (SD = 1.28). Nearly half of the respondents (46.9%) disagreed that performance issues are addressed promptly, suggesting inefficiencies in leadership development frameworks. Furthermore, the existence of structured programs aimed at modeling successors received the lowest mean score (Mean = 2.95, SD = 1.19), with 53.1% disagreeing, pointing to a critical gap in leadership grooming initiatives. Role modeling programs, including coaching and mentoring, were perceived as moderately effective (Mean = 3.34, SD = 1.33), with 36.7% strongly agreeing. While these programs are recognized as beneficial for succession planning, their implementation may not be robust enough to ensure seamless leadership transitions. These findings highlight the need for organizations to strengthen leadership competency frameworks by enhancing assessment tools, actively addressing performance gaps, and reinforcing structured mentoring and coaching programs to prepare future leaders effectively..

Correlation Analysis

Correlation analysis examines the strength and direction of relationships between employee performance and key variables, including readiness and development, leadership competency. Table 6 presents the Pearson correlation coefficients and significance levels for these relationships, providing insights into how these factors influence employee performance.

Table 5: Correlation Analysis

		EP	R&D	LC
employee performance (EP)	Pearson Correlation	1		
	Sig. (2-tailed)	0.000		
Readiness and development (R&D)	Pearson Correlation	.686**	1	
	Sig. (2-tailed)	0.000		
Leadership competency (LC)	Pearson Correlation	.620**	.580**	1
	Sig. (2-tailed)	0.000	0.000	

Findings in Table 5 highlighted the relationships between employee performance and various. The analysis indicates that all independent variables have a significant positive correlation with employee performance at the 0.01 significance level. The strongest correlation was observed between readiness and development and employee performance ($r = 0.686$, $p < 0.01$), suggesting that organizations that invest in employee preparedness through training and development tend to experience higher performance levels.

Leadership competency showed a significant positive correlation with employee performance ($r = 0.620$, $p < 0.01$), highlighting the critical role of leadership in driving employee engagement and effectiveness. Strong leadership ensures that employees are aligned with organizational goals, enhancing their ability to deliver quality performance.

Regression Analysis

Regression analysis encompasses a range of statistical techniques used to infer causal relationships among interrelated variables (Sarstedt & Mooi, 2014). Given its broad applicability across various fields, it was selected as the primary method for testing the hypotheses in this study. Multiple regression analysis specifically focused on assessing the impact of succession plannings—Readiness and development, Leadership competency, -on employee performance of dairy industries in Kiambu county.

internal promotion.

Table 6: coefficient of Estimates

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.402	0.206		1.950	0.053
Readiness and development	0.317	0.081	0.312	3.914	0.000
Leadership competency	0.226	0.077	0.216	2.927	0.004

a Dependent Variable: employee performance

The first objective was to determine the effect of readiness and development on employee performance in the dairy industry. The study found that readiness and development has a significant positive impact on employee performance ($\beta = 0.312$, $p = 0.000$). This suggests that when employees are well-prepared and equipped with the necessary skills, their performance improves. Kleiner (2022) concluded that there is no significant difference in human resource outcomes between companies that adopt succession planning and those that do not. However, he argued that the level of sophistication with which succession planning is executed plays a crucial role in human resource outcomes. This supports the idea that mere readiness and development initiatives may not be enough; they must be implemented strategically for meaningful improvements in employee performance. Furthermore, Majumdar (2009) emphasized the importance of technical expertise in industries requiring specialized skills, such as pharmaceuticals. Similarly, in the dairy industry, readiness and development must align with the specific competencies required for effective job performance. The challenge for management lies in ensuring the right talent is placed in roles that match their expertise, enhancing operational efficiency.

The second objective was to determine the effect of leadership competency on employee performance in the dairy industry. The study revealed a significant positive relationship ($\beta = 0.216$, $p = 0.004$), emphasizing the role of leadership in enhancing employee performance. Salaman (2020) highlighted the importance of involving managerial personnel in leadership development processes, arguing that managers contribute unique value beyond external consultants or specialists. Effective leadership competency programs ensure that managers are equipped with the necessary skills to guide, motivate, and develop their teams, resulting in improved organizational performance. Furthermore, Rothwell (2019) noted that succession planning should be integrated into strategic planning, aligning leadership development with organizational goals. This ensures continuity in leadership and smooth transitions in cases of retirements or unexpected vacancies. Without leadership competency programs, organizations risk performance declines due to ineffective managerial oversight. Devos (2021) also highlighted the challenges of career advancement, particularly for underrepresented groups. A lack of mentorship and structured leadership training can hinder potential leaders from progressing within an organization. Therefore, leadership competency programs should focus on inclusivity, mentorship, and structured development to maximize workforce potential.

Conclusions

Based on the findings, the study concludes that readiness and development is crucial for improving employee performance. Employees who receive adequate training and career development opportunities are better equipped to handle their responsibilities, leading to enhanced productivity. Organizations that invest in structured skill development programs and succession planning can create a workforce that is more competent, adaptable, and motivated. Therefore, businesses should prioritize continuous learning and career growth initiatives to strengthen employee performance and organizational success.

Furthermore, the findings confirm that leadership competency is essential in driving employee performance. Strong leadership fosters effective decision-making, motivation, and engagement, all of which contribute to a productive work environment. Organizations that cultivate leadership skills in their workforce experience higher efficiency and job satisfaction. Therefore, businesses should invest in leadership development programs to ensure that employees are guided by competent and visionary leaders who enhance overall performance.

Recommendations

Based on the conclusions, the study recommends that organizations invest in structured training and development programs to enhance employee readiness and performance. Companies should implement continuous learning initiatives, mentorship programs, and career development workshops to equip employees with the necessary skills for their roles. Additionally, businesses should establish clear succession planning frameworks to ensure that employees are adequately prepared for career progression, ultimately leading to higher productivity and efficiency.

The study further recommends that companies prioritize leadership development programs to enhance employee engagement and overall performance. Organizations should focus on building leadership competencies through structured training, performance coaching, and leadership role modeling. Encouraging a leadership culture that promotes strategic decision-making and employee empowerment will help foster a productive work environment. Investing in leadership development ensures that managers are equipped with the necessary skills to guide and motivate their teams effectively.

Recommendations Further Research

The current study has yielded important insights into the impact of succession planning practices on employee performance of dairy industries in Kiambu county, focusing on four essential practices: Readiness and development, and Leadership competency. To achieve a more comprehensive understanding of the relationship between succession planning and employee performance, future research should explore additional practices within the digital finance landscape.

Moreover, the study's focus on dairy firms in Kiambu county may limit the generalizability of the findings. Therefore, future research should aim to replicate this study across other economic blocks to evaluate whether the effects of succession planning remain consistent in diverse contexts. By broadening the scope of investigation, researchers can enhance the robustness of the conclusions and provide valuable insights that inform policy and practice across various regions.

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