



2528-9705

Örgütsel Davranış Araştırmaları Dergisi
Journal Of Organizational Behavior Research
Cilt / Vol.: 3, Sayı / Is.: S2, Yıl/Year: 2018, Kod/ID: 81S287



HUMAN FORCE PLANNING ON TALENT MANAGEMENT AND SUCCESSOR BUILDING IN PUBLIC ORGANIZATIONS

Seyed Reza SEYED JAVADIN¹, Bahman GHOLAMI^{2*}, Parvaneh ALIZADEH³

¹ Professor of Tehran University Faculty of Management,

² Department of Management Payame Noor University.IR. of IRAN, PO Box 19395-3697, Tehran, Iran,

³ Ph. D Student, Faculty of Management, College Alborz, University of Tehran, Alborz, Iran.

***Corresponding Author:**

Email: bahman.manager80@gmail.com

ABSTRACT

Human force planning is one of the most important ingredients of organizational management and forms the frameworks of formulating general policies on human resources. Talent management and successor building are two main aspects of human force planning which address current and future talent management and preparing the organization and employees for future positions. To this end, the main purpose of present study is human force planning through evaluating talent management and successor building in Iranian Bank Mellî. The methodology is descriptive and analytical and the population consists of managers and experts in HR field of Iranian Bank Mellî. The sample of volume by Kocaran method is determined as 68. Two talent management and successor building questionnaires are used to gather data. Freedman test and correlation matrix are used to analyze data. Findings indicated that in the talent management field, the most important components of planning human force in organization include talent measurement parameters, talent development needs measurement, potential talents evaluation, performance-based rewarding system while in successor building plan, they include supports and encouragement by senior managers in executing the plan, people's tendency to transfer experiences and know-how to others and proper assessment system to identify employees' capabilities by managers. In conclusion, recommendations are provided on human force planning.

Keywords: Human Force Planning, Talent Management, Successor Building, Bank

INTRODUCTION

Human force is the most valuable source for organization to achieve constant excellent and desired performance. In facing with the pressures of new competitive environment, managers attempt to splendor their human force fully as possible since the organization needs capable and talented human force if it plans to achieve its goals fully by a clear mission, desired strategies, efficient organizational structures and proper job designing. It has yielded to special importance of HR planning in organizations (Shimon and Randall, 2005).

Human resource planning predicts needed human resources to achieve organizational goals and enables organizational managers especially personnel managers to take necessary steps in right times to ensure the achievement of those goals. Human force planning, in fact, constitutes pillars for devising general policies on attracting, selecting, training, handling and promoting human forces (Jahanian, 2009). Human planning in organization is important since it makes it possible to achieve several goals so that it is important to clarify organization's future needs by considering the best interests of individual and organization (Shimon and Randall, 2005).

Two main aspects of human force planning are talent management and successor building in organizations as addressed in theoretical basics section. To this end, the main purpose of present research is to study human force planning in two aspects of talent management and successor building in governmental bank (Iranian Bank Melli). By such evaluation, one can recognize main components of human force planning in organization and can execute and utilize them in decision making process and human forces promotion and growth.

THEORETICAL BASICS

Talent management

Talent estimates relative rate of someone's progress in an activity. If different people are in similar conditions and situations to achieve skills in an activity, then we can see that they show differences in terms of acquiring those skills. Some people show better learning and higher efficiency and their progress is rapider which other people may show more progresses in terms of self-efficacy, skills and speed in other areas. In fact, such differences depend on differences in their talents. All people have talents; however, talented people are only those ones who decide on their talents and invest on its development by which they can express their competencies in their jobs through value generation (Shoemaker, 2003). Talent management shows us how to do this. Talent management is to describe the concept and to integrate HR management by the aim of attracting and retaining proper persons for key positions in right time. Due to below reasons, supplying and retaining talent is more important than anything else: knowledge economy, hyper competition and employees' turnover. Organizations move by people and it is their talent that determines the success of organizations. Therefore, talent management is the main core of management (Michaels et al, 2001). Talent management is defined as a regular and long term approach on encountering current and future talents of an organization which aims at having talented people in right time to use them in right jobs based on coordinating and integrating a full set of fours aspects: talent discovery, talent development, talent evaluation and talent retain (Khalvandi and Abbaspour, 2013).

