



Succession Planning and Organizational Performance: Evidence from a Manufacturing Organization in Nigeria

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Abstract

The absence of a succession planning policy has a detrimental influence on the functioning of the organization. Organizational performance was assessed as part of a research on succession planning at Perfetti Ban Mettelle Nigeria Limited Agbara, Ogun State. The study used a descriptive survey design, with a population of 1,392 and a sample size of (135) determined using the Krejcie and Morgan formula. Perfetti Ban Mettelle Nigeria Limited Agbara, Ogun State employees were given 135 questionnaires; of those, 91 were found to be usable by the researchers. For the purpose of determining whether mentoring and talent retention improves an organization's performance, three hypotheses were tested using the ordinary least square method, with S.P.S.S version 23. Organizational performance was found to be 3.1 percent, 1.1 percent, and 0.5 percent due to the findings of the study. A total of three hypotheses were presented. Organizational performance is positively influenced by all of the indicators of succession planning identified in the study, according to the research. It was suggested, among other things, that companies implement retention strategies or programs to encourage their best employees to dedicate themselves to the company's objectives.

Keywords: *Succession Planning, Organizational Performance; Mentoring, Employee Development; And Talent Retention*

1.0 Introduction

It has become more important for companies to be dynamic and use various tactics for keeping competent and talented people in order to improve organizational performance and replace vacant jobs in circumstances such as retirement, resignation, and others. Organizational performance is defined as the execution of tasks by employees in accordance with a predetermined measurement standard set by management while utilizing resources in a dynamic context (Cook & Hunskaer, 2014; Odhiambo, Njanja, & Zakayo, 2014). Attitudes that have been evaluated or analyzed in terms of employees' contribution toward an organization's goals are referred to as "performance (Cook & Hunskaer, 2014).

Human resource managers have the issue of replacing competent and qualified individuals who leave the organization either willingly or involuntarily owing to retirement, relief of appointment, new goals, death, and other circumstances in the increasingly competitive global business climate. Lack of qualified and competent successors to fill vacant roles is a problem for organizations, and it has a detrimental influence on the overall functioning of the business.

Ogunyomi (2018) asserts that succession planning should be a proactive strategy for firms before top executives go into retirement. Before vacancies arise, it is critical that organizations train successors.

Ogutu (2012) stated that there is not much succession planning occurring in firms in Africa, as only 32 percent of the firms had embraced systematic succession planning and management. Among these firms, not all of them had met the ideal characteristics of an effective systematic planning.

When experienced employees leave a company, they take with them not only the ability to do the job, but also the knowledge they've gained during their time in the organization. This obvious truth is not just in one area, but in all functional areas. Succession planning entails more than just thinking about top-level replacements; it also entails considering what to do when the most experienced people at all levels leave and take valuable institutional memory with them. To keep talent, one must constantly involve them in think-tanks, giving them opportunities to disseminate their knowledge within the organization (Krauss, 2007).

Many organizations are currently under pressure to ensure their long-term viability, flexibility, and responsiveness to the world of work's growing competition. Finally, increased turbulence in the labor market, as evidenced that organizational restructuring has a significant impact on how businesses respond to workforce replacement (Rothwell, 2016). On a global scale, succession planning has received more attention in recent years, not only as a concern for human resource management, but also as an institutional strategic management component for improving organizational performance and growth (Walter, 2007). Top corporate companies revealed in one of Rothwell's recent surveys that one of the main reasons for having succession planning programs is the difficulty of maintaining a pool of potential successors.

Succession management is defined in Rothwell's (2005) work as any effort to ensure the effective performance of an organization, division, department, or work group over time by making provisions for the development and replacement of key people, as well as their strategic application (Rothwell, 2005a). A succession planning and management program is a systematic effort that assures continuity in important roles, the long-term retention and development of intellectual and knowledge capital, and the promotion of individuals in the organization (Rothwell, 2005). When it comes to senior management succession planning, however, the focus is exclusively on the identification of back-up candidates for each post (Hunte-Cox, 2004). In order to ensure that the company's future demands can be met, it is important to plan for succession in advance.

