

## Relationship between succession planning and performance of star-rated hotels in Kenya

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### ABSTRACT

The hospitality industry in Kenya is highly sophisticated, with new entrants and daily losses experienced due to the kind of services offered, particularly in the hotel industry. In this case, hotel leadership and work, by extension, face a myriad of challenges that call for effective talent management. The purpose of this study was to determine the relationship between succession planning and the performance of star-rated hotels in Kenya. The study was anchored on human capital theory, pioneered by Becker and Schultz in the early 1960s, which emphasizes the importance of employees in realizing optimum organizational performance. The research design adopted for this study was based on positivist philosophy, whereby explanatory and descriptive research designs were used. The study used a purposive sampling technique to select 305 respondents. Data was collected using questionnaires. The study's findings, based on the correlation and linear regression coefficients, indicated that succession planning had a positive and significant influence on organizational performance. This implies that an increase in succession planning programs would cause a corresponding increase in the performance of star-rated hotels in Kenya. Therefore, the corresponding null hypothesis was also rejected. The study, therefore, concluded that the hotel industry should consider enhancing succession planning to enhance performance amidst increased competition. The study thus recommended that star-rated hotels should establish succession planning programmes and put in place development plans for their potential successors. These programmes will enhance the retention of potential successors who have high potential talent.

**Keywords:** Hotel Industry, Performance, Succession Planning, Talent Management, Kenya

### I. INTRODUCTION

In an increasingly volatile and competitive business environment, organizations are under pressure to maintain operational continuity and strategic agility. One of the most pressing challenges they face is retaining and developing leadership talent amid rising turnover rates, skill shortages, and aggressive poaching by competitors (Bristol-Alagbariya et al., 2024). These workforce dynamics have intensified the need for robust succession planning: a strategic process that ensures the identification, development, and placement of future leaders to meet both current and long-term organizational needs (Bano et al., 2022). Succession planning is no longer a luxury reserved for large corporations; it has become a critical component of organizational resilience across industries (Karthik, 2023).

From a scholarly perspective, succession planning is a strategic process in human resource management, which entails identifying and developing leaders who can fill the gaps that are left when highly influential leaders depart, decease or retire (Bano et al., 2022). This process is imperative, as it ensures that there is business continuity and facilitates a smooth transition from highly talented leader to another that is equally or even more talented. Organization leadership is always alive to the fact that entering a career position implies that it will remain vacant one day too (Rahmadani et al., 2020). Therefore, succession planning is a very noble aspect within an organization that is future-oriented, as it tries to avoid the element of being caught unaware by a position falling vacant. In most cases, research indicates that succession management has been a reliable and responsible way to reduce overreliance on external hiring, hence helping organizations save on costs and retain their identity and brand.

Globally, organizations that are doing well and have managed to retain their identity have banked so much on succession management (Chigora et al., 2021). Generally, in companies and organizations that understand succession planning, place emphasis on several factors that play a critical role in ensuring success. These include: focusing on identification of critical roles, investing in development of internal high-potential talent through mentoring and stretch assignment, exploring diversification, using data-driven assessments and regular reviews of plans for posterity. For

instance, huge tech companies like International Business Machine (IBM), Microsoft, Apple and Amazon have endeavored to maintain or improve their brand through succession planning using the approaches discussed (Meyer et al., 2023).

In Africa, businesses and institutions are still learning the art of human resource management. However, it is worth noting that a lot has been achieved across various industries in matters of business success. However, a few challenges persist in the face of the success that African institutions pride in. Among the leading challenges that succession planning faces are resistance to change, poor response to learning from previous failures, lack of transparency in governance and lack of goodwill in leadership mentoring (Bibi et al., 2023). However, companies like Vodafone, Mobile Telephone Network (MTN), Sonatrach and Ethiopian Airlines have strived not only to maintain talent but also invest in talent success, hence, remaining relevant and unique among their competitors.

