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PERFORMANCE MANAGEMENT A STRATEGIC TOOL TO SUCCESSION PLANNING AMONG SMALL AND MEDIUM ENTERPRISES IN GHANA

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ABSTRACT

Across the globe, Small and Medium Enterprises (SME) drive economic growth both in developed and developing economies. Sadly, most SMEs do not exist pass the first or second generation due to poor business succession management to ensure business continuity. In effect, there is the need to understand the issue of succession planning among SMEs so as to promote the effectiveness of SMEs. In effect, this study sought to examine succession planning among SMEs in Ghana. The study was hinged on the pragmatic research paradigm and the concurrent mixed methods approach was adopted. The cross-sectional survey was utilized to gather data from SMEs domiciled in five regions of Ghana. The survey precisely targeted middle level employees, management staff, head of Human Resource and Administration departments, and CEOs. The study utilized 237 valid quantitative data for analysis. Also, seven respondents (i.e. CEOs, HR/Administration Managers) were purposively selected and interviewed on the subject matter. Using both quantitative and qualitative data analysis techniques, the result indicated that employee performance evaluation rating(s) is the most preferred indicator used in identifying potential business successors among the SMEs. In addition, it was

found that job rotation is the most effective means of developing identified business successors among SMEs, and it is followed by coaching, mentoring, job enrichment and training. Further, the results hinted that succession planning is an issue of utmost importance to SMEs in Ghana, and that it positively impacts on their sustenance. Lastly, the results pointed that most business owners practice family oriented succession planning – where their wards take over the business in their absence. The study recommends that SME owners and management should proactively invest and engage in effective succession planning so as to ensure their growth and survivability.

Keywords:

Succession Planning, Performance Management, sustainability, survivability, underutilized, entrepreneur, stakeholders, job rotation, coaching, mentoring, job enrichment.

Introduction and Problem Statement

Although the SME sector is important to the socio-economic development of Ghana studies have revealed that it is largely informal and very much under-performing due to lots of constraints facing it (Mutambala, 2011). SMEs have not been surviving to the second, third and fourth generations due to different challenges in Ghana. Several studies have been conducted on lack of finance, lack of market etc. However, studies on lack of commitment, lack of trust, and capacity development of employees while running SMEs which are factors affecting sustainability of SMEs in Ghana are not considered vital research topics (Mashenene et al., 2014).

The Small, and Medium Enterprises (SME's) sector is greatly underutilized though it support sustainability within communities (OECD Council, 2017). Entrepreneurs who are mostly the initiators of SME'S are mostly action-oriented individuals who enjoy challenges and act on environmental feedback, making them ideal change agents.

Many companies do not plan for what will happen if these initiators, stakeholders and managers resign, pass away or lose interest. This makes succession planning an issue of utmost importance. Succession planning was to be based on performance management if it has to be sustainable.

It is important that SME'S make succession planning and performance management a strategic tool. SMEs need to consider using it right from the onset and cascading it throughout the organization. Simple means such as setting targets, monitoring performance and behaviour etc had to be well communicated throughout the organization. All employees need to be trained to become conversant with the adopted method and supervision and periodic reviews be adopted.

Research has shown that lack of institutional commitment to succession planning; lack of training for prospective and identified successors, lack of coaching and mentoring, lack of transparency on the part of most entrepreneurs; lack of good leadership and lack of organizational structures critical in relation to corporate succession planning has contributed to the failure of the Ghanaian SME sector as a whole (Heinecke, 2013).

Succession issues expected to be treated as pertinent to organizations regardless of size, sector, and geographical location. Hence, SME leaders should not take the issue for granted (Okantey, 2012). Succession planning, and performance management in SMEs is

an important and evolving process that cannot be overemphasized. It needs to be an integral part of a company's business strategy and operations (Gheorghiu, 2018).

The problem of the kind of performance management system SME's needed to apply and how the chosen method contribute to efficiency and effectiveness of employees need to be investigated? (Thompson, 2007).

