THE POSITIVE IMPACT OF SUCCESSION PLANNING AND STAFF DEVELOPMENT AT THE NIGERIAN FINANCIAL INTELLIGENCE UNIT (NFIU) OF THE EFCC

BY

GARBA BINTA

BEING A PROJECT WORK SUBMITED TO THE SCHOOL OF POSTGRADUATE STUDIES, DEPARTMENT OF BUSINESS ADMINISTRATION, FACULTY OF ADMINISTRATION, NASARAWA STATE UNIVERSITY, KEFFI

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DECLARATION

I declare that this work is the record of original research carried out by me in the Department of Administration, Nasarawa State University, Keffi for the award of Post Graduate Diploma in Business Administration of the Nasarawa State University, Nasarawa, Nigeria.

Garba Binta **Date**

CERTIFICATION

The project: The Positive Impact of Succession Planning and Staff Development at the Nigerian Financial Intelligence Unit (NFIU) of the EFCC meet the regulations governing the award of Post Graduate Diploma in Business Administration of the Nasarawa State University, Nasarawa, Nigeria.

DEDICATION

This project work is dedicated to God.

ACKNOWLEDGEMENTS

ABSTRACT

The need to focus on succession planning in Nigerian Financial Intelligence Unit is due to the fact that many promising agencies have either collapsed or doing poorly over the years soon after the demise/exit/retirement of their performing leadership. Using the interview method of data collection, the study seeks to explore the issues involved in succession planning, the challenges and best practices of succession planning in NFIU and how these have threatened the perpetuity principle in management of the commission in Nigeria. The study concludes that NFIU had no succession plan or exist strategy for directors who are retiring and that criteria for succession are not based on talent from within. Based on its findings, the study recommends that an organizational structure should be implemented so that employees know who is next in line and what is expected of them, so that if anything is to happen to top management NFIU can still carry on. Identified top managers should be groomed and developed to ensure that they know what is expected to fill the vacant positions. Implementing a formal succession plan is very important to ensure that all aspects have been looked at if something is to happen.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The Nigerian Financial and Intelligence Unit (NFIU) of the EFCC draw its power from the EFCC Acts of 2004 and the Money Laundering Acts of 2004. The unit is the sole body charged with the receipt, analysis and dissemination of financial intelligence in Nigeria.

The body relies on staff to carry out their mission, provide services and meet its organizational goals. To ensure that financial and economic crimes are reduced to the barest minimum in the country, the CBN in its support for "war against economic and financial crimes" donated the sum of ₦2m to the Agency for organizing the National Seminar on Economic Crimes in 2005. Also the Management of the Bank sponsored 3 members of staff of the Economic and Financial Commission to attend a specialist program on Counter Fraud and Counter in Reading, United Kingdom. The course was run by the Counter Fraud Service of the National Health Service, United Kingdom. It enabled them to acquire skills in intelligence gathering, investigation, fraud analysis, cybercrime, exhibit handling, witness and suspect interviews, statement writing, prosecution and media skills.

Good staff development can help give organizations more options. For instance: there will be people ready to move into vacant positions and promotion within, the organization can have in-house temporary coverage for essential functions of vacant positions during a search, making it more feasible to take the necessary time to find and train the right people as successors, they can develop a good reputation among workers in the field, helping to attract the highest quality candidates for vacant positions and can also provide more challenges and satisfactions for staff who desire them, thereby increasing retention and reducing the frequency of vacant positions. With careful planning and preparation, organizations can manage the changes that result from a generational transfer of leadership as well as the ongoing changes that occur regularly when key employees leave an organization.

Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. Through an organization's succession planning process, superior employees are recruited; their knowledge developed as well as skills, and abilities and they are prepared for advancement or promotion into ever more challenging roles. Actively pursuing succession planning ensures that employees are constantly developed to fill each needed role. Succession

planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. Through an organization's succession planning process, superior employees are recruited; their knowledge developed as well as skills, and abilities and they are prepared for advancement or promotion into ever more challenging roles. Actively pursuing succession planning ensures that employees are constantly developed to fill each needed role.

Succession planning and management is a process that not only helps with the stability and tenure of key personnel but is also "perhaps best understood as any effort designed to ensure the continued effective performance of an organization, division, department or work group by making provision for the development, replacement, and strategic application of key people over time" (Rothwell, 2005). Furthermore, any succession planning and management program is a systematic effort that ensures continuity in key positions, the retention and development of intellectual and knowledge capital for the future and encourages individual development and advancement (Rothwell, 2005).

Succession planning is also defined as a process for identifying and developing internal people with the potential to fill key business leadership

positions in the private and public sector. Succession planning increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. Taken narrowly, "replacement planning" for key roles is the heart of succession planning. Effective succession or talent-pool management concerns itself with building a series of feeder groups up and down the entire leadership pipeline or progression (Charan, Drotter, Noel, 2001). In contrast, replacement planning is focused narrowly on identifying specific back-up candidates for given senior management positions. For the most part position-driven replacement planning (often referred to as the "truck scenario") is a forecast, which research indicates does not have substantial impact on outcomes.

Fundamental to the succession-management process is an underlying philosophy that argues that top talent in the corporation must be managed for the greater good of the enterprise. Merck and other companies argue that a "talent mindset" must be part of the leadership culture for these practices to be effective.