It's crucial to identify present and potential abilities that may be developed in order to help a business accelerate and maintain its performance in the years to come. A mechanism for identifying high-potential people and nurturing their development is provided by succession planning for businesses (Ip & Jacobs, 2006). In this manner, firms may enhance their own performance. Organizational performance is examined as a result of this study's focus on succession planning.

1.2 Statement of the Problem

The inability of management of organizations to put in place a succession planning policy is affecting organizational performance. The challenge of replacing experienced, talented and competent

employees in the food and beverage industry when such individuals leave is negatively affecting the achievement of organizational goals and objectives leading to poor organizational performance within this industry. Organizations are perceived to have lagged behind in instituting succession plans as part of their strategies to deal with employees' transition and thus risk losing experienced employees, which is affecting organizational performance. Sufficient evidence exists in literature on the interlink between succession planning and organizational performance. (Nwosu, 2014; Seniwoliba, 2015), but the majority of these studies were conducted in the banking and small and medium-sized business sectors. Only a few studies have looked at how succession planning affects business performance in Nigeria's food and beverage industry, and those that have used qualitative methods and secondary data to gather information.

Despite the urgent need for succession planning, most organizations have not fully embraced it, as many companies prefer to poach from the outside rather than give it much thought. This is one of the primary reasons organizations fail, as a lack of succession planning policies often results in their demise (Huang, 1999). Most organizations do not have the time or resources to devote to mentoring and developing the next generation of leaders. A succession plan is unavoidable as organizations continue to struggle with creating a formal process to identify, develop, and retain a high-potential workforce within the organization in order to improve organizational performance (Hirsh, 2000). As a result, succession planning becomes essential to the success of an organization, especially in the food and beverage industry.

Therefore, the following research questions and objectives were raised in order to examine the impact of succession planning on organizational performance in Perfetti Ban Mettelle Nigeria Limited.

1.3 Objective of the Study

The main objective of this study is to examine the effect of succession planning on organizational performance in Perfetti Ban Mettelle, Nigeria Limited Agbara, Ogun State, Nigeria.

Specific objectives are as follows:

- 1) To examine the effect of mentoring on organizational performance,
- 2) To investigate the effect of employee development on organizational performance.
- 3) To evaluate the effect of talent retention on organizational performance.

1.4 Research Questions

The study was guided by the following research questions:

1. To what extent would mentoring affect organizational performance?
2. What is the effect of employee development on organizational performance?
3. To what extent would talent retention affect organizational performance?

1.5 Research hypotheses

Ho1: Mentoring has no effect on organizational performance.

Ho2. Employee development has no effect on organizational performance.

Ho3 Talent retention has no effect on organizational performance.

2. Literature Review

2.1. Succession Planning

Rothwell (2001) sees succession planning as a deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital in the future, and encourage individual advancement. According to Nwosu (2014), succession planning entails finding qualified employees to take the place of departing senior managers due to retirement, reassignment, or other circumstances. Charan, Drotter, and Noel (2001) regard succession planning as ensuring that every leadership level has a plethora of high-performing individuals to draw from today and in the future. According to Schamer (2007), succession planning might be a chance for management to look into the future jointly. A common phrase from the above definitions is “the future”. This is why Chlebkova, Misankova and Kramarova (2015) maintain that succession planning is the unique ability of an organization to deal with the future. Therefore, succession planning is the attraction of competent individuals into the right position at the right time for achievement of organizational goals. In addition, Roy (2004) maintained that effective succession planning is the epicenter of leadership and a strategic business tool, because it fosters suitable transition for productivity. A proper succession planning is embedded in career development and professional advancement, which are strategic ingredients for employees’ retention (Roy, 2004). It is in this sense that Griffith (2012) concluded that effective succession planning is an absolute necessity for professionals. Since there is no uniform model of succession planning for businesses (Chlebkova et al., 2015), this study adopted the concept of mentoring, talent retention and employee development as components of succession planning, and determinants of organizational performance.

