



## Research Article

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Received: 16 September 2023 / Accepted: 29 December 2023 / Published: 5 January 2024

# The Theoretical Foundation for the Development of a Conceptual Model on the Relationship between Succession Planning Practices, Employee Retention and Knowledge Management in HEIs

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DOI: <https://doi.org/10.36941/mjss-2024-0003>

## Abstract

*This paper addresses the importance of succession planning practices and provides a conceptual framework that organizations can apply to retain the best talent. The absence of comprehensive models for succession planning in higher education institutions is unfortunate. Therefore, this study reviews the literature and proposes a new comprehensive succession planning model for HEIs. A review of relevant theories identified three theoretical approaches that provide possible explanations for the relationship between succession planning and employee retention. In compiling the primary and non-research literature for this study, a variety of sources were used, including databases, online books, and published articles. Succession planning requires adequate human resources to develop future leaders due to the aging factor. The outcome of this study will assist human resources managers, policy makers and scholars to implement succession planning practices in the organization. Since there is a lack of research in HEIs context, this study can provide theoretical contribution for future researchers.*

**Keywords:** Employee Retention, Knowledge Management, Knowledge Sharing, Mentoring and Coaching, Succession Planning Practices, HEIs

## 1. Introduction

Over the years, both the public and private sectors seek to strengthen their workforces due to foreseen and unforeseen challenges. Foreseen challenges include an aging population and unforeseen challenges include the Covid-19 pandemic, economic downturn, etc. Many organizations are aware that human capital is one of their greatest resources and that their contribution is undeniable. Workforce planning is a unique approach used by employers to identify and select the right employee for the right position within the organization. Succession planning plays an important role in

retaining the best talent and has a direct impact on employee turnover. A successful succession planning strategy significantly influences an employee's decision to leave or stay with the organization. The establishment of public and private higher education institutes in any country contributes to the development of human capital to meet the labor needs of the country's economic growth.

The selection of a successor in any organization depends on the decision-making process. Sometimes the decision criteria become complicated due to multiple candidates, changes in organizational structure or the size of the organization. Choosing a successor comes with the need for organizations to respond to external environments. Most authors suggested that selecting an internal successor is more effective for organizations than selecting an external successor (Tucker, 2020; Philips, 2021). However, if a candidate is not internally located within a company, the company may present itself externally as an external candidate (Miles & Bennett, 2007).

Succession planning is a key factor in retaining the best talent in the organization (Tan *et al.*, 2019). Succession planning is a retention roadmap designed to retain valuable, capable talent within the organization. Succession planning is a dynamic process that involves training, hiring and internal development and therefore requires continuous updating (Okwakpam, 2019). Succession planning is one of the human resources policies that play a strategic role in employee retention by promoting a skilled workforce. The generational diversity in the workforce is enormous. Therefore, it is important to develop a systematic strategy for the inherent differences and strengths of each generation. Although diversity and employee inclusion are key to employee retention. Gilmore and Turner (2010) pointed out that the selection of new employees should be based on the fitness between the individual and the organization.

Knowledge management represents an important factor in the public HEIs as a service provider. Knowledge management is an increasingly important area of concern, especially for public organizations such as the education sector. Therefore, this study introduced the mediating role of knowledge management in the relationship between succession planning practices and employee retention. Successful organizations depend on successful knowledge transfer. Therefore, knowledge management (knowledge sharing, mentoring, and coaching) is a powerful element between succession planning practices and employee retention. Knowledge management can help organizations to retain their employees directly or indirectly. For example, technological advancement is a technical system that determines the knowledge journey process. Proper knowledge management can maximize employee retention. Mentoring and coaching are the best-known training tools for transferring tacit knowledge.

## 2. Empirical Literature Review

### 2.1 Succession Planning Practices

A comprehensive literature review of succession planning articles was conducted to identify recommended best practices for succession (Hassan & Siddiqui, 2020; Tunje, 2014; Adebola, 2019; Rothwell, 2010). A search was conducted for articles on succession planning in several reputable publications by searching for keywords related to succession planning with various variables. The best practices suggested in the articles related to improving a company's leadership transition were recorded and tracked to determine replication of best practices among researchers. In this study, the following practices recommended by Rothwell (2010) were selected.

