

# SUCCESSION PLANNING AND EMPLOYEE RETENTION IN PUBLIC ORGANISATIONS IN UGANDA: A CASE OF UGANDA REVENUE AUTHORITY

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# A DISSERTATION SUBMITTED TO THE SCHOOL OF MANAGEMENT SCIENCE IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTER'S DEGREE IN BUSINESS ADMINISTRATION OF UGANDA MANAGEMENT INSTITUTE, KAMPALA

# **DECLARATION**

I, HELLEN AKATUKUNDA, Registration 15/MBA/13/WK	<b>D/KLA/0101</b> declare that this dissertation
is my original work. This work has not been submitted to any U	University, College or School for the award
of a degree, diploma or any other academic qualification.	
Signature:	Date:

# **APPROVAL**

This study was conducted with our supervision and approval as the nominated supervisors.
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# **DEDICATION**

I dedicate this dissertation to my parents Mr. and Mrs Didas Byaruhanga, my beloved sisters Daphne, Charity and Victoria lastly to my fiancé Herbert Walugembe. I will always cherish our bond

# **ACKNOWLEDGEMENT**

I thank God for the Will. I am grateful to Dr. Florence Bakibinge Sajjabi (Mrs) and Dr. Sebastian Bigabwenkya, my academic supervisors for the useful academic guidance. I am indebted to my classmates for the vitality, and UMI for the academic rigor.

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#### **ABSTRACT**

This study investigated the influence of succession planning on employee retention in corporate business companies in Uganda, with focus on Uganda Revenue Authority (URA) as a case. The independent variable in the study was 'succession planning', and the dependent variable was, 'employee retention'. The objectives were: to assess the influence of talent identification on employee retention; to examine the influence of capacity building on employee retention; to establish the influence of team leadership on employee retention. The study was based on the Strategic Constituency Theory, and a case research design was used in this study. Research findings from correlation analysis that established that talent identification had a moderate positive statistically significant relationship with employee retention. The researcher accepted the hypothesis that was stated as thus: talent identification had significant influence on employee retention. Research findings from correlation analysis that established that capacity building had a strong positive statistically significant relationship with employee retention. The researcher accepted the hypothesis that was stated as thus: capacity building significantly influences employee retention. Research findings from correlation analysis that established that team leadership had a moderate positive statistically significant relationship with employee retention. The researcher accepted the hypothesis that was stated as thus: team leadership has influence on employee retention. The findings concluded that talent identification had a significant contribution towards employee retention in public organizations in Uganda. It was also concluded that capacity building had a significant contribution towards employee retention in public organizations in Uganda. The findings concluded that team leadership had a significant contribution towards employee retention in public organizations in Uganda. Public organizations in Uganda, especially URA should invest more money in mechanisms to identify talented, building relevant capacity, and groom more employees for leadership.

#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Introduction

This study investigated the influence of succession planning on employee retention in corporate business companies in Uganda, with focus on Uganda Revenue Authority (URA) as a case. The independent variable in the study was 'succession planning', and the dependent variable was, 'employee retention'. The dimensions that were investigated under the independent variable are; talent identification, capacity building, and team leadership. The dimensions that were investigated under the dependent variable are; staff turnover rate and longevity of contract.

This chapter presented the background to the study which is sub divided into; historical, theoretical, conceptual and contextual backgrounds. It also stated the research problem, purpose, objectives, research questions, hypotheses, significance, justification, scope, conceptual framework, as well as, definitions of terms and concepts used in the study.

#### 1.2 Background to the study

This section presents the background to the study categorized into: historical background, theoretical background, conceptual background, and contextual background. The historical background traces the history of employee management, specifically looking at how employee retention has evolved over the years at the international level, at the African level, and at the national level in Uganda. The theoretical background introduces the theory on which this study was based. The conceptual background presents the definitions of key concepts which are the dimensions under the independent variable, and the conceptual background presents the current situation about employee retention in URA.

#### 1.2.1 Historical Background

Employee retention globally is increasingly becoming harder to maintain, according to Abassiet et al, (2000), who indicate that 67% of all corporate employees globally leave their job in the first year. Reducing length of employee stay at a given job has prompted managers and executives especially in corporate companies to devise structural strategies to promote employee retention. The author further asserts that the terms and conditions under which employees work directly and indirectly influence employee retention. Specifically, issues related to capacity building, organizational leadership, etc. and overall well-being of employees during contractual obligations hugely affect whether or not employees will remain in their job (Abassiet et al, 2000).

Employee retention, according to Dibble (1999), is a process that starts at the job description, to recruitment, selection, and orientation. These stages lay the foundation based on which other factors play to influence employee retention in any company. The author reasons that the above mentioned four stages form not only a foundation but reflect a company's policies, goals, and culture and values, all of which influence the formulation of employee retention strategies the company may adopt (Dibble, 1999).

Strauss and Howe (1991) are convinced that age and group dynamic matter as far as corporate business life is concerned. The authors believe that people in a particular age group tend to share a distinct set of beliefs, attitudes, values and behaviours because they all grow up and come of age in that particular period of history. Thus, even if other organizational factors may not be supportive to such a team that fall in the same age bracket, they are likely to stay together longer in the company for their own sakes. Strauss and Howe conclude that while designing employee retention strategy, company strategists have to be guided by the age brackets of their employees for whom such strategy is being designed (Strauss and Howe, 1991).

Rothwell (2011) reveals that succession planning was first introduced by Fayol who is said to have believed that if succession planning needs are ignored, organizations would be ill prepared to make the necessary transitions, which would affect continuity of work in such organizations. Succession planning allows an organization to prepare for the absence, departure, death, retirement, or termination of an individual (Rothwell, 2011). Further, it provides for continuity of culture and the evolution of necessary skills for an organization, adding that succession planning, which was originally used to anticipate smooth transitions at the top level in organizations, has evolved into a process that many organizations view as a critical for key positions across functions and levels. While operational definitions vary, the core meaning has remained the same throughout the decades as the process of succession planning has evolved (Bartol, 2009).

Since the late 1990s, human resource professionals and decision makers have suggested formalized strategic planning of workforces at all levels. The authors add that the inevitably changing workforce, driven by the steady exodus of baby boomer workers towards retirement, and converging many times with an increasing demand for public services, marked the generational human resource management need for proper planning and development of thoughtful strategies in the areas of recruitment, retention and succession planning.

In the views of Karaeviel and Hall (2009), it is essential to link succession planning to the overall organizational strategy which then would be a basis to obtain the kind of people with the needed set of skills for the organization, especially in terms of the long term. However, this linkage has not been achieved in real world even in organizations with best succession planning. The common reason why such a linkage has not been achieved is the inadequate management commitment (Karaevil& Hall, 2009). Without support from to organizational leaders, succession planning is

not executable even if design phase is done well. Awareness and communication is another issue in process management of succession planning.

#### 1.2.2 Theoretical Background

This study on the influence of succession planning has on employee retention was based on the Strategic Constituency Theory which was developed by James E. Grunig in 1989. The Strategic Constituency Theory illustrates the effect of an enterprise/organization on the main stakeholders and their interests. The key idea in this theory is that performance, in terms of efficiency and effectiveness, is considered as the minimal satisfaction of all the strategic constituencies of the enterprise utilizing as minimal resources as possible while not compromising on quality.

Strategic constituency involves all the people that are connected to the enterprise, such as employees, managers, owners, users of the services or products, resource providers, facilitators of the enterprises' output, and supporters. Since this theory assumes an exhaustive attitude toward effectiveness and efficiency, and evaluates factors within the enterprise or company in line with the environment of the enterprise (Grunig, 1992), it was an appropriate theory to base this study.

The Strategic Constituent Theory was, therefore, a useful basis for analyzing and understanding how talent identification, capacity building, and team leadership affect employee retention in URA. This theory is deemed appropriate as a basis for this study. Since it clearly shows how organizations can utilize their internal endowments to achieve their goals, it helped in clarifying the influence aspects such as organizational talents, team leadership, and capacity building have on the length of time employee are willing to spend in an organization, in this case, the Uganda Revenue Authority.

#### 1.2.3 Conceptual Background

Armstrong (2003) refers to succession planning as a process whereby an organization ensures that employees are recruited and constantly developed to fill each key role within the company. According to Armstrong (2012) succession planning is a process of identifying successors for key posts and then planning career moves and /or development activities for the potential successors thus career management is complementary to management of succession planning.

The succession planning process includes three main components. The first component is selection of candidate based on previous experience and background among and formation of talent pool (Rothwell, 2010).

Abbasi and Hollman (2000) refer to employee retention as the ability of an organization to retain its employees or the practice of reducing turnover of employees. Heneman and Judge (2006) highlight four distinct types of employee turnover categorized as: involuntary turnover, instigated by the employer that comprises of discharge or downsizing and voluntary turnover categorized as avoidable and unavoidable turnover.

According to Bartol (2007) capacity building (or capacity development) is the process by which individual and organizations obtain, improve, and retain the skills and knowledge needed to do their jobs competently. Capacity building and capacity development are often used interchangeably; however, some people interpret capacity building as not recognizing people's existing capacity whereas capacity development recognizes existing capacities which require improvement.

Capacity building has different meanings and interpretations depending on someone who uses it and in what context it is used. It is generally accepted that capacity building as a concept is closely related to education, training and human resource development. This conventional concept has changed in recent years towards a broader and more holistic view, covering both institutional and country specific initiatives (Bartol, 2007).

A team leader is someone who provides guidance, instruction, direction and leadership to a group of other individuals (the team) for the purpose of achieving a key result or group of aligned results. The team leader reports to a manager (overseeing several teams). It is also an attitude and a work ethic that empowers an individual in any role to lead from the top, middle, or bottom of an organization. Team building is a collective term for various types of activities used to enhance social relations and define roles within teams, often involving collaborative tasks (Bartol, 2007).

#### 1.2.4 Contextual Background

URA was first a small unit under the Ministry of Finance, Planning, and Economic Development with an enforcement wing until 1991 when it was given a semiautonomous status under the URA ACT of 1991(URA Report, 1994). Established by Government of Uganda through an act of Parliament, the Authority seeks to collect and administration of taxes on behalf of Government. The goal of URA is to attract, develop, and retain outstanding staff that are highly qualified professionally and committed to the purposes of the Authority as stated in the Foundation documents.

The categories of staff employed include technical staff, Support staff and consultants. To remain competitive and ensure quality in revenue administration, URA has over the years invested in succession planning programs with an intention of retaining them as well as keeping them satisfied

and committed so as to ensure excellent performance in revenue administration and tax administration (URA Annual Report, 2015).

According to the end of 2016 external audit report, employee turnover in URA was at 35% and was one of the biggest priority challenges of URA headquarters in Kampala. A total of 34 people left the organization in the past one year. The ability to attract and retain qualitative workforce, as well as keep them highly motivated has however become a great challenge. Employers now require their employees to do more with less, while employees on their part, are asking for more incentives such as preparing them to take management position through succession planning. This requires a system that will balance both increased retention of employees and performance. Creating this balance is one of the main reasons to improve retention of key staff in an organization. Uganda Revenue Authority (URA) is no exception in this effort. Therefore, this study investigated the influence of succession planning on employee retention in corporate companies in Uganda, focusing on URA as a case.

#### 1.3 Statement of the Problem

URA has a desire to realize increased employee retention, according to the current organizational 2015 – 2019 business plan. The plan indicates that the organization desires to realise a 60% increment in employee retention by the end of 2019. In order to achieve its desire, URA has over the past three years implemented carefully designed strategies such as careful identification and selection of new employees with the appropriate skills, education qualifications, and work experience. The organization has also ensured that the human resources department is well facilitated to be able to perform its function towards all organizational employees (URA Annual Report, 2015).

