

The Effect Of Succession Planning On The Financial Performance Of Jordanian Telecom Companies

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Abstract

The rapidly evolving nature of today's business environment, stiff competition, and constant restructuring of organizations and culture has frequently redefined Succession Planning practices to the contingent organizational situation. Succession Planning practices ensure that organizations develop and optimize employees' competencies and leadership potential at all levels of the organization for their posterity and sustainability. Hence, the study aimed to assess the effect of succession planning on the financial performance of Jordanian telecom companies. The study considered the factors of succession planning: Experience and financial performance (profit). Quantitative data, such as descriptive statistics, through specific and focused questionnaire was used to collect respondents' answers computationally, and then the data was analyzed statistically to obtain unbiased results. The study found a significant impact with statistical significance at the level of significance of succession planning with all dimensions (Experience) on the financial performance of companies in Jordan Telecom. Organizations nowadays are flourishing and falling flat, with their prosperity and disappointment being owed to an incredible number of elements.

Keywords: Experience, Financial Performance, Succession Planning, Telecom Companies.

I. INTRODUCTION

I.1 Succession Planning in Organizations

In years past, when organizations members exit the organization (i.e., resignation, termination, etc.), management replaced their staff (Bernthal & Wellins, 2013); this was a critical mistake as systemic knowledge is not passed down to other employees (Cheng, 2016); and this uncovered many challenges that were capable of rendering an organization moribund and increased replacement cost (Drotter & Charan, 2011). As time progressed, the organizations realized the potential in harnessing their employee competence from within via Succession Planning

(Groves, 2013). Notwithstanding this realization, organizations in the 1960s' and 1970s' mostly focused the practice of Succession Planning to key top positions in the organizations (Rothwell, 2010; William, 2015), this limited the prospect of Succession Planning to other employees' in non-key positions (Pandey & Sharma, 2014). In recent times, this focus has changed, as Succession Planning now encapsulates the improvement of all employees in all cadres; this enables them to adapt, respond, and succeed in a dynamic business environment (Nwosu, 2014). The rapidly evolving nature of today's business environment, stiff competition, and constant restructuring of organizations and culture has frequently redefined Succession Planning

practices to the contingent organizational situation (Mehrabani & Mohamad, 2011). In this present time, Succession Planning practices ensure that organizations develop and optimize employees' competencies and leadership potential at all levels of the organization for their posterity and sustainability (Groves, 2013; William, 2015). Hence, for an organization to continually maintain optimal relevance and sustainable performance, it must possess a highly relevant and robust employee base in all cadres, which possess relevant, useful, valuable, and productive competence to the indicators of success in their industry.

1.2 Financial Performance

Avanesh (2011) explains performance measurement in organizations as a tool for evaluating performance towards the achievement of set organizational goals. The organizational performance incorporates two areas of organizational outcomes, which involve measures (e.g. profitability, liquidity, shareholder return), and non-financial performance measures (e.g. productivity, quality, efficiency, attitudinal and behavioral measures; commitment, intention to quit, and satisfaction) (Garg and Van-Weele, 2012; Cheng, 2016).

Conventionally, the appraisal of an organization's performance mostly utilize the financial ratio method, because it provides a simple description of an organization's financial performance; nonetheless, Glautier and Underdoon (2009) posit that two aspects of an organization's financial performance interest investors; first, its financial performance may be evaluated via its capacity to bring profit; this view aligns with the observation of Pandey (2004) who considers profit as the appropriate measure of an organization's performance. Finally, an organization's financial performance may be evaluated with regard to its share value to

investors (i.e., share earnings, dividend yield, and price/earnings ratios).

Financial performance connotes the measure to which an organization's financial objectives are being or have been accomplished; it is the means of evaluating the outcomes of an organization's functioning and policies in monetary expressions (Kamami, 2017). It is also used to evaluate an organization's holistic financial status for a defined period and may also be utilized to compare related organizations across the same industry or to compare industries or sectors (Ishak, Ismail & Abdullah, 2013). The financial performance analysis also reveals organizations' financial weaknesses and strengths (Abor & Biekpe, 2013).