In Kenya, the business environment is still evolving. One of the companies in Kenya that has been outstanding is Safaricom, a telecommunications company. Safaricom has stood out against its competitors and maintained high profit margins. One of the reasons for success at Safaricom is awareness of matters of talent management. Safaricom has maintained its identity and brand, and has improved from time to time despite the entry of new telecommunications companies. One of the strategies cited for this success is attributed to proper succession planning, the core of talent management (Onyango & Makhamara, 2024).

The hospitality industry in Kenya is so sophisticated, with new entrants and daily losses experienced due to the kind of services offered, especially in food service. In this case, hotel leadership and work, by extension, present many challenges and calls for proper talent management. In the face of job hopping, hotels recruit new workers, who have not been tested but rather prove their value while on duty (Wangechi et al., 2020). This, to some extent, has proved costly as some workers who are hired end up proving incompetent, hence affecting the overall image of the employer. This implies that there is little or lack of investment in succession planning by the leadership of the hotel industry, yet Service quality, brand reputation, and customer satisfaction are directly influenced by the competence and continuity of leadership. As this continues, hotels struggle to implement structured succession frameworks, often relying on ad hoc or reactive approaches that fail to address the underlying talent gaps (Abid et al., 2025). In view of the forgoing discourse, this study aims to examine the relationship between succession planning and the performance of star-rated hotels in Kenya.

### 1.1 Statement of the Problem

The performance of star-rated performance is currently dented, due to several factors, inter alia, technological innovations, competition from new business entrants, unpredictable business discourse, the spillover effect of COVID-19 and failure in talent management (Onyango & Makhamara, 2024; Wangechi et al., 2020). Given the volatility of the hotel industry, the human resource department ought to give considerable attention to talent management, particularly succession planning, in order to retain the brand and identity of the business. With every business striving to realize optimum performance, outsourcing, retaining and replacing employees with exceptional skills is paramount for enhancing performance (Shi, 2022). Star-rated hotels in Nairobi have struggled with the aforementioned challenges, especially attracting and losing of skilled manpower. As this is taking place, the performance of star-rated hotels continues to deteriorate, with hotels accumulating losses and debts. This prompted the need for the current study, which aimed to examine the relationship between succession planning and performance of star-rated hotels in Nairobi, Kenya.

### 1.2 Research Objective

The objective of this study was to determine the relationship between succession planning and performance of star-rated hotels in Kenya.

## II. LITERATURE REVIEW

### 2.1 Theoretical Review

This study was guided by human capital theory by Becker and Schultz in the early 1960s. The theory argues that an individual's abilities, skills and knowledge are valuable resources that immensely contribute to productivity and success within an organization (Oltular, 2025). HCT further posits that investing in training, skill development and education significantly enhances an individual's ability to contribute to the workforce expectations effectively, hence, leading to profitability for both the individual and the organization (Congna & Saad, 2025). The central tenet of HCT is that human labor is not just a cost, but it is a valuable asset within an organization. Furthermore, the theory is built on a concept that developing an individual's skills, abilities and knowledge is critical for an organization's long-term growth and stability (Wuttaphan, 2017). The strength of HCT lies in its ability to demonstrate how investing in human labor can profit an organization as time progresses. The theory provides a framework upon which organizations can understand labor dynamics, workforce development and performance enhancement. Therefore, the theory underscores the

significance of human resources as a major factor in competitive advantage and an organization's sustainable growth (Strober, 1990).

The theory, in the context of this study, creates a foundation upon which the discussion of succession planning, particularly in the hotel industry, is anchored. By deploying HCT, the study underscores the significance of investing in succession planning for organizational sustainability and growth. Finally, the theory brings in the perspective that organizations operating within the highly competitive and dynamic business environment, like the hotel industry, can minimize costs and capitalize on realizing optimum organizational performance.