Despite implementation of the above strategies, challenges affecting employee retention in URA still persist. These challenges, which have led to an increase in turnover, specifically, relate to the wage rate and longevity of employee contracts. According to a midterm review of 2016, URA employee turnover increased to 27%, up from 18% in the previous year. The increase in employee turnover is a threat to the very existence, and growth of URA (URA Midterm Review Report, 2016) in this study, this state of affairs was predicted to be influenced by the nature of succession planning and implementation in URA.

Thus, succession planning in terms of employee talent identification, capacity building, and team leadership are issues that needed to be investigated in line with how they influence employee retention in URA in terms of staff turnover, remuneration, and years of contract. If the above mentioned issues are not investigated and arising concerns addressed, this may further lower the level of employee retention in URA, which in term may affect its performance and growth. This study therefore was aimed at investigating the influence of succession planning on employee retention in URA.

#### 1.4 Research Purpose

To investigate the influence of succession planning on employee retention in public organizations in Uganda with focus on Uganda Revenue Authority in Kampala as a case

#### 1.5 Research Objectives

- To assess the influence of talent identification on employee retention in Uganda Revenue Authority
- 2) To examine the influence of capacity building on employee retention in Uganda Revenue

  Authority

3) To establish the influence of team leadership on employee retention in Uganda Revenue

Authority

1. 6 Research Questions

1) What is the influence of talent identification on employee retention in Uganda Revenue

Authority?

2) What is the influence of capacity building on employee retention in Uganda Revenue

Authority?

3) What is the influence of team leadership on employee retention in Uganda Revenue

Authority?

1.7 Research Hypotheses

1) Talent identification has significant influence on employee retention

2) Capacity building significantly influences employee retention

3) Team leadership has influence on employee retention

1.8 Conceptual Framework

The conceptual framework below presents an illustration of the two main variables in this study.

The independent variable and the dependent variable have been conceptualized into various

dimensions. The variable of the study and the dimensions under them was a basis for formulation

of research objectives and questions, and was a basis for data collection and analysis.

Independent Variable

Dependent Variable

SUCCESSION PLANNING

**EMPLOYEE RETENTION** 

9

Talent Identification
 Recruitment
 Selection
 Deployment
 Capacity Building

 Years of service

**Source:** Adopted by Mullins (2017).

#### Figure 1: Conceptual framework

The above conceptual framework illustrates the relationship between the independent variable and the dependent variable. It shows how the dimensions of 'talent identification', 'capacity building', and 'team leadership' under the independent variable relate with staff turnover rate, and contract longevity, which are the dimensions under the dependent variable. It is anticipated that the dimensions of the independent variable (talent identification, capacity building, and team leadership) have significant effect on employee retention in terms of staff turn over and years of service.

#### 1.9 Significance of the study

The findings of the study may be used by corporate business companies in Uganda, particularly URA to design and implement more effective strategies to promote employee retention in line with a clear succession plan. The findings and conclusions may also be used by corporate regulatory bodies in Uganda to establish structural human resources guidelines and platforms to guide

corporate companies in strengthening employer-employee relationships in Uganda that may lead to improvements in employee retention. Also, successful completion of this study qualifies the researcher for the award of Masters of Business Administration degree of Uganda Management Institute in Kampala.

#### 1.10 Justification of the Study

One of the major challenges that URA is facing is the increasing difficulty to retain employees (URA Annual Report, 2015). Employees coming and going after a few years at URA affects overall long term plans at the organization. This study is necessary to understand, specifically, how succession planning may affect employee retention so that URA and other corporate organization can be positioned better to deal with issues of employee retention.

#### 1.11 Scope of the study

This section contains the geographical, content, and time scope under which the study was restricted. According to Russell (2011), the geographical scope is the physical location where the study was carried out. The content scope is the variables and the dimensions under each variable that the study investigated. The time scope is the time period on which the study focused while investigating the variables.

#### 1.11.1 Geographical scope

The study was carried out at the Uganda Revenue Authority offices in Nakawa, Kampala – Uganda. This location is the national headquarters of URA in Uganda, East Africa and has been chosen because it is where most of the policies of the organization are made and enforced.

#### 1.11.2 Content Scope

The study focused on two main variables: "succession planning" and "employee retention". Under independent variable (succession planning) the focus of the study focused on three sub variables of; recruitment, selection, and deployment. Under the dependent variable (employee retention) the dimensions the study focused on are; staff turnover rate, and years of contract.

#### **1.11.3 Time Scope**

The scope of this study was the period between 2013 and 2015. This period was chosen because it is the time when there had been a noted increase in challenges of employee retention in Uganda Revenue Authority in Kampala, according to the 2016 URA Human Resource Performance Report.

#### 1.12 Operational Definitions of Key Terms and Concepts

**Talent Identification:** In this research this phrase was used to refer to the ways through which talented employees are identified and given work responsibilities that are in line with the respective talents and in line with the overall goals of URA. Talent identification conceptualized into recruitment, selection, and deployment.

**Recruitment:** This term was used to mean the process through which URA goes to find the right employees, such as job advertising, application receipt, and interviewing

**Selection:** This term was used to mean the process undertaken by URA to choose the most suitable candidate amongst those that applied and were interviewed for a particular position

**Deployment:** This term was used to refer to act of URA developing and assigning specific tasks to an employee, as well as the physical location where such as employee can be based

Capacity Building: This was used to refer to the various actions by URA to improve the technical, interpersonal, and conceptual skills of URA employees so that they are able to perform their tasks effectively and efficiently. Capacity building is conceptualized into on job coaching and off job training.

**On-job training:** This phrase was used to refer to the learning put in place by URA that takes place while the employ is in the process of completing his or her tasks

**Off- job training:** This phrase was used to mean the measure in place by URA to support its employee to attend formal training in academic institutions

**Team Leadership:** This was used to mean the practices that URA leaders follow in bringing together all employees to work towards a common goal with each playing their role and supporting each other to play their role. Team leadership is conceptualized into task delegation and supervision.

**Task delegation:** This phrase was used to mean the measures in place by URA where staff members work as a team by entrusting some of their work to their colleagues and accepting some work from their colleagues

**Supervision:** This term was used to mean the act of URA managers and other team leaders ensuring that staff members are delivering on their tasks as planned

**Staff Turnover Rate:** This was used to mean the frequency of employees leaving or being required to leave URA and the actual number of employees that have left URA from 2012 – 2016.

**Years of Contract:** This phrase was used to refer to the period of time contracts offered by URA last

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter presents the relevant literature that reviewed for the study. Specifically, it contains the theoretical review, the conceptual review, a review of literature objective by objective, and a summary of all literature reviewed as well as gaps identified in the literature reviewed. The purpose of the literature review has been to get a deeper understanding of the findings, conclusions, and information gaps that exist about the topic for research.

#### 2.2 Theoretical Review

The focus of the Strategic Constituency Theory is the effect an enterprise has on the main stakeholders and their interests, especially its assertion that efficiency and effectiveness, is the most important form of satisfaction that strategic stakeholders of the enterprise need, gave a fitting basis to analyse and understand how talent identification, capacity building, and team leadership influence employee retention in public institutions in Uganda, specifically, URA.

According to Cancel (1997), while in support of the Strategic Constituencies Theory argues that there are elements of the environment whose opposition or support can threaten the organization's goals or help to attain them, especially if the people who are the main resource in the organization are not prioritized. In a related manner, Leichty (1997) postulated that people can be identified and classified according to their problem awareness and information seeking behaviour in problems solution process, this is in line with the Strategic Constituencies Theory which emphasizes that Strategic constituency involves all the people that are connected to the enterprise, such as employees, managers, owners, users of the services or products, resource providers, facilitators of the enterprises' output, and supporters. Since this theory assumes an exhaustive attitude toward

effectiveness and efficiency, and evaluates factors within the enterprise or company in line with the environment of the enterprise (Grunig, 1992), was an appropriate theory to base this study.

The Strategic Constituency Theory had some similarities with other theories for organizational effectiveness and efficiency. Some of such theories were; the goal attainment theory, systems resource theory, etc. While these two theories describe well how performance in terms of effectiveness and efficiency can be achieved, the Strategic Constituency Theory is the most appropriate as a basis for this study.

However, while the Strategic constituency emphasizes the involvement of all the people that are connected to the enterprise, such as employees, managers, owners, users of the services or products, resource providers, facilitators of the enterprises' output, and supporters, it does not explain how the various people in the organization are linked to policies, process, and procedures in the organization yet these are vital in organizational performance. Nonetheless, this theory still remains the most appropriate upon which this study could be based.

#### 2.3 Employee Retention

According to Mcleon & Clark (2009) employee retention is an effort by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff. However, many consider employee retention as relating to the efforts by which employers attempt to retain employees in their workforce. In this sense, retention becomes the strategies rather than the outcome. The author adds that a lack of satisfaction and commitment to the organization can cause an employee to withdraw and begin looking for other opportunities. Pay does not always

play as large a role in inducing turnover as is typically believed. Thus, the goal of employers is usually to decrease employee turnover, thereby decreasing training costs, recruitment costs and loss of talent and organizational knowledge. By implementing lessons learned from key organizational behavior concepts, employers can improve retention rates and decrease the associated costs of high turnover. However, this wasn't always the case. Employers can seek "positive turnover" whereby they aim to maintain only those employees whom they consider to be high performers (Mcleon& Clark, 2009).

Employee retention refers to the various policies and practices which let the employees stick to an organisation for a longer period of time (Sandhya& Kumar, 2011). Armstrong (2009) says employee engagement and organizational commitment are two important components affecting work performance, attraction and retention of employees. He says organisations' commitment requires focus on employee retention, company image, recruitment, selection, deployment, leadership, learning opportunities, performance management, recognition and rewards. Holbeche (1998) adds that providing challenging and achievement opportunities, mentoring, realistic self-assessment and feedback processes help in retention and motivation of talented employees. Macleod and Clarke (2009) define employee engagement as a workplace approach designed to ensure that employees are committed to the organizations' goals and values, motivated to contribute to organization success and are able to enhance their own sense of belonging.

According to Sandhya and Kumar (2011), employee retention refers to the various policies and practices which let the employees stick to an organisation for a longer period of time. Relatedly, Armstrong (2009) indicates that employee engagement and organizational commitment are two important components affecting work performance, attraction and retention of employees. The author further indicates that organisational commitment requires focus on employee retention,

company image, recruitment, selection, deployment, leadership, learning opportunities, performance management, recognition and rewards. Relatedly still, Holbeche (1998) asserts that providing challenging and achievement opportunities, mentoring, realistic self-assessment and feedback processes help in retention and motivation of talented employees.

According to Branham (2005), in order to maintain a successful employee retention strategy, every area of the employer-employee relationship in an organization deserves attention. Embracing key strategies to improve an organization's employee retention can boost employee satisfaction. On boarding and orientation is essential, thus, every new hire should be set up for success from the very start, from the first day of work to the first week and beyond. The job orientation is just one component of on boarding, which can last for weeks or months, depending on your organization. Mentorship programs should be in place and ongoing where pairing a new employee with a mentor is done for on boarding. New team members can learn the ropes from a veteran with a wealth of resources, and the new hire offers a fresh viewpoint to experienced staff. As far as employee compensation is concerned, it's essential for companies to offer attractive compensation packages. That includes salaries, of course, but also bonuses, paid time off, health benefits, retirement plans and all the other perks that can distinguish one workplace from another (Braham, 2005).

According to KPMG (2004) Communication and feedback including keeping open lines of communication is essential for employee retention. Direct reports should feel that they can come to the supervisors with ideas, questions and concerns, and likewise, employees expect supervisors to be honest and open with them about improvements they need to make in their own performance. In the same way, dealing with change is essential, every workplace has to deal with unpleasant changes occasionally, and the staff looks to leadership for reassurance.

