

Master Project/Thesis: Impact of Succession Planning and Management on the Effectiveness of Knowledge Transfer and Related Costs in the Private Sector of Georgia

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Abstract

Succession Planning and Management (SP&M) is considered as one of the most effective tools for knowledge management. The aim of this study is to assess the level of awareness about the importance of succession planning and management and related costs in Georgia based companies. The paper focuses on financial and non-financial costs that companies may face in case they have poor or no SP&M. The latter is assessed based on responses collected from questionnaires and face-to-face interviews targeting two main groups – HR managers and key employees. The qualitative and quantitative analysis of gathered data demonstrated that most of the companies operating in Georgia do not consider SP&M as an important tool for knowledge management. The study also showed that those companies, which have SP&M tend to have lower financial costs related to recruitment, lost productivity and lost knowledge. The study entails a regression analysis demonstrating that there is a correlation between time required for recruitment and lost productivity cost. Due to the fact that SP&M is a rather new tool, most companies fail to realize its importance. Therefore, much more cost-benefit analysis should be done on this topic, especially for identifying non-financial costs related to poor knowledge management practices.

Keywords: Succession Planning and Management, key employees, HR managers, knowledge management, financial costs, non-financial costs, business companies, Georgia