### 2.2 The selection of a successor

The selection of a successor depends on internal and external attitudes in organizations. The main problem in the public sector is the transitional phase between new hires and the replacement of old employees. In this case, higher education needs to be flexible. Lynch (2007) suggested that higher

education institutions need to rethink their policies and culture if they are to be part of the solution to the talent crisis. The issue of hiring external or internal leaders in higher education is always hotly debated. The study by (Grossman, 2014, p. 44) states that "several higher education institutions do not understand the business model for promoting strong internal candidates, as hiring data suggests that there is a clear preference for external candidates." Internal recruitment could be advantageous for educational institutions as in some cases internal candidates are very loyal to the institution, have clear organizational goals and are familiar with current leadership (Seniwoliba, 2015).

Moreover, the study of Barden (2008) study also identified difficulties in selecting an internal successor in the academic sector. Succession planning is an effective measure developed by academic institutions to evaluate internal staff and prepare them for critical leadership positions (Rothwell, 2010). For example, the selection of a successor in public higher education institutions in Malaysia depends on the position. Selection for an academic dean position requires at least 3 to 5 people. The selected candidates are sent to AKEPT where they have to undergo training. Finally, selecting a leader for a vacant position depends on pre-selection interviews.

### 2.3 Leadership Development

Developing a talent management process within an organization creates a succession culture within the organization and motivates employees to further develop their skills within the organization to advance their careers. Identifying and developing potential leaders are two of the most cited elements of the succession planning model. The identification of high potential cannot take place without the development of potential executives. Developing high potential is at the heart of any succession planning and management strategy (Burke, 2017).

The study of Chavez (2011) study focused on the importance of leadership development within the organization. According to this study, companies that fail to develop leadership skills at all levels not only risk losing knowledge, experience, and seniority when leaders retire, they also suffer from reduced productivity due to an overall lack of leadership employee engagement. The longer candidates must prepare for the succession, the better prepared they are. A succession plan initiates the potential to inspire organizational management to retain employees with mentoring programs (Fitzpatrick, 2014). These initiatives help educational institutions retain employees. Universities in Malaysia, for example, are actively involved in human resources development and in particular offer professional development courses for top-level managers. The Malaysian Ministry of Higher Education (MoHE) encourages higher education institutions to explore the different models to nurture top leaders and run professional development programmes

Many organizations use development as a means of strategic succession planning, where leaders are identified early in their careers and developed to higher leadership positions (Mackie & Boxall, 2008). Plessis & Sukumaran (2015, p. 3) stated that leadership is a social process in which group processes and behaviors such as decision-making and communication play a role. As such, leadership is an influence relationship between leaders and followers who seek genuine change that reflects their shared purpose. Employees' perceptions of an organization are strongly influenced by their relationship with their manager. Supervision by the immediate supervisor increases job satisfaction. Leadership style can have a positive impact on the organization's engagement and job satisfaction, while job satisfaction can have a positive impact on the organization's engagement and job performance.

### 2.4 Succession planning (SP) programs

Developing a formal plan for the successor will help prepare him or her for the future. Bernthal and Wellins, Smith and McGee (2006) provide a list of development programmes that human resource departments have used to prepare leaders, in order of use and effectiveness: formal workshops, special projects outside their own responsibilities, tests, assessments or other measures of skills, and

coaching by external trainers or mentors. Amundsen and Martinsen (2015) argued that development activities and employee development create positive career attitudes among employees, which in turn can improve employee performance. Kraimer *et al.* (2011) emphasized that career opportunities strengthen organizational support for employee development and performance. Ali and Mehreen (2018) pointed out that career attitudes are negatively related to employees' desire to leave the organization. Career development is an individual-center strategy that improves both individual and organizational performance by providing training opportunities. Career development is an important organizational strategy that facilitates internal promotions (Bowes, 2008). In 2016, the Malaysian government undertook an initiative for succession planning programmes, including leadership development such as academic career pathways and a university transformation programme (Chia, Ghavifekra & Razaka, 2021). For example, the Malaysian Ministry of Higher Education plays an important role in providing leadership training programmes for academic staff in universities. The Akademi Kepimpinan Tinggi (AKEPT) as an institution in Malaysia focuses on the continuous development of leaders in the higher education system and ensures that future leaders are trained as early as possible.

### 2.5 Leadership involvement

Top management involvement in succession planning depends on top management commitment and support (Hossain, 2019; Rothwell, 2010). Succession planning is achieved through personal engagement, which motivates participants and ensures that the other members of the management team devote time and effort to planning. Top management involvement encourages employees to participate in the succession process for organizations (Fadeyi *et al.*, 2019; Seniwoliba, 2015). Succession planning requires that the entire top management is involved in succession planning. If there is no senior-level support, succession planning may be ineffective (Fulmer & Conger, 2004). Top management leaders are more involved in driving their organization forward effectively. They worry less about when the timing is right to leave and who is the right person to succeed them (Cragun, Nyberg, & Wright, 2016). Therefore, top management can focus on retaining talent. Having succession planning in place can reduce leadership interference (Lacey & Groves, 2021). For example, CEO succession provides the institution with new talent and knowledge. Succession planning relies on the commitment and involvement of top management. Succession planning is achieved through personal engagement that motivates employees and devotes time and effort to planning (Hossain, 2019; Rothwell, 2010). This involvement of top management encourages employees to participate in succession planning programs (Fadeyi *et al.*, 2019; Seniwoliba, 2015).