#### 2.4 Succession Planning

The study explored the influence of succession planning has on employee retention. In the following literature the study indicates how different authors understand the influence succession planning has on employee retention. Succession planning is a process for identifying and developing new leaders, who can replace old leaders when they leave, retire or die. In business, succession planning entails developing internal people with the potential to fill key business leadership positions in the company. Succession planning increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. Taken narrowly, "replacement planning" for key roles is the heart of succession planning. Effective succession or talent-pool management concerns itself with building a series of feeder groups up and down the entire leadership pipeline or progression. In contrast, replacement planning is focused narrowly on identifying specific back-up candidates for given senior management positions. For the most part position-driven replacement planning is a forecast, which research indicates does not have substantial impact on outcomes.

Therefore, this means that in order for an institution, in this case URA, to have effective succession planning, the institution needs to start to identify candidates from within the institution, or externally, to be prepared to replace employees whose tenure may be coming to an end.

During succession planning leaders of organizations identify employees who have the potential to assume key positions in the organization and preparing them for these positions. The process of succession planning is deliberate and systematic to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future and encourage individual. The identification of talent is always paired with on-going programs to develop that talent. It is argued

that succession planning is no longer limited to top managers, nowadays need to successor for every job in the organization is evident, especially with more involvement of employees to the organization and distribution of decision making to empowered employees across organizations (Rothwell, 2010).

Changing role of the board in leadership assessment and chief executive officer selection pointing out that the business context is the starting point for effective talent pool management and leadership grooming. However, according to Torrington et al (2011), even in cases where an organization has the best leadership, this does not guarantee employee retention since the reasons why employees leave or stay in an organization are not only organizational but personal. Regardless, organizations should continue their efforts to improve effectiveness of managers whose selection should be after an assessment of their capabilities, and then training is provided in the art of effective leadership. Leadership grooming can be done in various ways within and outside of the organization through coaching and formal training (Torrington, 2011).

According to Brown (2010) a well thought out orientation program, whether it lasts one day or six months, will help not only in retention of employees, but also in productivity. By effectively planning employee induction and adding a personal touch to the process, one can increase employee retention and ensure that you get the most out of your people. Many companies invest large amounts of money as well as their time into the recruitment process but fail to follow through with employee induction. Without engaging properly with new employees and ensuring you provide them with the knowledge and skills to truly become a part of the organisation, you are much more likely to lose new employees within the first few months. Although employee induction programs vary from organisation to organisation, three key elements should be present in all. These include an introduction and familiarization with colleagues and managers, personal

follow-up sessions between the hiring manager and new employee andmentoring. Kataike (2013) researched on relationship between talent management and employee retention in commercial banks in Kenya and concluded that talent management cannot be separated from employee retention. In this case, training opportunities emerged as one of the factors which affected retention of employees of which management had neglected.

Since the above arguments emphasize the importance of training, and yet one of the dimensions this study investigated under the independent variable is capacity building, it was interesting to establish how capacity building in URA has influenced employee retention. On the overall, however, for an institution such as URA, the case for this study, to ensure proper succession planning, the processes of talent identification, selection, and deployment, should be followed by thorough employee orientation, which focuses on the individual skillset, toolset, and mind-set of the employee under orientation.

#### 2.4.1 Talent Identification and Employee Retention

There is an overall problem with effectiveness in organizations in terms of their ability to identify high-potential employees, and many organizations lack formal, high-potential development programs. The ability to recognize high-potential talent builds an organization's competitive advantage for the future and allows an organization to fill mission-critical roles. The adoption of such programs will help organizations retain these valuable employees (Champoux, 2006). The first step in identifying and developing high-potential talent is to define what "high-potential" means. High-potential employees can be identified as individuals who have the ability, drive, and aspiration to hold leadership positions in an organization. Once these individuals have been found, they can be trained to prepare for future leadership positions.

According to Gough (2009), when identifying high-potential employees, an organization needs to keep the future in mind. There needs to be a strong grasp of the future needs of an organization when determining what type of leaders should be developed from within. Anticipated roles and positions should be clearly defined, priorities should be set to fill each role and position, and timeframes should be established. Once this structure is in place, the criteria for high-potentials must be defined. The criteria also must be measurable to help narrow down an organization's talent pool. Of the various assessment procedures used to assess high-potentials, the most sophisticated approach is the "criteria-based approach." This approach establishes what an organization is looking for in its high-potential employees and these traits and qualities can be assessed using tools such as assessment centres, role-plays, and scenarios. Once the criteria is defined in a way that can be measured, the top talent can be nominated, screened, and assessed based on the criteria and their individual performance. Well-defined criteria also help determine the difference between an employee's potential and readiness. Potential means that an employee holds the values and attributes required holding a more senior-level position while readiness means that an employee has the immediate ability to perform given tasks.

Each organization needs to determine whether to notify an employee of his or her identified potential. There is current debate over whether identified high-potential employees should be notified. There is an argument for each side, but organizations are urged to proceed with caution if detailing such information to employees. Employees may deserve to know that they are excelling and their performance is reaching high standards with the potential for advancement, but in some cases this can lead to inflated egos and increased expectations. If the decision is made to notify employees that they have been identified as high-potential employees, it is important to take action

for their development soon after in order to keep employee morale and productivity high (Robins & Coulter, 2002).

Thus, since the above literature emphasizes that identifying talented employees an organization, in this case, URA, requires that both the short term and long term interests of the institutions are considered, URA would be better off if the identification of its employees is based on the demands of its short term and long term development plans.

#### 2.4.2 Capacity Building and Employee Retention

Organizations have increasingly realized the need to continuously build the capacity of their employees to be able to measure up to ever changing and challenging work demands. An organization is only as effective as the people working in it. It is a fact that the provision of efficient services by any organization depends on the quality of its workforce. Training and development of personnel according to Bratton and Gold (2012) comprises the procedure and processes that purposely seek to provide learning activities to enhance skills, knowledge and capabilities of people, teams, and organizations so that there is no change in action to achieve the desired outcomes. It is literally impossible today to take on a job or enter a profession and remain in it for years with his skills basically unchanged. Employee training and development is not only desirable but it is an activity which management must commit human and fiscal resources if it is to maintain a skilled and knowledgeable personnel. Personnel training and development is a process of altering employee's behaviour to further organizational goals. In many organizations, capacity building of employees has compelled such employees to make bold decisions either to stay in the organization for upcoming opportunities especially promotion and pay rise, or leave the organization for better opportunities elsewhere.

The above authors emphasized the need for organizations for continuous capacity building, this study ensured that the dimension of capacity building within URA is thoroughly investigated to ascertain the nature of capacity building carried out and the influence it has had on employee retention in URA.

Building the capacity of new and current staff is an essential part of program implementation. Basic training for all staff should cover guiding principles, goals and activities of programming, inform staff members about specific methods for working within the organization, and encourage staff members to reflect on their own attitudes. Trainings can also provide a forum for reviewing staff members' responsibilities vis-à-vis the code of conduct. In addition to basic trainings for all staff, specialized staff should receive targeted training to meet their key responsibilities.

#### 2.4. 3 Team Leadership and Employee Retention

According to Mullins (2002) a team leader is someone who provides guidance, instruction, direction and leadership to a group of other individuals (the team) for the purpose of achieving a key result or group of aligned results. The team leader reports to a manager (overseeing several teams). The team leader monitors the quantitative and qualitative result that is to be achieved. The leader often works within the team, as a member, carrying out the same roles but with the additional 'leader' responsibilities - as opposed to higher level management who often have a separate job role altogether. In order for a team to function successfully, the team leader must also motivate the team to use their knowledge and skills to achieve the shared goals. When a team leader motivates a team, group members can function in a goal oriented manner. A team leader is also someone who has the capability to drive performance within a group of people. Team leaders utilize their expertise, their peers, influence, and/or creativeness to formulate an effective team.

Thus, in order for an organization, in this case URA, to achieve its performance targets, the above descriptions of team leadership are essential in the day to day operations of the organization. Bartol (2006), creating effective teams demands the appropriate organizational environment. The information burden, task differentiation, and challenge of meeting the needs of patients provide a strong conceptual justification for teams, and there is evidence they can be effective. Even with explicit efforts to train teams, however, some groups form functional teams and some do not.

One of the challenges for leaders is that people discuss teams as if they were a single phenomenon when there are many types of teams. Teams typically are embedded in a larger social system and involve or more people who differentiate their roles, share common goals, interact with each other, and perform tasks affecting others. Within this definition, work teams accomplish tasks on an ongoing basis in a specific organizational setting parallel teams address shared challenges, such as responding to a cardiac arrest or aiding the transition of patients from hospital care to ambulatory care, and typically draw participants from several work teams; project teams focus on a one-time deliverable and have limited terms and management teams oversee all the others. Some also argue that within work teams there are subcategories whose variation in specialty and disciplinary mix may account for much of their success (Robins, 2002).

The author further indicates that the differences among teams are important because the tasks teams undertake, the settings in which they work, and the expectations they face influence their effectiveness. For leaders to help create and support effective teams, they must know what conditions encourage effective functioning of a particular type of team in a particular setting. For example, autonomy may improve outcomes for work teams but may limit project team productivity. Accordingly, we need to abandon the view of a generic team and move toward an

understanding of how leaders create the appropriate environment for the range of team types needed to deliver good care.

To create environments that support team effectiveness, leaders need to be conscious of their role in shaping teams. Leaders need to recognize that creating effective teams requires their support, coaches who can facilitate the development of teams, organizations that value teamwork, space that encourages teamwork and leadership that rewards team performance.

#### 2.5 Summary of literature review

This study on the influence of succession planning on employee retention in URA has, through the review of accessible literature found out that despite the extensive research done in the area of human resources, and particularly succession planning, there are still gaps. While there is a lot of literature on succession planning, most of this literature is old and is analysed in the context of western developed countries. Literature that is recent is scarce and literature analysed in the context of Africa, particularly Uganda is almost non-existent.

However, even though the literature reviewed has gaps, as indicates above, there seems to be consensus among most reviewed authors. For instance, many authors agree with Erasmus (2009) whose research on the effectiveness of succession planning and its enforcement established that if organizations effectively plan and execute a sound succession plan, they attain both short and long term goals in terms of productivity and nurturing of a solid organizational culture.

The overall observation from the review of accessible and relevant literature is that there is little documented on the succession planning in Uganda Revenue Authority. Therefore, this study attempted to fill these gaps as a contribution to the body of knowledge especially in Uganda.

#### **CHAPTER THREE**

#### **METHODOLOGY**

#### 3.1 Introduction

This chapter presents the research methodology that was used in the study. It contains the research design, study population, sample size and sampling techniques, data collection methods, data collection instruments, validity and reliability measures, data collection approaches, techniques for data analysis, and approaches towards the measurement of variables.

#### 3.2 Research Design

According to Sarantakos (2005) research design is a blue print or a plan detailing on how research is implemented. Research design refers to a detailed explanation of how the researcher intends to conduct the study, specifically, on how the research questions are addressed. Research design shows the plan, in terms of approach and strategy, the research intends to follow while executing the study in the most effective and efficient way. The researcher adopted a cross-sectional survey with a combination of qualitative-quantitative data collection methods for the purpose of this study (Neuman, 2011). A case research design was used in this study (Russell, 2011). Under the case research design, qualitative and quantitative (triangulation) research approaches were used during data collection and analysis. Triangulation has been chosen to enrich the study with both qualitative and quantitative findings, based on which conclusions were drawn.

#### 3.3 Study Population

The study actual population was a total of 364 comprising board members, managers, and staff members of URA in Kampala (URA Human Resource Record Manual, 2015). At the head office of URA the organizational structure comprises the board of directors, the commissioner general, commissioners, departmental managers, and staff members. However, the target population for

this study is 201 people comprising board members, managers, and staff members. Using the Krejcie and Morgan tables for sample size determination, a sample/accessible population for this study has been determined to be 136 respondents as detailed in the sections below.

#### 3.4 Determination of Sample Size

From the study population mentioned above, an appropriate sample size for each of the respondent categories were selected, as illustrated in the table below, based on Krejcie & Morgan (1970) tables for sample size selection.