2.2 Organizational Performance

Despite its widespread and extensive use in organizational studies, performance is still one of the most ill-defined and imprecise constructs till today (Roger & Wright, 2012). That which is measured or assessed in terms of a company's goals is referred to as performance (Cook & Hunskaer, 2014). Brumbrach (2014) expresses the concept of performance as both behaviors and results. A person's behavior is a direct result of their behavior during a performance. Behaviour is not just a means to an end, but also an end in and of itself, the product of mental and physical effort put into a task (Hazarika, 2009). What this means is that when it comes to determining how to manage performance, you need to take into account both the behavior of your employees as well as their output (the results). It's not enough to focus solely on achieving goals, as was the case in management by objective schemes, but rather to consider the importance of competencies in the process (Armstrong, 2006). An organization's goal that can be scaled and measured is relevant to performance as behavior or action (Harter, 2008). A variety of objective metrics, including financial and market indicators, have been used in other studies to evaluate firm performance (Hayes, 2006).

Motowidlo and Schmidt (1997) define organizational performance as the values and overall benefits an organization receives from a given employee over a given period of time. It is worthy of note that organizational performance is a multi-dimensional concept that is measured across different sectoral levels. Therefore, it is necessary to operationalized specific concepts that contribute to organizational performance within the context or industry in order to sustain performance in the organization (Odhiambo, Njanja & Zakayo, 2014).

2.3 Mentoring

According to Ogunyomi (2003) mentorship may improve a company's culture and ideology. In contrast to Hall and Smith (2009), Egwu (2012) argues that mentoring entails a one-on-one interaction between the mentor and the mentee, which builds a relationship of trust and confidence between the two

parties. As a result, the mentor may be able to provide the mentee individual with professional advancement chances. Mentoring is defined by Mentoring kit (2007) as the act of one person (mentor) helping another (mentee or protégé) grow and examine their own ideas, learning and personal and professional development in order to help the latter achieve their goals. However, mentoring has been identified as a major problem in food and beverage organizations, with a resultant effect on succession planning (Krauss, 2007; Oguka, Onwuka, Nwakoby, 2020). One of the motivations of this study is to establish the influence of mentoring on organizational performance.

2.4 Talent Retention

Prior to this time, mobility of labor was rare, with most employees staying with an organization for a long time, sometimes until they retire. This made retention an important topic for researchers and practitioners in the 1970s and 1980s (Azeez, 2017). However, as the number of job openings has increased, the competition for top talent, and as the issue of employee turnover has become more pressing, a management tool known as employee retention has emerged to address these issues (Stephen, Ochieng, Samuel, Odhambo, & Emmanuel, 2013). As a result, modern businesses have come to rely on employee retention as a critical success factor. Human resource management procedures must be significantly adjusted in order to create a competitive edge in the areas of recruiting and keeping appropriate and qualified individuals (Nwokocha & Iheriohanma, 2012). There is a rising worry among companies about the need of maintaining core personnel to reduce the negative impact of losing competent people in modern businesses, particularly those in the service industry.

It's becoming increasingly challenging for firms to keep critical personnel in the knowledge worker age. Companies are now including their retention plan into a bigger personnel management strategy to ensure they have the suitable kind of people to assist in retaining a long-term competitive edge in the market. (Allen, 2008). As an organization's performance suffers if a productive employee leaves, the primary goal of talent retention is to keep those employees on board (Samuel & Chipunza, 2009; Alnaqbi, 2011).

Despite the fact that there are numerous definitions of retention, it all seem to complement one another rather than being mutually exclusive. A voluntary effort by organizations to create an environment that encourages long-term employee engagement is referred to as employee retention in academic literature (Chaminade, 2006). Retention refers to an organization's efforts to keep in employment those employees of whom the organization has a positive evaluation, who would normally only leave the organization through voluntary resignation (Van Dyk, Coetzee, & Takawira, 2013). Employers use employee retention as a way to keep their best workers around for as long as feasible or until the job is done (Nawaz, Ayesha, & Sobia, 2012).