### 2.6 Technology advancement

Technology facilitates the process, making it more flexible and shorter. Technological advances have paralleled improvements in the educational sector with technical advances brought about by new educational technology. Due to their roles in advancing science and technology and human capital development, academic institutions need to pay special attention to this issue. The advances in technology are significant as increased capabilities come with decreasing costs. According to (The Economic Planning Unit, 2006), the Ninth Malaysian Plan (2006-2010) has provided a few methods to improve the quality of education through Information Communications and Technology (ICT) in Malaysia's higher education sector.

The latest technology can be used to leverage the online system for assessing and identifying a successor (Ahmad & Keerio, 2020; Hassan & Siddiqui, 2020; Tucker, 2020). Succession analyses are based on the forecast of the personnel supply for certain positions, for example for the external provision of candidates including technological developments. Technological advances are affecting how employees are prepared for new jobs. Additionally, it helps employees find the best opportunities anywhere in the world. Technological advancement includes skills such as keeping

employees up to date with the latest trends in the technology industry. Development of a new website that allows employees to provide segmented information based on employee preferences (Rothwell, 2010). Modern technology can help management track the progress of individuals. The latest software can also facilitate individual development decision making to retain the best talent.

The industrial revolution is a new concept that has transformed society and the economy. The fourth industrial revolution is a new era that builds on the third industrial revolution. Businesses today are using a range of new technologies that connect the physical and digital worlds. The fourth industrial revolution is driving companies to think smartly and creative (Chatzinikolaou & Vlado, 2019). Traditional education has greatly contributed to the current level of industrial development and technological advancement. However, future generations of higher education institutions need to be equipped with the right skills and knowledge. For example, in Malaysia, universities are moving in the right direction to meet the challenge of the fourth industrial revolution. There are many different options available that will shape the role of higher education in the fourth industrial revolution. For example, a virtual meeting can be held and interacted with - with the additional convenience and cost savings that a digital environment offers. The Malaysian Education Blueprint (2015-2025) emphasizes the importance of university industrial connections.

### 2.7 Knowledge Management and Employee Retention

The definition of knowledge has always engaged researchers and scholar's 'minds since centuries ago. From the perspective of science, knowledge is considered as insights and understandings of human capital which enables their intelligent functioning (Sundiman *et al.*, 2013). Knowledge management can also be viewed from the knowledge work perspective, in this point of view knowledge management is considered as a system that supports identification and acquisition of knowledge from internal and external sources, creation of new knowledge, combination of externally created knowledge and finally, utilization of existing knowledge (Ponis *et al.*, 2010). Another perspective towards knowledge management is the technical perspective in this perspective, knowledge management is viewed as a complex combination of software and hardware which facilitates easy access and sharing of knowledge within organizations to support organizational learning within organization.

Knowledge management is strongly associated with employee's behaviors towards jobs. Employees will stay within the organization when their suggestions are given importance. An employee's knowledge plays an important role in any organization. Securing knowledge by employee retention is the heart of progression planning in the development of information technology. knowledge management also become an organizational asset that increases an organization productive. knowledge management ensures people share and transfer their knowledge into action to improve their work performance (Sunalai, 2015). Knowledge management can be used as a facilitator for individuals to learn more by providing practical information to them (Alavi & Leidner, 2001)

The introduction of knowledge management into the educational sector has been slow due to a multi-layered and systems-oriented process that requires organizations to rethink what they do and how they do it (Metcalf, 2010). Knowledge management can be used in HEIs to gain a more reflexive understanding of the impact of information on an institution. The use of technology in employee retention is increasing efficiency and creating a more effective. The main purpose of knowledge management at academic institutions is achievement of higher education missions (example: research development) and improvement of organization management (developing strategic plans and improving decision making processes). Transferring organizational knowledge from leadership to successors is a challenging task during leadership change.