**Table 3. 1: Sample Size by Population Categories** 

Population category	Target	Sample (n)	Sampling technique
	Population (N)		
Board members	7	7	Purposive
Managers	18	11	Purposive
Staff Members	176	118	Stratified Random Sampling
Total	201	136	

**Source:***Primary Data* 

The table above, guided by Krejcie and Morgan Table (1970) for sample determination, presents the respective respondent categories, the population of the study and the respective samples, as well as the sampling techniques that were used for each respondent category. Board members constitute the highest governing organ in URA and have the core responsibility of developing long strategic direction for the organization and ensuring that the organization has the right resources to move in the right direction. Managers are responsible for the various departments such as human

resource, procurement and logistics, public relations, finance, etc. Staff members are at the operational level of the organization implementing the day to day activities of the organization.

#### 3.5 Sampling Techniques

A sample is the subset of the population. A sampling technique is a way of determining a sample from a given population. A sample comprises of some members selected from the population. It is a portion of the total population that is taken and considered for study and analysis instead of studying the entire population (it is a representation of the population) from which generalization are made about the entire population (Russell, 2011). The sampling approaches that were used in this study include simple random and purposive sampling.

#### 3.5.1 Stratified Random Sampling

Stratified sampling was used to sample staff members of URA, this required putting members in strata before randomly sampling them. This method is selected because it gives an equal opportunity for each of the elements in the population to be picked to participate in a study (Sarantakos, 2005). Thus, staff of URA from the respective service centres stood the same chance to participate in the study. Also, stratified random sampling minimizes any researcher bias during the process of selecting respondents (Maxwell, 2005). In agreement with the above authors Babbie (2007) emphasizes that random sampling is free of bias yet meeting the needs of the researcher. Respondents were selected randomly from the different departments at URA, which then formed the different strata

#### 3.5.2 Purposive Sampling

Purposive sampling was used in the study to target directors of URA. According Neuman (2006) purposive sampling is when the researcher specifically targets certain people due to their expert

knowledge about the research topic/variables. Purposive sampling aims to ensure that the researcher finds and engages resourceful respondents to enrich the study (Berg, 2008). The study used purposive sampling to target board members and managers of URA. In agreement, Russell (2011) asserts that purposive sampling is especially necessary in technical and investigative studies.

#### **3.6 Data Collection Methods**

Data collection is a systematic process of obtaining data, and data collection methods are ways through which researchers obtain data from respondents (Patten & Mildred, 2001). The primary data collection methods that was used are questionnaire survey and interviews. According to Russell (2011) questionnaire surveys are less time consuming and give the respondent the freedom to answer the way they feel most comfortable. The study used interviews to collect data since they give opportunity to probe further for in-depth responses (Sarantakos, 2005). The secondary data collection method that was used is document review.

#### 3.6.1 Questionnaire Survey

A questionnaire Survey is a data collection method that uses a questionnaire as a research instrument consisting of a series of questions (or other types of prompts) for the purpose of gathering information from respondents answering open ended or closed ended questions directly or as the researcher writes on the questionnaire the responses from the respondent. Data was collected through self-administered questionnaires. According to Guppy and Gray (2008) successful survey depends on carefully executed data collection methods. The authors add that the researcher must ensure that self-administered and guided questionnaires are easy to understand by the respondent and are not too long. In agreement, Nardi (2006) argues that questionnaires should

be concise yet comprehensive. This study has designed a concise but exhaustive self-administered questionnaire.

#### 3.6.2 Interviews

Interviews refer to verbal questioning of respondents during data collection. This can be done face to face, over the telephone, or through writing. The advantage of interviewing is that it gives the researcher an opportunity to observe respondents feelings and address their reservations (Mugenda & Mugenda, 2003). Data was collected through face to face in-depth interviews with the Management and heads of sections of URA. These were selected because they could give in-depth insights. This method constituted the fundamental part of the data collection for this study where three types of interviews were used. Both structured interview and semi structured interviews followed the why and how questions. Interviews were used because they have the advantage of ensuring probing for more information, clarification and capturing facial expression of the interviewees (Somekh and Lewin, 2005). In addition they also gave an opportunity to the researcher to revisit some of the issues that have been an over-sight in other instruments and yet they are considered vital for the study. Wengraf (2001) reveals that interviewing is an essential, simple but yet effective way of data collection. In agreement, Amin (2005) argues that interviewing allows on spot explanations, adjustments and variations introduced during the data collection process, sometimes through researcher's insight, respondent's incidental comments, use of facial and body expressions, tone of voice, gestures, feelings and attitudes (Amin, 2005).

#### 3.7 Data collection instruments

This section contains the various data collection instruments that were used in the study. Each of the instruments is explained in detail below.

#### 3.7.1 Questionnaires

A questionnaire is an instrument containing coherent questions to be answered in order to helps the researcher get wide-ranging data about specific issues under investigation (Mildred, 2001). For a questionnaire to produce good data it must be valid (Patten & Mildred, 2001). One of the key advantages of using questionnaires is the avoidance of subjectivity that results from close contact between researcher and respondent. Relatedly, the questionnaire helps collect necessary data over a short time period less expensively (Fowler, 2008). (See Appendix).

#### 3.7.2 Interview Guide

According to Sarantakos (2005) an interview guide is list of thematic areas or issues that the research focuses on while engaging respondents during an interview (Osborne, 2008). For this study, the interview guide was a list of key thematic questions in line with the dependent and independent variables of the study. (See Appendix).

#### 3.8 Data Quality Control

In this section is an explanation of how the study ensured that the research instruments to be used in the study are valid and the data to be collected was reliable. Pre-testing of the sample was done using 5 respondents from the study population to validate the questionnaire and interview guide for targeted respondents. The purpose of conducting a pre-test is to test the rigor of the appropriateness of the research questionnaire tool. The pre-testing ensured clarity and consistency throughout the study (Mugenda & Mugenda, 2003). However, changes were made to the questionnaires after pre-testing if there is need to.

#### **3.8.1 Validity**

Validity is the extent to which research instruments measure what they are intended to measure (Amin, 2005). The researcher used expert judgment of the supervisors and other reviewers to

confirm the validity of the instruments. The relevance of each item in the research instruments to the research objectives were evaluated. The reviewers rated each item as either relevant or not relevant. Validity was determined using Content Validity Index (C.V.I). C.V.I = Items rated relevant by both judges divided by the total number of items in the questionnaire as shown below.

CVI = No. of items rated relevant 29/31 = 0.93

Total no. of items

According to Amin (2005), after calculation based on the contents of the questionnaire, the instrument that scores above 0.7 is considered valid.

#### 3.8.2 Reliability

To ensure reliability of quantitative data, the Cronbach's Alpha Reliability Coefficient forLikert-Type Scales test was performed. In statistics, Cronbach's alpha is a coefficient of reliability (Russell, 2011). It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. According to Sekaran (2003) a reliability of 0.70 or higher (obtained on a substantial sample) is required before an instrument is

**Table 3. 2: Reliability Analysis** 

Variable	No of incidents retained	Cronbach's Alpha Coefficient
Talent Identification	8	0.75
Capacity Building	7	0.78
Team Leadership	7	0.84
Employ Retention	7	0.72

Table 3.2 above shows a Cronbach alpha of 0.75 for talent identification with 8 items, 0.78 for capacity building with 7 items, 0.84 for team leadership with 7 items, and 0.72 for employee retention with 7 items. The tool therefore passed the test of reliability for each of the variables and for all the variables since they were all greater than 0.7, given that the level of Cronbach that is adequate is any value equal to or greater than 0.7 (Amin, 2005). The instruments were therefore suitable for data collection.

#### 3.9 Procedure for Data Collection

Successful document review and defence of the proposal was followed by a letter of introduction from UMI ahead of data collection. Data collection was done over a period of one month. A team of research assistants was led by the researcher into data collection. In the first week data collection instruments were pre-tested. Still in the first week, making appointments with respondents was done. In the second week, questionnaires were administered to all the selected respondents. In the third week, interviews with key respondents were conducted. In the fourth week, all collected data was sorted, coded, and analysed.

#### 3.10 Data Analysis

Analysis of data is a process of inspecting, cleaning, transforming, and modelling data with the goal of deriving useful information, suggesting conclusions in order to support decision-making

(Gorard, 2003). According to Grbich (2007) analysis refers to breaking a whole into its separate components for individual examination. Data analysis is a process of obtaining and converting raw data into information useful for decision-making by intended users. Data is collected and analysed to answer questions, test hypotheses, and/or disprove theories (Grbich, 2007).

#### 3.10.1 Qualitative Data Analysis

Qualitative data analysis is the range of processes and procedures from the qualitative data that have been collected into some form of explanation, understanding or interpretation of the people and situations under investigation. Qualitative data analysis is usually based on an interpretative approach (Neuendorf, 2002). Qualitative data responses was transcribed, sorted and classified according to identified relevant themes. Data analysis was done manually and responses were summarized in a narrative form of presentation that is in line with the research objectives and research questions of the study. The technique for qualitative data analysis was content analysis.

#### 3.10.2 Quantitative Data Analysis

It is a systematic approach to investigation during which numerical data is collected and/or the researcher transforms what is collected or observed into numerical data(Yin, 2008). Quantitative data was coded, edited, and entered into Statistical Program for Social Sciences (SPSS) data editor for analysis. Descriptive statistics - measures of central tendency was used to describe and summarize data. These included the mean, mode, and median. Relational statistics; correlation coefficient, regression, and cross tabulation was used to establish the strength of the relationship between variables.

#### 3.11 Measurement of variables

Data on beneficiaries' views was obtained using a scaled questionnaire. A 5 Point Likert Scale of 1=strongly disagree 2=disagree 3=not sure 4=agree and 5=strongly agree was used to tap

respondents' perception of their level engagement. Data generated from open ended interview questions was used in the qualitative analysis. The information was studied and categorized according to context; the responses were grouped according to the dominantly relevant themes. The Likert scale is chosen because it is easier to use compared to other methods (Amin 2005).

#### 3.12 Ethical considerations

Ethical considerations in research concern moral values and rules that must guide the research process. Ethical considerations also mean the motivation based on ideas of what is wrong and what is right (Glicken, 2002). Some of the ethical considerations in this research are; consent of respondents was sought from each respondent prior to engagement so that they don't feel coerced; confidentiality is important to fuller interaction with respondents (Russell, 2011). Thus, all information given by respondents was handled with confidentiality. Respondent anonymity – all addresses and contacts as well as names of respondents remained anonymous during and after the study. Also, the research ensured that all materials used in this research are properly cited and referenced to avoid plagiarism.

#### **CHAPTER FOUR**

#### PRESENTATION, ANALYSIS AND INTEPRETATION OF FINDINGS

#### 4.0 Introduction

This Chapter presents the description of the background variables, data analysis, presentation and interpretation of the findings. This chapter presents the study findings on the basis of the study objectives. The presentation of results was done in three sections.

#### **4.1 Response Rate**

A total of 136 questionnaires were distributed and 106 were fully filled and returned, while a total of 5 key informants were intended for interviews and only 4 were interviewed. The response rate for the questionnaires was therefore 77.9%, while that of interviews was 80.0%, giving an overall response rate of 78.9% as shown in the Table 4.1 below

Table 4. 1: Response rate

Population category	Sample size	Actual	no of	Response rate
		responses		
Board members	7		2	28.5%
Managers	11		8	72.7%
Staff Members	118		96	81.3%
Total	136		106	

**Source:** Primary data

Table 4.1 above shows a summary of the response rate for the study. This response rate indicates that data was collected from a reasonable number of respondents; hence the collected data and the findings from it can be relied on. According to Mugenda and Mugenda (2009) a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and above is excellent.

#### 4.2 Demographic characteristics of the sample

In this section the demographic characteristics of the respondents are presented for only the data collected using the questionnaires. The section presents gender, age, relationship, years of relationship, marital status and education level of respondents in the study.

Table 4.2: Distribution of respondents by sex

Sex	Frequency	Percentage
Male	62	58.5%
Female	44	41.5%
Total	106	100.0%

Source: Primary data

Table 4.2 shows that the majority of the respondents, 58.5% were males, as compared to 41.5% who were females. Nevertheless views and perceptions of both the males and females were well represented.