Target setting has been identified as critical if good results are expected from performance management. Targets are not set in most SMEs, what then will be the basis for performance management interviews at the end of the year? The acceptability of the results by employees is an issue? Issues of nepotism and favoritism can be leveled based on the results? Answers to these questions triggered this research.

Literature Review

Performance Management

Performance management is the supervision and oversight of employees, departments, and organizations with the objective of seeing that milestones and objectives are reached in an efficient and effective manner. This niche aspect of overall management involves defining what effective performance looks like, as well as developing the tools and procedures necessary to measure performance (McKinsey 2015).

Performance management includes the way managers evaluate employees, how employees evaluate their managers and fellow employees, and how individual workers evaluate themselves. The ultimate goal of performance management is to improve the

quality of work in the most efficient manner possible. By outlining the current standing of an employees work, re-structuring objectives and expectations, and gauging the time and effort expended to achieve said goals, managers can make adjustments or recommend new courses of action to better accommodate and achieve their intended goals (UN, 2013).

Globalization has presented companies with new opportunities for growth, but has also increased the complexities of managing the performance of a workforce coming from different cultures (Passaris, 2006). Managers have to ensure that employees are governed according to the company's policies, but must also ensure that cultural norms are taken into account. Managers must understand what drives employees to work effectively. While monetary compensation may be considered important in some cultures, others may consider empathy towards the employee's personal and familial wellbeing to be a greater motivator (Nicholson, 2013).

When performance management is put in place it illicit the following outcomes:

- ❖ Employee Learning and Development Starts to Happen
- ❖ Performance reviews Become Relevant for Everyone
- ❖ Communication Improves
- ❖ Everyone Knows the Rules
- ❖ Better Recording Opens Up Communication
- ❖ Frequent Communication Reduces Stress

Succession Planning

Various authors have propounded various definitions for succession planning. The term Succession planning according to Hollenbeck (2003) refers to the process of identifying and tracking high potential employees capable of filling higher-level managerial positions. Succession planning helps organizations in several ways. It requires senior management to systematically review leadership talent in the company (Conger & Fulmer, 2003)

Succession planning and management need not be limited solely to management positions or management employees. Indeed, an effective succession planning and management effort should also address the need for critical backups and individual development in any job category including key people in the professional, technical, sales, clerical, and production ranks (Tetteh, 2015). Leadership is diffused throughout an empowered workforce (Hardy, 2007). In business, organizations mostly depend on proprietary technical knowledge accumulated from many years of experience in a position, corporate culture is key to business survival, as well as personal relationships that are critical to work are passed on from departing workers to their successors (Aidemark, 2009). The need to extend the definition of Succession Planning beyond the management ranks is becoming more important as organizations take active steps to build high-performance and high-engagement work environments in which decision making is decentralized (Rothwell, 2010).

Small and Medium Scale Enterprises

Small and Medium Scale Enterprises (SMEs) play a dominant role in most of the world's economies both the developed and developing ones, by shaping their industrial destiny and path of economic growth (Rangarajan, 2012). SMEs are so vital to the stability of economies in the sense that no economy can have a success story without it. Innovation has been the unique and biggest strength of SMEs across the world (Hillemane, 2012). If we trace the genesis of a number of modern products, we find that its origin lies in the small and medium scale sector (Braunerhjelm, 2010). The SME sector all around the world serves as a 'nursery' for nurturing the entrepreneurial talent coupled with higher levels of employment generation and industrial development (Rangarajan, 2012). Representing more than 90% of all businesses in Ghana SMEs occupy a central part of the Ghanaian economy (Hayford, 2012).

SMEs in Ghana have also been noted to provide about 85 percent of manufacturing employment, contribute about 70 percent to Ghana's GDP, and therefore have catalytic impacts on economic growth, income, and employment (Yindenaba, 2017).