### 2.8 Knowledge sharing

Knowledge sharing is defined as the systems and routines linked to the diffusion of knowledge within

an organization (Yang, 2007) or the transfer of knowledge (Chen et al., 2009). It constitutes the procedure where knowledge is transferred from one individual to another, from groups to groups and between individuals and groups (Shahnaei, 2017). Academics expect their engagement in knowledge sharing to enhance and enhance their relationships with peers and provide opportunities for internal promotion and career advancement at other universities (Cheng et al., 2009; Fullwood et al., 2013). Knowledge sharing practices are influenced by cultural expectations, such as what knowledge to share with employees. Organizational knowledge reflects employee retention to improve efficiency and effectiveness (Nonaka et al., 2000). Social Exchange Theory showed the connection between top management support and knowledge sharing (Hussein *et.al*, 2017). There is a significant association between knowledge sharing and employee retention factors such as reward systems (Abdulla, Ishak, and Zain, 2009). The study by Suomäki, Kianto & Vanhala (2019) suggested that employees are happier and stay longer in the organization when they experience a knowledge-sharing environment in their organization.

When an employee leaves the company, the costs are very high. This is not just about losing one's skills, but also about losing the knowledge that employees have acquired during their stay in the organization. Succession planning ensures that knowledge transfer takes place (Atwood, 2020). Companies need to develop different approaches to motivate their knowledgeable employees. Knowledge sharing is the most important area to reduce turnover intentions. Employees with more knowledge will be head-hunted and human resources departments will hire knowledge workers (Plessis & Sukumaran, 2015).

Every organization has its unique culture that influences how it acts and communicates. It is the responsibility of top leaders to create a culture of knowledge sharing. Because leaders are role models for others and have a direct impact on corporate culture. Top managers encourage informal meetings where representatives from all departments can discuss issues and get new advice from helpful colleagues that can help employees reduce their intention to leave the company. Ultimately, without effective leaders, employees will not be motivated to volunteer in knowledge management programs. The aim of knowledge sharing is to do something useful with knowledge. There are two dimensions to improving knowledge sharing: One dimension is managing existing knowledge, including reports, articles, and memos. Another dimension is the management of knowledge-specific activities, i.e., creation, dissemination and sharing.

### 2.9 Mentoring and coaching

Successful organizations depend on successful knowledge transfer. Therefore, knowledge management (knowledge sharing, mentoring, and coaching) is a powerful element between succession planning practices and employee retention. For example, technological advancement is a technical system that determines the knowledge journey process (Chang & Chuang, 2011). The results of this study are consistent with previous studies showing that knowledge management priorities employee retention (Surbakti & Taa, 2016). Mentoring and coaching are equally effective ways of sharing knowledge. Engaged employees are passionate about their work and feel that their contribution helps the organization move forward. Encouraging physical or mental engagement can keep employees in college longer. Mentoring and coaching are the best-known training tools for imparting implicit knowledge. Therefore, mentoring and coaching are equally effective ways of sharing knowledge. Engaged employees are passionate about their work and feel that their contribution helps the organization move forward. Encouraging physical or mental engagement can keep employees in college longer. This study found that employee involvement is important to make knowledge sharing effective for the organization. Employee participation and employee-to-employee communication, as well as thorough participation, allow them to gain new knowledge and share knowledge. The knowledge sharing process encourages employees to engage in career development plans. Retaining knowledgeable employees for the job is crucial for an employer, as many employers have underestimated the costs associated with losing key employees. Knowledge

management (knowledge sharing, mentoring, and coaching) can usher in a new era of knowledge acquisition and business-oriented goals in the education sector, which can inspire universities in Malaysia to drive innovation.

### 2.10 Employee Retention

Employees play an extremely crucial role in the sustainability and development of an organization. Employee retention has become a major concern for all organizations. Higher Education Institutions (HEIs) are also particularly vulnerable to the loss of their highly skilled workforce due to an aging workforce and reduced prospects for recruiting and retaining young and talented people. Employees move to the private sector and other higher education institutions that offer better retention strategies. Retention is defined as employers' efforts to retain talented and high-performing employees to achieve organizational goals (Fatima 2011, p. 25). An organization's ability to retain employees, particularly those with valuable skills, is a major contributor to the likelihood of success (Hytter, 2007). Highly qualified employees contribute significantly to the success of an organization. Kim (2010, p. 259) takes a different view of public sector employee retention. He found that public sector organizations are increasingly improving employee retention through a variety of practices, including employee development programs, alternative telecommunications, and enhanced IT training programs.

In today's highly competitive job market, finding qualified talent is a challenge. Management of employee retention is intended to be a deliberate and well-defined discrete process that examines the reasons employees join and leave an organization (Okwakpam, 2019). This implies that the reasons why employees leave the organization are as paramount to organizations as the reasons why they join the organization. The benefits of retention management for organizations are notable, as employee retention reduces the cost of hiring and training new employees to replace lost employees (Nzuve, 2010).

