

**The Role of Succession Planning in Retaining Talent: An Applied Study on
NEOM Company**

Introduction

Organizations that prioritize sustainability and corporate social responsibility (CSR) are increasingly recognized for their ability to attract and retain top talent. Their efforts go beyond minimizing environmental impact or enhancing profitability; they demonstrate a deep understanding that social sustainability is a core driver in fostering committed, engaged, and motivated teams. In today's workforce, professionals across generations are no longer guided solely by salaries or traditional benefits. Instead, they are drawn to organizations with strong ethical values, a sincere commitment to equity, and a tangible positive impact on society. Empirical studies have shown that employees who perceive their work as contributing to a greater purpose tend to display higher levels of productivity, loyalty, and enthusiasm (Schaltegger et al., 2022, p. 483).

Simultaneously, in a global economic environment marked by rising operational costs, organizations adopting sustainable practices are not only reducing expenditures but also enhancing their operational efficiency. These practices strengthen corporate reputation and prove that sustainability initiatives can yield measurable financial benefits. By optimizing resource use and adopting environmentally responsible practices, organizations reach new levels of operational effectiveness and strategically position themselves as innovators— attracting both investment and values-driven talent (Koranteng et al., 2022, p. 331).

In this context, organizational efficiency has emerged as a fundamental requirement for corporate sustainability and long-term success. Attaining such efficiency necessitates a continuous commitment to refining internal processes, empowering employees, and leveraging modern technologies (Shet et al., 2019, p. 756). However, efficiency is not merely about achieving more with fewer resources—it involves aligning the right actions with strategic goals. This

demands a holistic approach that encompasses all dimensions of organizational operation, including process planning, workforce management, and decision-making mechanisms (Garad et al., 2022, p. 16).

One strategic approach that contributes significantly to sustaining both efficiency and competency is succession planning. This process involves the identification and development of internal talent to fill key leadership and critical positions in the future. Its primary objective is to ensure leadership continuity and minimize operational disruptions resulting from retirements, promotions, dismissals, or other transitions (Zafar & Akhtar, 2020, p. 23). Effective succession planning enables organizations to cultivate leaders from within who are already familiar with the corporate culture and aligned with organizational values—ensuring a stable and seamless leadership transition during times of change.

Furthermore, succession planning contributes to the enhancement of organizational competency by focusing on the ongoing development of existing employees. Through structured opportunities such as mentorship, training programs, and exposure to new challenges, potential leaders are empowered and motivated, resulting in greater commitment and retention. This internal talent development approach fosters a culture of growth and resilience, ultimately ensuring the organization's capability to meet future demands (Martin & O'Shea, 2021, p. 14).

Accordingly, the present study aims to explore the role of succession planning in retaining organizational competency, from the perspective of employees at NEOM Company in Saudi Arabia.

Study Problem

Succession planning goes far beyond simply naming a potential replacement for key positions. It is a critical organizational strategy directly linked to talent

retention, increased productivity, and overall employee satisfaction. (Mehreen and Ali, 2022, 530).

Despite its importance, many organizations—especially in fast-developing environments such as NEOM still lack structured succession systems that ensure leadership continuity and preserve organizational knowledge

When employees see clear opportunities for internal advancement and leadership development, they are more likely to stay committed to the organization, which reduces turnover and minimizes the costs associated with frequent recruitment. A well-implemented succession plan also improves employee engagement and motivation, as it reflects the organization's investment in their future (Abdullahi et al., 2022, 810).

Based on the researcher's experience at NEOM, it was observed that the organization faces challenges in the recruitment process due to its remote location. As a result, job rotation has proven to be an effective strategic approach for retaining competencies and achieving organizational goals. Accordingly, the research problem is defined by the following main question:

What is the role of succession planning in retaining organizational talent from the perspective of NEOM Company?.

Significance of the Study

1. Theoretical Significance

- The significance of this study lies in its focus on the relatively modern concept of succession planning, particularly its role in retaining organizational talent within NEOM — one of Saudi Arabia's most ambitious and innovative national projects. This research offers insights into how succession strategies can be effectively implemented in dynamic and future-oriented work environments.

- The study contributes to the growing body of knowledge on the relationship between succession planning and competency retention, enriching academic literature and serving as a valuable reference for future researchers in strategic management and human resource development, particularly within large-scale, transformative initiatives.

2. Practical Significance

- The findings of this study may raise awareness among administrative leaders at NEOM regarding the strategic importance of succession planning in maintaining organizational stability and preserving critical talent within the institution.
- The study is also expected to offer practical recommendations that support decision-makers at NEOM in developing effective policies for grooming second-line leadership and ensuring organizational readiness for future changes—without compromising operational efficiency.

Research Questions

Main Research Question:

What is the role of succession planning in retaining organizational talent from the perspective of employees at NEOM Company?

Sub-questions

- What role does the competency forecasting dimension play in enhancing talent retention at NEOM from the perspective of employees?
- What is the impact of implementing job shadowing on supporting talent continuity and reducing turnover at NEOM?
- To what extent does the job rotation dimension contribute to achieving talent stability and improving retention at NEOM?

Aim of the study

- To explore the role of succession planning in retaining organizational talent at NEOM.
- To examine the impact of competency forecasting on talent retention from the perspective of employees at NEOM.
- To identify the contribution of job shadowing practices to talent continuity and the reduction of turnover within the company.
- To assess the extent to which job rotation influences talent stability and enhances employee retention at NEOM.

Limitation of the study

Topical Limitation:

This study is limited to examining the role of succession planning in retaining organizational talent within NEOM.

Human Limitation:

The study is limited to employees currently working at NEOM Company.

Spatial Limitation:

The study is conducted within NEOM, Kingdom of Saudi Arabia.

Temporal Limitation:

The study covers the second academic semester of the year 1447 AH – 2025 AD.

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