2. Overview of the Telecom Sector

The telecommunications sector comprises the corporations which make communications possible globally, either it is via the phone or the Internet, via airwaves or cable, via wire or wireless. These corporations create the infrastructures which permit data in words, voice, audio, or video to be sent anywhere worldwide. The biggest corporations in the industry are wireless operators, satellite corporations, cable corporations, and internet services providers.

The telecommunications industry evolves from the telegraphs, the number one mechanical device. It reduced communications from days to hours – more as contemporary mobile technologies reduced the time duration to send big quantities of data from hours to seconds. The reason for these changes is because of technologies as they change the way people live and do business. In certain times, telecommunication requires a physical wire that connects houses and companies. In modern societies, technologies have gone mobile; digital, wireless technologies have become the main system of communications.

The sector structures have also evolved from limited big players to decentralized systems with reduced regulations as well as entries. The main public companies play the role of the service providers, whereas small corporations sell and service the equipment, like routers, switches, and infrastructures, which allow this communication. For development investors, these corporations offer the greatest opportunity for share price appreciations. Contrarily, bigger corporations incline to be a haven for conservatives, income-focused investors.

3. Review of Literature

Wang'ombe (2013) analyzed the effects of succession planning strategy on the performance of International Non-Governmental Organizations in Kenya. The study findings indicated that internal hiring of required expertise as a succession planning technique was a major contributor towards the performance of International Non-Governmental Organizations in Kenya. **Helen Byrne (2013)** highlighted that Talent Management and Succession Planning in semi-state organizations against the backdrop of globalization, deregulation and the financial crisis. A single Case Study is conducted to compare academic opinion on the subject against four companies' approach to talent management and Succession Planning during retrenchment programmer. **Nwosu (2014)** analyzed succession planning and corporate survival of selected Nigeria firms. The study results revealed that there was a significant positive relationship between talent retention and survival of Nigerian firms. The study also found that staff mentoring, effective communication within the organization, proper delegation of duties and authority and sound staff welfare programs can help enhance talent retention in Nigerian firms. **Cook (2015)** studied succession planning in a Global Electronics Company in the United Kingdom. A close positive relationship was found between talent management strategy and success of the

company's succession planning programme. **Jonathan Tetteh (2015)** examined the relationship between succession planning, employee retention, and organizational effectiveness among some selected organizations' in Ghana. The results indicated that succession planning significantly predicted employee retention and organizational effectiveness. The result further indicated that the career development program significantly moderated the relationship between succession planning and employee retention. The career development program also considerably moderated the relationship between succession planning and organizational effectiveness.

Masthan Ali, and Premchand Babu (2015) mentioned that Software Organizations often fail to utilize lower-level and middle-level personnel effectively for leadership development and succession planning systems. The purpose of the study is to present best practices for optimal leadership pipeline development and a series of practical recommendations for software organizations. **Cheng (2016)** in a review of preparing for top management changes with a special focus on the relationship between succession planning processes and succession outcomes established that companies that continually prepared their employees to take up higher roles and responsibilities were more likely to experience lower turnover rates among non-managerial employees. **Fadeyi Olatunji, et al. (2017)** found that succession planning significantly impact on employees' job commitment. The findings indicated a variance of 52% between mentoring and affective commitment, however when the moderating variable of employees' satisfaction was established, the R-squared increased to 56.8% while the significance of the F-change assessed show significance at 0.0001. **Sindisiwe Bonisile Maphisa et al. (2017)** found that the company is not doing enough to implement succession

planning programmer even though there are potential candidates who can be trained and developed into management positions. **Saan et al. (2018)** indicated that higher level of education of founders and communication of the succession decision, comprising the transfer date, and post-succession roles to all key stakeholders affect the succession process and the success of the transfer. **Baba Arome Samuel and Edwinah Amah (2018)** concluded that succession planning and organizational survival are significantly associated. Hence, implementing succession planning structures and activities would enhance the organizations' chances of adaptability, maintenance of high-performance goals, and the achievement of functional performance goals. **Samuel Kand and Mercy (2018)** revealed the major challenges that were experienced which included the size of the organization, financial resources, lack of proper mentorship and training of successors as well as their predecessors, unprofessionalism in the process of succession planning, lack of involvement of all key stakeholders, micromanagement of successors and lack of seriousness in implementation of the process.