### 2.11 Intention to Leave

There are several definitions of an intention to leave. According to Purani and Sahadev (2008), a worker plans to leave his current job and looks forward to finding another job soon. Intention to leave can be defined as an employee's intention to leave or resign from their current job or company and seek another, better offer (Purani and Sahadev, 2008). The employees who have a high intention to leave the company will show lower work engagement compared to the employees with a lower intention to leave the company (Calisir *et al.*, 2011). The intention to leave the company may have been caused by the person's negative opinion and attitude towards their job and workplace (Shwu-Ru and Ching-Yu, 2010). A turnover intent is the employee's mood to leave the company (Gnanakkan, 2010). In other words, intention to leave is the members' intentions to leave the organization among its employees (Kim *et al.*, 2010). Organizations experience high turnover due to retirements, leading to higher hiring and promotion rates of employees to compensate for this loss of manpower.

Valuable employees can leave a company because of dissatisfaction, low wages, or a lack of motivation. Some other reasons are related to employees' attitudes towards leaving the company. Some employees show a lack of interest in management positions due to a high workload and/or lack of skills. When employees leave the organization, they take knowledge, experience, value systems and culture with them (Singh, 2019). Turnover eats up managerial time and resources expended on recruitment efforts. Attrition can be costly for the university as it can result in a less loyal and knowledgeable workforce, loss of valuable institutional memory, increased training costs and time, and a greater incidence of behavioural problems such as absenteeism and tardiness (Grobler & Van Niekerk, 2015). Various studies showed that human resources managers did not know their institution's current turnover rate and that many had no opinion as to whether the institution had high turnover but did not believe that their institution had a revenue problem (Metcalf *et al.* 2005).

### 2.12 Intention to Stay

Employee retention strategies have a significant impact on employees' intention to stay. To a certain extent an employee's intention to stay back in the organization is related to many key organizational behaviour and management domains such as career development, work life balanced, compensation systems and organizational culture. There are more retention strategies advised by Presbitero *et al.* (2016) which include (a) financial rewards, (b) promotion opportunities, (c) development opportunities, and (d) work environment improvement which can influence employee's intention to stay for longer time. However, one of the traditional strategies of managing employee retention and turnover is an organizational reward system. Employees receive rewards in exchange for their contribution to the organization. Rewards could be in the form of promotions or salary. Reward also retains a productive workforce . Some researchers stated that compensation could be one of the important variables to be examined in the employees' behavioral context. Salary rising is more important than the actual pay provided by the company to retain the best talent (Kochanski and Ledford ,2001). Safety climate perceptions reflect the relationship between workplace safety and worker well-being and are derived from workers' perceptions of workplace hazards (Burke & Sarpy, 2003). Pleasant working conditions can entice productive workers to stay. Employees can benefit from a work environment that inspires a sense of belonging.

Performance appraisal is an organizational communication tool that relates to the future development of employees and can help retain the best talent. When employees are positive about performance appraisal, this motivates them to participate in development activities that can subsequently improve individual performance (Nikpeyma, Saeedi, Azargashb, & Majd, 2013). Several researchers suggested the use of succession planning can improve employee retention (Tunje, 2014; Presbitero *et al.*, 2016; Okwakpam, 2019; Hassan & Siddiqui, 2020; Batool, Usmani & Rizvi, 2022). Succession planning is among the human resource policies that play a strategic role in employee retention through stimulating skilled labour (Okwakpam, 2019). For this study succession planning was consider as a tool to retain best talent in HEIs Malaysia Succession planning practices.

### 2.13 Succession Planning, Knowledge Management and Employee Retention

Succession planning is a retention program that improves the organization's ability to retain its employees or discourages employees from leaving the organization (Abbasi & Hollman, 2000). According to a study by Kamil *et al.* (2016) actively work succession planning practices as a method for enhancing and managing a skilled workforce, employee retention, and leadership development. Succession planning improves the staff's career paths for the purpose of motivating staff and to lower the turnover rate, Knowledge sharing in the workplace is the only form of organizational cooperation where employees can pass on the knowledge they have acquired. Much attention has been given to the lack of academic leadership to address the importance of succession planning and its relation to organizational knowledge. Furthermore, the study by (Grossman, 2014, p. 30) mentioned that "as expected, the lack of academic leadership has received increased attention and limited literature is available on the importance of succession planning and its relation to knowledge-based organizational theory".