Research indicates many succession-planning initiatives fall short of their intent (Corporate Leadership Council, 1998). "Bench strength," as it is commonly called, remains a stubborn problem in many if not most

companies. Studies indicate that companies that report the greatest gains from succession planning feature high ownership by the CEO and high degrees of engagement among the larger leadership team.

1.2 Statement of the Problem

Ogundele [2000] citing several writers [for example Staw, Bell & Clausen, 1986;Sekaran, 1989; Meredith, Nelson & Neck, 1991] identified the influence of values, attitudes, belief and perception as influencing the behaviour of people, management inclusive. The social context of individuals, including their families and the groups they belong to affect their behaviour [Ogundele, 2007; Kunkel, 1971]. These socio-cultural influences play a key role in government owned establishments in Nigeria and create multi-dimensional problems which lead to chaos when a member of management is no more/has served his tenure or is incapacitated.

There is the problem of succession crisis. This is a situation whereby fear and resistance is generated within the workforce as a result of the uncertainty about what the new leadership will portend for their future. The faithful employee who had worked with the previous leadership may find it difficult working with the successor.

Most government agencies did not give thought to the need to prepare an accepted successor in the event of completion of tenure, ill health or exit/death.

It is against these background that the study is intended to ensure that world-best practice is put in place so that Nigerian Financial Intelligence Unit (NFIU) is not faced with same challenges in future as to maintain the existence of good staff.

1.3 Objectives of the Study

Nigeria was once identified by transparency international and local media as the largest environment of corruption and graft. These crimes have infected every nook and cranny of Nigeria. In combating these crimes, the Economic and Financial Crime Commission (EFCC) need to keep track and record of offenders. This is possible when staff are either retained or trained to take over responsibilities in the event of exit or retirement. Based on this fact, the study tends to find out the impact of succession planning and staff development at the Nigerian Financial Intelligence Unit of the EFCC.

The study will consider the following specific objectives;

1. To examine the challenges and best practices of succession planning in EFCC

2. To examine the opportunities of succession planning
3. To help uncover the strategies that best supports the implementation of succession planning.

1.4 Research Questions

The study focused on four questions that guided the researcher throughout the entire study.

1. What are the concerns of the Government regarding the challenges and best practices of succession planning in EFCC as identified in public documents?
2. To what extent is succession planning included or not included in EFCC strategic plans, and other relevant documentation?
3. What strategies best support the implementation of succession planning at EFCC as perceived by participating key informants?
4. What are the perceptions of the study participants regarding the opportunities and challenges for succession planning at EFCC?

1.5 Research Hypotheses

The following hypothesis will be tested for this study:

$H_0$1: There is no relationship between succession planning and staff development

H_1: There is a relationship between succession planning and staff development.

$H_0$2: Grooming, training and development of staff have no significant impact on succession planning

H_1: Grooming, training and development of staff has significantly impacted on succession planning

1.6 Scope and Limitation of the Study

This research work concerns itself with finding the impact of succession planning and staff development at the Nigerian Financial Intelligence Unit (NFIU) domiciled within the EFCC.

This study is believed to be the first to be carried out on aforesaid field of study on the agency in Nigeria. Despite the time constrain for the research work, the agency itself cum its legal obligation, the study is believed to be rich despite the bureaucracy and access control measures available to curtail un-authorized disclosure of classified information which would have affected the information content of this study. The study still achieved its desired goal and objectives as the content are superb, far – reaching and educating.

1.7 Significance of the Study

This study should be of immense assistance to both public and private sector of the economy. Particularly the NFIU & the Economic and Financial Crimes Commission (EFCC) where the NFIU is domicile, academic and non-academic researchers, the lecturers, students, business practitioners, systems designers and indeed all persons who are concerned about succession planning and staff retention plan for goal orienteer's, objectivity, continuity, consistency, professionalism, ethic ate, standard, and good governance.

The Nigerian Financial Intelligence Unit (NFIU) of the EFCC, is very key to the combating of money laundering, counter terrorism financing, economic crimes of both domestic and national dimension for the positive image of Nigeria to the international community ; particularly the would-be investors in Nigerian economy. Succession planning and staff retention will reveal its level of managerial efficiency and effectiveness. And this knowledge will be vital to both the government and owners of industries as well. Furthermore, it will provide a model for an efficient and effective strategy planning, which will, assists managers in this sector.

The knowledge will help determine the structure of the NFIU and the environment available to them and be able to forecast future conditions.

1.8 Plan of the Study

The study is organized into five chapters. Chapter one contains the introduction, statement of problem, the objective of the study, research questions, hypotheses of the study, scope and limitation of the study, significance of the study, the plan of the study and the definition of terms as used in the study.

Chapter two presents review of related literature; importance of staff development, types of staff development, succession planning, issues in succession planning, importance of succession planning and staff development. Chapter three contains the design of the study, description of study area, method of data collection and analysis. The presentation, analysis and interpretation of the data collected, makes up chapter four. While chapter, presents the summary, recommendations and conclusions of the study.

1.9 Definition of Terms used in the Study

For the purpose of this study, the following terms shall be defined by the researcher.

Succession Planning

Succession Planning is the systematic identification and professional development of internal talent. Its goal is to cultivate internal human capital in preparation for assuming leadership roles and other key positions that may become vacant due to retirement, expected or unexpected separations.