Objectives of the study

1. To examine the methods of identifying potential successor for a succession planning among SMEs in Ghana.
2. To find out the effectiveness of the methods of developing employees for succession planning among SMEs in Ghana.
3. To investigate the impact of Succession Planning and performance management on SME's business sustenance

Research Questions

Based on the objectives of the study, the following research questions were posed to direct the study:

1. What are the methods of identifying a suitable candidate for succession in SMEs in Ghana?
2. How effective are the methods used in developing employees for succession planning among SMEs in Ghana?
3. To what extent does performance management impact on succession planning in SMEs in Ghana?

Methodology

The research used the mixed method which contains both the qualitative and quantitative methods as well as the pragmatic stance that allows triangulation which helps in drawing conclusions from results was used (Pezaro et al, 2017).

Cross sectional survey through the use of standardized questionnaire was used.

Primary and Secondary data collection method, was used. In the sampling procedure staff in SMEs located in the four biggest regions in Ghana were considered (Berger, 2012)

With the population of the study SMEs from Greater Accra, Northern, Brong Ahafo and Western regions in Ghana were sampled. The sampling frame comprised top level managers, administrative staff and operational staff (2:4:4) for the quantitative data while the CEOs, Administrators and HR Msnagers were interviewed for the qualitative data.

The sample size was two hundred and thirty seven (237) respondents chosen from 58 selected SMEs, each SME selected between one (1) to four (4) persons to answer the questionnaire. The thematic sampling technique used in the study were, Probability sampling and Stratified Sampling (Dougherty, 2014).

Probability sampling was used to identify SMEs in existence for at least 5 years and above from AGI database.

Stratified sampling was used to group SMEs into five (5) strata, namely, supervisors, management, MDs/CEO, permanent, contract and casual staff, to ensure enough participants are selected from each sub-group.

Research advisors (2006), stated that sample size from population of 600 with confidence level at 95% give a sample size of 234 participants, the formula allows 5% error margin in social sciences. The return rate of questionnaire was 75%, 300 questionnaires were sent out and 237 returned.

RESULTS

Demographics/Background characteristics of respondents

This segment investigated issues in relation to demographics of respondents. The purpose of investigating the respondent's background was to examine the performance management experiences acquired, which were likely to have influence on the job performance in SMEs.

N/o	DEMOGRAPHICS	RESULTS
1	Ages 30-39	48.3% this group formed majority
2	Gender	Males (57.6%)
3	Marital status	Married employees formed majority (31.4)
4	Business Sector	Manufacturing sector was in the majority(47.2%)
5	Number of employees in each department	Employees were between 1-20 in most departments
6	Legal status of enterprise	Limited liability firms were more (56.3)
7	Years in business	Most businesses were between 5-15 years
8	Means of developing employees	Training, emerged as the best means of developing successors
9	Number of years in employment	Most employees were between 10 to 15 years in employment
10	Level of Education	HND holders formed majority of respondents
11	Position in organization	Most of the respondents were contract/casual employees

Table 2: Cross tabulation working experience and age

Length of Service in yrs.	N	%	Age	N	%
1-3 years	21	39	20-39 years	39	73
4-7 years	5	10	40-49years	8	16
8 & above	28	51	50 & above	7	11
Total	54	100		54	100

As illustrated in table some respondents served the company for 1-3 years. While minority of respondents served in the Company between 4-7 years. Additionally, more than half of the respondent served the company for eight years and above. In the table, young employees with fewer years of experience in the organization who could easily move on to another job (Cobbina, 2014) were in the majority (73%). However the elderly often would not want to change job as expressed by (Michel 2015) because of their age formed only 11.2 percent. The implication of this trend on most SMEs means that if management do not put in place structures such as succession planning to entice the young ones to work hard and for a long time to change the current trend most SMEs could become a training ground for employees who work a few years, gain experience and move on.

Summary of findings

Objective One: Methods of identifying potential successor for succession planning among SMEs in Ghana.

To find out the most dominant method identifying a potential successor for succession planning among SMEs in Ghana, the researcher gathered data in the regard. The researcher through literature identified some methods used for such purpose, and asked the respondents to complete the survey on a Likert scale indicating the extent to which the various methods used in their organizations for successor identification are of importance therein. The data was analyzed using descriptive statistics by examining the degree of importance attached to each method. The importance speaks of how dominant or crucial that method is in identifying business successors. The findings are presented on Table 3.1 below.