Alex Augustino Nkondola (2019) revealed that succession planning is affected by the shortage of staff, lack of qualified staff, lack of experienced staff, and aging of the workforce. **Ali et al. (2019)** found that succession planning had a significant, positive relationship with employee performance, and both career development and performance appraisal mediated the relationship. **Santana Laxmi and Chandra Mohan (2019)** identified the importance of the succession planning and the complexities in execute the process. The study concludes that succession management is one of the challenging tasks for the HR managers and also a reason for the employees' retentiveness towards their organisation. **Wilfred Ouma Nyagudi (2020)** revealed that there is a positive and significant relationship between Succession

Management Practices and Employee Retention in Mobile Telecommunication companies in Kenya. **Mariam A. Ahmed (2020)** showed that the bank had a systematic approach to attracting and retaining high-performing employees, achieved through talent management which promoted the workforce efficiency and productivity within the bank. Hiring and selecting employees influenced the bank's performance, as well as their investment in enhancing their employees' skills and competencies to meet the needs of their dynamic business environment. **Haron Ismail Al-Lawama et al. (2021)** indicated that strategic human resource management practices (training & development, compensation, performance appraisal, recruitment & selection, participation) had a positive direct effect on organizational performance. **Vida Korang, et al. (2021)** found a significant difference in succession plan practices among the different year groups of SMEs. The result also demonstrated no statistically significant difference in the service and manufacturing industries' succession planning practices among the SMEs surveyed. **Yasmeen Bano et al. (2022)** reviewed the best practices of succession planning in any organization and provided evidence to use succession planning as an instrument in the organizations in recruitment process, employee retention strategies and top management future development within the organization.

4. Objectives of the Study

This study seeks to achieve the following objectives:

1. To analyze the impact of succession planning on the financial performance of Jordanian telecomcompanies.

5. Research Methodology

The present study is empirical in nature. The study is an analysis of effect of succession planning on financial performance of telecom companies in Jordan. Quantitative research is the systematic search of social phenomena through statistical methods or arithmetic. Quantitative research aims to develop and employ mathematical models, theories, and phenomena-related questions. The measurement process is the focus of quantitative research because it effectively links empirical observation and the mathematical expression of quantitative relationships. Quantitative data, such as descriptive statistics, through specific and focused questions to collect respondents' answers computationally, then analyzed data statistically to obtain unbiased results that can be further generalized to the study community.

5.1 Primary sources: They are also referred to as field sources, which are directly related to the subject of the study. The data of the study community are collected directly through the questionnaire.

5.2 Measurement and Scoring Technique: The responses collected from the respondents were scaled using a 5-point Likert scale. The scale moves from 1- Disagree, 2- Agree to a small degree, 3- Neither agree nor disagree, 4- Agree to a great extent, and 5- Agree to a very large extent.

The researcher in the current study relied on the questionnaire as a main tool for collecting data. The questionnaire includes a set of different questions that are related to each other in a manner that achieves the objective that the researcher seeks through the problem posed by his research. The number of questions in the

questionnaire should be sufficient and appropriate to achieve the research objective.

5.3 Sample Size: Sample calculation for the population is a minimum of 385 responses at a 95% level of significance. Hence, the sample of the study was 527. The responses would be collected from the top-level managers of the telecommunication companies in Jordan

5.4 Statistical Method and the Process: Data analysis is the process of statistical tools and techniques on the data collected from the respondents. The data collected from primary sources were analyzed using the SPSS package for drawing meaningful conclusions.

5.5 Hypotheses of the Study

The study seeks to test the following hypothesis:

Main Hypothesis: There is no significant impact with statistical significance at the level of significance ($\alpha \leq 0.05$) of succession planning with all dimensions (Experience) on the financial performance of Telecom Companies in Jordan.

