Original Article

Studying Problems and Challenges of Establishing Succession Planning in Administrative System of Iran

Mohammad Ghasemi[1], Jalal Derakhshani[*2], Meisam Derakhshani[3], Hadi Salari[4]

[1]Assistant professor of University of Zabol, Zabol, Iran
[2]Master's student of Human Resources Management, employee of University of Zabol, Zabol, Iran
[3]Master's student of Human Resources Management, University of Sistan and Baluchistan, Iran
[4]Master's student of Human Resources Management, University of Sistan and Baluchistan, Iran

*Corresponding Author E-mail: Jalal_d2006@yahoo.com

ABSTRACT

Today, few attempts have been made to study important factors for establishment of desirable succession management system considering growing need for succession management system. Succession planning allows organizations to be ready for confronting with absence, turnover, death, retirement or transfer of people. One can no longer attribute the future events to fortune. Due to local conditions and international position of our country, it is necessary to change administrative system of the country more than ever. One of the most important steps of change is to recognize problems. Therefore, it seems necessary to study challenges and problems of establishing this plan in administrative system of Iran with its special characteristics. This paper tries to explain barriers and challenges of succession plan with review method while studying the succession plan and finally present strategies for removing these challenges. Failure of top management to provide support, nonconformity of succession plan with strategic plans of the organization, instability of management, bureaucracy, traditional attitude, low efficiency and lack of clarity in execution of the project are of the challenges of establishing succession plan which can be removed using collective wisdom, getting support of top management, allocation of specified unit to succession management, clarification and change of attitudes and culture building.

Key words: Organization, Succession Plan, Substitution, Administrative system.

Introduction

Today, organizations try to obtain results and survive more than ever considering speed of changes and increasing competition (Karami *et al.*, 2009). In this regard, attention to human resources and their development and empowerment which are the most valuable organizational capitals and

basis of ability and knowledge enhancement in global class indicate that human has been considered as determining and effective partner in organizations and growth and development of human resources cause multilateral and balanced development of organization (Haj Karimi *et al.*, 2011). One of the fundamentals of development in each society is its administrative and management system. It is evident that desirable and efficient administrative system can facilitate realization of development plans goals because administrative system of each country is regulating system of all activities for achieving the predetermined goals (Mir Mohammadi *et al.*, 2011). Most organizations have a system to ensure that their technical and managerial ability will be continually kept such that they identify, select, train and develop leaders and key personnel, evaluate their progress and promote organization in critical stages. This is called succession system (Nasehi Far *et al.*, 2011). Johnson et al. mentioned that companies could lower force circulation rate, increase morale of the employees and guide the most competent people to key position of organization (Nasehi Far *et al.*, 2011). Succession management and planning are not only limited to management or employees' position. In fact, effective succession management and planning may identify and fulfill need for important reserves including key personnel in technical and specialized job, sale, clerical and production classes (Rothwell, 2005). Today, few attempts have been made to study important factors for establishing desirable succession management system (Hadizadeh Moghaddam *et al.*, 2011). Therefore, it seems necessary to study challenges and problems of

establishing this plan in Iran administrative system with its special characteristics. This paper tries to explain barriers and challenges of the succession plan while studying it.

It is evident that succession plan is not an easy process which can be planned and applied easily. There are barriers and problems which slow this process if they are not considered and solved. Mir Mohammadi and Hassan Poor, (2011) believe that strategic subject of succession has been forgotten in Iran administrative system and main planning and expertise prediction are not made to fill gap of the forces excluded from administrative system (Mir Mohammadi *et al.*, 2011).

Succession Planning

Succession management and planning are the measured and systematic attempt which an organization makes to ensure continuation of leadership in key positions of keeping and culturing intellectual and practical capitals for progress and encouragement of the people to be promoted. Systematic succession planning is known when an organization prepares special methods for identifying, keeping and preserving the committed people in long term (Rothwell, 1994). In this systematic process, specialized and professional culture is combined with strategy ensuring that organization is ready to fill any vacant position with people at due time (Christie, 2005). Succession planning can be regarded as attempt to design a plan for suitable number of managers and employees with key skills such that they can be suitable successors at time of retirement , death , disease or promotion of other employees and even new positions which are created in the future plans of

the organization (Sambrook, 2005). In fact, succession planning is process of identifying and preparing competent employees through consultation, training and job rotation for substituting the employees who are excluded from organization (Hashemi, 2008). Talent identification and succession planning are based on these 4 principles as Peter Drucker mentioned:

Managers are not born but they should be trained.