### 2.14 Theoretical Foundation for the study

Theories are explanations of social behavior. A scientific theory is a system of constructs (concepts) and propositions (relationships between constructs) that together, within some assumptions and constraints, constitute a logical and coherent explanatory phenomenon of interest . Several authors have used different theories depending on the nature of the study. The most common theories were used social exchange theory, human capital theory and resource-based view. Social exchange theory has been used widely in previous similar studies (Ali, Mehmood & Mehreen, 2109; Abdullahi, Raman



& Solarin, 2022). Social exchange theory is one of the significant conceptual paradigms for comprehensive behavior in the workplace. Social exchange theory covers social interactions (i.e., succession planning practices) with a system (i.e., organizations). Some authors used human capital theory for the similar studies (Sawan, 2018; Buta, 2015; Coff and Raffiee, 2015; Kariuki & Ochiri, 2017). Sawan (2018) has related succession planning to human capital theory where components of human capital theory directly influence succession planning programmes. Buta (2015) found that talented employees can be able to fulfil their missions with human capital theory. Coff and Raffiee (2015) suggested that human capital theory assumes advantages tied to human resources are sustainable when employees have little desire to leave the organization. The elements of human capital theory (career development, mentoring and coaching) are directly related to succession planning (Kariuki & Ochiri, 2017). This theory relates to the importance of employee development, which is organizational output training (knowledge sharing, mentoring & coaching) for better customer satisfaction (job satisfaction).

Resource-based theory has been used by Grossman (2014) in his study "Succession planning and knowledge transfer in higher education. Northcentral University". The resource-based approach focuses on the organization's internal resources and strategy performance. Each theory includes assumptions that provide a solid basis for understanding the influence succession planning can have on knowledge transfer and employee retention. Succession planning bridges the knowledge gaps within human capital that are associated with vacant positions and employees, departures, and mitigates risks associated with human capital deficiencies (Klein & Salk, 2013). Human capital theory has been used to support the influence of knowledge transfer to retain the best talent. The significance of RBV in this study is to highlight the importance of the human resources management approach through succession planning, employee retention and knowledge management as means of enhancing HEIS's capability.

### 2.15 Social Exchange Theory

Balu (1964) introduced the theory of social exchange. A social exchange occurs within the employment relationship when a psychological contract is created that includes the perceived commitments that employees believe their organizations have made to them. This can lead to the inclusion of refund rules that result in a unilateral reaction from the other party. Social exchange theory is arguably one of the fundamental paradigms for understanding organizational behavior (Cropanzano & Mitchell, 2005). Researchers have often used social exchange-based constructs to explain organizationally desired work attitudes and behaviors (Brunetto *et al.*, 2013). Referring to Eisenberger's Huntington, Hutchison, and Sowa (1986) model, social exchange theory explains how the organization supports the effects of employee behavior. According to this model, employees have a global perception of the extent to which the organization cares about their well-being and shows appreciation, referred to as Perceived Organizational Support (POS). When employees perceive the organization as supportive, they feel obligated to return their support (Rhoades and Eisenberger, 2002). In line with this, it is also suggested that higher education institutions return the organization's support for talent retention, succession planning and knowledge management in the form of attitudes and behaviors.

### 2.16 Human Capital Theory

Human capital theorists believe that people are an organization's most important asset and as such a form of capital worth significant personal and professional investment. (Kariuki & Ochiri, 2017). According to human capital theorists, that organizations and institutions achieve significant benefits and strategic competitive advantage when they continually invest in their people. Succession planning directly contributes to human capital development and human capital theory as it is an integral part of career development, career advancement and performance management (Desai *et al.*,