Successor building

Successor building attempts to assure leadership in key situations, to keep and to develop intellectual capital and knowledge for future and to encourage personal progress and it leads into more systematic knowledge transfer and wisdom between current leadership and future (Wiesman and Baker, 2013) and to conduct proper planning in terms of quantity and quality of managers and employees with key skills in order to compensate retirement, death, serious diseases and promotion or any new conditions which may be occurred in future programs of the organization. Likewise, it supports to estimate human capital and better understanding of gaps (Buttler & Roche-Tarry, 2002).

Nowadays, organizations have learned that successor building is a dynamic and constant process rather than a static goal. In today competitive world, one should have an insight more than human force simple replacement to achieve talents. Successor building management strategies should enable employees to achieve their job goals and to focus on employees' development to achieve organizational goals (Hills, 2009). Successor building is intentional program to prepare organization and its employees for future vacancies (Nuttal et al, 2007). Successor building is a flexible, long terms and growing attitude toward future employees (McConnell, 2006). Successor building is a regular process by which professional and individual optimization is



adapted to a strategic plan to assure that people are ready to fill vacancies through right skills and insights in right time (Carroll, 2004).

Successor planning can be a strong tool not only for fostering and optimizing leadership talent but also to change organizations toward positive paths. Executing successor building can bring organizational dynamism and forces' efficiency to pave the ground for organizational splendor. Hence, revising and updating organizational plan is a proper start for successor building (Rothwell, 2010). Successor building management is a regular and predicted effort by organization which encourages leadership constant in key positions, to keep and develop knowledge capitals and intellectual capitals to assure future and personal advancement. successor building management has the ability of growth and development. Instead of developing a person for a key position, the emphasis of this plan is on developing a lot capable people for being effective leader in many organizational positions (Homitz and Berge, 2008). A comprehensive attitude toward successor building management makes it possible to identify successor needs as a tool to train needed quantity of employees' development, paving the ground for developmental opportunities for high talented employees, developing a reservoir of promotable employees' talents, contribution in executing job plans in organization, improving employees' capabilities to respond environmental demands, to improve employees' morale and to encounter the impacts of employees' frustration (Huang, 2001). The success of successor building plans can mitigate service leaving, improve employees' morale and to put the rightest people in key position. Executing different plans and models of successor building depends on national culture, organizational culture and top management values (Khatri et al., 2010).

Successor building in Kim's model have three components: organizational factors, individual factors and procedural factors (Kim, 2006). Organizational factors refer to organizational needs to more capable, more talented and more competent managers than today managers in future years. Successor building is a plan to supply skillful forces in key positions in necessary situations. Individual factors refer to personal indicators which examine considered individual's performance before and after assignment to managerial positions and address to general indicators of evaluating the quantity of managerial positions. Procedural factors of successor building refers to process in which it is decided how to fill managerial gaps. Through such process, human capabilities are identified to fill key jobs through pedagogic programs and to prepare them incrementally to assign such jobs and responsibilities (Motaghi and Beheshtifar, 2009).

Background

Donner et al (2017) evaluated human force planning in successor building field and stated that such comprehensive plan needs coaching and socializing employees, 360° feedbacks, tasks development, job turnover and official training in organization. Van Zyl et al (2017) studied talent management development framework in private section and found that main aspects of executing talent management include attraction, employment, establishment, transfer, growth and development, performance management, evaluating the talents, awards, recognition and retain. Johannsdottir et al, (2014) studied the outlook of European insurance industry in attracting talented forces and successor building. Findings indicate that if the focus is on social responsibility, it can yield to attract talented people. Concerns on future of the company can lead into attracting and using capable people. In evaluating successor building in hospitals, Titzer and Shirey (2013) indicated that joint features of the plan include organizational resources and



commitment, active leadership and monitoring environment. Kim (2012) studied successor building plans and its relationship to organizational performance, findings indicated that there is a positive link between successor building plans and past performance. The existence of successors in organization can improve operational performance and competitive advantage. In studying the success of successor building plans, Griffith (2012) indicated that identifying, employing, retaining and developing capable people should be started from the time of education. Froelich et al (2011) studied successor building in nonprofit organizations and found that successor building plans for leaders and managers are not consistent with organizational needs. Likewise, changing long terms managers are, *inter alia*, problems in failure of successor building plans in organizations. Rothwell (2010) defined fifteen features for a successful successor building of which the most important ones include top management support, exploring the best, focused attention, responsibility and involving all levels and a systematic approach.