First Sub-Hypothesis: There is no significant impact with statistical significance at the level of significance ($\alpha \leq 0.05$) of the experience variable as one of the succession planning dimensions on the financial performance of companies in Jordan Telecom (profit).

6. Data Analysis and Interpretation

The data was collected and analyzed using quantitative methods. Quantitative data was used to obtain descriptive statistics such as frequency, mean, standard deviation and the hypothesis was tested using correlation and linear regression. This section tests the impact of succession planning with leadership on the financial performance of Jordanian Telecom companies.

Table 1 Data Analysis and Interpretation Experience

Sl.No.	Statement	Disagree	Agree to a small degree	Neither agree nor disagree	Agree to a great extent	Agree to a very large extent
E1	The manager's academic qualification is commensurate with his job	17 (3.2%)	92 (17.5%)	296 (56.2%)	66 (12.5%)	56 (10.6%)
E2	The manager has the right experience for his job	18 (3.4%)	92 (17.5%)	274 (52.0%)	82 (15.6%)	61 (11.6%)
E3	All employees of the company have academic qualifications for their work	18 (3.4%)	125 (23.7%)	250 (47.4%)	83 (15.7%)	51 (9.7%)
E4	The employees of the company have the appropriate experience for their work	14 (2.7%)	107 (20.3%)	259 (49.1%)	85 (16.1%)	62 (11.8%)
E5	Regular courses are held to improve the performance of employees and develop their capabilities	17 (3.2%)	96 (18.2%)	258 (49.0%)	90 (17.1%)	66 (12.5%)
E6	The company's employees need more training courses	17 (3.2%)	98 (18.6%)	265 (50.3%)	86 (16.3%)	61 (11.6%)
E7	Make decisions based on past experiences	14 (2.7%)	99 (18.8%)	270 (51.2%)	86 (16.3%)	58 (11.0%)
E8	You should talk about your experience and rare acquaintances	9 (1.7%)	98 (18.6%)	270 (51.2%)	83 (15.7%)	67 (12.7%)
E9	Trust the manager's expertise to find new ideas	12 (2.3%)	65 (12.3%)	282 (53.5%)	93 (17.6%)	75 (14.2%)
E10	Employees share knowledge and experience regardless of their level	38 (7.2%)	149 (28.3%)	126 (23.9%)	104 (19.7%)	110 (20.9%)

Source: Computed from primary data

It was found that 17 respondents (3.2%) showed disagreement, 92 respondents (17.5%) showed agreement to a small degree, 296 respondents (56.2%) neither agreed nor disagreed, 66 respondents (12.5%) showed agreement to a great extent, and 56 respondents (10.6%) showed agreement to a very large extent towards the statement the manager's academic qualification is commensurate with his job.

It was found that 18 respondents (3.4%) showed disagreement, 92 respondents (17.5%) showed agreement to a small degree, 274 respondents (52.0%) neither agreed nor disagreed, 82

respondents (15.6%) showed agreement to a great extent, and 61 respondents (11.6%) showed agreement to a very large extent towards the statement The manager has the right Experience for his job

It was found that 18 respondents (3.4%) showed disagreement, 125 respondents (23.7%) showed agreement to a small degree, 250 respondents (47.7%) neither agreed nor disagreed, 83 respondents (15.7%) showed agreement to a great extent, and 51 respondents (9.7%) showed agreement to a very large extent towards the

statement all employees of the company have academic qualifications for their work.

It was found that 14 respondents (2.7%) showed disagreement, 107 respondents (20.3%) showed agreement to a small degree, 259 respondents (49.1%) neither agreed nor disagreed, 85 respondents (16.1%) showed agreement to a great extent, and 62 respondents (11.8%) showed agreement to a very large extent towards the statement The employees of the company have the appropriate Experience for their work.

It was found that 17 respondents (2.1%) showed disagreement, 96 respondents (18.2%) showed agreement to a small degree, 258 respondents (49.0%) neither agreed nor disagreed, 90 respondents (17.1%) showed agreement to a great extent, and 66 respondents (12.5%) showed agreement to a very large extent towards the statement Regular courses are held to improve the performance of employees and develop their capabilities

It was found that 17 respondents (3.2%) showed disagreement, 98 respondents (18.6%) showed agreement to a small degree, 265 respondents (50.3%) neither agreed nor disagreed, 86 respondents (16.3%) showed agreement to a great extent, and 61 respondents (11.6%) showed agreement to a very large extent towards the statement the company's employees need more training courses.