Table 3.1 Methods of identifying business successors among SMEs in Ghana

	MI	I	N	LI	LEI
Self-Nomination	46	46	30	35	50
Performance Evaluation Ratings	87	47	28	20	25
Job Holders Interest	56	52	45	30	24
Supervisor Nomination	51	57	40	34	25
Head of Department	56	43	43	34	31
Management Recommendation	56	57	21	15	58

Source: Field Data (2015)

MI = Most Important

I = Important

N = Neutral Responses

LI = Less Important

LEI = Least Important

The results on Table 3.1 indicated that majority of the respondents (50 respondents) were of the view that self-nomination is of least importance in identifying business successors. With respect to performance evaluation ratings as a method of identifying successors, the majority of the respondents (87 employees) rated it as the most important. Also, job holders' interest was found be of most importance majority of the respondents (56 employees) in identifying business successors. Further, supervisor nomination and head of department as methods of identifying business successors the majority of the respondents indicated that they are important and most important, respectively. Lastly, management recommendation was relatively found to be of importance in identifying business successors. Per the findings, it is clear that in order of

importance performance evaluations rating is the most preferred method for identifying business successors among SMEs, followed by job holders' interest, head of department and supervisor nomination in that order.

Objective Two: Effectiveness of the methods of developing employees for succession planning among SMEs in Ghana.

To ascertain the effectiveness of the various methods used in developing employees to succeed their superiors in an SME, the researcher identified a couple of these methods and asked the respondents to rate on a 5-point Likert scale how effective they deem these methods. The mean ranking was used in analyzing the data to find out the most effective method – where the method with the highest mean is the most effective. The Liker scale used ranged from 1 (most important) to 5 (least important), therefore the closer the mean score is to 1 the more important/effective it is and the closer it is to 5 the less important/effective. The results are presented below on Table 4.1.

Table 4.1 Effectiveness of methods of developing business successors among SMEs

Method	Mean	Standard Deviation
Job Rotation	1.01	14.56
Coaching	1.35	19.41
Mentoring	1.74	24.96
Job Enrichment	1.74	24.96
Training	2.03	29.12

Source: Field Data (2015).

As shown on Table 4.1, the results indicated that job rotation is the most effective or important method of developing business successors among SMEs in Ghana as it recorded a mean value of $M = 1.01$ ($S.D. = 14.56$). In the descending order of effectiveness, coaching is the next effective ($M = 1.35$, $S.D. = 19.41$), followed by mentoring and job enrichment both with a mean score of 1.74 and standard deviation of 24.96. Training was found to be the least effective method among the others ($M = 2.03$, $S.D. = 29.12$).

Objective Three: To investigate the impact of Succession Planning and performance management on SME's business sustenance

This objective sought to find out from the interviewees whether or not succession planning and performance management is a reason for the continued sustenance of their business. In effect, qualitative data was gathered from the appropriate individuals. The data was analyzed using the thematic analysis. The results are presented below: The findings pointed out that succession planning has a positive impact on the sustenance of a business. This means that the more effective a business succession plan is, the better the chance for it to be sustained beyond the first generation. As the managers or business owners are able to identify the most suitable candidate for their business succession and offer them the needed knowledge, skills and experience, they increase the survivability of their businesses. This is because these successors will have the competence to be in the helm of affairs whenever the business owner or prospective predecessor is unable. The impact of performance management according to respondents cannot be taken for granted in the survivability of SME's. Majority of the respondents indicated that

performance evaluation ratings serve as another important method used in identifying potential successors in their organization. Ivancevich (2002), advised SME owners to improve performance management in their organization by training employees to become more effective users of the organization's performance management system. This finding is echoed in the following quotes of the respondents

"... succession planning is of importance, without it there will be no guarantee for the sustainability of my business" [Interviewee 2]