Table 4.3: Distribution of respondents by age

Age	Frequency	Percentage
18 - 30 years	34	32.1%
31 years and above	72	67.9%
Total	106	100.0%

**Source:** Primary data

Table 4.3 shows that the majority of the respondents, 67.9% were above 30 years, while 32.1% were below 30 years. The majority of the respondents were above the age of 30 because this age category comprises most of the population and sample size. Therefore the study collected data from the majority category of the population which means that the overall views from URA are well reflected in the study.

Table 4.4: Distribution of respondents by relationship

Relationship	Frequency	Percentage
Board members	7	6.7%
Managers	8	7.5%
Staff Members	91	85.8%
Total	106	100.0%

Source: Primary data

Table 4.4 above shows that the majority of the respondents (85.8%) were staff members, while 6.7% were board members, while 7.5% were managers. The majority of the respondents were staff members because this category comprises most of the population and sample size. The overall views of key respondents are well reflected in the study.

Table 4.5: Distribution of respondents by years of relationship

Years in relationship	Frequency	Percentage
1 - 3 years	47	44.3%
4 - 6 years	28	26.5%
7 years and above	31	29.2%
Total	106	

**Source:** Primary data

Table 4.5 shows that the majority of respondents (44.3%) had been at URA for 1-3 years, 29.2% for 4-6 years, and 26.5% for 7 years and above. Since respondents from those who had been in URA for a short time to those who had worked there longest were all represented in the study, means that it gave a reliable representation of the population due to their ability to respond to issues raised about the variables.

Table 4.6: Distribution of respondents by highest level of education

<b>Education level</b>	Frequency	Percentage
Diploma	4	3.8%
Degree	73	68.8%
Master's	27	25.5%
PhD	2	1.9%
Total	106	100.0%

**Source:** Primary data

Table 4.6 shows that the majority of the respondents (68.8%) were university graduates with degrees, while 3.8% possessed diplomas, only 25.5% had master's qualifications, and only 1.9% had PhD. This means that the study generated data from an informed pool of respondents whose perceptions contributed to the quality of findings.

# 4.3 Empirical findings on how succession planning on employee retention in public organizations in Uganda with focus on Uganda Revenue Authority in Kampala as a case

The empirical findings of this study are presented using descriptive statistics of frequencies, mean and standard deviation, and inferential statistics of Pearson's correlation coefficient and regression analysis in relation to specific objectives. Frequencies are presented as both absolute numbers and percentages. A standard deviation approximately equal to zero means that the respondents did not vary in their opinions, while a standard deviation approximately equal to 1 means that respondents moderately varied in their opinions and a standard deviation much larger than 1 means that the respondents highly varied in their opinions. A mean that is equal to 3, means that most respondents were not sure or had no opinion on the question. A mean greater than 3, means that respondents disagreed where as a mean less than 3 means respondents agreed.

#### 4.3.1 Findings on employee retention in public organizations in Uganda

Employee retention in public organizations in Uganda was measured on the questionnaire using eight statements, to which the respondents were required to show their level of agreement or disagreement. The quantitative findings from the respondents are presented in the table below.

Table 4.7: Views of respondents on employee retention in public organizations in Uganda

Statements measuring	TA	A	NS	D	TD	Mean	S.D.
employee retention							
URA has a staff members'	(40)	(44)	(7)	(11)	(4)	2.0	1.1
retention strategy	37.9%	41.4%	6.9%	10.3%	3.4%		
23							
URA has high staff	(26)	(47)	(11)	(22)	(0)	2.3	1.1
turnover	24.1%	44.8%	10.3%	20.7%	0.0%		
URA contractual terms and	(26)	(47)	(0)	(29)	(4)	2.4	1.2
conditions are attractive to	24.1%	44.8%	0.0%	27.6%	3.4%		
staff members							
URA staff members	(33)	(55)	(0)	(14)	(4)	2.1	1.1
consider themselves as part	31.0%	51.7%	0.0%	13.8%	3.4%		
of the organization	011070	0 117,70	0.070	15.575	21170		
of the organization							
URA staff members have	(69)	(33)	(0)	(4)	(0)	1.4	0.7
future plans within the	65.5%	31.0%	0.0%	3.4%	0.0%		
organization	32.273	21.070	0.070		0.070		
organization							
URA staff prefer to sign	(40)	(40)	(4)	(22)	(0)	2.1	1.1
and serve long term	37.9%	37.9%	3.4%	20.7%	0.0%		111
contracts	31.770	37.70	3.170	20.770	0.070		
Contracts							
URA has a functional staff	(4)	(15)	(7)	(73)	(7)	3.6	0.9
motivation strategy	3.4%	13.8%	6.9%	69.0%	6.9%	2.0	
mod various strategy	5.170	15.070	0.770	07.070	0.770		

**Key:** TA – Totally Agree, A – Agree, NS - Not Sure, D – Disagree, TD – Totally Disagree

**Source:** Primary data

Table 4.7 shows that the majority of the respondents were in agreement on 7 statements, while they were in disagreement on one statement out of the eight statements used to measure employee retention in public organizations in Uganda as elaborated below.

On whether URA has a staff members' retention strategy, 40 respondents (37.9%) totally agreed, 44 respondents (41.4%) agreed, while 7 respondents (6.9%) were not sure, 11 respondents (10.3%) disagreed, and 4 respondent, representing (3.4%) totally disagreed.

And on the issue of whether URA has high staff turnover, 26 respondents (24.1%) totally agreed, 47 respondents (44.8%) agreed, while 11 respondents (10.3%) were not sure, 22 respondents (20.7%) disagreed, and no respondent (0.0%) totally disagreed.

The fact that majority agreed that URA has a staff retention strategy yet the majority also agreed that there is high turnover means that URA need to ensure its employee retention struggle actually leads to retention of employees. As far as employee retention is concerned, URA already has in place some of the key elements that facilitate employee retention.

On whether URA contractual terms and conditions are attractive to staff members 26 respondents (24.1%) totally agreed, 47 respondents (44.8%) agreed, while none (0.0%) were not sure, 29 respondents (27.6%) disagreed, and 4 respondent (3.4%) totally disagreed.

Similarly, 33 respondents (31.0%) totally agreed that URA staff members consider themselves as part of the organization, (82.7%) agreed that URA staff members consider themselves as part of the organization, 55 respondents (51.7%) agreed, while none (0.0%) were not sure, 14 respondents (13.8%) disagreed, and 4 respondents (3.4%) totally disagreed.

The fact that majority of the respondents agreed that URA employees consider themselves as a part of the organization means that there is willingness among employees to stay in the organization, this needs to be tapped into by the leaders at URA.

On the issue of whether URA staff members have future plans within the organization, 69 respondents (65.5%) totally agreed, 33 respondents (31.0%) agreed, while none (0.0%) were not sure, 4 respondents (3.4%) disagreed, and 0 respondents (0.0%) totally disagreed.

And on whether URA staff prefer to sign and serve long term contracts, 40 respondents (37.9%) totally agreed, 40 respondents (37.9%) agreed, while 4 respondents (3.4%) were not sure, 22 respondents (20.7%) disagreed, and 0 respondent (0.0%) totally disagreed. On whether URA has a functional staff motivation strategy, 4 respondents (3.4%) totally agreed, 15 respondents (13.8%) agreed, while 7 respondents (6.9%) were not sure, 73 respondents (69.0%) disagreed, and 7 respondents (6.9%) totally disagreed.

### 4.3.2 To assess the influence of talent identification on employee retention in Uganda Revenue Authority

In order to understand the views of the respondents on talent identification, so as to establish whether it contributes towards employee retention in public organizations in Uganda, the researcher used a total of seven statements on the questionnaire to which the respondents were required to show their level of agreement or disagreement. The quantitative findings from the questionnaire are presented in the table below.

Table 4.8: Showing views of respondents on talent identification

Statements measuring talent	TA	A	NS	D	TD	Mean	S.D.
identification							
URA has a talent identification	(66)	(29)	(0)	(11)	(0)	1.6	0.9
strategy in this human	62.1%	27.6%	0.0%	10.3%	0.0%		
resources manual							
URA employees staff based on	(4)	(29)	(4)	(58)	(11)	3.4	1.1
a clear selection process that	3.4%	27.6%	3.4%	55.2%	10.3%		

ensures talented people are hired							
URA assigns tasks to its staff members based on their talents for the tasks at hand	(11) 10.3%	(62) 58.6%	(3) 3.4%	(26) 24.1%	(4) 3.4%	2.5	1.1
URA gives equal opportunity to all its staff to utilize their talents	(18) 17.2%	(40) 37.9%	(0) 0.0%	(40) 37.9%	(8) 6.9%	2.8	1.3
URA employees recruitment process helps the organization find the most talented employees	(0) 0.0%	(22) 20.7%	(4) 3.4%	(69) 65.5%	(11) 10.3%	3.7	0.9
URA employee selection process helps the organization identify the most talented employees	(18) 17.2%	(40) 37.9%	(4) 3.4%	(40) 37.9%	(4) 3.4%	2.7	1.2
URA deploys its employees based on their talents	(4) 3.4%	(47) 44.8%	(0) 0.0%	(51) 48.3%	(4) 3.4%	3.0	1.1

**Key:** TA – Totally Agree, A – Agree, NS - Not Sure, D – Disagree, TD – Totally Disagree

Source: Primary data

Table 4.8 shows that the majority of the respondents were in agreement on 5 statements, while they were in disagreement on two statements out of the seven statements used to measure talent identification as elaborated below.

On whether URA has a talent identification strategy in these human resources manual, 66 respondents (62.1%) totally agreed, 29 respondents (27.6%) agreed, none (0.0%) were not sure, while 11 respondents (10.3%) disagreed, and none (0.0%) totally disagreed.

Whether URA employees staff based on a clear selection process that ensures talented people are hired, 4 respondents (3.4%) totally agreed, 29 respondents (27.6%) agreed, while 4 respondents

(3.4%) were not sure, 58 respondents (55.2%) disagreed, and 11 respondents (10.3%) totally disagreed.

Similarly, concerning URA assigns tasks to its staff members based on their talents for the tasks at hand, 11 respondents (10.3%) totally agreed, 62 respondents (58.6%) agreed, while 3 respondents (3.4%) were not sure, 26 respondents (24.1%) disagreed, and 4 respondents (3.4%) totally disagreed.

Majority agreement that URA assigns tasks to its staff members based on their talents for the task at hand means that there is deliberate intention within URA to retain talented employees. This may contribute to employee retention in the organization.

On the issue of whether URA gives equal opportunity to all its staff to utilize their talents, 18 respondents (17.2%) totally agreed, 40 respondents (37.9%) agreed, none (0.0%) were not sure, while 40 respondents (37.9%) disagreed, and 8 respondents (6.9%) totally disagreed. And on whether URA employee recruitment process helps the organization find the most talented employees, no respondents totally agreed, 22 respondents (20.7%) agreed, 4 respondents (3.4%) were not sure, while 69 respondents (65.5%) disagreed, and 11 respondents (10.3%) totally disagreed.

On the issue of whether URA employee selection process helps the organization identify the most talented employees, 18 respondents (17.2%) totally agreed, 40 respondents (37.9%) agreed, 4 respondents (3.4%) were not sure, while 40 respondents (37.9%) disagreed, and 4 respondents (3.4%) totally disagreed.

On whether URA deploys its employees based on their talents, the majority, (75.8%) disagreed, while 20.7% agreed and only 3.4% were not sure. Specifically, 4 respondents (3.4%) totally agreed, 47 respondents (44.8%) agreed, none were not sure, while 51 respondents (48.3%) disagreed, and 4 respondents (3.4%) totally disagreed.