METHODOLOGY

Present study is a descriptive – analytical one and its population consists of HR managers and experts in Iranian Bank Melli. For sampling, simple random sampling method is used. Also, Kokaran's technique is used to determine sample size by below equation (Azar and Momeni, 2006):

$$n = \frac{\frac{t^2 pq}{d^2}}{1 + \frac{1}{N} (\frac{t^2 pq}{d^2} - 1)}$$

Where:

n is sample size, maximum permitted mistake (d) is 0.05, t = 1.96, p = 0.05, q = 0.05 and N= population. Also, P = 0.5 since when P = 0.5, n may find maximum rate and this may cause that sample will be big sufficiently. Sample size is 68. To achieve trustable results, over 68 questionnaires were distributed among banking managers and experts. Some questionnaires were deleted due to lack of proper responsiveness and finally collected information were analyzed by software. In this research, two questionnaires were used to gather data. The first one relates to talent management by Khalvandi and Abbaspour (2013) by four main indicators and 30 minor components. The second questionnaire on successor building is based on a study by Kim (2006) in three main instructors and 28 minor components. The questionnaire is designed by Likert's scale from one (very low) to five (very high) and the opinions of relevant experts are used to determine the validity of questionnaires. The questionnaire was submitted to 10 instructors of Management Group of the university. To compute reliability, Cronbach's alpha ratio is used as seen in table 1. In all factors, Cronbach's alpha is over 0.7 which indicates the reliability of the questionnaire.

Table 1: reliability by Cronbach's alpha

Cronbach's alpha	Questionnaire	Row
0.78	Talent management	1
0.81	Successor building	2

(source: authors' findings)

Inductive statistics are used to analyze data. Freedman test and correlation matrix are used to analyze the importance of human force planning components and the relationship between talent management and successor building respectively. Statistical analysis is conducted by SPSS software package version 20.

RESEARCH FINDINGS

In present study, 68 questionnaires were completed by managers and experts of Iranian Bank Melli. Studying respondents' demographic traits indicate that average age of managers was 43 and 59 years as maximum and 32 as minimum. The average job record in HR section was 8.6 years and 16 years as maximum and 2 years as minimum. 85% 15% of respondents were male and female respectively. 7% of respondents were Ph. D followed by Master's (26%) and Bachelor's (67%). Upon descriptive study of statistical sample, HR planning indicators were evaluated and analyzed statistically in two talent management and successor building sections. In table 2, talent management indicators and components are evaluated and prioritized by Freedman test. Four main indicators of talent management including discovery, development, evaluation and retain are evaluated. Concerning talent discovery, talent measurement components (9.25) and determining talent finding standards (8.46) have the highest priority in the view of managers and experts. Concerning talent development, the highest priorities include such components as measuring the needs of talent development plans (11.43), training development plans (10.56) and leadership development plans (9.49). concerning talent evaluation, the highest priorities include how to evaluate potential talents (9.15), talent evaluation in managerial jobs (8.92) and talent evaluation in technical jobs (8.49). Concerning talent retain, the most important components include performance – based awarding system (11.32), generating equal opportunities for job development and progress (11.02) and using performance – based system (10.97).



Table 2: evaluating talent management components

Mean Rank	Components	Indicators	Row
9.25	Talent measurement parameters	Talent discovery	1
8.46	Setting talent finding standards		2
7.94	Determining needed talents and competencies		3
7.32	Internal talents discovery		4
6.21	External talents discovery		5
5.98	Determining jobs which need to attract talented forces		6
11.43	Measuring the needs of talents development plans	Talent development	1
10.56	Training development plans		2
9.94	Leadership development plans		3
8.38	Development plans in terms of time		4
8.02	Promoting company's enjoyment of talented forces		5
7.88	Developing the attraction of talented forces		6
70.27	Performance appraisal and talent development		7
6.46	Career development planning		8
6.12	Elite's proposals on talent development plans		9
5.87	Individual and occupational needs in designing development plans		10
9.15	How to evaluate potential talents	Talent evaluation	1
8.92	Talent evaluation in managerial jobs		2
8.49	Talent evaluation in technical jobs		3