NFIU: The acronym NFIU: This to mean the Nigerian Financial Intelligence Unit domicile within the Economic and Financial Crimes Commission.

EFCC: The acronym EFCC: Is to mean the Economic and Financial Crimes Commission.

FIU: This is to mean Financial Intelligence Unit.

Economic Crimes

Is the non-violent criminal and illicit activity committed with the objectives of earning wealth illegally either individually or in a group or organized manner thereby violating existing legislation governing the economic activities of government and its administration and includes any form of fraud, narcotic drug trafficking, money laundering, embezzlement, bribery, looting and any form of corrupt malpractices, illegal arms deal, smuggling, human trafficking and child labour, oil bunkering and illegal mining, tax evasion, foreign exchange malpractices including counterfeiting of currency,

theft of intellectual property and piracy, open market abuse, dumping of toxic wastes and prohibited goods, etc.

Money Laundering

This is a process by which criminals attempt to hide and disguise the true origin and ownership of the proceeds of their criminal activities thereby avoiding prosecution, conviction and confiscation of illegal wealth.

Advance Fee Fraud

This is a deceitful conduct designed to manipulate another person to give something of value by lying, repeating something that is known or should be known as false or suspect by the fraudulent party or by concealing a fact from the other party which may have saved that party from being cheated.

Financial Crimes

This is crime against property, involving the unlawful conversion of the ownership of property to one's own personal use and benefit. It may also involve fraud, burglary, computer crime, armed robbery, elder abuse and even violent crime such as murder.

Corruption

Corruption is any abuse of a position of trust to gain an unfair advantage.

Strategic Plan

A strategic plan is a document used to communicate with the organization the organizations goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise.

Strategic Management

Strategic Management is a way in which strategists set the objectives and proceed about attaining them. It deals with making and implementing decisions about future direction of an organization. It helps us to identify the direction in which an organization is moving.

Performance Management

Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. Performance management is a whole work system that begins when a jobis defined as needed. It ends when an employee leaves your organization.

Staff

All the people employed by a particular organization. It also means the entire group of employees who work at a company or an agency.

An Agency

An agency could be a person, an entity, a place or an organization from where information of value can be obtained.

An Organization

An organization is a group of people that together have a social arrangement to dispense tasks for a goal they all want to achieve.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In recent years, staff development has been recognized as an important source of sustained competitive advantage. The autonomy of the NFIU is very key for its proper functioning/ effectiveness, vise-a-vise, the training of staff, staff remuneration, improved welfare packages, boost staff morale, budget, and operational autonomy. These components are practicable under an autonomous FIU. The absence of which hinders a succession plan.

Inspite of various laws, enactments, decrees, and /or bye – laws that are being made to enhance internal control , curb corruption and ensure proper stewardship , accountability and efficiency in the public service, the vices progress are still prevailing in the public service which must not exist without succession plan, strategic management and of course, performance management in place.

Although succession planning has been a common business practice it is only in the last decade that it has been a consideration in the academic sector; with much of the research emanating out of the United States (Rothwell, 2005).

This chapter shall focus on importance of staff development, types of staff development, succession planning, issues of succession planning, importance of succession planning and staff development.

2.2 Importance of Staff Development

Staff development is an important aspect of human resource management. And its importance has increase with the challenges of today. This is because it serves as an important element to the performance and the effectiveness of an employee and it provides an atmosphere for industrial peace and harmony within an organization in so many ways.

Flippo (1980) depicts the benefit which both individual and good organization derives from training. Planned development programmes will return values to the organization in terms of increased productivity, heightened morale, reduces cost and greater organizational stability and flexibility to adapt to changing external requirement. Such also help to meet the needs of individuals in their search for work assignment that can add up to lifelong careers.

As new technology and new work procedures emerge every day, there is the need for additional improvement in the skills of workers and management; new employees facing new jobs as well as older ones require some training

and retraining. Training and education aims to achieve behaviour change, resulting in a change in performance and improvement in skills which is measurable. Training is not the end itself but a means to an end. To be effective, training needs to be learner oriented as opposed to trainer oriented. Its aim is to stimulate and help learners to learn rather than to impose upon the trainee what the trainer believes should be learnt so the trainer must use learner oriented techniques. Training should be viewed as a long term investment in human resources. It can improve skills and abilities of the employees and their motivation by increasing their sense of commitment and encouraging them to develop and use new skills. It is a powerful tool that can have a major impact on both employee's productivity and morale.

Aina (2005), states that "there are a number of advantages to be gained by management from developing employees. Some are tangible and can be measured directly in terms of naira while others are intangible. He said staff development provides tangible result which includes the following:

(1) Increase production

(2) Increases quality of performance

(3) Decreased breakage and spoilage

(4) Reduced number of accidents

(5) Reduced labour turnover

(6) Increase learning rate.

According to Bartram and Gibson (2000), in their training need analysis tool kit agree that without the right training, employees can be your organization's biggest liability but when trained effectively can become your biggest asset. Training and development is probably the prime importance to any organizational structure. It plays an important part in assisting an organization to achieve its objectives. In addition everyone in the organization needs to understand the process and techniques of training and to speak the language of training.

2.3 Types of Staff Development

These include both training for the unskilled and retraining for absolute employee. These consist of four approaches. And they include:

(1) On-the-job training

(2) Off-the-job training

(3) Apprenticeship

(4) Vestibule

2.3.1 On-The-Job Training

This type of training is the most widely used method of training. It consist of both formal and informal method, under this the employee is placed into the

real work situation and is shown the basic elements involved by an experienced employee.