In managers training process, main focus should be on skills and capabilities required in future business world of the organizations.

Talent identification and succession planning require regular and systematic plan.

Top managers of organization should be custodian m supporter and main customer of these plans (Eidi and Dianati, 2008).

One can dare to say that succession planning is one of the most important strategies of development and survival of organizations and seeks to create motivation for survival of capable forces in organizations and increase meritocracy and create sound competitive environment in space of organization (Abulalaei and Ghafari, 2007). Generally, there are three approaches to fulfill need of organizations for specialized labor force:

Manpower is not provided and accidents are attributed to fortune.

Needs of the organization are fulfilled from out of the organization which includes unemployed people and personnel of other organizations.

Needs of organization are fulfilled from inside organization so that internal talents of organization are identified and cultured.

As it is inferred, the third approach improves morale, keeps talents in organization, and leads to empowerment of employees and results in reinforcement and stabilization of the organization's culture (Robinson, 2006). Many organizations which are declining don't have plan for fulfilling their future needs and attribute the accidents to fortune and act reactively when confronting with problems but the organizations which seek to protect and promote their position, focus their planning on identification and culture of intra-organizational and extra-organizational managerial talents (Abulalaei and Ghafari, 2007).

Difference between Succession Planning and Substitution

If succession plan is considered as scale, substitution will be on one side of scale and succession management will be on another side and succession planning will be placed in the middle of this scale. Substitution means identification of the proper people for top management positions of organization. This process only predicts future performance of the person and person is not prepared and developed during it. Development and culture will occur sporadically with training method and by manager. In this model, it is assumed that the present manager is a suitable model for future managers, which doesn't seem to be correct considering the modern turbulent environment and change in strategies and processes. On another side of the scale, succession management has integrated and systematic and multilateral approach. In this scale, it is important to identify and develop people with high potential and have a reserve of competent and ready

people when a position is vacant (Rothwell, 2005).

Succession Planning Goals

Goal of succession planning is to develop potentials and their trainings for assuming more responsibilities. Succession planning is one of the effective strategies for managing talent and ensuring that an organization will reach its future goals. One of the other goals of succession planning is to coordinate between talents in organization and the future talents (Rothwell, 2005). In addition to the goals mentioned above, some other goals of succession planning process in organization are as follows:
-Reviewing assessment of future needs of organization to competent managers and leaders and evaluating talents in organization
- Identifying gap between needs and talents in organization
- Designing and compiling plans necessary for education of talented and competent people
- Creating suitable opportunity for talented people for completing organizational expectations and proving their own capabilities
- Forming and creating expectation of top managers of organizations to culture talents in sections and units supervised by them (Abzari et al., 2012).
Problems and Challenges of Succession Planning
Organizations are obliged to culture their internal talents by training employees so that they are encouraged to promote themselves. In this case, probability of finding a competent person with proper skills and at proper time increases inside the organization while people believe that top managers of organization have not reached this

rank in one day but they have been cultured through careful planning and foresight for years (Gholi Poor *et al.*, 2011). Mir Mohammadi and Hassan Poor (2011) believe that scientific and expertise thoughts have not been considered in administrative system of Iran and unreal meritocracy has been regarded. Permanent, provisional and contractual employment of people and difference between these titles and their position and type of permanent service has been problematic. Study by Mir Mohammadi and Hassan Poor (2011) has shown that these mechanisms have been a factor for influence of the managers in selection and application of the people related to them. They also believe that factors of relation, familiarity, recommendation and dependence have replaced meritocracy system. Based on results of study by Mir Mohammadi and Hassan Poor (2011) in administrative system of Iran, appointments don't follow specified rules and logic of applying competent and experienced forces is not considered, strategic subject of succession planning is forgotten and main planning and expertise prediction are not made to fill gap of the forces excluded from administrative system (Mir Mohammadi *et al.*, 2011). While any country in modern world requires managers and employees who can provide better services to citizens based on public interest of society according to their competence and improves their capabilities and competencies based on increasing growth of changes (Haj Karimi *et al.*, 2011).
Mir Mohammadi and Hassan Poor (2011) believe that one of the problems which threaten administrative system of Iran is change in arrangement of management system following political

arrangement and execution of raw and primary ideas of new manager as new plans. Lack of strategic views in managers (which causes limited thinking and finally dogmatism in administrative systems), monopolization of jobs and preventing other elements from reaching key jobs, the presence of sectional thoughts and tendencies and application of management based on political disputes in administrative system and non-intervention of middle classes and proficiency in decision making process are of the other characteristics of administrative system of Iran (Mir Mohammadi *et al.,* 2011).