7.71	Talent adaptability with job		4
6.14	The impact of stakeholders' interests on talents evaluation		5
11.32	Performance – based awarding system	Talent retain	1
11.02	Generating equal opportunities for job development and progress		2
10.97	Using performance management system		3
9.28	Nonfinancial incentives and benefits		4
9.21	Paying attention to personal and working life of talented people		5
8.76	Creating organizational commitments		6
7.46	Organizational resilience		7
7.56	Replacing talented people		8
6.47	Retiring talented people		9

(source: authors' findings)

In table 32, successor building indicators and components are evaluated and prioritized by Freedman test. three main indicators of successor building include organizational, individual and procedural factors. among 11 organizational factors of successor building, the highest priorities include support and encouragement by senior managers (10.41), written and transparent organizational structure (9.26) and organizational tendency to attract capable persons for managerial position (9.04). Among 6 individual factors, the highest priorities include people's propensity to transfer experiences and know-how to others (9.28), successor building acceptance in organization (8.71) and personal career progress (7.93). The final indicator on successor building procedural factors include 11 components including proper evaluation system to identify employees' capabilities (10.68), identifying capable employees to be promoted to higher positions (9.81) and organizing training courses (9.27).



Table 3: evaluation successor building components

Mean Rank	Components	Indicators	Row
10.41	Top management support and encouragement in executing successor building programs	Organizational factors	1
9.26	The existence of written and transparent organizational structure		2
9.04	Organizational tendency to attract capable forces to be assigned in managerial positions		3
8.93	Motivation through incentive and service compensation system		4
8.28	Emphasis on the importance of organization to promote employees' skills		5
7.41	The existence of a databank on competent and talented people in organization		6
7.21	Internal organizational turnover of people in order to promote competencies and skills		7
6.54	Integrating successor building system with organizational strategy		8
6.17	Allocating sufficient budget to execute successor building plan		9
5.74	Executive guarantee of successor building in all managerial levels		10
5.03	Full appropriateness between the features of jobs and job owners		11
9.28	People's propensity to transfer experiences and know-how to others	Individual factor	1
8.71	successor building acceptance in organization by employees		2
7.93	The existence of personal career plan among organizational employees		3
7.38	High organizational commitment and tendency to people's retain inside organization		4
7.02	Employees' readiness to be promoted to higher positions		5

5.29	Creating common sense on the importance of successor building system		6
10.68	Proper evaluation system to identify capable employees by managers	Procedural factors	1
9.81	Identifying capably employees to be promoted to higher positions		2
9.27	Organizing training courses to promote employees' capabilities		3
8.74	Transparency of successor building goals and process for all employees		4
8.35	Integrating people's skills with current and future organizations		5
8.09	Regular planning to identify capabilities		6
7.81	Process simplicity and stability		7
7.43	Comparing people's capabilities with existing job opportunities in organization		8
6.58	Evaluating organization's future needs to required skills and positions in organization		9
6.23	Stability of management team to execute the plan		10
5.97	Reliance of successor building plans by managers		11

(source: authors' findings)

In table 4, correlation analysis is conducted among human force planning indicators including talent management and successor building indicators. Correlation coefficients indicated that the relationship between talent discovery and talent development and evaluations and also between talent development and talent evaluation and retain is positive and significant. The highest relationship was between talent discovery and evaluation (0.36). among successor building indicators, there was a positive and significant relationship among all factors. highest correlation was achieved between organizational and procedural factors (0.35). likewise, there is a positive and significant relationship between talent management and successor building indicators in human force planning. The highest correlation was between organizational factors and talent retain (0.45), between individual factors and talent development (0.38) and procedural factors and talent discovery (0.43).