"... yes, to me the informal means are enough to carry on the business" [Interviewee 4]

"... succession planning is the reason for my businesses continued sustenance sine it helps me to have a low employee turnover" [Interviewee 5]

"... succession planning is the reason for our continued existence" [Interviewee

Discussion

Methods of identifying potential successors for succession planning among Ghanaian SMEs

The first finding of the study showed that among the various methods of identifying successors, the use of employees' performance evaluation rating as an indicator of his/her ability to function effectively in a higher position in the future, was found to be the most dominant. Job holders' interest and referrals from heads of departments and supervisor nomination were also found to be other methods used by SMEs in succession planning. Per this finding, it is clear that business owners or SMEs take employee performance into consideration when it comes to succession planning. Performance evaluation ratings of the employees offer the business owners an objective insight into the effectiveness and

efficiency of their workforce. By so doing, the business owners are able to spot the outstanding employees who have the competence and right attitude to function effectively in a higher position within the organization.

Due to the advancement in technology and the easy access to information, business owners/manager are now purview to so much information pertaining to business management. It may not be surprising if these businesses have come to appreciate the fact that succession planning is a systematic and deliberate attempt to equip an employee with the requisite KSAOs to take up a higher managerial position in the future and not merely replacing an aging CEO or senior management. Thus, they may link their succession planning exercise (i.e. the critical age profile and skill related data) to key organizational objectives and future goals as suggested by Hewitt (2009). To ensure that the right candidate is identified and to avoid any premature decisions, Hewitt (2009) opined that the exercise should take at least two years, giving room for candidates to reach maximum potential/effectiveness. By so doing, the performance of such prospective candidates ought to be managed over time. Thus, it could be a reason why most of the selected organizations indicated that performance evaluation rating of employees is the means of identifying their prospective successors.

This finding implies that managers or business owners ought to put measures in place to ensure effective performance management. As this will offer them the opportunity to proactively set objectives with employees and objectively gauge their performance which can be used as a means of identifying prospective business successors. Further, such

effective performance management affords management the opportunity to ascertain whether employees require some training to hone necessary skills and qualities, thus promoting organizational effectiveness.

Effective methods of developing employees for succession planning among SMEs in Ghana

The second finding pointed out that job rotation was the most effective method of developing the identified candidate for succession planning among Ghanaian SMEs. Coaching was also found to be more effective whereas mentoring and job enrichment were effective. The results indicated that training was the least effective means of developing the capacity of prospective business successors in Ghana. This means that amongst the various methods of developing employees in relation to succession planning as reported by literature, the most effective one that produces the best results for business owners in the SME sector of Ghana is job rotation. Job rotation offers business owners the chance to place employees on varied jobs in the organization thereby exposing them to different experiences and a wider variety of skills to enhance job satisfaction and the cross-training of these employees (Fogg, 2015).

It is generally held that experience-based learning is more effective as compared to classroom training in the quest to prepare potential candidate to assume future roles as it offers them pragmatic knowledge and skills on the job. This could be a reason why job rotation was preferred to other methods like training (which might take the form of classroom learning) by the respondents. This finding is congruent with that of Half

(2016) which indicates that job rotation strengthens succession planning as it is not only an avenue to identify future leaders but to also offer them essential training that will stand them in good stead for their future endeavors when they take up roles with greater responsibilities. Also, the finding alludes with the assertion Juneja (n.d.) pointing that job rotation enhances succession planning among organizations as it offers businesses the chance to replace retired or resigned employees with a high-worth employee from within the organization who is already attuned to the vision and mission. Further, Badawy, Alaadin and Magdy (2016) linked job rotation and other methods such as coaching and mentoring to successful succession planning as reported by this study.