Armstrong (1999) stated that on-the-job training may consist of teaching or coaching by managers, team leaders or trainers at the desk or at the bench. This kind of training is apparently simple and less costly and it increases work morale, and motivation which the employee is training on his job.. This ensures that qualified employees within an organization are ready and able to compete for vacant positions and that positions are filled quickly.

The disadvantages of this kind of training is that if it is not properly handled, it can cause great damage in machinery, unsatisfied customers, misfiled forms and poorly taught workers. It is simply the old haphazard practice of putting new workers with "old hand" who may have neither the inclination nor the ability to teach the new comer properly.

2.3.2 Off-the-Job Training

This is often referred to as "formal training". According to Armstrong (1999) off-the-job training can take place on special course or in training areas or centers which is specially equipped and staffed for training. It is advantageous because it allows employees to focus on the training and not to be distracted by work. It gives opportunity to mix with employees from

other business and there is also the use of specialist trainers and lastly it brings in fresh ideas to the company. Off-the-job training is different from apprenticeship and vestibule training.

2.3.3 Vestibule Training

This is a type of training that is been done in school where employees are taught on equipment similar to that used on the job. And it used when large number of employees are to be trained in a relatively fire brigade approach as in a situation that required rapid recruitment in the same firms or industries. The advantage of vestibule training is that the machine and the work condition simulate the actual work condition and trainer work closely with the trainees. It also permits more emphasis on teaching the best method on getting out production.

2.3.4 Apprenticeship Training

Apprenticeship training is a combination of both on-the-job-training and off-the-job-training (practical or paid experience). It requires the cooperation of the employees, trainers at work place and in schools (such as vocational schools) government agencies and the skilled trade union.

Apprenticeship is also desirable in industries which require a constant flow of new employees who expect to become experts. Since the training is of

long and requires continual supervision, this method of training is expensive, standard are rigid and defined in an apprenticeship agreement that in unionized firms involves union acceptance. The apprentice commits himself/herself to a period of training and learning that involves both formal and informal teaching. These periods can vary from two years or so through four or five years up to ten years.

2.4 Succession Planning

Succession planning is a deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage individual advancement (Rothwell, 2001). Succession planning can also be defined as, a process which ensures the continued effective performance of an organization by establishing a process to develop and replace key staff over time (King, 2005). In this context succession planning encompasses not only top management but also a number of other factors. It can cover issues such as the procedures necessary for a successful transfer, legal and financial considerations, psychological factors, leadership development, and exit strategies (Ip & Jacobs, 2006).

Currently succession planning is a looming problem for companies as the baby boomer generation begins to retire, and as a result more businesses will experience the challenges of growing sustainable business (Mirel, 2006).

In referring to the non-financial side of planning for succession lies a major challenge, as owners or managers need to decide whether they want to pass the business on to the family or subordinates, sell it or let it die with them.

2.5 Issues in Succession Planning

2.5.1 Method of Succession Planning

Succession planning can be done in two ways namely, utilizing internal (developing talent) or acquiring external resources (buying in talent). There is no right or a wrong choice to make when deciding which route to take when implementing a succession plan. It will depend mainly on the availability of talent within the organization.

Buying in talent entails that the company gets employees from the outside labour market. Buying in talent has its advantages and disadvantages, namely it keeps pace with changing market demands, companies acquire specialized skills, it brings in new ideas and fresh perspectives etc. Unfortunately it’s expensive and the talent the company buys in is unproven.

On the other hand the company can choose to build their internal talent pool (developing talent). This helps development of people to the specific specifications of the company, save money on recruitment fees; enhance career mobility and engagement within the existing workforce, the company already knows the employee's attributions. However there is less opportunity for injecting new knowledge and energy into the company. Looking inward for future success can unlock undiscovered capabilities and talents of employees. These attributes may not have become apparent in their existing roles because of habit and complacency rather that a failure to invest in employee development (Seymour, 2008). Job rotation within a company can be used to lessen the skills shortfalls. There are huge savings to be made by offering coaching, mentoring or further job training to existing staff.

2.5.2 Failing to Prepare Is Preparing to Fail

As Seymour states, "the future performance of any company is reliant on the thoroughness and vigour of today's succession planning". He also goes further to illustrate that other companies will look at the succession plan when having an interest in acquiring or merging with the existing company (Seymour, 2008). The reality of the situation is that investors look at the quality of the next generation of management and its preparedness to propel

the business to new heights. Having a competent and consistent management and workforce in place will give investors peace of mind and will afford the selling company more negotiating power. It will also influence the bank's decision on the viability and the sustainability of the company. Having a good succession plan will most certainly increase the company's fiscal value (Seymour, 2008).

2.5.3 Diminishing Skills Pool (Skills Gap)

The American Society for Training & Development defines the skills gap as, "the point at which an organization can no longer grow or remain competitive because it cannot fill critical jobs with employees who have the right knowledge, skills and abilities (Galagan, 2010). It is evident that organizations will always experience a skills gap if they do not stay ahead of shifting conditions in their environment and changing expectations from their constituents, shareholders or customers. An unprepared workforce can hamper the performance and growth of an organization. (Galagan, 2010). Succession planning can greatly reduce the skills gap within companies as management can identify potential gaps and recruit or develop employees.