#### 4.3.3 Talent identification and retention of employees in Uganda Revenue Authority

The researcher proceeded to statistically establish whether talent identification positively contributes to employee retention in organizations in Uganda. This was guided by the following hypothesis:

**Hypothesis:** talent identification has significant influence on employee retention

The hypothesis was preliminary tested at a 95% level of significance (two-tailed) using Pearson's product-moment correlation coefficient, which measured the degree and direction of relationship between talent identification and employee retention in organizations in Uganda. The results are presented in the table below.

Table 4.9: Correlation matrix for talent identification and employee retention in public organization ons in Uganda

Study Variables		Talent identification	Employee
			retention
	Pearson Correlation	1	.607*
Talent Identification	Sig. (2-tailed)		.000
	N	106	106
	Pearson Correlation	.607*	1
Employee retention	Sig. (2-tailed)	.000	
	N	106	106

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

**Source:** Generated by SPSS

Table 4.9 shows that there is a moderate positive relationship between talent identification and employee retention in organizations in Uganda, (r=0.607 p=0.000 N=106). The relationship is statistically significant at 95% confidence level since p-value<0.050(=0.000). This implies that improved talent identification shall lead to improved employee retention in public organizations in Uganda. Similarly, declined talent identification shall lead to declined employee retention. Regression analysis was further used to establish the extent to which talent identification contributes towards employee retention in public organizations in Uganda. The coefficient of determination (R Square) was used and the results are presented in the table below.

**Table 4.10: Model Summary** 

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.607ª	.369	.357	.49975	

a. Predictors: (Constant), talent identification

Source: Generated by SPSS

Table 4.10 shows that the coefficient of determination (Adjusted R Square) is 0.357. This implies that talent identification accounts for 35.7% of the variance in employee retention in public organizations in Uganda. This means that there are factors outside the study variable – talent identification that contribute to the greater percentage of employee retention in public organizations in Uganda.

To assess the overall significance of the model, Analysis of Variance (ANOVA) was done and the results presented in the table below.

**Table 4.11: Analysis of Variance (ANOVA)** 

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	8.168	1	8.168	32.706	.000 <sup>b</sup>
1	Residual	13.986	56	.250		
	Total	22.154	57			

a. Dependent Variable: Employee retention

b. Predictors: (Constant) Talent identification

**Source:** Generated by SPSS

In determining whether a model is significant, the decision rule is that the calculated p-value (level of significance) must be less than or equal to 0.05. Since the calculated p-value of 0.000 is less than 0.05, the model was found to be statistically significant (F=32.706,df = 1, p<0.05 (=0.000)). This means that talent identification has a significant contribution to employee retention in public organizations in Uganda.

Basing on the research findings from correlation analysis that established that talent identification has a moderate positive statistically significant relationship with employee retention in public organizations in Uganda, and the findings from regression analysis that affirmed that talent identification has a significant positive contribution to employee retention in public organizations in Uganda. The researcher accepted the hypothesis that was stated as thus: talent identification has significant influence on employee retention

### 4.3.4 To examine the influence of capacity building on employee retention in Uganda Revenue Authority

In order to understand the views of the respondents on capacity building, so as to examine whether it contributes towards employee retention in public organizations in Uganda, the researcher used a total of eight statements on the questionnaire to which the respondents were required to show

their level of agreement or disagreement. The quantitative findings from the questionnaire are presented in the table below.

Table 4.12: Showing views of respondents on capacity building

Statements measuring capacity building	TA	A	NS	D	TD	Mean	S.D.
URA has a staff capacity building strategy in its human resources manual	(0) 0.0%	(15) 13.8%	(0) 0.0%	(55) 51.7%	(36) 34.5%	4.1	1.0
URA builds the capacity of its staff members through formal training	(7) 6.9%	(11) 10.3%	(4) 3.4%	(84) 79.3%	(0) 0.0%	3.6	0.9
URA builds the capacity of its staff through on job coaching	(8) 6.9%	(47) 44.8%	(4) 3.4%	(47) 44.8%	(0) 0.0%	2.9	1.1
URA staff capacity building is intended for the long term needs of the organization	(4) 3.4%	(44) 41.4%	(11) 10.4%	(47) 44.8%	(0) 0.0%	3.0	1.0
URA capacity building is provided for all staff members of the organization	(8) 6.9%	(8) 6.9%	(4) 3.4%	(69) 65.5%	(17) 17.2%	3.8	1.0
URA staff members value the organizational capacity building programs	(8) 6.9%	(43) 41.4%	(4) 3.4%	(43) 41.4%	(8) 6.9%	3.0	1.2
URA conducts on-job training for its employees	(8) 6.9%	(32) 31.0%	(4) 3.4%	(62) 58.6%	(0) 0.0%	3.1	1.1
URA supports its employees to attend off-job training	(8) 6.9%	(8) 6.9%	(10) 10.3%	(62) 58.6%	(18) 17.2%	3.7	1.1

**Key:** TA – Totally Agree, A – Agree, NS - Not Sure, D – Disagree, TD – Totally Disagree

**Source:** Primary data

Table 4.12 shows that the majority of the respondents were in agreement on 2 statements, while they were in disagreement on six statements out of the twelve statements used to measure capacity building as elaborated below.

On whether URA has a staff capacity building strategy in its human resources manual, no respondents totally agreed, 15 respondents (13.8%) agreed, none were not sure, while 55 respondents (51.7%) disagreed, and 36 respondents (35.5%) totally disagreed.

Whether URA builds the capacity of its staff members through formal training, 7 respondents (6.9%) totally agreed, 11 respondents (10.3%) agreed, 4 respondents (3.4%) were not sure, while 84 respondents (79.3%) disagreed, and none totally disagreed.

And on whether URA builds the capacity of its staff through on job coaching, majority 8 respondents (6.9%) totally agreed, 47 respondents (48.8%) agreed, 4 respondents (3.4%) were not sure, while 47 respondents (44.8%) disagreed, and none totally disagreed.

Whether URA staff capacity building is intended for the long term needs of the organization, 4 respondents (3.4%) totally agreed, 44 respondents (41.4%) agreed, 11 respondents (10.4%) were not sure, while 47 respondents (44.8%) disagreed, and none totally disagreed.

Whether URA capacity building is provided for all staff members of the organization, 8 respondents (6.9%) totally agreed, 8 respondents (6.9%) agreed, 4 respondents (3.4%) were not sure, while 69 respondents (65.5%) disagreed, and 17 respondents (17.2%) totally disagreed.

There were mixed reactions on whether URA staff members value the organizational capacity building programs, where 8 respondents (6.9%) totally agreed, 43 respondents (41.4%) agreed, 4 respondents (3.4%) were not sure, while 43 respondents (41.4%) disagreed, and 8 respondents (6.9%) totally disagreed.

Furthermore, on whether URA conducts on-job training for its employees, 8 respondents (6.9%) totally agreed, 32 respondents (31.0%) agreed, 4 respondents (3.4%) were not sure, while 62 respondents (58.6%) disagreed, and none totally disagreed.

Majority agreement that URA conducts on-job training for its employees means that this increases the likelihood of improved employee retention in the organization. This can be a good thing since the higher the number of employees trained on-job the more the number of employees likely to stay longer with the organization. Similarly, 8 respondents (6.9%) totally agreed, 8 respondents (6.9%) agreed, 10 respondents (10.3%) were not sure, while 62 respondents (58.6%) disagreed, and 18 respondents (17.2%) totally disagreed.

#### 4.4 Capacity building and employee retention in Uganda Revenue Authority

The researcher proceeded to statistically examine whether capacity building positively contribute to employee retention in public organizations in Uganda. This was guided by the following hypothesis:

Hypothesis: capacity building significantly influences employee retention

The hypothesis was preliminary tested at a 95% level of significance (two-tailed) using Pearson's product-moment correlation coefficient, which measured the degree and direction of relationship between capacity building and employee performance in Uganda. The results are presented in the table below.

Table 4.13: Correlation matrix for capacity building and employee retention in public organizations in Uganda

Study variables		Capacity building	Employee
			retention
	Pearson Correlation	1	.725*
Capacity building	Sig. (2-tailed)		.000
	N	106	106
	Pearson Correlation	.725*	1
Employee retention	Sig. (2-tailed)	.000	
	N	106	106

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

**Source:** Generated by SPSS

Table 4.13 shows that there is a strong positive relationship between capacity building and employee retention in Uganda Revenue Authority in Uganda, (r=0.725 p=0.000 N=106). The relationship is statistically significant at 95% confidence level since p-value<0.050(=0.000). This implies that improved capacity building shall lead to improved employee performance in Uganda. Similarly, declined capacity building shall lead to declined employee retention in public organizations in Uganda.

Regression analysis was further used to establish the extent to which capacity building contribute towards employee retention in public organizations in Uganda. The coefficient of determination (R Square) was used and the results are presented in the table below.

**Table 4.14: Model Summary** 

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725a	.525	.517	.43334

a. Predictors: (Constant), Capacity building

**Source:** Generated by SPSS

Table 4.14 shows that the coefficient of determination (Adjusted R Square) is 0.517. This implies that capacity building accounts for 51.7% of the variance in employee retention in public organizations in Uganda. This means that there are factors outside the study variable – capacity building that contributes to the greater percentage of employee retention in public organizations in Uganda.

To assess the overall significance of the model, Analysis of Variance (ANOVA) was done and the results presented in the table below.

**Table 4.15: Analysis of Variances (ANOVA)** 

Mod	el	Sum of Squares	Df	Mean Square	F	Sig.
	Regression	11.638	1	11.638	61.977	.000 <sup>b</sup>
1	Residual	10.516	56	.188		
	Total	22.154	57			

a. Dependent Variable: Employee retention

b. Predictors: (Constant), Capacity building

**Source:** Generated by SPSS

In determining whether a model is significant, the decision rule is that the calculated p-value (level of significance) must be less than or equal to 0.05. Since the calculated p-value of 0.000 is less than 0.05, the model was found to be statistically significant (F=61.977,df = 1, p<0.05 (=0.000)). This means that capacity building have a significant contribution towards employee retention in public organizations in Uganda.

Basing on the research findings from correlation analysis that established that capacity building has a strong positive statistically significant relationship with employee retention in public organizations in Uganda, and findings from regression analysis that affirmed that capacity building has a significant positive contribution towards employee retention in public organizations in

Uganda. The researcher accepted the hypothesis that was stated as thus: capacity building significantly influences employee retention

## 4.4.1 To establish the influence of team leadership on employee retention in Uganda Revenue Authority

In order to understand the views of the respondents on team leadership, so as to assess whether they contribute towards employee retention in URA in Uganda, the researcher used a total of seven statements on the questionnaire to which the respondents were required to show their level of agreement or disagreement. The quantitative findings from the questionnaire are presented in the table below.

Table 4.16: Showing views of respondents on team leadership

Statements measuring	TA	A	NS	D	TD	Mean	S.D.
team leadership							
URA is led based on a clear organizational structure of hierarchical leadership	(72) 69.0%	(18) 17.2%	(4) 3.4%	(8) 6.9%	(4) 3.4%	3.9	1.0
URA leadership empowers its staff members to take on leadership responsibilities	(0) 0.0%	(55) 51.7%	(8) 6.9%	(29) 27.6%	(14) 13.8%	3.0	1.2
URA prepares its staff members to take on leadership roles at all levels of the organization in the future	(26) 24.1%	(44) 41.4%	(8) 6.9%	(28) 27.6%	(0) 0.0%	2.3	1.1
URA staff members are interested in taking on leadership roles in the organization	(22) 20.7%	(44) 41.4%	(8) 6.9%	(32) 31.0%	(0) 0.0%	2.5	1.1

URA staff members are satisfied with the current leadership style in the organization	(14) 13.8%	(40) 37.9%	(8) 6.9%	(44) 41.4%	(0) 0.0%	2.8	1.1
URA requires its employees to delegate tasks to each other	(36) 34.5%	(44) 41.4%	(4) 3.4%	(22) 20.7%	(0) 0.0%	2.1	1.1
URA has a functional structure of employee supervision	(26) 24.1%	(40) 37.9%	(4) 3.4%	(36) 34.5%	(0) 0.0%	2.5	1.2

**Key:** TA – Totally Agree, A – Agree, NS - Not Sure, D – Disagree, TD – Totally Disagree

**Source:** Primary data

Table 4.16 shows that the majority of the respondents were in agreement on 5 statements, while they were in disagreement on two statements out of the seven statements used to measure long term financial loans as elaborated below.