It is evident that succession plan is not an easy process which can be planned and applied easily. There are barriers and problems which slow this process and even made it disappear if they are not considered and solved. Of course these barriers are different based on cultural, strategic conditions and economic conditions of the companies (Mandi, 2008). Managers and supervisors may face inhibiting factors caused by executive managers. These barriers prevent execution of succession plan and affect succession planning and management. The most important problems and inhibiting factors of the succession plan include:

3-1- lack of support by top manager

It is necessary to get support by the key managers. Without this support, even if succession process is designed, it will not be applicable. Lack of ability to attract resources and lack of interest of managers in this plan are of the problems of the succession planning (Nasehi Far *et al.,* 2011).If top managers don't tend to support systematic approach of succession plan, these plans will not be successful (Gholi Poor *et al.,*

2011). It seems that obligation of top managers and their involvement in succession plan are of the key factors for implementation of succession management. Rothwell has mentioned lack of support by top managers as the first general problem which is effective on succession management planning and points out that if top managers don't feel necessity, succession management plan cannot be effective (Hadizadeh Moghaddam *et al.,* 2011). Based on the research by Bordbar *et al.,* (2012), one of the barriers of execution of succession plan in their studied company is lack of belief of some managers in execution of the project and lack of belief in usefulness of the project(Bordbar *et al*., 2012). Based on results of research by Poor Kiani et al. (2010), it has been mentioned that: lack of support and lack of responsibility of managers toward succession planning are of the problems of succession management (Moradi Shirazi et al, 2012). Study by Rothwell (2005), Conger and Fulmer (2003), Kim (2006) and Romejko (2008) also have emphasized on role of support by the organizational top managers in the field of succession planning and mention that they can have widespread role in successful execution of succession planning and also consider effect of personal tendencies of the people and referred to richness of knowledge and meritocracy (Rothwell, 2005).

Nonconformity of succession plan with strategic plans of organization

Lavinga (2005) mentions that succession planning is a main and critical factor which should be related to strategic goals of organization and should be taken from strategy of organization and directly involve line

managers (Motaghi *et al*., 2012). Policy of the company may seek to promote friends and colleagues of the managers instead of promoting employees. This policy may seriously damage performance level and talent of the employees (Gholi Poor et al., 2011). Many papers have referred to importance of relating succession planning to strategic plans. Ideally, strategic planning which includes human resource planning ensures that organization has its required human resources quantitatively and qualitatively in order to achieve its strategic goals. In this regard, opportunities of promotion will be specified and also educational need for candidates for promotion will be specified (Nasehi Far *et al.,* 2011). If succession plans are organized in an organizational unit or don't relate to plans and actions relating to culture and training of talents for any reasons, it may lead to reverse results. It is necessary to note that these activities are always related to major strategy of organization and coordinate them with it (Raoofi and Karimi, 2011). Succession planning strategies are related to organizational culture, structure, processes and talents of organization's employees (Baldwin, 2000).

Traditional Approach to Succession Planning

In traditional approach, the organizations assume that top managers remain at work in long term until an accident or disease may cause change or selection of a substitute for them. Main focus of these old models is not on development of capabilities but on subject of succession and information is only given to top managers of operational units or central staffs of companies (Raoofi and Karimi, 2011). Traditional approach to succession plan may encourage rapid-fixed behaviors. Effectiveness of succession planning should not be done cursorily. Leaders are not easily and rapidly cultured but top leaders are cultured over time (Gholi Poor et al., 2011). Top manager identify themselves considering their organization and company and they don't elect a successor for themselves imagining that selection of successor means acceptance of resignation of a person and allowing emergence of a new identity in company. The present top managers almost prefer to select one of the family members as their successor (19, P. 50). Traditional management governance in organization and prevention of change are of the barriers of succession planning which have been included in results of study by Sahraeian *et al*., (2010) and Bordbar *et al*., (2010). People also resist executing succession planning due to fear of ambiguity in future of job and loss of job (Gholi Poor et al., 2011). Traditional succession planning in fixed environments and organizations is done well but managers should think beyond simple technological solutions. Application of succession planning software can increase ability of organization to keep speed of its conformity to needs of employees and changes (Gholi Poor et al., 2011).