2.5.4 Analysis and Planning

Planning a good succession plan takes a lot of input and expertise. A good succession plan oversees the whole spectrum of the company, not just in the boardroom but also on the shop floor. The life cycle of a succession plan depends on the variables present in an organization, as an example it takes critical staff around eight years to reach their maximum potential. So the target will be, five years away, depending on the training, induction, and garnering experience that will be required for the specific position (Hewitt, 2009). But when succession planning is done correctly and with foresight, succession planning ensures continuity of leadership and provides a solid foundation for the board, employees, and managers (Richtermeyer, 2011).

2.6 Importance of Succession Planning and Staff Development

The absence of a succession plan can undermine an organization's effectiveness and its sustainability. Without a succession planning process, an organization may not have a means of ensuring that the programs and services that are crucial to its operation are sustained beyond the tenure of the individual currently responsible for them.

Rothwell, (2001) affirmed that this is a means of ensuring the organization is prepared with a plan to support service continuity when the executive

director, senior managers or key people leave. It is also viewed as a continuing supply of qualified, motivated people (or a process to identify them), who are prepared to take over when current senior staff and other key employees leave the organization.

In addition, succession planning and staff development is a commitment to developing career paths for employees which will facilitate the organization's ability to recruit and retain top-performing employees and volunteers. Employers are able to invest in its people and provide opportunities and support for advancement. They are also able to align between the organization's vision and human resources that demonstrates an understanding of the need to have appropriate staffing to achieve strategic plans

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The research methodology approach is the specification of methods and procedures for acquiring the relevant information needed for the subject of the study. It is the overall operational pattern of framework of this project stipulating what information to be collected from which source and by what procedures, taking proper and careful consideration of the objectives.

3.2 Description of Study Area

The Economic and Financial Crimes Commission (EFCC) Established by the EFCC (Establishment) Act 2002 and (repealed and re-enacted by EFCC) Act 2004 is a body corporate with perpetual succession and a common seal. It is designated Financial Intelligence Unit (FIU) in Nigeria with powers to coordinate various institutions involved in the fight against money laundering and enforcement of all laws dealing with economic and financial crimes. The Commission‘s power also covers combating terrorism and terrorist financing.

The research considers the Nigerian Financial Intelligence Unit (NFIU) of the Economic and Financial Crimes Commission (EFCC). The Commission

is a Nigerian Law Enforcement Agency that investigates financial crimes. The EFCC was established in 2003 by the Olusegun Obasanjo's administration, partially in response to pressure from the Financial Action Task Force on money laundering (FATF). The Agency has its head office in Abuja.

The Nigerian Financial Intelligence Unit (NFIU) was established in2005 and is domiciled within the Economic and Financial Crime Commission. It draws its power from the Economic and Financial Crime Commission (EFCC) establishment Act of 2004 and the Money Laundering (Prohibition) Act of 2004. The laws require financial institutions and designated non-financial institutions to submit records of financial transactions to the NFIU.

3.3 Research Design

Case study method was chosen for this research. Case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. A case is what a researcher focuses on in order to investigate a phenomenon. It can be an individual, a group such as a family, or a class, or an office; an institution such as a school, a company, a large scale community such as a town, an industry or a profession (Gillham, 2000;

Melvok, 2005). This approach is also popular in business research as it allows detailed investigation of a specific case but on the cost of generalize ability. It is concerned with the development of detailed, intensive knowledge about a single case, or a small number of related cases (Robson, 1993). The case study approach has the ability to generate answers to the question “why” as well as “what” and “how”. The data collection methods may include questionnaires, interviews, observations and documentary analysis (Saunders et al., 2000).

3.4 Population of the Study

The choice of population for this study was driven by the need to extract informed and relevant information from full-time employees of NFIU, Abuja. This is essential in making informed assessments, conclusions and recommendations at the end of the research. The characteristics of the population were determined by limiting the study to full-time employees who are integral part of the commission. Because of the sensitive nature of their duty, it is very difficult to interview all the employees of NFIU in other to make informed assessments.

3.5 Sampling Technique and Size

A total of 30 employees of EFCC were sampled to analyze the impact of succession planning and staff development. The sampling procedure was a purposive sample in a non-probabilistic selection technique. However 25 questionnaires were returned fully attended, representing 75%response rate. This formed the basis of the data analysis.

3.6 Method Data Collection

Primary data was collected through the interview method from the respondents in Abuja. The interview method was used because of its inherent advantages.

Secondary data or source of information is very vital for any research work as it will help to reconfirm or proffer answers to research questions (Saunders et al 1997). The commission had websites and information about the NFIU was obtained. Newspapers and other books were also used.

The primary and secondary data were comprehensive enough to supply information to make logical and balanced assessments and conclusions on study

3.7 Method of Data Analysis

Percentages were used to summarize the frequency of the response. It is the method employed to analyze all the research questions to reach the final findings. The total mark of one hundred per cent (100%) was assigned to each question.

The percentage of each question was determined using this formular;

$$X/N \times 100/1 = Y\%$$

Where;

X = the total scores of each question

N = total sample of the population

Y = the percentage arrived at

The level of significant will be 50% and above of the total answer given to a particular question. In order words, the acceptability of the problems identified from the study will be based on the 50% and above while the rejection of such an identified problem will be less than 50% level.