## 2.2 Empirical Review

Succession planning has evolved from a reactive administrative function to a strategic imperative for organizations seeking long-term sustainability and leadership continuity. Rothwell (2010) defines succession planning as a deliberate and systematic effort to ensure leadership continuity by identifying and developing internal personnel with the potential to fill key positions. This process is increasingly recognized as essential for mitigating leadership voids, preserving institutional knowledge, and enhancing organizational performance (Ferede et al., 2024). Early foundational work by Kesner and Sebra (1994) emphasized the distinction between internal and external successors, highlighting the strategic implications of leadership transitions. More recent literature has expanded this view, integrating succession planning with broader talent management and organizational development frameworks. Studies show that effective succession planning is closely tied to governance, strategic alignment, and performance oversight (Kendall, 2024).

Empirical research underscores the importance of organizational commitment, leadership support, and integration with human resource activities as key enablers of successful succession planning (Al Jahwari & Alwi, 2023). However, challenges persist, including resistance to change, lack of resources, and difficulties in identifying high-potential talent (Kariuki & Ochiri, 2017). These barriers often hinder the implementation of succession frameworks, particularly in sectors with limited formal HR structures. In the hospitality industry, succession planning remains underexplored despite its critical role in maintaining service quality and operational stability. Baum (2007) and Enz (2009) argue that leadership continuity is vital for customer satisfaction and brand reputation, yet many hotels lack structured succession strategies. This gap is particularly evident in developing nations such as Kenya, where workforce volatility and talent scarcity exacerbate the need for proactive leadership development. Overall, the literature suggests that succession planning contributes significantly to organizational performance. However, its effectiveness depends on strategic integration, leadership buy-in, and continuous evaluation. This study builds on existing research by examining succession planning within the context of Kenyan star-rated hotels, offering insights into its impact on performance and the moderating role of management support.

A study was conducted in China to establish the effect of succession planning on firm performance and found a positive association between the variables (Zhang *et al.*, 2024). The study emphasized the establishment of robust succession planning strategies that ensure a strong leadership pipeline. Another study was conducted in Kenya to examine the relationship between succession planning and employee performance in large media houses and a positive relationship was revealed to exist. The findings showed that succession planning improved employee satisfaction, which then motivated them to stay longer, hence record high performance (Tunje, 2014). Similarly, a study examining the relationship between succession planning and employee performance in sugar factories in Kenya revealed that there was a significant positive relationship between succession planning and employee performance (Eshiteti et al., 2019). This resulted from the provision of growth opportunities and job satisfaction. Another study that revealed a positive relationship between succession planning and employee performance was conducted among Kenyan commercial banks (Kamau & Juma, 2023).

It can be noted from the studies that succession planning is crucial, even though some organizations have not fully developed and implemented an effective plan for the inevitable succession of managers and key employees at all levels (Tamunomiebi & Okwakpam, 2019). As put by Rothwell (2005), it was initially conceived as a risk management strategy designed to mitigate the loss of key leaders in large organizations. To some firms, it is one of the strategies that can be adopted to retain and deploy talent in a manner that helps them to operate to their greatest potential (Tunje, 2014). In order to attract and retain talent, organizations should develop succession planning strategies that will enhance competitive advantage. Companies that have successfully implemented succession planning have reaped benefits and returns to the firm (Kamau & Juma, 2023). A study was conducted by Shipman (2007) and it was revealed that succession plans were needed to address the problem of talent shortages, which result from labour turnover. Effective succession planning addresses the need for critical backups and individual development across job categories to ensure a smooth transition.

### III. METHODOLOGY

#### 3.1 Research Design

The research design adopted for this study was based on positivist philosophy, whereby explanatory and descriptive research designs were used. Explanatory research design helped to explain the relationship between talent management practices and performance. This design assisted in explaining the various aspects of the study and examining the cause-and-effect relationship among the variables of the study (Saunders et al., 2009).

#### 3.2 Study Area

The study was conducted in Nairobi Central Business District, where most of the star-rated hotels are located. Nairobi Central Business District was appropriate as it had a pool of all categories of star-rated hotels and at close proximity.