It has been considered as a method to assist firms maintain an efficient staff and accomplish their commercial objectives (Mita, Aarti, & Ravneeta, 2014). A wide range of influence tactics are employed in an organization's efforts to keep its important personnel satisfied and contributing to the accomplishment of the organization's goals and objectives. Keeping people on the job and lowering employee turnover are important but retaining individuals who can provide companies an advantage over their competitors may be an even more important consideration (Singer, Goodrich, & Goldberg, 2004).

2.5 Employee Development

Discourse on employee development has been around since the '20s, and its ebbs and flows have been driven by the state of the labor market. While joblessness is low, employers are more concerned with retaining their current employees, and as a result, programs are developed with this in mind. Cross-training employees or marketable skills may be prioritized when the market is more unstable and prone to

layoffs and downsizing. Employers have recently changed their expectations so that they no longer expect new hires to stay in the organization until retirement. Employee development programs increasingly focus on helping employees reach personal goals, get ready for emerging technologies, and be more productive as a whole. As a result of this, an organization creates a culture that values and supports employee growth and development, which ultimately contributes to the overall success of the business (Sims, 2001).

When it comes to employee development, it's all about giving employees the chance to grow and become more valuable members of the team by enhancing their skills and knowledge. Typically, this includes "new hire orientation, training, career management, and management development" (Harrison, McKinnon & Terry, 2006). Preparing for new roles, responsibilities, or retirements is part of the development process. Therefore, employee development is a major components of succession planning (Santora, Caro, & Saros, 2007). For example, Merhabani and Mohamad (2011) contends that succession planning is a fundamental process that takes into consideration the development of potential employees. Besides, recent study has also demonstrated that employees' development directly influences succession planning and indirectly improves employees' performance (Mehreen & Ali, 2022).

2.6 Theoretical Review

The theoretical models reviewed include

- i. Relay succession planning model by Santorin (2004)
- ii. Otto Scharmer (2007) Theory U Model

Relay Succession Planning Model

The first model for succession planning, known as relay succession planning, was developed by Santorin (2004). In Santorin's model, the current business leaders of an organization must gradually hand over the reins to a successor over a long period of time. Organizations that use relay succession plans, according to Santorin's research, have higher levels of success because their successors have been tested on their business acumen before taking over (Santorin, 2004). It is possible for a company's new leader to assess the current state of management while also receiving training from the outgoing leader.

Businesses that do not have such strategies are being contrasted in Santorin's research to examine how this approach affects such organization. As a result, relay succession plans are more successful, as the incoming CEOs are already aware and knowledgeable about many of the company's issues and challenges (Osibanjo et al., 2011). The research done at the University of Santorin shows that organizations with an internal relay succession model have a better long-term return on investment than those without, but some companies may prefer to use outside resources to help introduce new initiatives and dreams.

Scharmer's Theory U Model

Scharmer's (2007) came up with the concept for this model. In Scharmer's view, the senior management of a company must support and implement succession planning. To begin, succession planning is viewed in this paradigm as a process that begins from a learning point to a development stage. It also supports the notion of a U-shaped process that includes five motions that can lead to change (Scharmer 2007).

- i. Organizations Co-initiate an impending event by developing a shared objective with all stakeholders.

- ii. The Co-sensing stage of the movement happens when an organization recognizes the need at hand collectively and across borders. It is the second stage of the movement, in which, groups work together to come up with new innovative ideas and concepts through collective input.
- iii. The third stage is known as Presencing. This refers to when an organization's leadership begin to envision the future, they hope to achieve by setting the stage for change and propels the organization toward its desired outcome (Scharmer, 2007). It can be seen at this point that the leadership is able to let go of unresolved issues from the past and move forward with a more realistic vision for the future.
- iv. Co-creating is the fourth stage. This is the stage that points out how organizations' top leaders should assume a prototype of the organization's futures. Scharmer (2007) adds that leadership should focus on long-term succession planning rather than focusing on the immediate needs of the organization.
- v. The fifth movement of theory U model is co-evolving, which suggests the implementation of succession planning, when faced with employees' uncertain future. Collaboration may help a company embrace change and implement succession planning techniques (Osibanjo et al., 2011).

