Succession Planning In Iranian Governmental Agencies

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Abstract: It is becoming increasingly challenging for organizations to obtain qualified and talented staff. Succession planning is often introduced as a way to attract and employ such staff. Succession planning is a process of recruitment and development of employees for vital roles within the organization. Implementation of succession planning is central to certain organizational requirements. This research surveyed organizational requirements in Iranian governmental agencies and their relation to the implementation of succession planning. This study used descriptive methods with correlation. The statistical population consisted of two groups, experts and managers of Iranian governmental agencies, and data was collected using three questionnaires. The findings of this study demonstrated a meaningful relationship between organizational requirements such as managers' commitment, organizational culture, organizational readiness, and managers' competencies with the implementation of succession planning. By considering these organizational requirements in their management practices, managers are more likely to be successful in recruiting, evaluating, training and developing talent as dimensions of the implementation of succession planning.

1. Introduction

In the modern, globally-competitive environment, the need for substantial changes and creative work is always felt by organizations. This has forced the modern organizations to consider new working methods when encountering less stability and rapid change in their sectors. However, human resources departments should not only solve specific problems, but also must ensure the success of the organizations in facing potential challenges of the future. One of these challenges is the demand for qualified and talented staff. In order to attract and employ such staff, succession planning (SP) is introduced. SP is vital for day-to-day decision-making in an organization and is considered an important tool for developing individuals (Huang, 2001). This system is also one of the most important mechanisms available for ensuring that an organization can train its employees to provide its future workforce.

SP can be defined as an attempt at proper planning regarding the number and quality of managers and staff with key skills in order to compensate retirement, death, serious illness or promotion, and any new circumstance that may be created in the future plans of the organization (Sambrook, 2005). Likewise, SP is a component of human resource planning that is consistent with the overall strategy of the organization (Beaver and Hutchings, 2004) and is a studied as an intentional program for which the organization and staff must be prepared for future vacant posts (Nuttall, *et al*., 2007). Xavier (2007) shows that it is necessary for managers to venture future managers' development.

Leaders rarely consider the results of their leadership, and after leaving the organization, they realize that the majority of their job was futile, because they were unable to find a qualified successor (Blackaby and Blackaby, 2001), while each post in the organization is required to have an identified successor (Ndwandwe, 2007). Some organizations seek qualified individuals to replace the leadership, but often these eligible employees are replaced for posts which are not related to their skills or career goals (Khurana, 2002). A recent study of Fortune 1000 companies shows that only 64 percent of these companies apply SP processes, and only 50 percent believe in its effectiveness (Wider & Enders, 2004). According to Schramn (2005), the latest forecast by the Society for Human Resources Management (SHRM) shows that few organizations implement management succession plans. Another study shows that, nearly two-thirds of executive managers in the world's largest agencies believe that

they will leave the organization in the next 10 years. Among these managers, 39 percent said they had a substitute for themselves in their mind, and 45 percent of these managers had not set any successor (Jusko, 2005). Alternatively, in some governmental agencies, human resource professionals avoid SP because they worried that the merit system principles of their organization would not be executed (Green, 2000). Although the implementation of SP is simple in theory, in practice it may prove difficult. Besson and Haddadj (2003) believe that implementation of SP processes seems to be difficult for two reasons. First, senior executive do not want to predict successors because choosing a successor means accepting one's resignation. Second, senior executives often prefer to choose his or her own successor from the members of his or her family. Murphy (2006) proposes these administrative problems, as well—underestimating the talent in the organization, failure to create educational opportunities and improvement, lack of managers' sense of responsibility for SP, and attention to SP in high levels of the organization.

Investing in existing staff and improving their skills (Seymour, 2008) through SP can be beneficial for an organization, as SP can increase the ability of the staff to respond to environmental changes (Fairburn, 2008). Additionally it creates incentives in the workforce and considers organizational processes such as recruitment, maintenance, training and development, and the performance management (Hammer, 2004). According to Rothwell (2005) the first step to succession planning is recognition of the organization's problems. However, SP is not considered a serious issue for many organizations. Managers have been reluctant to invest in and support SP because it seems that the workforce of the country is relatively stable and the government feels that any retirement crisis that may occur is in the far future. The most important causes of the failure SP for many organizations can be found in the disability of the program to maintain the necessary support from the organizational culture for example, looking at the program and neglecting the need for comprehensive attitude (Abolala'ei and Ghafari, 2007). Additionally, the findings of Iran's administrators database by the Management and Planning Organization in 2003 show that 52 percent of the country's managers had diploma and associate degree qualifications, and many senior managers have not participated in quality management training. The knowledge and skills of the managers and their managerial experience does not often correspondent with their responsibilities. In government agencies and industrial firms, the number of senior managers

who began their career after completing an undergraduate degree and have reached high positions by demonstrating their performance capabilities is very low. Alternatively, the lack of suitable replacements for key organizational posts, i.e. managers and supervisors, at times of emergency such as retirement or promotion of managers is among the many problems faced by organizations in Iran. Most organizations are facing serious problems in filling management posts from among capable and qualified individuals. Lack of a rational and efficient system to promote everyone based on merit and performance and the lack of knowledge among many Iranian directors about the SP system and its implementation results are a main source of difficulties encountered by Iranian governmental organizations (Asmarian, 2004).