Furthermore considering the hypothesis outlined in the study Chi-square (x^2) was used to determine the significant or impact of succession planning and staff development. Chi-square is stated as:

$$X^2 = \sum \frac{(0-E)2}{E}$$

The degree of freedom $v = k - 1$

Where;

O = Observed value of the sample

E= Expected value of the sample

$\sum$ = Summation of

X^2 = Chi-square

K = No. of parameters

V = Degree of freedom

CHAPTER FOUR

DATA PRESENTATION AND INTERPRETATION

4.1 Introduction

The objective of the study is to establish the status of succession planning in Nigerian financial and intelligence unit of the EFCC. The interview method was used in this study and the findings is discussed in this chapter.

4.2 Data Presentation

Table 1: Sex of the Respondents

No. of Respondents			
Option	Frequency	%	Cumulative %
Male	16	64	64
Female	9	36	100
Total	25	100	

Source: Field Survey, 2014.

Table 1 show that 64 percent of the respondents are male while 36 percent are female.

Table 2: Marital Status of the Respondents

No. of Respondents			
Option	Frequency	%	Cumulative %
Married	18	72	72
Single	7	28	100
Others	0	0	100
Total	25	100	

Source: Field Survey, 2014.

The marital status as shown in table 2 indicates that 72 percent of the respondents are married.

Table 3: NFIU Organogram

No. of Respondents			
Option	Frequency	%	Cumulative %
Yes	25	100	100
No	0	0	100
Total	25	100	

Source: Field Survey, 2014.

All the respondents affirmed that Nigeria Financial and Intelligence Unit have an organogram.

Table 4: Do you carry out Responsibility without Interference

No. of Respondents			
Option	Frequency	%	Cumulative %
Yes	8	32	32
No	17	68	100
Total	25	100	

Source: Field Survey, 2014.

Table 4 show that68 percent of the respondents asserted they do not carry out their responsibility with interference from government.

Table 5: NFIU Succession Plan

No. of Respondents			
Option	Frequency	%	Cumulative %
Yes	3	12	12
No	22	88	100
Total	25	100	

Source: Field Survey, 2014.

The data in table 5 shows that NFIU do not have a succession Plan. This is confirmed by 88 percent of the total population.

Table 6: Developing and Training for Potential Manager

No. of Respondents			
Option	Frequency	%	Cumulative %
Yes	11	44	44
No	14	66	100
Total	25	100	

Source: Field Survey, 2014.

The study revealed that 66 percent of the respondents stated potential managers are not trained to take higher responsibility.

Table 7: Skill Development

No. of Respondents			
Option	Frequency	%	Cumulative %
Inside Talent	7	17.72	17.72
Outside Talent	18	82.28	100
Total	25	100	

Source: Field Survey, 2014.

Table 7 shows that 82.28 percent of the respondents indicated that **s**kills development from within the unit is preferred over outside recruitment for top management positions.

Table 8: Relationship between Succession Planning and Staff Development in NFIU

No. of Respondents			
Option	Frequency	%	Cumulative %
Yes	10	40	40
No	15	60	100
Total	25	100	

Source: Field Survey, 2014.

Table 8 shows that 60 percent of the respondents indicated that there is no relationship between succession planning and staff development in NFIU.

4.3 Test of Hypotheses

(1) $H_{O:}$ There is no relationship between succession planning and staff development

The distribution in table 8 will be used to test the hypothesis at 1% level of significance.

Table 8b: Observed frequency

S/No	Option	Frequency
1	Yes	10
2	No	15
	Total	25

Expected frequency (E) for this table is calculated as total frequency divided by 2.

Table 9: **Observed and Expected Frequency**

S/No	Observed frequency(o)	Expected frequency(e)
1	10	12.5
2	15	12.5
	25	25

Table 10: Presentation of Chi-Square Test

S/ No	0	E	0 - E	(0-E)	(0-E)/ E	$X_{0.01}$
1	10	12.5	-2.5	6.25	0.5	-
2	15	12.5	2.5	6.25	0.5	-
	48	48			1.0	6.63

The degree of freedom for this study is v=2-1=1

Given the level of significance of 0.01% at I degree of freedom,

thus:

$X_{0.01} < X_c = (6.63 > 1.00)$

The critical value $X_{0.01}$ for I degree of freedom is 6.63 respectively. Thus, since$1.00 < 6.63$, the study rejects the hypothesis 1, and concludes that there is a relationship between succession planning and staff development.

(2) Ho: Grooming, training and development of staff have no significant impact on succession planning.

The distribution in table 6 will be used to test the hypothesis at 0.5% level of significance.

Table 6b: Observed frequency

S/No	Option	Frequency
1	Yes	11
2	No	14
	Total	25

Expected frequency (E) for this table is calculated as total frequency divided by 2.

Table 11: **Observed and Expected Frequency**

S/No	Observed frequency(o)	Expected frequency(e)
1	11	12.5
2	14	12.5
	25	25

Table 12: Presentation of Chi-Square Test

S/ No	0	E	0 - E	(0-E)	(0-E)/ E	$X_{0.005}$
1	11	12.5	-1.5	2.25	0.18	-
2	14	12.5	1.5	2.25	0.18	-
	48	48			0.36	7.88

The degree of freedom for this study is v=2-1=1

Given the level of significance of 0.5% at I degree of freedom,

thus:

$X_{0.005} > X_c = (7.88 > 0.36)$

The critical value $X_{0.01}$ for I degree of freedom is 6.63 respectively. Thus, since< 7.88, the study rejects the hypothesis 1, and concludes that grooming, training and development of staff have significant impact on succession planning.