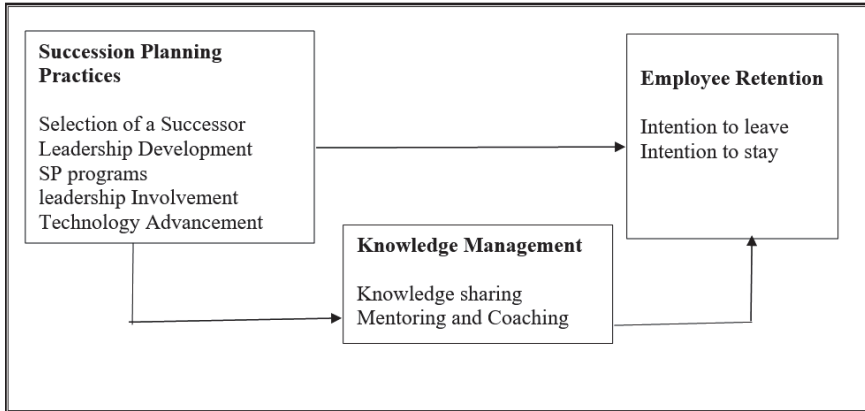
2016; Kariuki & Ochiri, 2017). Human capital is the accumulated experience, ability and knowledge of an employee (Desai et al., 2016). Individuals can accumulate human capital through education, hobbies, work experience, and professional development (Mooney, Semadeni, & Kesner, 2017). Improving the knowledge, skills and abilities of employees has the potential to improve their lives, advance organizations and improve economic conditions (Gillies, 2016). Higher education institutions not only benefit from human capital and maintain sustainability, but also play an important role in human capital development through education (Clunies, 2004; Marginson, 2017). As already shown, succession planning plays an important role in providing sustainable human capital. Higher education institutions can use succession planning as a strategy to develop the institutional sustainability needed to provide continued educational opportunities to support human capital development (Swanson, 2018). Human capital theory is helpful in understanding succession planning because it helps predict how changes in an employee's skills and education may affect hiring, development, and retention.

### 2.17 The Resources Based View

The resource-based view has a long history and fits well with the human-capitalist view of the people within an organization (McKiernan, 1997). The resource-based view has become one of the most influential and widely cited theories in the history of management. The resource-based view has made an important contribution in the fast-growing area of strategic human resources management (Wright, Dunford & Snell, 2001). The challenge for the education sector is to ensure it can attract, engage, and reward the talented people it needs. Boxall and Purcells (2003) study made it clear that organizations need to attract people who have the competencies and skills to drive organizational development. The emergence of RBV makes colleges more flexible than other institutions by hiring and developing more talented people. Internal resources (I.e. academic staff ) are seen as a source of competitive advantage in the education sector ,since they allow a company to stay one step ahead of its competition. In Malaysia, both public and private industries differ in their resource supply compared to other industries. Malaysian higher education institutions are considered to be organizations possessing a set of productive resources namely human capital. The McKiernans (1997) study also points out that human resources are the workforce in any organization, whether skilled or unskilled in various positions, they are everything. Academic staff is considered in this study as a valuable, rare, inimitable, and irreplaceable resource.

## 3. Conceptual Framework

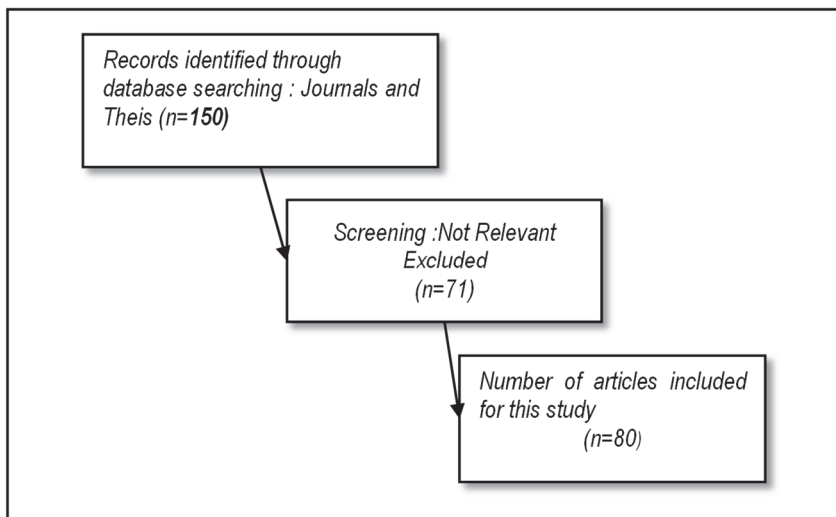
After an in-depth review of the literature on succession planning practices, knowledge management, and employee retention, this study provides the conceptual framework. In the field of succession planning, there is a lack of theoretical and methodological approaches in HEIs. Several authors have different views on the relationships between succession factors. Rothwell (2010) argued that effective succession planning strategies enhance talent from within and ensure continuity of leadership. Rothwell pointed out that it is crucial for companies to establish formalized succession planning as part of the organization's strategic tools. Rothwell (2010) proposed five best succession planning practices: successor selection, leadership development, succession planning programs, senior management involvement, and technological advances. The conceptual model in Figure 1 shows an operational approach that combines succession planning, knowledge management and employee retention. The conceptual model in Figure 1 is a mixture of ideas from Social Exchange Theory, Human Capital theory and Resource Based theory.