It was found that 14 respondents (2.7%) showed disagreement, 99 respondents (18.8%) showed

agreement to a small degree, 270 respondents (51.2%) neither agreed nor disagreed, 86 respondents (16.3%) showed agreement to a great extent, and 58 respondents (11.0%) showed agreement to a very large extent towards the statement Make decisions based on past experiences.

It was found that 9 respondents (1.7%) showed disagreement, 98 respondents (18.6%) showed agreement to a small degree, 270 respondents (51.2%) neither agreed nor disagreed, 83 respondents (15.7%) showed agreement to a great extent, and 67 respondents (12.7%) showed agreement to a very large extent towards the statement you should talk about your Experience and rare acquaintances.

It was found that 12 respondents (2.3%) showed disagreement, 65 respondents (12.3%) showed agreement to a small degree, 282 respondents (53.5%) neither agreed nor disagreed, 93 respondents (17.6%) showed agreement to a great extent, and 75 respondents (14.2%) showed agreement to a very large extent towards the statement Trust the manager's expertise to find new ideas.

It was found that 38 respondents (7.2%) showed disagreement, 149 respondents (28.3%) showed agreement to a small degree, 126 respondents (23.9%) neither agreed nor disagreed, 104 respondents (19.7%) showed agreement to a great extent, and 110 respondents (20.9%) showed agreement to a very large extent towards the statement Employees share knowledge and Experience regardless of their level.

Table 2 Descriptive Statistics of Experience

	Statements	N	Mean	Std. Dev.
E1	The manager's academic qualification is commensurate with his job	527	3.10	.920
E2	The manager has the right Experience for his job	527	3.14	.954
E3	All employees of the company have an academic qualifications for their work	527	3.05	.958
E4	The employees of the company have the appropriate Experience for their work	527	3.14	.961

E5	Regular courses are held to improve the performance of employees and develop their capabilities	527	3.17	.977
E6	The company's employees need more training courses	527	3.14	.960
E7	Make decisions based on past experiences	527	3.14	.938
E8	You should talk about your Experience and rare acquaintances	527	3.19	.941
E9	Trust the manager's expertise to find new ideas	527	3.29	.936
E10	Employees share knowledge and Experience regardless of their level	527	3.19	1.253

Source: Computed from primary data

The table shows the descriptive statistics regarding leadership. The mean and standard deviation of the statement manager's academic qualification is commensurate with his job was 3.10 and 0.920, respectively. The mean and standard deviation of the statement the manager has the right Experience for his job were 3.14 and 0.954, respectively. The mean and standard deviation of the statement All company employees have an academic qualification for their work was 3.05 and 0.958, respectively. The mean and standard deviation of the statement the employees of the company have the appropriate Experience for their work were 3.14 and 0.961, respectively. The mean and standard deviation of the statement Regular courses are held to improve

the performance of employees and develop their capabilities were 3.17 and 0.977, respectively. The mean and standard deviation of the statement The Company's employees need more training courses was 3.14 and 0.938 respectively. The mean and standard deviation of the statement Make decisions based on past experiences 3.14 and 0.938, respectively. The mean and standard deviation of the statement you should talk about your Experience and rare acquaintances was 3.19 and 0.941, respectively. The mean and standard deviation of the statement Trust the manager's expertise to find new ideas were 3.29 and 0.936, respectively. The mean and standard deviation of the statement Employees share knowledge and Experience regardless of their level was 3.19 and 1.253, respectively.