Justification for the Adopted Theory

Research examined two theories, but the relay succession planning model was used as a framework because it suggests that business leaders in organizations must pass the baton over a long period of time, which encourages mentoring and employee development, and studies have shown that organizations that engage in relay succession plans boast better results.

2.7 Empirical Review

Succession planning based on cooperation is crucial for profit-making firms in the business sector. However, the concept of succession planning is multi-dimensional. Various constructs have been applied to measure the strength of succession planning towards organizational performance. One of such constructs is mentoring. Mentoring has been identified as a strategic tool of succession planning (Oguka et al., 2020). Ogunyomi (2003) stated that mentoring is crucial in Nigerian firms, as a result of the acute lack of talented employees, which is demonstrated in multiple empirical studies on organizational performance and succession planning. For example, in Nigeria, Oguka et al.'s (2020) study on succession planning and organizational continuity in a food and beverage industry indicated that a significant positive association exists between mentoring and organizational agility. The study suggests that employers should imbibe the spirit of young employees to foster organizational continuity (Oguka et al., 2020). Kariuki and Ochiri (2017) assess the effect of succession planning on organizational productivity among Dairy farmers in Kenya. The authors demonstrated that mentoring programs, human resources programs, benchmarking programs and strategic training programs have significant and positive impact on organizational productivity. Kamami (2017) empirically investigated the influence of succession planning on performance of a food and livestock organization in Malaysia. The author revealed that internal and external replacement strategy are significantly and positively associated with the firm's organizational performance. The study submitted that internal versus external replacement and bench strength readiness as constructs of succession planning positively influence the organizational performance (Kamami, 2017).

In addition, Ghee, Ibrahim, and Abdul-Halim (2015) found that succession training significantly impacts family business performance. The interlink between succession planning, employee retention, and organizational effectiveness among four fast moving consuming goods organizations was investigated by Tetteh (2015) in Accra, Ghana. The study indicated that succession planning significantly predicted employee retention and organizational effectiveness. The study further revealed that career development programs significantly mediated the association between succession planning and organizational effectiveness. In a study conducted in Nigeria by Onwubiko and Oyemike (2010) on succession planning, the authors discovered that

academic libraries in Imo State employed job rotation and departmental job assignment as the most popular implementation techniques in their succession planning. Succession planning is regarded to have a favorable influence on high-potential personnel in addition to assuring the continuity of leaders in critical roles. According to Nwosu's (2014) research investigation, good succession planning is the most effective technique of guaranteeing the long-term viability and growth of a business. The study discovered a link between successful succession planning and long-term viability and development (Nwosu, 2014). When the aspects of effective succession planning were taken into account, succession planning was determined to be successful. An investigation on best practices for leadership development and succession planning was conducted by Kevin (2007). The findings suggest that companies should develop a mentor network by fully engaging all managers in mentoring relationships with their direct reports and high-potential employees from diverse work units. Leadership development programs, including as courses and project-based learning experiences for managers at all levels, were also encouraged to discover and reward high-potential staff members.

Furthermore, human resources and succession planning are critical in ensuring the continuity of management, ethics, and philosophy at public institutions (Harmon, 2007). Many public higher education institutions put off succession planning until it is too late (Seniwoliba, 2015). Failure to address succession planning problems in a timely manner might result in the institution being forced to shoulder the burden in the event of an emergency. The person who succeeds must be able to anticipate and overcome unexpected hurdles.