#### 3.3 Target Population

The target population of this study comprised human resource managers of star-rated hotels in Nairobi Central Business District, giving a total of 305 respondents. The rationale for choosing this population was based on the fact that talent management is a function of human resource management and so human resource managers provided information on how the talent management practices are being conducted.

#### 3.4 Sampling and Sample Size

A census survey of 305 star-rated hotels was conducted, where data was collected from one respondent in each hotel to give a total sample size of 305 respondents. Every unit in the population was studied, hence a census study. The sampling procedure used in this study was non-probability purposive sampling. Purposive sampling is a non-probability sampling technique that is selected based on characteristics of a population and the objective of the study (Palys, 2008). In this respect, the respondents are selected based on the purpose of the sample, making it easier to make generalizations about the sample.

#### 3.5 Data Collection Tools and Procedure

The instruments in this study were mainly questionnaires. The researcher administered the questionnaire individually with assistance from research assistants to all respondents of the study. The study exercised care and control to ensure a good number of questionnaires issued to the respondents were received back. To achieve this, the study maintained a register of questionnaires sent and those that were received back. The questionnaires were administered using a drop-and-pick method. The hotel's handbook 2017 was also used to collect the secondary data on the hotel's financial performances.

#### 3.6 Data Analysis

Descriptive statistics, including means and standard deviations, were used to summarize the data. Inferential statistics were applied to test hypotheses and examine relationships between variables. Correlation analysis and regression were used to assess the strength and direction of associations. This study sought to determine the relationship between succession planning and the performance of star-rated hotels in Kenya. Succession planning was split into succession policy, bench strength and succession readiness constructs, which were measured on a five-point Likert scale from 1= strongly disagree to 5= strongly agree. This was meant to ascertain whether the hotel is able to perform as a result of its succession policy, bench strength and succession readiness.

#### 3.7 Ethical Considerations

The study assured the respondents that their responses were only meant for academic research purposes. Additionally, the study sought consent from the respondents and included those who willingly volunteered to be part of the study. Finally, all the respondents were promised to be treated autonomously, as the information given was not aligned to an individual's perspective but that of the organization.

### IV. FINDINGS & DISCUSSION

This section presents findings on the relationship between succession planning and the performance of star-rated hotels in Kenya. Descriptive statistics are presented first, then inferential statistics.

#### 4.1 Descriptive Analysis

##### 4.1.1 Succession Planning Practices in Star-Rated Hotels

Table 1 below presents the descriptive findings for succession planning practices in star-rated hotels in Kenya.

**Table 1***Succession Planning Practices*

<b>Succession Planning</b>	<b>M</b>	<b>SD</b>
The hotel has included succession planning in the strategic or other planning processes	1.953	0.537
Executive positions are occupied with high performing talent	1.86	0.61
Successors are all high-potential talent	1.94	0.53
The hotel management evaluates its process to manage its own leadership succession	1.97	0.59
The hotel retains all potential successors	1.73	0.54
The potential successors have a development plan in place	1.79	0.60
The executive team plans development for potential successors	1.91	0.49
The hotel has a policy on employee diversity	1.91	0.49
<b>Overall</b>	<b>1.90</b>	<b>0.49</b>