Table 3 Financial Performance: Profit

Sl.No.	Statement	Disagree	Agree to a small degree	Neither agree nor disagree	Agree to a great extent	Agree to a very large extent
F1	The company achieves sufficient and feasible profits from the Succession Planning process	21 (4.0%)	81 (15.4%)	169 (32.1%)	142 (26.9%)	114 (21.6%)
F2	The company constantly prepares its employees to fill vacant positions to increase its profits	21 (4.0%)	76 (14.4%)	157 (29.8%)	150 (28.5%)	123 (23.3%)
F3	Experienced and talented employees contribute to raising the company's profits	18 (3.4%)	71 (13.5%)	165 (31.3%)	171 (32.4%)	102 (19.4%)
F4	The right Leadership helps increase the company's profits	37 (7.0%)	86 (16.3%)	138 (26.2%)	162 (30.7%)	104 (19.7%)

F5	The company achieves sufficient profits by raising the competencies of employees	26 (4.9%)	91 (17.3%)	133 (25.2%)	160 (30.4%)	117 (22.2%)
F6	The company achieves sufficient profits by providing incentives to its employees	26 (6.8%)	89 (16.9%)	142 (26.9%)	154 (29.2%)	106 (20.1%)
F7	The participation of employees in decision-making helps to increase the company's profits	32 (6.1%)	85 (16.1%)	151 (28.7%)	170 (32.3%)	89 (16.9%)
F8	Developing employees' ideas contribute to increasing the company's profits	30 (5.7%)	72 (13.7%)	152 (28.8%)	146 (27.7%)	127 (24.1%)
F9	Proper planning of the company's management contributes to increasing the company's profits	10 (1.9%)	55 (10.4%)	161 (30.6%)	173 (32.8%)	128 (24.3%)
F10	Holding training courses for employees contribute to increasing the company's profits	57 (10.8%)	103 (19.5%)	70 (13.3%)	144 (27.3%)	153 (29.0%)

Source: Computed from primary data

It was found that 21 respondents (4.0%) showed disagreement, 81 respondents (15.4%) showed agreement to a small degree, 169 respondents (32.1%) neither agreed nor disagreed, 142 respondents (26.9%) showed agreement to a great extent, and 114 respondents (21.6%) showed agreement to a very large extent towards the statement The company achieves sufficient and feasible profits from the Succession Planning process

It was found that 21 respondents (4.0%) showed disagreement, 76 respondents (14.4%) showed agreement to a small degree, 157 respondents (29.8%) neither agreed nor disagreed, 150 respondents (28.5%) showed agreement to a great extent, and 123 respondents (23.3%) showed agreement to a very large extent towards the statement The company constantly prepares its employees to fill vacant positions to increase its profits.

It was found that 18 respondents (3.4%) showed disagreement, 71 respondents (13.5%) showed agreement to a small degree, 165 respondents

(31.3%) neither agreed nor disagreed, 171 respondents (32.4%) showed agreement to a great extent, and 102 respondents (19.4%) showed agreement to a very large extent towards the statement Experienced, and talented employees contribute to raising the company's profits

It was found that 37 respondents (7.0%) showed disagreement, 86 respondents (16.3%) showed agreement to a small degree, 138 respondents (26.2%) neither agreed nor disagreed, 162 respondents (30.7%) showed agreement to a great extent, and 104 respondents (19.7%) showed agreement to a very large extent towards the statement the right Leadership helps increase the company's profits.

It was found that 26 respondents (4.9%) showed disagreement, 91 respondents (17.3%) showed agreement to a small degree, 133 respondents (25.2%) neither agreed nor disagreed, 160 respondents (30.4%) showed agreement to a great extent, and 117 respondents (22.2%) showed agreement to a very large extent towards the

statement The Company achieves sufficient profits by raising the competencies of employees It was found that 36 respondents (6.8%) showed disagreement, 89 respondents (16.9%) showed agreement to a small degree, 142 respondents (26.9%) neither agreed nor disagreed, 154 respondents (29.2%) showed agreement to a great extent, and 106 respondents (20.1%) showed agreement to a very large extent towards the statement The Company achieves sufficient profits by providing incentives to its employees It was found that 32 respondents (6.1%) showed disagreement, 85 respondents (16.1%) showed agreement to a small degree, 151 respondents (28.7%) neither agreed nor disagreed, 170 respondents (32.3%) showed agreement to a great extent, and 89 respondents (16.9%) showed agreement to a very large extent towards the statement the participation of employees in decision-making helps to increase the company's profits.