Succession planning is vital to a company's long-term health and competitiveness. The succession plans of Nigerian companies looked to be ill-considered. Organizational survival is linked to succession planning, according to Osibanjo et al. (2012), who showed that talent retention is an important mediator in this idea. Retaining exceptional people is also a competitive benefit for a company's long-term success. Managers must assess their firms' succession planning and management before deciding whether to promote or let go of people (Shadi & Noor, 2011). Shadi and Noor (2011) concluded that succession planning is a process and system much like any other human resources activity. It has been noted that employees who participated in a succession planning program are more likely to stay with the company because of the opportunity to improve professionally and a positive work environment (Ghee et al., 2015). Programs like work rotation, mentoring, and coaching helped to make this happen.

3.0 Methodology

This study focused on succession planning as a determinant of organizational performance in Perfetti Ban Mettelle Nigeria Limited Agbara, Ogun State, Nigeria. The data was gathered through a questionnaire and rated on a four-point Likert scale, in which, descriptive survey design was adopted. Samples were taken using a random sampling method. Organizational experts in measurement and evaluation from the Lagos State University's department of Psychology and Industrial Relations and Human Resource Management verified the research instrument's validity, which was developed from extensive literature review. The instrument was put through its paces in a pilot study, and the results showed a reliability coefficient of 0.75. A sample size of 1392 was calculated using the Krejcie and Morgan sample size determination formula, in which, 135 permanent employees were sampled. Forty-four (44) of the survey's total of 135 copies were deemed unusable, but a total of 91 copies were returned with all required information. The data was analyzed with SPSS (23.0) using the ordinary least squares method.

3.1 Data Analysis and Presentation

All the components of succession planning (mentoring, employee development, and talent retention) were regressed on organizational performance through the application of a linear regression model. This is to test and validate the research hypotheses.

3.2 Hypothesis one

Table 1: Mentoring has no effect on organizational performance

Variable	B	Beta	T	P-value	R ²	F	Df	P-value
Constant			3.734		6.781	.000		
Mentoring	-.323	-.204	-1.981	.021	.042	3.923	1;90	.021 ^b

Predictor: Mentoring; Dependent variable: Organizational Performance

As shown in Table 1 above, R² (.042) indicated that 4.2% of the variation in organizational performance is brought about by mentoring while the remaining 95.8% is explained by other factors. The result further reveals that mentoring accounts for 4.2% of organizational performance. On the aggregate, the regression model reveals a significant relationship between mentoring and organizational performance where F (3.923; p = .021 or p < 0.05). However, when holding other factor constant, an inverse relationship was found between mentoring and organizational performance, in which, the beta value of mentoring is negative $\beta = -.323$. This suggests that when the predictor variable is increased by one unit, the dependent variable decreases by 0.323 units. This further implies that the impact of mentoring on individual employee is poor, but with little effect on the general organizational performance. This may be due to other endogenous factors affecting organizational performance. As a result of the outcome of this analysis, hypothesis one, which asserted that mentoring has no effect on organizational performance is rejected.

3.3 Hypothesis two

Table 2: Employee development has no effect on organizational performance

Variable	B	Beta	T	P-value	R ²	F	Df	P-value
Constant			2.745		4.515	.000		
Employee development	.018	.010	.099	.010	.014	.010	1;90	.010 ^b

Predictor: Employee Development; Dependent variable: Organizational Performance

Table 2 above shows that R² (.014) or 1.4% of the variation in organizational performance is brought about by employee development while the remaining 98.6% is explained by other factors. The result further reveals that employee development accounts for 1.4% of organizational performance. Hence, the regression model significantly predicts the outcome variable with F (.010; p = .010 or p < 0.05). this suggests that for every 1 unit rise in the predictor variable, the dependent variable will increase by .018 units, as indicated by the beta value of $\beta = .018$. Therefore, hypothesis two, which states that employees' development has no effect on organizational development is rejected.