Table 1 shows the results of the descriptive measure of succession planning structures, which indicate that a majority (82.2 per cent) of respondents disagreed that the hotel has included succession planning in the strategic or other planning processes. Those who strongly disagreed were represented by 13.1. Those who cumulatively agreed to this statement were 3.7% and those who were neutral were 1.0%. Thus, a clear majority (82.2 per cent) disagreed with the fact that the hotel has included succession planning in the strategic or other planning processes. The mean of 1.953 and a standard deviation of 0.537 were attained. Equally, the findings in Table 1 revealed that a total of 62.2 per cent of respondents disagreed that executive positions are occupied with high-performing talent (Strongly disagreed = 23.8 per cent, disagreed = 62.2 per cent). This was against a total of 4.2 per cent who agreed with the statement (strongly disagree = 4.2 per cent, disagree = 5.6 per cent). Those who were neutral to the statement were 4.2%. This gave a mean of 1.860 and a standard deviation of 0.612. Additionally, 82.7% and 13.1% strongly disagreed and disagreed with the statement that successors are all high-potential talent. In this regard, none of the respondents strongly agreed with the statement, while 3.7 per cent simply agreed with it. This was against a paltry 0.5, who were neutral with the statement. A mean of 1.949 and a standard deviation of 0.533 were calculated in this case. Similarly, 3.1 per cent of the respondents strongly agreed that the hotel management evaluates its process to manage its own leadership succession, while another 5.1 per cent of respondents simply agreed with the statement, implying that cumulatively, 90.9 per cent were in total disagreement with the declarative statement. This derived a mean of 1.972 and a standard deviation of 0.597. This finding is in agreement with another study that concluded that it is necessary to design a succession plan to reflect the needs of talent retention and improved employer image (Zepeda, *et al.*, 2012). To add on, there was a statement that the hotel retains all potential successors. An accumulative percentage of 97.7 either disagreed or agreed with this statement, while 0.9 % were neutral to this statement. None of the respondents strongly agreed with this statement, while 1.4% agreed with this statement. A mean of 1.738 and a standard deviation of 0.545 was calculated. Similarly, 68.2% disagreed with the statement that potential successors have a development plan in place, while 24.6% agreed. All the respondents were neutral, 3.3% agreed with the statement, while 4.0% strongly agreed with it. The mean was 1.790, and the standard deviation was 0.603. There was a statement that the executive team plans for the development of potential successors. Those who cumulatively agreed and strongly agreed to this statement were 8.4%, while those who were neutral were 0.9 %. Those who disagreed were 90.7 % cumulatively. For this, a mean of 1.911 and a standard deviation of 0.490 was derived. The hotel has a policy on employee diversity. In response to this, those who agreed to this were 3.3% and 3.6% were in agreement with the statement. Those who cumulatively disagreed were represented by 92.7%, while those who were neutral were 0.5%. A mean of 1.907 was calculated and a standard deviation of 0.49. However, previous research shows that succession planning is a talent management practice that foresees continuity of top talent by grooming them from within the organization via well-planned developmental activities (Rothwell, 2011).

In all responses, there was consistency in how respondents replied to the Likert statements about succession planning effectiveness. It can be noted that many scholars argue that effective succession planning needs to be futuristic, dynamic, and continuous, hence the need for total management involvement (Ostrowski, 1986). These findings therefore would recommend that succession planning be the responsibility of the entire executive team.

**4.1.2 Performance**

Table 2 below indicates the descriptive results for the independent variable, the performance of star-rated hotels

**Table 2***Descriptive Statistics for Performance*

Performance	1	2	3	4	5	Mean	SD
	%	%	%	%	%		
I intend to work at this hotel for a foreseeable future	1.9	12.0	7.5	74.0	4.7	3.735	0.539
I intend to change jobs within this firm in the foreseeable future	2.3	10.0	12.1	69.0	6.5	3.697	0.521
I foresee a future for myself within this hotel	1.4	15.0	12.6	63.5	7.5	3.721	0.602
If given the chance to do another job, I would look first at opportunities within this hotel.	1.4	11.0	18.7	60.5	8.4	3.569	0.658
This hotel has recorded increased net current assets for the past four years	3.5	10.3	11.5	70.1	4.7	3.692	0.547
This hotel is currently operating on a budgetary surplus	5.5	20.0	11.7	54.4	8.4	3.458	0.768

The findings presented in Table 2 revealed that a majority (74 per cent) of respondents simply agreed that they intended to work at the respective hotels in the foreseeable future. In contrast, 4.7 per cent of them strongly agreed with the same statement. However, this was against 1.9 per cent who strongly disagreed with the statement and 12 per cent who simply disagreed. A further 7.5 per cent neither agreed nor disagreed with the same statement. Hence, a mean of 3.735 was calculated and a standard deviation of 0.539 was derived. Consistently, 69 per cent of respondents agreed that they intended to change jobs within the hotel industry in the foreseeable future. In contrast, 6.5 percent of them strongly agreed with the statement, against 10 percent who disagreed and a further 2.3 percent of respondents who strongly felt that they did not intend to change jobs within the hotel. Those who were neutral were 12.1% to give a mean of 3.697 and a standard deviation of 0.521.