Again, coaching was found to be a more effective method of developing employees. This is because it is an avenue where an identified successor's potentials are unlocked to promote improved performance. With this, they are assisted in learning rather than teaching. (Whitmore, 2002). It is understandable for the respondents to report that coaching is a more effective method of developing their business successors. This is because it capitalizes on the strength of experienced leaders to build the capacity of younger less experienced talents (Janet, 2017). Coaching is strategic tool used for staff improvement, development and skills transfer, thus it is a very prudent means that business owners/managers will use in the bid to develop potential business successors, hence such results from the study. This finding is in line with other studies that averred that development methods such as coaching and mentoring can be of progressive benefit to organizations in relation to succession planning (Badaway et al., 2016; Groves, 2007; Gudewich, 2012; Rothwell, 2007)

Taking the finding into consideration, it implies that management of SMEs must promote an environment where employees can be attached to experienced leaders in the organization. So the experienced leaders can coach and help to nurture them for career exploits. Another implication is that SMEs must have clearly defined job roles/positions promote team work among the employees so that employees can actually be effective when being rotated on the acquired skills and knowledge from other departments.

The importance of succession planning to Ghanaian SMEs

The findings indicated that succession planning is a management system which is of utmost importance to the SMEs. This means that the SME owners/managers place so much premium in it. This could be due to the numerous benefits it offers businesses that engage in it. The assertion by Ayres (1990) is indicative of the reason why the respondents deemed succession planning as a very important management system to them. According to Ayres (1990), the effective management of succession planning is the most lasting gift a business generation bequeath on the next generation. A plausible reason why succession planning is important to SMEs could be due to the fact that it boosts performance among those organizations that effectively engage in it. Succession planning offers employees the chance to increase their skillset and build leadership strengths (Ang, 2017), hence there is increased productivity and myriads of creative ideas as these developed employees apply their KSAOs to the job. Aside, it ensures that businesses are always ready to deal with any unpredictable disaster that might strike the

organization in the future, since there are always contingencies in place to keep the organization functioning, hence no dip in productivity.

This finding implies that some SMEs are tremendously investing in succession planning to ensure the smooth running of their businesses albeit the exit of some significant employees. The succession planning system might not necessarily be top-notch in this local organizations due to resource constraints, however, they are putting in considerable efforts to make things work. Succession planning is context specific and not a single fit all system thus these SMEs might be engaged in some succession planning exercise which may differ from others. The argument is here that irrespective of the nature or form of the succession planning that SMEs implement, they do appreciate the importance or value it, hence engaging in it.

The nature of succession planning among SMEs in Ghana

The fourth finding of the study pertaining to the nature or form succession planning takes among Ghanaian SMEs showed that most of those SMEs that engage in it practice family-oriented succession planning. This is the case where most business owners tend to bestow ownership of their businesses to their offspring when they are retiring from the job. In such a situation, they mostly indulge their wards in the business as and when necessary so they can hone the requisite skillset to take on the management of the business. Such succession planning system is only existent among family firms and smaller businesses where there is no board of directors (or they are existent with relatively little power with regards to decision making) who inform critical decision

making such as who succeeds CEOs (Bagby, 2004; Motwani, Levenburg, & Schwarz, 2006).

Most CEOs of the sampled SMEs may be implementing family-succession plan because they may be afraid of losing the ownership of their businesses by involving someone outside their family lineage. Yonker (2018) pointed that some CEOs fail to engage in an elaborated succession planning since they often get stuck, avoid taking actions and uncomfortable decision in relation to the exercise, thus they tend to just focus on the handing over ownership to their wards in order to avoid such issues. The demographic details of the respondents revealed that most of the businesses sampled have been in existence for between two to five years, thus it could be a reason why they do engage in a family-oriented succession planning. This is because they may be more focused on stabilizing the business than implementing such management system which is not of importance at the embryonic stages of these businesses. This attests to the fact that the respondents noted that the succession plans in their organizations are not formalized.