3.4 Hypothesis three

Table 3: Talent retention has no effect on organizational performance

Variable	B	Beta	T	P-value	R ²	F	Df	P-value
Constant	3.452		7.105	.000				
Talent retention	-.173	-.125	-1.199	.040	.016	1.438	1;90	.040 ^b

Predictor: Talent Retention; Dependent variable: Organizational Performance

The R² (.016) shows that talent retention accounts for 1.6% of the variation in organizational performance, while other factors account for the remaining 98.4%. On the aggregate, the regression model reveals a statistically significant relationship F (1.438; p = .040 or p < 0.05) between talent retention and organizational performance. However, when holding other factor constant, an inverse relationship was found between talent retention and organizational performance. This implies that an increase in the predictor variable by one unit, will yield a decrease in the dependent variable by 0.173 units, as indicated by the beta value, where $\beta = -.173$. This result may be due to other endogenous factors influencing organizational performance at the selected firm. Based on this result, hypothesis three, which states that talent retention has no effect on organizational performance is rejected.

4.0 Discussion of Results

This study aims to assess the relationship between succession planning and organizational performance. The relationship between mentoring and organizational performance was found to be statistically significant. About 4.2% variation in organizational performance was explained by mentoring. However, when holding other factors constant, an inverse relationship exists between mentoring and organizational performance ($\beta = -.323$). On the aggregate, mentoring significantly predicts organizational performance F (3.923; p = .021 or p < 0.05), and the null hypothesis was rejected. These findings concur with the study conducted by Oguka et al. (2020) on the effect of succession planning on organizational continuity in a food and beverage industry. The authors found that a significant association exists between mentoring and organizational agility. This further buttress the pivotal role of mentoring as construct of succession planning (Kariuki & Ochiri (2017).

The outcome of the regression analysis also revealed that employees' development is a determinant of organizational performance. An estimated 1.4% of the variation in organizational performance is brought about by employees' development. In addition, the F statistics indicated that employees' development significantly influence organizational performance (F (.010; p = .010 or p < 0.05). therefore, hypotheses two was rejected. These findings are consistent with prior research (Jacobs & Washington, 2003; Ibidunni, Osibanjo, Adeniji, Salau, & Falola, 2015) that demonstrated that a significant and substantial association occurs between employee development, talent retention, and organizational performance.

The interlink between talent retention and organizational performance revealed a significant relationship. Talent retention accounts for 1.6% of the variation in organizational performance. An inverse relationship was found between talent retention and organizational performance, when holding other factors constant ($\beta = -.173$). On the aggregate, talent retention shows significant relationship with organizational performance F (1.438; p = .040 or p < 0.05). Therefore, hypothesis three was rejected. This result supports the study conducted by Tetteh (2015) in Accra, Ghana. The study indicated that succession planning significantly predicted employee retention and organizational effectiveness. This result espoused

Santorin's (2004) relay succession planning theory, in which, employees' development via training and development, and talent retention are adopted in preparation for handing over the leadership role over a long period of time (Santorin, 2004). Therefore, mentoring, employees' development, and talent retention are strategic tools of succession planning.

5.0 Conclusion

Perfetti Ban Mettelle Nigeria Limited Agbara, Ogun State, Nigeria, has been found to have a positive impact on organizational performance through staff development and talent retention. The independent factors were shown to have a mild relative impact on the prediction of organizational performance in the study results. As a result, organizations should promote mentorship, provide opportunities for employee growth, and implement measures to ensure that their best employees stay on board in order to boost overall performance. It's safe to say that giving employees the right mentorship and investing in training programs will help companies keep and grow their finest personnel.

5.1 Recommendations

The following recommendations are based on the findings and conclusions of this study.

- i. Organizations should invest in training and development. Programmes to improve employee performance.
- ii. Management should encourage senior managers in the organization to provide mentorship for the junior employees so as to enhance their performance.
- iii. Organizations should put in place retention schemes or programmes that would motivate their talents to be committed to the goals and objectives of their company.

5.2 Suggestions for Further Studies

- i. The study should be extended to other sectors, for example, banking and telecommunications using other indicators of successions planning and organizational performance.

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