Figure 1. A model for SP

The second step is recognition of organizational requirements before the implementation of SP (Rothwell, 2005). Many organizations fail due to a lack of requirements as a main factor. The requirements that any organization must consider before implementing SP include management commitment to SP systems (Rothwell, 2005; Abolala'ei and Ghafari, 2007); participative and supportive organizational culture for the SP systems (Tropiano, 2004; Groves, 2007); preparedness of the organization for the SP system (Rothwell, 2005; Abolala'ei and Ghafari, 2007); capabilities of managers for the SP system (Brooks

and Henderson, 2005; Horton and Duggan, 2005; Lavinga, 2005). After recognition of these organizational requirements, implementation of SP is important. By studying the SP models, it was found that implementation of SP consists of three components—evaluation of present resources (Rothwell, 2005; Wider and Enders, 2004; Brooks & Henderson, 2005); Training and developing talented individuals (Rothwell, 2005; Curlin, 2009; Horton and Duggan, 2005; Groves, 2007; Brooks and Henderson, 2005; Steeves and Ross, 2003), and recruitment of talented individuals (Rothwell, 2006; Groves, 2007). Ultimately, a model for SP is designed (figure 1).

Successful SP in Iranian governmental organizations could be important. For example, SP will lead to the codification of capability models, identification of training needs, promotion of a competence culture, development of staff skills, and improvement of their capabilities. Additionally, providing a management database and detection of management talent within the organization through scientific method can help the organization's authorities to select qualified people for key posts more accurately and avoid common mistakes of manager selection. At the same time, the qualified individuals could reach higher levels of organizational hierarchy outside the normal path of career progress. This research will consider the status of organizational requirements and SP implementation in the public sector. Therefore, seeks to answer the following questions:

1. What is the status of organizational requirements in Iranian governmental agencies?
2. What is the status of SP implementation in Iranian governmental agencies?
3. What is the relationship between organizational requirements and SP implementation in Iranian governmental agencies?

2. Material and Methods

This study was uses the descriptive method with correlation. It uses the Delphi method to design the early model and the questionnaire. The statistical population consists of two groups; the first group consists of 30 experts chosen by selective sampling throughout the country. The second group consists of all managers of executive organizations chosen from five provinces of the 30 provinces in Iran by selective sampling. In each province, there are 72 governmental organizations from which was chosen a senior manager and a middle manager. It is choosing these 720 managers, seven organizations did not cooperate. The sample size is then 65 organizations and 670 managers. Ultimately, 628 managers filled in the questionnaires.

The collection of data is conducted using three questionnaires. The first is used to design an introductory model by experts, which is accepted. The second and third questionnaires evaluate organizational requirements and SP implementation, respectively. The validity of the organizational requirements questionnaire and the SP implementation questionnaire are 0.884 and 0.865, and the reliability of these two questionnaires are 0.881 and 0.884. SPSS is used analyze these data.

3. Results

The demographic characteristics are categorized as follows—626 managers among of 628 marked their ages. 21 managers (3.4 percent) were 30 years old and under; 228 managers (36.4 percent) were between 31 and 40 years old; 377 managers (60.2 percent) were 40 years old or more. Of the 628 managers interviewed, 622 marked their education level. Fifteen managers (2.5 percent) had diploma degree; 318 (51.1 percent) had a Bachelor's degree; 219 managers (35.2 percent) had a Master's degree; and 70 managers (11.3 percent) had a PhD degree.

The Sign Test is used to survey the status of organizational requirements and SP implementation. Managers were asked their opinion of the status of organizational requirements and SP implementation, and the median was evaluated to be more than 3 (rather good). The median of managers' opinions about manager commitment, organizational culture, organizational readiness, managers' competencies (as organizational requirements), evaluation of present resources; training and developing talents; and recruitment of talents (as SP implementation) was evaluated to be more than 3 (rather good).

Table 1. Result of Corelational analysis.