In addition, 63.5 per cent of respondents agreed that they foresaw a future for themselves within the respective hotels where they worked. Also, 7.5 per cent of them strongly agreed with the statement, while 1.4 per cent (strongly disagreed) and 15.0 per cent of respondents felt that they did not see a future for themselves in the hotels where they worked. Only 12.6% were neutral toward this statement. All these gave a mean of 3.721 and a standard deviation of 0.602. Furthermore, 60.5 per cent (agreed) and 8.4 per cent (strongly agreed) of the respondents felt that, if given the chance to do another job, they would first look at the possibilities within the hotel where they worked. Nonetheless, 1.4 per cent (Strongly disagreed) and 11.0 per cent (disagreed) of respondents did not feel the same way, while 1.0 per cent remained neutral. The mean derived for this statement was 3.569, while the standard deviation was 0.658. Therefore, from these results, it is significant that most star hotels in Kenya retain their employees through talent management practices. This finding was consistent with that of Ferede emu et al. (2024), who indicated that talent management strategies have a positive impact on talent retention and, consequently, the performance of Kenyan hospitals.

Table 2 presents the findings, which show that a majority of respondents, at 70.1 per cent (agreed) and 4.7 per cent (strongly agreed), believed that the hotel recorded increased net current assets for the past four years. This was against 3.5 per cent (strongly disagreed) and 10.3 per cent (disagreed) who did not favour the statement. Those who remained neutral were 11.5%. The mean and standard deviation for this statement were calculated to be 3.692 and 0.547, respectively. More so, Table 2 indicated that 5.5 per cent (strongly disagreed) and 20 per cent (disagreed) did not support the statement that the hotel was presently operating on a budgetary surplus. However, 54.4 per cent (agreed) and 8.4 per cent (strongly agreed) of respondents supported the statement. The respective mean for the statement was 3.458 and the standard deviation was 0.768.

The study's aggregate mean was 3.65, indicating that participants/respondents agreed with the questionnaire items. It can be noted that research done based on a mean of more than 3.0 suggests that the respondents leaned slightly towards agreement, even though they were close to neutral.

**4.2 Inferential Statistics****4.2.1 Succession Planning and Performance**

Table 3 below shows the relationship between succession planning and performance.

**Table 3***Relationship between Succession Planning and Performance*

Variable	1	2	3	4	5
Succession planning	1				
Occupancy rate	.772**	1			
Profitability	.820**	.411**	1		
Work quality	.857**	.436**	.681**	1	
Performance	.528**	.488**	.401**	.242**	1



The results in Table 3 did indicate that the association between succession planning and the various constructs of performance is positive and significant. For instance, the correlation between succession planning and occupancy rate was  $r=0.772^{**}$  with  $p\text{-value} < 0.01$ , with profitability, the correlation was positive and significant,  $r=0.820^{**}$ , at  $p\text{-value} < 0.01$ , while the correlation between organizational performance and work output was also positive and significant,  $r=0.857^{**}$ , at  $p < 0.01$ . Finally, the correlation between succession planning and performance was positive and significant ( $r=0.528^{**}$ ,  $p < 0.01$ ), respectively. Thus, the results obtained in Table 3 suggested that an improvement in succession planning will lead to an automatic improvement in organizational performance. Therefore, this study can infer that succession planning has a positive and significant influence on organizational performance. These results corroborate earlier findings, which examined the relationship between succession planning and performance of sugar factories in Kenya, revealing that there was a significant positive relationship between succession planning and employee performance (Eshiteti et al., 2019).