As to whether URA is led based on a clear organizational structure of hierarchical leadership, 72 respondents (69.0%) totally agreed, 18 respondents (17.2%) agreed, 4 respondents (3.4%) were not sure, while 8 respondents (6.9%) disagreed, and 4 respondents (3.4%) totally disagreed.

As to whether URA leadership empowers its staff members to take on leadership responsibilities, no respondents totally agreed, 55 respondents (51.7%) agreed, 8 respondents (6.9%) were not sure, while 29 respondents (27.6%) disagreed, and 14 respondents (13.8%) totally disagreed. Similarly, concerning whether URA prepares its staff members to take on leadership roles at all levels of the organization in the future, 26 respondents (24.1%) totally disagreed, 44 respondents (41.4%) agreed, 8 respondents (6.9%) were not sure, while 28 respondents (27.6%) disagreed, and none totally disagreed.

Whether URA staff members are interested in taking on leadership roles in the organization, 22 respondents (20.7%) totally disagreed, 44 respondents (41.4%) agreed, 8 respondents (6.9%) were not sure, while 32 respondents (31.0%) disagreed, and none totally disagreed.

As to whether URA staff members are satisfied with the current leadership style in the organization, 14 respondents (13.8%) totally disagreed, 40 respondents (37.9%) agreed, 8 respondents (6.9%) were not sure, while 44 respondents (41.4%) disagreed, and none totally disagreed.

On whether URA requires its employees to delegate tasks to each other, 36 respondents (34.5%) totally disagreed, 44 respondents (41.4%) agreed, 4 respondents (3.4%) were not sure, while 22 respondents (20.7%) disagreed, and none totally disagreed.

Similarly about whether URA has a functional structure of employee supervision, 26 respondents (24.1%) totally disagreed, 40 respondents (37.9%) agreed, 4 respondents (3.4%) were not sure, while 36 respondents (34.5%) disagreed, and none totally disagreed.

#### 4.4.2 Team leadership and employee retention in Uganda Revenue Authority

The researcher proceeded to statistically assess whether team leadership positively contribute towards employee retention in public organizations in Uganda. This was guided by the following hypothesis:

**Hypothesis:** team leadership has influence on employee retention

The hypothesis was preliminary tested at a 95% level of significance (two-tailed) using Pearson's product-moment correlation coefficient, which measured the degree and direction of relationship

between team leadership and employee retention in public organizations in Uganda. The results are presented in the table below.

Table 4.17: Correlation matrix for team leadership and employee retention in public organizations in Uganda

Study Variables		Team leadership	Employee
			retention
	Pearson Correlation	1	.422*
Team leadership	Sig. (2-tailed)		.001
	N	106	106
	Pearson Correlation	.422*	1
Employee retention	Sig. (2-tailed)	.001	
	N	106	106

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

Source: Generated by SPSS

Table 4.17 shows that there is a moderate positive relationship between team leadership and employee retention in Uganda Revenue Authority in Uganda, (r=0.422 p=0.000 N=106). The relationship is statistically significant at 95% confidence level since p-value<0.050(=0.001). This implies that improved team leadership shall lead to improved employee retention in public organizations in Uganda. Similarly, declined team leadership shall lead to declined employee retention.

Regression analysis was further used to establish the extent to which team leadership contributes towards employee retention in public organizations in Uganda. The coefficient of determination (R Square) was used and the results are presented in the table below.

**Table 4.18: Model Summary** 

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.422a	.178	.163	.57035

a. Predictors: (Constant), Team leadership

**Source:** Generated by SPSS

Table 4.18 shows that the coefficient of determination (Adjusted R Square) is 0.163. This implies that team leadership accounts for 16.3% of the variance in employee retention in Uganda. This means that there are factors outside the study variable – team leadership that contribute to the greater percentage of employee retention in public organizations in Uganda.

To assess the overall significance of the model, Analysis of Variance (ANOVA) was done and the results presented in the table below.

**Table 4.19: Analysis of Variance (ANOVA)** 

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	3.937	1	3.937	12.104	.001 <sup>b</sup>
1	Residual	18.217	56	.325		
	Total	22.154	57			

a. Dependent Variable: Employee retention

b. Predictors: (Constant), Team leadership

**Source:** Generated by SPSS

In determining whether a model is significant, the decision rule is that the calculated p-value (level of significance) must be less than or equal to 0.05. Since the calculated p-value of 0.001 is less than 0.05, the model was found to be statistically significant (F=12.104, df = 1, p<0.05 (=0.001)). This means that team leadership has a significant contribution towards employee retention in public organizations in Uganda.

Basing on the research findings from correlation analysis that established that team leadership has a moderate positive statistically significant relationship with employee retention in public organizations in Uganda, and the findings from regression analysis that affirmed that team leadership has a significant positive contribution towards employee retention in public organizations in Uganda. The researcher accepted the hypothesis that was stated as thus: team leadership has influence on employee retention

### 4.5 Multiple Regression Analysis

The hypotheses were further tested using multiple linear regression analysis. The justifications for using multiple linear regression analysis were that this was a prediction study with many variables and multiple linear regression analysis provides net effects and explanatory power in form of Adjusted R square. The level of significance was set at less than or equal to 0.05. Using the Enter method, a statistically significant model emerged. The model summary is presented in table 4.20.

**Table 4.20: Model Summary** 

Model	R	R Square	Adjusted R Square	Std. Error of the
				Estimate
1	.766ª	.586	.564	.41188

a. Predictors: (Constant), Talent identification, Capacity building, Team leadership **Source:** Primary data from the field.

The model summary in table 4.20 above shows that the coefficient of determination (Adjusted R Square) is 0.564. This implies that this model accounts for 56.4% of the variance in employee retention in public organizations in Uganda. This could be attributed to the fact that only three of the several factors affecting employee retention were studied.

To assess the overall significance of the model, Analysis of Variance (ANOVA) was done and the result presented in Table 4.20.

Table 4.21: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	12.993	3	4.331	25.530	.000 <sup>b</sup>
1	Residual	9.161	54	.170		
	Total	22.154	57			

a. Dependent Variable: Employee retention

In determining whether a model is significant, the decision rule is that the calculated p-value (level of significance) must be less than or equal to 0.05. Since the calculated p-value of 0.000 is less

b. Predictors: (Constant), Talent identification, Capacity building, Team leadership **Source:** Primary data from the field.

than 0.05, the model was statistically significant (df=3, F=25.530, p<0.05(=0.000)). A statistically significant model means that at least one of the predictor variables is significant.

To determine which of the predictor variables were significant; the researcher examined the standardized beta coefficients (which measure the contribution of each variable to the model), the t values and significance values which give rough indication of the impact of each predictor variable. These are presented in table 4.22 below.

**Table 4.22: Regression coefficients** 

Model		Unstandardized Coefficients		Standardized Coefficients	Т	Sig.
		В	Std. Error	Beta		
	(Constant)	-1.633	.453		-3.603	.001
1	Talent identification	.408	.146	.311	2.787	.007
	Capacity building	.850	.165	.579	5.158	.000
	Team leadership	.336	.135	.272	2.654	.009

a. Dependent Variable: Employee retention

**Source:** Primary data from the field.

The decision rule is that the t value must not be close to 0 and the p-value must be less than or equal to 0.05. The table shows that talent identification was statistically significant predictor of employee retention in public organizations in Uganda ( $\beta$ =0.311, t=2.787, p<0.05(0.007)). The table further shows that capacity building were statistically significant predictor of employee retention in public organizations in Uganda ( $\beta$ =0.579, t=5.158, p<0.05) and team leadership were statistically significant predictor of the employee retention in public organizations in Uganda ( $\beta$ =0.272, t=2.654, p<0.05(0.009)).

# 4.6 Summary

This study investigated the extent to which talent identification, capacity building and team leadership affect employee retention in public organizations in Uganda.

This study established talent identification to be a statistically significant determinant of employee retention public organizations in Uganda. Furthermore, the study established capacity building to be a statistically significant determinant of employee retention in public organizations in Uganda. Similarly team leadership was established to be statistically significant determinants of employee retention in public organizations in Uganda.

#### **CHAPTER FIVE**

# SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents the summary, discussions, conclusions and recommendations got from the research findings guided by the research general objective and specific objectives. The specific objectives were as follows: to assess the influence of talent identification on employee retention in Uganda Revenue Authority; to examine the influence of capacity building on employee retention in Uganda Revenue Authority; to establish the influence of team leadership on employee retention in Uganda Revenue Authority.

# 5.2 Summary of the findings

To investigate the influence of succession planning on employee retention in public organizations in Uganda with focus on Uganda Revenue Authority in Kampala as a case. There were three independent variables, namely; talent identification, capacity building and team leadership, while employee retention was the dependent variable. Data was analysed by use of frequencies, Pearson's product moment correlation coefficient and regression analysis and findings from the study indicated that;

# 5.2.1 Talent identification and employee retention public organizations in Uganda

The findings indicated that there was a moderate positive relationship between talent identification and employee retention in public organizations in Uganda. The p-value for talent identification and employee retention was less than 0.050 (=0.000), given r=0.607, the researcher therefore accepted the relationship as statistically significant. Further findings from regression analysis revealed that talent identification has a significant contribution towards employee retention in

Uganda (F=32.706,df = 1, p<0.05 (=0.000)). This implies that improved talent identification shall contribute to improved employee retention in public organizations in Uganda.

# 5.2.2 Capacity building and employee retention inn public organizations in Uganda

The findings indicated that there was a moderate positive relationship between capacity building and employee retention in public organizations in Uganda. The p-value for capacity building and employee retention was less than 0.050 (=0.000), given r=0.725, the researcher therefore accepted the relationship as statistically significant. Further findings from regression analysis revealed that capacity building has a significant contribution towards employee retention in public organizations in Uganda (F=61.977,df = 1, p<0.05 (=0.000)). This implies that improved capacity building shall contribute to improved employee retention in public organizations in Uganda.

# 5.2.3 Team leadership and employee retention in public organizations in Uganda

The findings indicated that there was a moderate positive relationship between team leadership and employee retention in public organizations in Uganda. The p-value for capacity building and employee retention was less than 0.050 (=0.000), given r=0.422, the researcher therefore accepted the relationship as statistically significant. Further findings from regression analysis revealed that capacity building has a significant contribution towards employee retention in public organizations in Uganda (F=12.104,df = 1, p<0.05 (=0.001)). This implies that improvements in capacity building shall contribute to improved employee retention in public organizations in Uganda.

# **5.3 Discussion of the findings**

In this section the researcher discusses the findings of the study according to the study objectives

### 5.3.1 Talent identification and employee retention in public organizations in Uganda

Under objective one, the study sought to establish the contribution of talent identification towards employee retention in public organizations in Uganda. According to the conceptual framework in Chapter 1, talent identification was conceptualized mainly into three dimensions namely, recruitment, selection, deployment. The findings of the study revealed that talent identification has a significant relationship with employee retention in public organizations in Uganda. The findings further indicated that talent identification has a significant contribution towards employee retention in public organizations in Uganda.

While the findings above showed that there is significant relationship between talent identification and employee retention, Champoux (2006) indicates that there is an overall problem with effectiveness in organizations in terms of their ability to identify high-potential employees, and many organizations lack formal, high-potential development programs. The author adds that the ability to recognize high-potential talent builds an organization's competitive advantage for the future and allows an organization to fill mission-critical roles. The adoption of such programs will help organizations retain these valuable employees (Champoux, 2006). The first step in identifying and developing high-potential talent is to define what "high-potential" means. High-potential employees can be identified as individuals who have the ability, drive, and aspiration to hold leadership positions in an organization. Once these individuals have been found, they can be trained to prepare for future leadership positions.