It was found that 30 respondents (5.7%) showed disagreement, 72 respondents (13.7%) showed agreement to a small degree, 152 respondents (28.8%) neither agreed nor disagreed, 146

respondents (27.7%) showed agreement to a great extent, and 127 respondents (24.1%) showed agreement to a very large extent towards the statement Developing employees' ideas contributes to increasing the company's profits.

It was found that 10 respondents (1.9%) showed disagreement, 55 respondents (10.4%) showed agreement to a small degree, 161 respondents (30.6%) neither agreed nor disagreed, 173 respondents (32.8%) showed agreement to a great extent, and 128 respondents (24.3%) showed agreement to a very large extent towards the statement Proper planning of the company's management contributes to increasing the company's profits.

It was found that 57 respondents (10.8%) showed disagreement, 103 respondents (19.5%) showed agreement to a small degree, 70 respondents (13.3%) neither agreed nor disagreed, 144 respondents (27.3%) showed agreement to a great extent, and 153 respondents (29.0%) showed agreement to a very large extent towards the Holding training courses for employees contribute to increasing the company's profits.

Table 4 Descriptive Statistics of Financial Performance

	Statements	N	Mean	Std. Dev.
1	The company achieves sufficient and feasible profits from the Succession Planning process	527	3.47	1.109
2	The company constantly prepares its employees to fill vacant positions to increase its profits	527	3.53	1.116
3	Experienced and talented employees contribute to raising the company's profits	527	3.51	1.055
4	The right leadership helps increase the company's profits	527	3.40	1.177
5	The company achieves sufficient profits by raising the competencies of employees	527	3.48	1.156
6	The company achieves sufficient profits by providing incentives to its employees	527	3.39	1.179
7	The participation of employees in decision-making helps to increase the company's profits	527	3.38	1.123
8	Developing employees' ideas contribute to increasing the company's profits	527	3.51	1.162

9	Proper planning of the company's management contributes to increasing the company's profits	527	3.67	1.015
10	Holding training courses for employees contributes to increasing the company's profits	527	3.44	1.368

Source: Computed from primary data

The table shows the descriptive statistics regarding leadership. The mean and standard deviation of the statement The Company achieves sufficient and feasible profits from the Succession Planning process was 3.47 and 1.109, respectively. The mean and standard deviation of the statement the company constantly prepares its employees to fill vacant positions to increase its profits were 3.53 and 1.116, respectively. The mean and standard deviation of the statement Experienced and talented employees contribute to rising the company's profits was 3.51 and 1.055, respectively. The mean and standard deviation of the statement the right leadership helps increase the company's profits were 3.40 and 1.177, respectively. The mean and standard deviation of the statement The Company achieves sufficient profits by raising employees' competencies was 3.48 and 1.156, respectively. The mean and standard deviation of the statement The Company achieves sufficient profits by providing incentives to its employees were 3.39 and 1.179, respectively. The mean and standard deviation of the statement the participation of employees in decision-making helps to increase the company's profits were 3.38 and 1.123, respectively. The mean and standard deviation of the statement developing employees' ideas contributes to increasing the company's profit was 3.51 and 1.162, respectively. The mean and standard deviation of the statement proper planning of the company's management contributed to increasing the company's

profits was 3.67 and 1.015, respectively. The mean and standard deviation of the statement Holding training courses for employees contributes to increasing the company's profits was 3.44 and 1.368, respectively.

Hypothesis Testing:

Testing of Hypothesis I:

H₀₁: There is no significant impact with statistical significance at the level of significance ($\alpha \leq 0.05$) of succession planning with all dimensions (Experience) on the financial performance of companies in Jordan Telecom.

H₁: There is a significant impact with statistical significance at the level of significance ($\alpha \leq 0.05$) of succession planning with all dimensions (Experience) on the financial performance of companies in Jordan Telecom.

