



UNIVERSITI TEKNOLOGI MARA

A REVIEW OF THE CEO SUCCESSION
MANAGEMENT FOR YAYASAN SABAH GROUP
(YSG)

YAMANI HAFEZ BIN MUSA
A. ASHAR A. PATURUSI
MARIAM BINTI MUJIM

DISSERTATION SUBMITTED IN FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF
EXECUTIVE MASTER OF BUSINESS ADMINISTRATION
GRADUATE BUSINESS SCHOOL

JANUARY 2012

ABSTRACT

The meaning of the word leadership is changing over time, and so is the role of the CEO. Identifying, selecting and recruiting the right leader are known to give the organization a competitive advantage. The objective of this study therefore to gain knowledge in what constitutes as the critical success factors in selecting a CEO for Yayasan Sabah Group (YSG).

This study approaches CEO recruitment from both an external and internal perspective through dialogues with recruitment consultants as well as with the YSG Human Resource-Manager. The study further raises the question whether Yayasan Sabah Human Resource Department (YS HRD) could play a more significant role in leadership succession management.

This study found character, competence and compatibility as the critical success factors in selecting a CEO and propose the concept of 3C.

ACKNOWLEDGEMENTS

As with any study we are indebted to a large number of people for their support throughout our work.

First of all, we would like to thank to Dr. Hj Abdul Kadir Rosline for his helpful advice and support beyond the call of duty throughout the entire process. We value his support, his valuable feedback, and encouragement that enables us to carry out this study.

Next, we would like to thank the Universiti Teknologi MARA (UiTM), which permitted us to participate and be part of the EMBA program. For their help, support, understanding, encouragement and patience throughout this work as well as throughout our studies, we would like to thank our family members and colleagues.

Then, we do however owe a special thanks to all of our respondents for their valuable input and their precious time.

TABLE OF CONTENTS

	PAGE
DECLARATION	ii
ABSTRACT	iv
ACKNOWLEDGEMENT	vi
TABLE OF CONTENTS	viii
LIST OF TABLES	xi
LIST OF APPENDICES	xii
LIST OF ABBREVIATIONS	xiii
CHAPTER ONE : INTRODUCTION	
1.1 Background of the Study	1
1.2 Problem Statement and Issue	2
1.3 Objectives of the Study	3
1.4 Research Questions	4
1.5 Disposition	4
CHAPTER TWO : METHODOLOGY	
2.1 Introduction	7
2.2 Data Collection	8
2.1.1 Primary Data	8
2.1.2 Secondary Data	10
2.1.3 Approach	11
2.3 Conclusion	12

CHAPTER THREE : LITERATURE REVIEW

3.1	Introduction	13
3.2	Leadership Succession	14
3.3	Leadership Succession Planning	21
3.4	Issues of Internal Promotion	26
3.5	Issues of External Recruitment	30
3.6	Issues of Succession Planning	32
3.7	Critical Success Factors:	35
	3.7.1 Character	35
	3.7.2 Competence	41
	3.7.3 Compatibility	43
3.8	Conclusion	45

CHAPTER FOUR : ANALYSIS AND FINDINGS

4.1	Introduction	46
4.2	Summary	46
4.3	Discussion	47
	4.3.1 The Current practices of leadership management in Yayasan Sabah Group	48
	4.3.2 The Roles of its Human Resource Department	49
	4.3.3 The factors considered in selecting CEO	50
	4.3.4 The most appropriate Critical Success Factors (CSFs) for CEO Candidate given the current and future environment of Yayasan Sabah Group	51
4.4	Conclusion	52