In addition, to determine the extent of variation in succession planning given the change in organizational performance (the predicted variable), a regression analysis was also carried out. The results obtained in Table 4 revealed that succession planning has a positive and significant influence on the performance of star-rated hotels in Kenya ( $r=0.528^{**}$ ,  $p < 0.01$ ). Hence, in order to establish the specific nature of influence, succession planning was also regressed with organizational performance and the results obtained were presented in Table 4 and interpreted thereof.

**Table 4**  
*Model summary*

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	Sig. F Change
1	.528 <sup>a</sup>	.279	.277	.55546	.279	78.110	.000

a. Predictors: (Constant) Succession Planning

The study findings, as shown in Table 4, indicate the quantity of variance in organizational performance (the predicted variable) as explained by a given change in succession planning (the second predictor variable). The results of the regression analysis, as shown in Table 4, gave a correlation coefficient, R value of 0.528 and  $R^2=0.279$ . This implies that 27.9 per cent of the corresponding change in organizational performance could be explained by the succession planning. Furthermore, the results in Table 4 yielded an F change value of 78.110 ( $p < 0.01$ ), a value that is large enough to support the goodness-of-fit of the estimated regression model, which explains variation in organizational performance. Therefore, this confirms that succession planning is a useful predictor for the organizational performance in star-rated hotels in Kenya. Table 5 shows the unstandardized coefficients of succession planning.

**Table 5**  
*Coefficients*

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.549	.190		15.096	.000
	Succession planning	.519	.062	.528	9.331	.000

a. Dependent Variable: Performance

Further, the unstandardized coefficient  $\beta$  for the computed scores of succession planning was 0.528 ( $t = 9.331$ ,  $p < 0.05$ ). Since the t-value is greater than +1.96, the estimated regression model in Table 5 is significant and applicable. Similarly, with  $p < 0.05$ , it implies that for every 5 per cent increase in succession planning, there was a predicted increase in organizational performance of zero. Therefore, having achieved the set objective, this study rejected the null hypothesis stating that:  $H_{01}$ : succession planning has no significant influence on organizational performance of star-rated hotels in Kenya.

**4.2.2 Hypothesis Testing**

$H_{02}$ : Succession planning has no significant influence on the performance of star-rated hotels in Kenya.

From the findings from the correlation matrix and the linear regression, it was revealed that succession planning has a positive and significant influence on performance ( $\beta = 0.528$ ,  $p\text{-value} = 0.000$ ). Similarly, the multiple regressions' unstandardized coefficient table 5 also showed the p-value of 0.000 for succession planning and a t value of 4.235, which did show a significant influence on the dependent variable (performance) at a 0.01 significance level. Equally, this research study also rejected the null hypothesis and accepted that for each increase in succession planning, there is a 0.528 unit increase in performance. This influence was also stated by a t- value of 9.331 from the linear regression output, which implied that the standard error associated with the parameter was less than the influence of the parameter.

Furthermore, some of the past studies also established that there is a significant association between succession planning and performance (Zhang et al., 2023).

## V. CONCLUSION & RECOMMENDATIONS

### 5.1 Conclusion

The study also sought to determine whether succession planning influences performance. From the findings, it was a conclusion was drawn indicating that the influence of succession planning on performance was positive and statistically significant. This implies that an increase in succession planning programs would cause a corresponding increase in performance of star-rated hotels in Kenya. Therefore, the results showed that effective succession planning enhances the performance of the star hotels.

### 5.2 Recommendation

To enhance the performance of star hotels, it is recommended that organizations establish a succession planning programme and put in place a development plan for their potential successors. These programmes will enhance the retention of potential successors who have high potential talent. Future research could explore succession planning in other sectors or examine the role of digital tools in enhancing succession strategies.

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