# 5.3.2 Capacity building and employee retention in public organizations in Uganda

Under objective two, the study sought to examine the influence of capacity building on employee retention in Uganda Revenue Authority. According to the conceptual framework in Chapter 1, capacity building was conceptualized mainly into one dimension namely; on job training and off

job training. The findings of the study revealed that capacity building has a significant relationship with employee performance in public organizations in Uganda. The findings further indicated that capacity building has a significant contribution towards employee retention in public organizations in Uganda.

In line with the study finding that capacity building has significant contribution towards employee retention in public organizations in Uganda, Bratton and Gold indeed, say that organizations have increasingly realized the need to continuously build the capacity their employees to be able to measure up to ever changing and challenging work demands. An organization is only as effective as the people working in it. It is a fact that the provision of efficient services by any organization depends on the quality of its workforce.

The authors further indicate that it is literally impossible today to take on a job or enter a profession and remain in it for years with his skills basically unchanged. Employee training and development is not only desirable but it is an activity which management must commit human and fiscal resources if it is to maintain a skilled and knowledgeable personnel. Personnel training and development is a process of altering employee's behaviour to further organizational goals. In many organizations, capacity building of employees has compelled such employees to make bold decisions either to stay in the organization for upcoming opportunities especially promotion and pay rise, or leave the organization for better opportunities elsewhere.

# 5.3.3 Team leadership and employee retention in public organizations in Uganda

Under objective three the study sought to assess the contribution of team leadership towards employee retention in public organizations in Uganda. According to the conceptual framework in Chapter 1, Team leadership was conceptualized into the dimensions, task delegation, and

supervision. The findings of the study revealed that team leadership has a significant relationship with employee retention in public organizations in Uganda. The findings further indicated that team leadership has a significant contribution towards employee retention in public organizations in Uganda.

In line with the findings of the study which indicated that team leadership has a significant contribution towards employee retention in public organizations in Uganda, Robins (2002) cautions that one of the challenges for leaders is that they view teams as if they were a single phenomenon when there are many types of teams. Teams typically are embedded in a larger social system and involve or more people who differentiate their roles, share common goals, interact with each other, and perform tasks affecting others.

The author further adds that within this definition, work teams accomplish tasks on an ongoing basis in a specific organizational setting parallel teams address shared challenges, such as responding to a cardiac arrest or aiding the transition of patients from hospital care to ambulatory care, and typically draw participants from several work teams; project teams focus on a one-time deliverable and have limited terms and management teams oversee all the others. Some also argue that within work teams there are subcategories whose variation in specialty and disciplinary mix may account for much of their success (Robins, 2002).

### **5.4 Conclusions**

The conclusions are presented objective by objective on findings of each of the dimensions under the independent variable.

### 5.4.1 Talent identification and employee retention in public organizations in Uganda

The findings indicated that talent identification has a significant contribution towards employee retention in public organizations in Uganda. This means that improvements in talent identification

such as assigning employee practical specialized assignments, delegation, and team playing shall have a significant positive contribution towards employee retention in public organizations in Uganda. Management of public organizations in Uganda should therefore be encouraged to improve on talent identification in terms of recruitment, selection, and deployment so as to contribute towards employee retention.

### 5.4.2 Capacity building and employee retention in public organizations in Uganda

The findings indicated that capacity building has a significant contribution towards employee retention in public organizations in Uganda. This means that improvements in capacity building shall have a significant positive contribution towards employ retention in public organizations in Uganda. Management of public organizations in Uganda should therefore be encouraged to improve on capacity building so as to contribute towards employ retention.

# 5.4.3 Team leadership and employee retention in public organizations in Uganda

The findings indicated that team leadership has a significant contribution towards employee retention in public organizations in Uganda. This means that improvements team leadership shall have a significant positive contribution towards employ retention in public organizations in Uganda. Management of public organizations in Uganda should therefore be encouraged to improve on team leadership so as to contribute toward employ retention in public organizations in Uganda.

### **5.5** Contribution of the study

The study has added to the knowledge about employee retention in public organizations in Uganda especially in line with the aspect succession planning. Previously, there was no study conducted on the aspect of succession planning in public organizations in Uganda, thus the contribution of this study is that it has filled a gap in the area of succession planning and employee retention.

#### 5.6 Recommendations

The conclusions drawn in the previous sector of this study provided a basis upon which recommendations are being made according to the study objectives basing on the significant factors that were established.

#### 5.6.1 Talent identification and employee retention in public organizations in Uganda

Public organizations in Uganda, especially URA should invest more money in mechanisms to identify talented employees. Public organizations should devise ways of grooming employees based on their individual talents

# 5.6.2 Capacity building and employee retention in public organizations in Uganda

Public organizations should invest more money into on job and off job employee capacity building. Public organizations especially URA should ensure capacity building of employees is based on the needs of the organization. The study recommends that there is need for the institution to give an opportunity to its employees to further their studies training for example attending short-term courses and long term courses. Additionally, such courses need to be chosen in the way that they are relevant to employee's work duties and responsibilities and they should be of the best quality to allow them understand their job functions. This is a basis of improving performance of employees as they acquire new techniques from abroad that are very essential for timely service delivery

### 5.6.3 Team leadership and employee retention in public organizations in Uganda

Public organization, especially URA should ensure that team leadership is promoted at all levels of the organization. Public organizations in Uganda especially URA should ensure that there is a clear mechanism for succession in organizational leadership

#### **5.7 Limitations**

The research limited the study to URA. Therefore results can be generalized cautiously to other public organizations since every organization is unique. Future research should be conducted over a cross section of public organizations in order to come up with a more generalized conclusion on how succession planning influences employee retention in organizations in Uganda. The research was carried out in a limited time scope covering a period of only five years. Therefore findings in the study may not apply to a context of, for instance, ten years ago.

#### 5.8 Areas for further research

Further research is recommended in the following areas;

A similar study on how succession planning affects employee retention should be done but using a cross sectional research design. Succession planning and its influence on performance of organisations. This would help assess the influence organisations that carry out efficient succession planning has on their performance as entities

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### **APPENDICES**

# **Appendix 1: Questionnaire**

# SUCCESSION PLANNING AND EMPLOYEE RETENTION IN UGANDA REVENUE AUTHORITY HEAD OFFICE IN KAMPALA

Dear respondent, my name is Hellen Akatukunda, a student of Uganda Management Institute pursuing a Master's Degree in Business Administration. As part of the requirements for the award of this degree, I am undertaking a study on succession planning and employee retention in URA. The results of this study will be treated confidentially and will only be used for research purposes. I request for your voluntary participation, and indeed your name is not required.

**SECTION A:** Personal Data (circle or tick only as appropriate to you)

1.	Sex	a) Male	b) Female

2. Age a) Below 30 years b) Above 30 years

3. Your Relationship with URA: a) Staff b) Director

4. Years of relationship with URA a) 1-3 years b) 4-6 years c) 7 years and above

5. Highest Education Level: a) Diploma b) First Degree c) Master's Degree d) PhD

### **SECTION B:**

Totally Agree	Agree	Not Sure	Disagree	Totally Disagree
1	2	3	4	5

Using the scale above, please tick the box that is most appropriate according to you

### TALENT IDENTIFICATION AND EMPLOYEE RETENTION IN URA

S/N	Parameters	1	2	3	4	5
6	URA has a talent identification strategy in this human resources manual					
7	URA employees staff based on a clear selection process that ensures talented people are hired					

8	URA assigns tasks to its staff members based on their			
	talents for the tasks at hand			
9	URA gives equal opportunity to all its staff to utilize their			
	talents			
10	URA employees recruitment process helps the organization find the most talented employees			
11	URA employee selection process helps the organization identify the most talented employees			
12	URA deploys its employees based on their talents			

# CAPACITY BUILDING AND EMPLOYEE RETENTION IN URA

C/AT	D (	1			4	_
S/N	Parameters	1	2	3	4	5
14	URA has a staff capacity building strategy in its human					
	resources manual					
15	URA builds the capacity of its staff members through					
	formal training					
16	URA builds the capacity of its staff through on job					
	coaching					
17	URA staff capacity building is intended for the long term					
	needs of the organization					
18	URA capacity building is provided for all staff members					
	of the organization					
19	URA staff members value the organizational capacity					
	building programs					
20	URA conducts on-job training for its employees					
21	URA supports its employees to attend off-job training					

# TEAM LEADERSHIP AND EMPLOYEE RETENTION IN URA

S/N	Parameters	1	2	3	4	5
22	URA is led based on a clear organizational structure of hierarchical leadership					
23	URA leadership empowers its staff members to take on leadership responsibilities					
24	URA prepares its staff members to take on leadership roles at all levels of the organization in the future					
25	URA staff members are interested in taking on leadership roles in the organization					
26	URA staff members are satisfied with the current leadership style in the organization					
27	URA requires its employees to delegate tasks to each other					
28	URA has a functional structure of employee supervision					

# EMPLOYEE RETENTION AT URA

S/N	Parameters	1	2	3	4	5
29	URA has a staff members' retention strategy					
30	URA has high staff turnover					
31	URA contractual terms and conditions are attractive to staff members					

32	URA staff members consider themselves as part of the organization			
33	URA staff members have future plans within the organization			
34	URA staff prefer to sign and serve long term contracts			
35	URA has a functional staff motivation strategy			

# **END**

# THANK YOU

# **Appendix 2: Unstructured Interview Guide**

# A) TALENT IDENTIFICATION AND EMPLOYEE RETENTION IN URA

- About human resources policy in URA
- About identification of staff members in URA
- About support to employee to identify their talents in URA
- About assigning and delegating responsibility to employees in URA
- About equality in talent identification in URA

# B) CAPACITY BUILDING AND EMPLOYEE RETENTION IN URA

- About URA staff capacity building strategy
- About actual staff capacity building
- About staff capacity building for long term
- About whether staff value capacity building given

# C) TEAM LEADERSHIP AND EMPLOYEE RETENTION IN URA

- About URA organizational structure
- About staff empowerment for leadership
- About leadership at all levels of the organization
- About staff interest in leadership
- About whether staff members are satisfied with URA leadership

# D) EMPLOYEE RETENTION AT URA

- About URA strategy to retain employees
- About staff turnover
- About employment terms and conditions
- About staff members future plans in line with the organization

# **Appendix 3: Documentary Review Checklist**

- URA annual reports 2014 2016
- URA human resource manual 2014
- URA performance evaluation Reports 2014 2016
- URA staff contracts 2014 2016
- URA website
- URA minutes of staff and board meetings 2014 2016

Appendix 4: Krejcie& Morgan (1970) Table for Determining Sample

**SIZE FOR FINITE POPULATION** (**N**= Population **S**= Sample size)

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2,800	338
15	14	110	86	290	165	850	265	3,000	341
20	19	120	92	300	169	900	269	3,500	346
25	24	130	97	320	175	950	274	4,000	351
30	28	140	103	340	181	1,000	278	4,500	354
35	32	150	108	360	186	1,100	285	5,000	357
40	36	160	113	380	191	1,200	291	6,000	361
45	40	170	118	400	196	1,300	297	7,000	364
50	44	180	123	400	201	1,400	302	8,000	367
55	48	190	127	440	205	1,500	306	9,000	368
60	52	200	132	460	210	1,600	310	10,000	370
65	56	210	136	480	214	1,700	313	15,000	375
70	59	220	140	500	217	1,800	317	20,000	377
75	63	230	144	550	226	1,900	320	30,000	379
80	66	240	148	600	234	2,000	322	40,000	380
85	70	250	152	650	242	2,100	327	50,000	381
90	73	260	155	700	248	2,200	331	75,000	382
95	76	270	159	750	254	2,300	335	100,000	384

Source: Amin, 2005

# **Appendix 5: Field research letter**

# Appendix 6: Plagiarism