More so, access to finance for SMEs in a major challenge in the Ghanaian context, thus businesses have inadequate funds for starting up, operating and expanding. This also affects their ability to survive, acquire new technology and increase capacity (Prempeh, 2015). In effect, these SMEs may not be spurred to expend so much of their scarce resources into succession planning albeit they been aware of its importance. Hence, they may tend to focus on family-oriented succession planning since it does not necessarily involve so much resources especially in the identification of the successors. This finding

implies that business owners need to invest so much in developing their wards whom will be taking over the business in the future since they might not be involved in the business at the point of identifying them. Also, it is indicative of the fact that businesses need education on how to embark on a comprehensive and well-thought through effective succession planning exercise so they can capitalize on the benefits and remain viable, thus contributing significantly to the country since they are in the majority.

The impact of succession planning on SMEs business sustenance

The last finding of the study indicated that succession planning had a positive impact on sustaining the businesses of the SMEs. This means that as the SMEs engage in the implementation of an effective succession plan in their organization it concomitantly enhances their chances of sustaining the business. In other words the better the succession planning the better the chances of business sustenance. This could be true because succession planning significantly impacts on the performance of organizations, thus when the performance is enhanced it can transcend into ensuring the sustenance of the business since there will be enough resources to invest in the growth of the business. Research has it that the implementation of succession planning system in organization enhances the performance of their human resources, hence improvement in the overall organizational performance (Darei, Hashemi, & Amal, 2015; Huang, 2001; Maalu, McCormick, K'Obonyo, & Machuki, 2013; Nekese, 2013; Odhiambo, Njanja & Zakayo, 2014). As organizations enjoy improved organizational performance as an offshoot of an effective succession planning, the organization would now have the financial muscle to invest in developing the capacity of its workforce. Thus the availability of well-qualified and

talented replacement to take up the mantle in the event of one's exit from the organization due to retirement or death.

Through succession planning organizations are able to spot the organizational gaps in HR coverage, which informs them in developing, supporting and retaining key talents. By so doing, such organizations increases their resilience and capacity to survive negative events that may sprout, hence ensuring their sustainability (MUSE, 2014). This finding is congruent with that of Linkletter (2015) which indicate that succession planning identifies and develops potential leaders to fill pick up leadership positions in an organization, thus prevents it from becoming handicapped on talent after the exit of employees, hence ensuring the longevity of the organization. Again, this is in line with the finding of Osibanjo, Abiodun and Obamiro (2011) who reported that some HR practices such as talent retention positively impact on the survivability of organizations. In addition, this study alludes with the finding of Soltani and Moghadam (2016) who found succession planning to significantly impact on the effectiveness of organization.

This finding implies that organizations will invest in succession planning in order to enjoy the benefits especially as succession planning has been found to be germane to organizational sustenance/survivability. Besides, it should not just be the investment of financial resources into the venture but rather ensure all parties involved are committed to seeing the exercise to a successful end.

Conclusion

This study primary sought to examine succession planning among Ghanaian SMEs across the country by focusing on some densely populated regions. The study made use of both qualitative and quantitative data gathered from a snapshot of the population. This study was birthed by the need to understand succession planning among SMEs to ensure their survivability given the fact that they form the mainstay of the Ghanaian economy. The findings pointed that employees performance evaluation rating is mostly used in identifying potential successors. In view of this, managers must proactively and effectively manage employees' performance so they can be able to have a wide pool of prospects to choose from when the need arises. Also, job rotation and coaching were found to be the two effective means of developing potential successors. The managers ought to ensure that the systems within their organizations are functional so as to promote the development of talents through such methods.

Succession planning as a management practice is of importance among SMEs despite the fact that most of them do not have a formal system for that. The SMEs tend to practice family-oriented succession planning. This could be out of the fear that CEOs have concerning the idea that giving out the key managerial positions to outsiders means relinquishing power and control of their businesses. Academics and practitioners within the economy should help correct this misconception if that is the case. Demystifying the issue of succession planning for SME management positions and CEOs in Ghana engenders national growth and development as they would be able to effectively

implement such systems leading to the sustenance of their businesses, hence meaningful contribution to GDP of the country.

Recommendation

The study recommends that SME owners and management should proactively invest and engage in effective succession planning so as to ensure their growth and survivability.

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