4.4 Discussion of findings

The interview done revealed that the unit has an organ gram that enables employees to know their career path. It was surprising though that the unit is not allowed to carry out its responsibilities without interference. Nigerian financial intelligence unit of the EFCC do not have a fully implemented succession plan. This can hamper possible work value as the skills and knowledge can disappear with the managers/top management. This against the view of (Ip & Jacobs (2006) that succession planning can add value but that it does not guarantee success.

The interview participant was in favour of succession planning at NFIU. Nevertheless, he did speak of potential challenges for administrators if succession planning is implemented. The importance of establishing trust through the development of a fair and equitable process was viewed as essential. Once the process is established it is imperative that it is followed.

The study showed that criteria for succession are not based on talent from within. Though, inside development of talent adds value to a company's pool of potential top managers by giving them the proper training and also grooming them for the position but it is not obtainable in NFIU. This would suggest that if NFIU wishes to hold on to their talent it is important that

employees are developed for possible future leadership positions and not on position in particular. Outside talent is the most preferable way to get the required skills for top management. According to the findings it brings in new fresh skills and ideas. Seymour (2008) also supports this notion in his research as he shows that recruiting in talent keeps pace with changing market demands, that specialized skills are acquired and that it brings in fresh perspectives. He however argues that it is expensive and the new talent is unproven.

With this study it was identified that it is critical for NFIU to identify potential top management from an early stage and to communicate such plans throughout the unit. These career plans of employees should be updated annually to identify possible gaps and opportunities.

The study therefore accepts the null hypotheses 1 and 2 and concludes that there is no relationship between succession planning and staff development and that grooming, training and development of staff have no significant impact on succession planning in NFIU.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The study found that there was a gap between perceived and actual status of succession planning in the NFIU. It further revealed that there was no preference to recruiting from outside versus developing inside talent in preparation for succession planning.

This study indicated that NFIU had no succession plan or exist strategy for directors who are retiring. The study found out that recently a director left the unit and there was no one in the unit to take over from him. A replacement was sourced from outside the NFIU. This finding has serious implications for the NFIU and must take succession planning very seriously, otherwise they will come to a halt suddenly when the leadership leaves the unit for whatever reason, either due to natural death or otherwise.

Succession planning is a long and ongoing process; it will take several years to evaluate, develop, and reassess the needs of future leaders in an agency. Keep in mind that succession planning is also a valuable retention tool; employees who have a clear idea of what their career path, leadership potential, training and personnel development investments are more likely to

stay with that agency. Succession planning is intended to identify and develop individuals with high leadership potential at all levels of the agency. It is also a valuable tool to help chiefs ensure a lasting positive legacy by establishing continuity of operations and sharing of institutional knowledge.

It is hoped that , putting in place and as well as practicing of the succession planning and staff retention plan at the Nigerian Financial Intelligence Unit (NFIU), Its staff will hardly want to leave the agency. This will so be because, if the necessary employee benefits as is obtainable in other FIU'S like the UKFIU, Finsen, Financial Intelligence Centre of South Africa etc. which will increase the staff moral and boost productivity and loyalty.

5.2 Conclusion

Nigerian financial intelligence unit of the EFCC do not have a fully implemented succession plan. This can affect possible work value as the skills and knowledge can disappear with the managers/top management. This explains therefore that there is no relationship between succession planning and staff development in NFIU as stated in hypothesis 1.

The study showed that criteria for succession are not based on talent from within. Though, inside development of talent adds value to a company's pool of potential top managers by giving them the proper training and also

grooming them for the position but it is not obtainable in NFIU. This would suggest that if NFIU wishes to hold on to their talent it is important that employees are developed for possible future leadership positions and not on position in particular. Outside talent is the most preferable way to get the required skills for top management but it is expensive and the new talent is unproven. This therefore agrees with the null hypothesis 2 and concludes that grooming, training and development of staff have no significant impact on succession planning in NFIU.

With this study it was identified that it is critical for NFIU to identify potential top management from an early stage and to communicate such plans throughout the unit.

5.3 Recommendations

As a way forward some strategies that can be followed to address the key variables are:

(1) An organizational structure should be implemented so that employees know who is next in line and what is expected of them, so that if anything is to happen to top management NFIU can still carry on. Exiting top management should have contingency plans in place to

ensure that the unit can outlive them and that they have a proper exit strategy in place to carry over dividend to the new management.

(2) Identified top managers should be groomed and developed to ensure that they know what is expected to fill the vacant positions. It is of paramount important to ensure that these potential managers are fitted with all the necessary knowledge and skills to manage the top management of the NFIU.

(3) Implementing a formal succession plan is very important to ensure that all aspects have been looked at if something is to happen. NFIU should communicate effectively with various departments, develop a formal succession plan and process, build on existing leadership and development activities, and involve departments and individuals throughout the entire succession planning process.