	Variables	Correlation coefficient	P Value
Organizational requirements	SP implementation	0.609	0.000
	Evaluation of individuals	0.515	0.000
	Training and developing talents	0.612	0.000
	Recruitment of talents	0.502	0.000

By using the Spearman Test, the correlation coefficient calculates the P Value with sample size n=628 was less than 0.05; this shows a meaningful

relationship between organizational requirements and SP implementation. Other results show a meaningful relationship between manager commitment, organizational culture, organizational readiness and manager competencies with SP implementation (Table1).

4. Discussions

Results show a meaningful relationship between organizational requirements and SP implementation. Rothwell (2005) emphasizes that the basis of SP implementation is recognition of organizational requirements before implementation. A study of Ibrahim, *et al.* (2004) shows elements that are vital for SP, including management competencies and skills, and successor's commitment to the organization. Many studies such as Rothwell (2005), Horton and Duggan (2005), Tropiano (2004), Murray (2007), and Steeves ajnd Ross (2003) show these relationships. Therefore, organizational requirements are emphasized as an urgent prerequisite in SP implementation. Therefore, it is prospected with the existence of organizational requirements that managers perform better in the evaluation of present resources, and training, development and recruitment of talent. Management commitment as a secondary variable is a force by which a person participate in the activities related to a specific aim (Shahnawaz and Juyal, 2006); so it is needed to have committed individuals for obtaining the success of an organization (Martin, 2008). Many studies confirm the positive effects of manager commitment. Committed individuals can recognize organization goals and values better, and they have stronger tendency for dependency to the organization (Nehmeh, 2009). Huang (2001) shows that SP cannot improve HR performance, but manager commitment to SP is an initial requirement for success. Therefore, it is prospected that manager commitment to SP is caused by desirable SP implementation.

Organizational culture as another variable is a main factor to the success of the leader (Walseth, 2009), and it plays a basic role in SP implementation (Ndubisi, 2008). Tan (2009) also shows how SP processes are influenced by culture. Organizational culture, especially a culture of collaboration and support, are essential for SP implementation (Tropiano, 2004). As a collaboration culture plays a key role in the learning process, a supportive culture can affect continuous commitment (Song and Kim, 2009). A collaboration culture is caused by continuous investment in increasing employees' skills, and persuading cooperation for development. A supportive culture supports talents in new roles. Therefore, a prospected collaboration culture and a

supportive culture are influenced by desirable SP implementation. Organizational readiness is another variable that stresses the preparation of all departments of an organization (World Health Organization, 2009). Although there is not any particular frame to SP, a proper starting point for SP implementation is organizational readiness and pursuit of activities. Therefore, organizations should evaluate their readiness (Ritchie, 2005), as it is necessary to ensure plan success. Organizational readiness such as prospecting management needs, an active HR department, a tendency to merit, and retaining organization from politic pressures is needed.

Manager competencies, as a final variable, are employed as basis for all SP activities (Herr, 2007). Additionally, competency models are considered the base of SP implementation. These models provide a plan to make present and future required competencies (Rothwell, 2005). Surveys show that the competency format can be targeted toward different goals in HRM, such as management development, career planning, SP, and performance management (Wickramasinghe and De Zoyza, 2009). Alternatively, competencies provide a common language in HR areas such as selection, development, and SP (Berge, *et al*. 2002). Manager competencies such as conceptual skills, personality factors, decision making skills, and communication skills should be considered in organizations.

Other results show that dimensions like evaluation of human resources; training and developing talents, recruitment of talents to implement SP should be required. In the evaluation of human resources, managers can use performance management and evaluation centers. To develop talent, managers must pay attention to career policies in regards to the necessity of talented forces, to forming partnerships in training plans, and to appointments and promotions in regard to training and growth. Additionally, when training talents, managers should notice training plans and their feedback. When recruiting talents, it is necessary for managers to identify present employees and talents of outside organizations for forming the talent pool. Meanwhile, managers should select young and apt forces for increasing management reserves, and consider recruitment tests for identifying talents in the organization. Ultimately, SP is a strategic plan and a powerful tool not only for reinforcing and developing talent but also for turning a failing organization on a positive path. Identifying organizational requirements and implementing SP are complex tasks that require ongoing attention and sufficient resources. The organizations should spend tremendous resources and time in designing skills

and competencies to recruit, train and evaluate talent. Therefore, the revival and continuous updating of organizational plans is a good start for SP.

It is suggested that organizations' middle managers, senior managers and human resource managers place SP among their main tasks. It is necessary to design a native competencies model to use within governmental organizations. It is important to identify the educational needs of managers at different levels. Iranian organizations should consider activities such as equipping human resource departments, emphasizing the constancy of senior management teams, and utilizing educated and experienced managers to ensure readiness. Organizations should construct data banks for managers to detect management talent within the organization. Investment for developing future managers and establishment of an institute for developing young managers is necessary. It is also suggested to conduct empirical research to examine the realistic results.

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