Table 4: correlation matrix of HR planning indicators

7	6	5	4	3	2	1	Indicator
						1	Talent discovery
					1	0.22*	Talent development
				1	0.25*	0.36**	Talent evaluation
			1	0.08	0.31**	0.05	Talent retain
		1	0.45**	0.35**	0.30**	0.29*	Organizational factors
	1	0.25*	0.23*	0.31**	0.38*	0.25*	Individual factors
1	0.18*	0.35**	0.17*	0.20*	0.39**	0.43**	Procedural factors

(* $P < 0.05$, ** $P < 0.01$)

(source: authors' findings)

DISCUSSION AND CONCLUSION

Present study has addressed to human force planning on talent management and successor building plan in a financial organ affiliated to the government. This research is conducted in Iranian Bank Melli by utilizing the opinions of executive managers and experts of this bank. 7

main indicators and 58 components are examined. The findings indicated that concerning talent management, talent measurement parameters, measuring the needs of talent development plans, evaluating potential talents and performance – based awarding system and concerning successor building, top management support and encouragement in executing successor building plans, people's propensity to transfer experiences and know-how to others and proper evaluation system to identify employees' capabilities by managers are the most important components of human force planning in an organization.

To explore talents, parameters play a vital role. In addition to general parameters, specialized ones for each section like fluency in foreign languages, management talent of sections and branches, applied software, etc. should be considered in selecting talented people. concerning talent finding standards, a certain level for readiness and talent should be based in a certain area and one should not expect that one has talents in several nonspecialized grounds. By establishing the system of exploring talents and by using proper internal/external approaches, the organization identifies and determines current gaps between current organizational talents and needed talents in future and then types of needed talents and competencies are determined to execute business strategies and by exploring needed talented people, a talent stockpile is shaped in company. considering the necessity of attracting talented human force in managerial sections, banking decision makers in highest managerial levels are recommended to look for talented people with needed managerial capabilities for determined jobs.

In talent development area, measuring the needs are emphasized by which organization finds talents based on sectional needs and positions. Without measuring the needs on jobs, skills and expertise, it is impossible to execute development plans. As the second component of development, training plays a vital role in continuing talented forces' planning in organization. Considering defined jobs, relevant and objective training would promote effectiveness and efficiency. To prevent pure training in talent development plans, it is recommended to organize practical workshops alongside training courses so that one can assess the practical impact of training courses. Likewise, holding training management courses and workshops in a creative manner along with innovation can develop people's talents from their potential talents and pave the way to emerge their hidden talents. In leadership development plans, it is said that a talented leader can be in any location and rank of the organization. Therefore, it is recommended that talented people from different organizational levels participate in such plans.

In evaluating potential talents to adapt with jobs, general methods should be avoided and they should be devised by three indicators of organizational strategic orientation, the features of talented people and organizational requirements, and trends and standards by HR decision makers and planners. Considering the importance of managerial and supervising jobs and positions, banking system is recommended to consider a certain plan in terms of norms to assess managerial talents. Another component in this aspect is the talent adaptability with relevant job. In this section and to remove any ambiguity, it is recommended to explain terms of references and competencies to fill positions especially managerial positions in higher ranks clearly by using job designing programs more accurately.

According to experts, concerning current system to compensate services and benefits of talented people, motivating incentives is organizations are insufficient and improper. It is recommended to use performance – based incentive system and nonfinancial components. Equal development and progress opportunities in jobs should become possible for all talented employees. Likewise,



performance management system on achieving organizational optimized performance in different branches should be executed and its results should be considered in talent management plans.

In successor building planning, top management support would lead into continuance and enforcement of this plan and one can observe that in a long term period, successor building should be executed rightly among managers. Fostering individual factors such as institutionalizing successor building culture, transferring experiences and knowledge to new forces, the existence of job progress path for all organizational members, creating organizational commitment among all employees and considering successor building plan as an improvement ladder to higher position and to progress HR planning in this field. Structural and procedural factors in banking system such as appraisal system, allocating higher positions to capable employees, organizing training courses and recognizing current and future in organizational skills can be very effective. Higher correlation of organizational and procedural factors on organizational skills can be very influential. Higher correlation of organizational and procedural factors indicates the adaptability of components and the necessity of planning on the elements of both sections. In other words, mentioned factors and are effective by executing all elements of the program.

Studying correlation of main planning indicators indicate that there is a positive and significant relationship among talent management and successor building indicators. It means that two aspects of human force planning in organization can foster each other by executing them radically. These two aspects can transform planning the future outlook of the organization and can select and establish capable and talented people for sensitive jobs and positions.