First Sub-Hypothesis:

H₀₁: There is no significant impact with statistical significance at the level of significance ($\alpha \leq 0.05$) of the Experience variable as one of the succession planning dimensions on the financial performance of companies in Jordan Telecom (profit).

H₁: There is a significant impact with statistical significance at the level of significance ($\alpha \leq 0.05$) of the Experience variable as one of the succession planning dimensions on the financial performance of companies in Jordan Telecom (profit).

Table 5 (1): Descriptive Statistics

	Mean	Std. Deviation	N
Profit	3.4769	.52968	527
Experience	3.1562	.55820	527

Source: Output of SPSS

The table shows the descriptive statistics of the variables' profit and Experience. It was found that profit had a mean and standard deviation of

3.4769 and 0.52968, respectively. Experience had a mean and standard deviation of 3.1562 and 0.55820, respectively

Table 5 (2): Results of Correlations

		Profit	Experience
Pearson Correlation	Profit	1.000	.385
	Experience	.385	1.000
Sig. (1-tailed)	Profit	.	.000
	Experience	.000	.
N	Profit	527	527
	Experience	527	527

Source: Output of SPSS

The table contains the correlation coefficient results for the selected indicators, i.e., Experience, profit, and p-value. The correlation coefficient for profit and Experience is 0.385,

with a p-value of 0.000 showing a positive correlation between these two variables.

Regression Model

Table 5 (3): Results of Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.385 ^a	.148	.147	.48932

a. Predictors: (Constant), Experience

From the above regression analysis shown in Table 5(3), the value of R obtained was 0.385, and the R Square value was 0.148. Further, the adjusted R square value was found to be 0.147,

indicating explanatory variables' significance. R² is 0.148 indicating the variation in Experience on the financial performance of companies in Jordan Telecom to the extent of 14.8%.

Table 5 (4): Results of ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.874	1	21.874	91.355	.000 ^b
Residual	125.704	525	.239		
Total	147.578	526			

a. Dependent Variable: Profit

b. Predictors: (Constant), Experience

ANOVA statistics were conducted to determine the differences in the means of independent and dependent variables, thus showing a relation between the two variables. The F value of 91.355

had a p-value of 0.000 which implies that Experience has a strong significant relationship with the financial performance of Telecommunication companies in Jordan.

Table 5 (5): Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.324	.123		18.970	.000
Experience	.365	.038	.385	9.558	.000

a. Dependent Variable: Profit

In Table 5(5), the various coefficients are shown on the first column with an intercept of 2.324, which shows that if Experience were to be equated to zero then Profit would be 2.324. The Experience beta coefficient is 0.365, implying an increase in Experience leads to a corresponding increase in Profit. Since the P-value <0.05, the coefficients are significant.

$$\text{Profit} = 2.324 + 0.365 * \text{Experience}$$

7. Results and Discussions

The study assessed the effect of succession planning on the financial performance of Jordanian telecom companies. The study found a significant impact with statistical significance at the level of significance of succession planning with experience on the financial performance of Jordanian Telecom companies which implied that the organizations have realized that they can discover their future managers and leaders inside their own organizations. Hence, succession planning is important because it ensures that management of organizations has high-functioning, dedicated and committed trustees who work toward great outcomes for the plan.

8. Conclusion

Succession planning has five key components such as identification of key areas and position of organization, identify competencies of individual require to fulfill a key position, enhance ability of existing staff as per future need of organization and evaluate the effectiveness of overall plan. Organizations nowadays are flourishing and falling flat, with their prosperity and disappointment being owed to an incredible number of elements. The present study revealed that an effective succession plan plays an important role in the growth of organization by providing complete guidance about hiring of potential candidate for prospective leadership and retaining them for the desired time of organization. The study assessed the effect of succession planning on the financial performance of Jordanian telecom companies. The study considered the factors of succession planning: Experience and financial performance (profit). Quantitative data, such as descriptive statistics, through specific and focused questionnaire was used to collect respondents' answers computationally, and then the data was analyzed statistically to obtain unbiased results. The study found a significant impact with statistical significance at the level of significance of succession planning with all dimensions

(Experience) on the financial performance of companies in Jordan Telecom.

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