**Figure 1:** Proposed Conceptual Model Linking Succession Planning, Knowledge Management and Employee Retention

#### 4. Methodology

The core construct of this conceptual study led to an intensive review of the enormous body of relevant theoretical and empirical literature. Therefore, this section discusses the ideas underlying the concept of succession planning, knowledge management, and employee retention. A comprehensive literature review methodology was employed. A range of electronic databases was searched from 2000 to 2023. The field code search is based on the title, abstract and keywords. A manual search was also conducted. Most of the articles are used in this latest published article.



**Figure 2:** Literature Review Search Process

The various search engines ProQuest, Google Scholars and Emerald were used to record the research publications. Search terms incorporating “screening”. The screening process entails the researcher including or exclude the articles to be reviewed. This process is assisted automatically by the database

using a filter system. As a result, there are 71 articles to be excluded that did not match the desired criteria. Finally, 80 articles were recorded for this study.

## 5. Discussions

This study was conducted on the relationship between succession planning practices and employee retention in HEIs. In addition, the role of knowledge management as a mediator variable was introduced in the study. Leaders and employees leave an organization due to death, early retirement, disability, downsizing, late retirement, natural disasters, reduced engagement, and changing individual desires and interests. Every organization tries to retain those employees who have potential and have the necessary skills that can add value to the company. Succession planning is a retention program that improves the organization's ability to retain its employees or discourages employees from leaving the organization (Abbasi & Hollman, 2000). The connection between succession planning and employee retention is still new in the field of human resource management. Paying more attention to employee retention is an important step for any organization. According to Rothwell (2010) attracting and retaining talent requires more incentives for future growth and development. Highly talented leaders leave their jobs for a variety of reasons including sudden death, disability, early retirement, demotivation, and lack of commitment. According to a study by Kamil et al. (2016) actively work succession planning practices as a method for enhancing and managing a skilled workforce, employee retention, and leadership development. Fink (2010) found that succession planning reduces the risk of employee turnover.

The adoption of knowledge management in the education sector has been a slow and often underutilized process, and a systems-oriented process that requires organizations to rethink what they do and how they do it (Metcalfe, 2010). Knowledge management is a platform that supports strategic business decisions with people, leadership development and technology aspects. Knowledge is lost when talented employees retire or are absent for long periods. Knowledge sharing practices are influenced by cultural expectations, such as what knowledge to share with employees. The study by Kianto (2018) suggests that employees are happier and stay longer in the organization when they experience a knowledge-sharing environment in their organization.

A succession planning process is considered a high-level plan for knowledge management. The transfer of organizational knowledge from the leader to the successor is a challenging task during the leadership transition. The connection between succession planning and knowledge management plays an important role in the implementation of appropriate measures to deal with the challenge of long-term absences of employees. Knowledge sharing in the workplace is the only form of organizational cooperation where employees can pass on the knowledge they have acquired. Tajali et al. (2014) made it clear that knowledge management has gained enormous importance in research and industry in recent years and has highlighted it as an important factor for the survival of organizations and the acquisition and maintenance of competitive advantages. There are different methods of knowledge transfer within the organization. These methods include training programs, mentoring, and coaching on the job training, maintaining documentation, collaboration, and communication (Atwood, 2020). In order to avoid loss of key knowledge after the person leaves the organization, management should be aware of the essential importance of the knowledge transfer process. Mentoring and coaching are therefore equally effective forms of knowledge transfer.

## 6. Conclusions

The literature review shows that the need for succession planning at HEIs is generally recognized. The proposed conceptual framework is intended to provide theoretical and empirical evidence for the connections between succession planning, knowledge management and employee retention in HEIs. This study contributed significantly to the existing body of knowledge. This study highlights the importance of knowledge management (knowledge sharing, mentoring and coaching) to develop

employees and strengthen the relationship between succession planning and retention. Best practices for knowledge retention related to unexpected departures were incorporated into this study.

There is sufficient evidence to link succession planning practices to knowledge management. Knowledge management (knowledge sharing, mentoring, and coaching) is a new era of knowledge acquisition and business-oriented goals in the education sector. In addition, the proposed conceptual model provides academics and researchers with a fresh perspective to see the importance of succession planning practices in higher education institutions for retaining the best talent. This study drew from the Social Exchange Theory, Human Capital Theory and Resource Based View. The social exchange theory contributed to employee retention through knowledge transfer. Human capital theory has been used to support the influence of knowledge transfer to retain the best talent. Resource Based View theory highlights the importance of the human resources management approach through succession planning, employee retention and knowledge management as means of enhancing HEIS's capability. This study proposed succession planning practices in the higher education context and their impact on employee retention. While the study is conducted based on the HEIs context, it can be used as a model in other areas such as manufacturing and healthcare industry.

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