References

- Azar, Adel & Momeni, Mansoor (2006), explaining statistical issues and their application in management, Tehran, Koohsar Publications
- Butler, K., & Roche-Tarry, D. E. (2002). Succession planning: Putting an organization's knowledge to work. *Nature Biotechnology*, 20(2), 201-203.
- Carroll, C. (2004). Succession planning: Developing leaders for the future of the organization. In *Leadership Abstracts* (Vol. 17, No. 2, pp. 1-2).
- Donner, E. M., Gridley, D., Ulreich, S., & Bluth, E. I. (2017). Succession Planning and Management: The Backbone of the Radiology Group's Future. *Journal of the American College of Radiology*, 14(1), 125-129.
- Froelich, K., McKee, G., & Rathge, R. (2011). Succession planning in nonprofit organizations. *Nonprofit Management and Leadership*, 22(1), 3-20.
- Griffith, M. B. (2012). Effective succession planning in nursing: a review of the literature. *Journal of nursing management*, 20(7), 900- 911.
- Hills, A. (2009). Succession planning—or smart talent management? *Industrial and Commercial Training*, 41(1), 3-8.

- Homitz, D. J., & Berge, Z. L. (2008). Using e-mentoring to sustain distance training and education. *The Learning Organization*, 15(4), 326-335.
- Huang, T. C. (2001). Succession management systems and human resource outcomes. *International journal of manpower*, 22(8), 736-747.
- Jahanian, Ramadan (2009), guidelines to optimize HR planning in Tehran Pedagogy, *Knowledge and Research in Educational Sciences*, vol. 64, pp. 61 – 84
- Johannsdottir, L., Olafsson, S., & Davidsdottir, B. (2014). Insurance perspective on talent management and corporate social responsibility: A case study of Nordic insurers. *Journal of Management and Sustainability*, 4(1), 163.
- Khalvandi, Fatemeh & Abasspour, Abbass (2013), designing talent management process optimizing model; case study: Pars Oil and Gas Company, *General Management Researches Journal*, vol. 19, pp. 103-128
- Khatri, P., Gupta, S., Gulati, K., & Chauhan, S. (2010). Talent management in HR. *Journal of management and strategy*, 1(1), 39.
- Kim, T. H. (2012). Succession planning in hospitals and the association with organizational performance. *Nursing Economics*, 30(1), 14-20.
- Kim, Y. (2006). Measuring the value of succession planning and management: A qualitative study of US affiliates of foreign multinational companies. ProQuest.
- McConnell, C. R. (2006). Succession planning: valuable process or pointless exercise? *The health care manager*, 25(1), 91-98.
- Michaels, E., Handfield, J. H., & Axelrod, B. (2001). "the war for talent", Boston: Harvard Business School Publishing.
- Motaghi, Mohammad Hussein & Beheshtifar, Malikeh (2009), leadership channel model in successor building process, *Tadbir Journal*, vol. 211, pp. 24 - 28
- Nuttall, I., Falkner, T., & Roberts, V. (2007). Succession planning: whatever you call it, do it. AACRAO. Boston. Massachusetts. March, 2(10).
- Rothwell, W. J. (2010). Effective succession planning: Ensuring leadership continuity and building talent from within. AMACOM Div American Mgmt Assn.
- Schoemaker, M. (2003a). "De metamorfose van werkgemeenschappen". Inaugural adress: Nijmegen University.
- Shimon, D. A., & Randall, S. S. (2005). *Affair's management and human resources staff*. Trans. Toosi MA. Tehran: Institute for Higher Education and Research Management and Planning, 365.
- Titzer, J. L., & Shirey, M. R. (2013). Nurse manager succession planning: a concept analysis. In *Nursing forum*, 48 (2), 155-164.



- Van Zyl, E. S., Mathafena, R. B., & Ras, J. (2017). The development of a talent management framework for the private sector. *SA Journal of Human Resource Management*, 15(1), 1-19.
- Wiesman, J., & Baker, E. L. (2013). Succession planning and management in public health practice. *Journal of Public Health Management and Practice*, 19(1), 100-101.