3-4-Low Efficiency of Succession Planning

In fact, one of the reasons for reduction of succession planning in organizations is that employee fails to show value of succession planning and management to organization. Evaluation is way of determining this value (Kim, 2006). High level executive managers always cannot see direct and rapid advantages

of succession planning. Human resources managers intend to establish and execute different succession plans but top managers who don't understand early advantages in their activities transfer human resources managers. For this reason, advantages of succession planning should be emphasized (Gholi Poor et al., 2011).

Excessive Bureaucracy

Of the problems of administrative system of Iran are inflexibility and nonconformity of regulations with social and cultural changes and development plans, the presence of different canceling and cancelled laws and nontransparent laws, lack of laws and regulations performance evaluation system, and lack of feedback loop for improvement of laws(Mir Mohammadi *et al.,* 2011). Category of bureaucratization refers to cases like red tape, bureaucracy and time-consuming process of decision. Perhaps, most of the people who deal with administrative works are not glad with their condition when confronting with organizations. In this special case, organization prevents succession planning and bureaucracy prevents succession planning. Therefore, top managers of most organizations don't tolerate bureaucracy, for this reason, succession planning should not be involved in bureaucracy (Mir Mohammadi *et al.,* 2011).

Non- Transparency in Plan

For information, most of the recommendations relate to transparency of operations. Although transparency may be challenging in some cases such as speaking about the people who have been selected as

successor, it seems that the best case for organization and person is that these subjects should be clearly raised and explicitly discussed (Nasehi Far *et al.*, 2011).

Instability of Management

Succession planning is efficient when managerial jobs are static and fixed and managers are transferred based on defined job growth directions. But in modern world, jobs especially managerial jobs are dynamic and flowing and organizations have become shorter and more flat in terms of organizational structure. Organizational charts sometimes change and managers are transferred horizontally and laterally (Yazdani *et al.*, 2012). In fact, one of the problems of organizations which damage their performance is managerial stability. Long-term tendencies in modern successful organizations necessitate the presence of managerial stability (Gholi Poor *et al.*, 2008).

Result

In the present competitive world, the organizations which have performed necessary planning for their future and consider realistic prediction of the future challenging events can survive and continue working. One can no longer attribute the future events to fortune or achieve development with trial and error and routineness. Succession planning succession planning is one of the most important strategies of development and survival of organizations and seeks to create motivation for survival of capable forces in organizations, increase of meritocracy culture and creation of sound competitive environment in space of

organization (Moradi Shirazi *et al.*, 2012). It is necessary to note that the most important problems of administrative system of Iran relate to human resources section when problems and challenges of administrative system of Iran are studied. For this reason, it can be said that less attention is paid to human resources in administrative system of Iran while today; human resources are regarded as the most important resource of organizations which create inimitable competitive advantage. On the other hand, major challenges of administrative system of Iran include no governance of professionalism, inefficiency of supervisory system, no governance of continual improvement thought and research morale and inefficiency of organizational structures (Mir Mohammadi *et al.*, 2011). In fact, role of specialists and professionals whether in major management of the country or in its execution is not emphasized (Mir Mohammadi *et al.*, 2011).

According to some researchers, strategic subject of succession planning in administrative system of Iran has been forgotten and superficial elitism has been considered (Mir Mohammadi *et al.*, 2011). There are many challenges and problems of succession planning for which the following suggestions are made:

Attitude of the managers should be changed and long-term effects and advantages of succession planning in organization should be emphasized by giving evidence of achievements of other organizations and hidden costs such as keeping the experienced people and filling the positions which are suddenly vacated should be considered (Gholi Poor *et al.*, 2011).

It should be noted that succession planning is designed considering needs of any organization. The larger the organization, the more needed the succession plan would be. When size of a company is enlarged, the number of key positions will be increased (Moradi Shirazi *et al.*, 2012).

Allowing public growth is a mechanism which causes people to increase their attempt and use competition instead of jealousy. Development of group welfare and recreational plans greatly establishes friendly climate among employees and improves working relations (Gholi Poor *et al.*, 2011).

Change of attitudes, culture building and creation of desirable organizational climate, organizing change management seminars, creativity, innovation and conflict management (Bordbar et al., 2012).

Allocation of a special unit to succession planning decreases the number of units which deal with planning and prevents red tape in planning by establishing and developing computer systems for recording different information (Gholi Poor *et al.,* 2011).

Managing discussion with opponents of the project and familiarizing the beneficiaries with concepts of succession planning system and introducing project to them (Bordbar *et al.*, 2012).

Utilizing collective wisdom and consulting with theorists and experts in succession planning.

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