The succession plan should also be reviewed annually to ensure suitability for positions and to ensure that all aspects have been accounted for. In conjunction to a good succession plan it is also necessary to have a good performance management system to ensure that potential top managers are identified from within or to see were individuals can be improved or where skills should be recruited from outside. Duties should be delegated in such a

way that the business can operate if one or more key persons are absent thus employees should be multifunctional and flexible.

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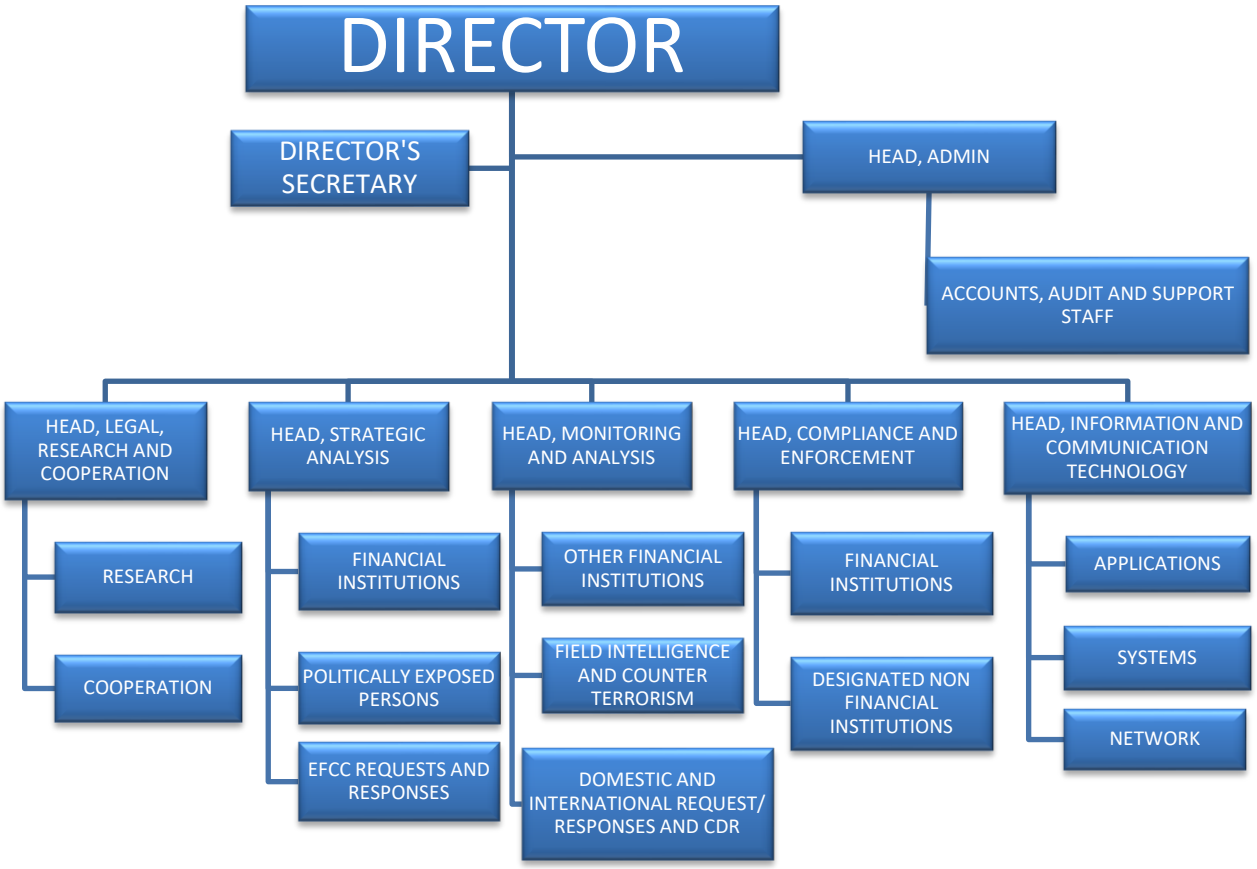
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APPENDIX 1: NIGERIAN FINANCIAL INTELLIGENCE UNIT ORGANOGRAM



APENDIX II

Research Project Interview Questions

Department of Business Administration

Faculty of Business Administration

Nasarawa State University, Keffi.

Introduction

This interview is aimed at generating data for a study on the impact of succession planning and staff development at the Nigerian Financial Intelligence Unit of the Economic and Financial Crimes Commission. The information gathered by this interview is strictly for academic purposes and will be treated with utmost confidentiality.

Thank you for your anticipated co-operation

SECTION A

1. Sex: ……
2. Marital Status: …….
3. Qualification: ……..
4. For how long have you worked with the organization?.....

SECTION B

This section is to assess the impact of succession planning and staff development in the NFIU of EFCC.

1. Does the unit have an organogram that enable employees to know their career path? ……..
2. Is the unit allowed to carry out its responsibilities without interference? …..
3. Does the Nigerian Financial Intelligence Unit of the EFCC have a succession plan? …….
4. If yes, how often is it reviewed? …….
5. Grooming, training and development is given to all potential top managers/heads of the unit ……
6. Skills development from within the unit is preferred over outside recruitment for top management positions …….
7. Outside talent is the most preferable way to get the required skills for top management into the company……..
8. Does the unit have a performance management system in place to monitor each employee's contribution to the commission?.....

9. Is the unit's criteria for succession based on talents from within? ……...

10. Is there any relationship between succession planning and staff development? ……..