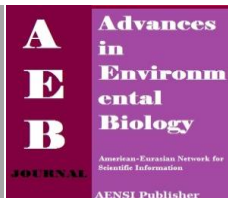




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Managers Succession Planning for Human Capital Development

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ABSTRACT

Nowadays those organizations are influenced by economic competitions and have realized their economic, social, and environmental responsibilities; there is a dire need to pay attention to Human Resource Development and Training. New research findings indicate that organizations will need more competent, talented, professional, knowledgeable, and more qualified in the coming years compared to the current managers. And as a matter of fact, recognition and training of these managers is a challenge to the learning organizations these days. In this article, with a library research and experimental approach, the issue of Managers succession planning for Human Capital Development in learning oriented company is discussed. As a result of this article, succession pyramid model, as a process of evaluating and identifying qualified staff for management, according to qualification indicators, current managers of each organization and the best practice managers, is introduced as mentors for empowerment and training of the future managers of that organization. Identification and development of the internal capacities in learning oriented via this approach has different results including: Enhancing the good spirits of the staff, maintaining the internal Human resources, developing qualifications and merits, creating learning attitude among the staff, increasing the accountability of the staff, encouraging to making progress and developing performance, decreasing recruitment costs for external human resources.

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INTRODUCTION

These days, Strategic Succession Planning for learning organizations is of significance importance in the competitive world. These organizations have realized that succession planning is a continued and productive process which results in lasting development of their human resources. Learning organizations are always engaged in identifying and training of their talented human resources based on their qualifications. One of the key group works in organizations is their management team. The role of outstanding managers in increasing the income, benefit, and organizational success, as well as responding to threats, and the opportunities of the present is quite visible in these organizations. As Peter Drucker has indicated, identification of capable human resources and succession planning is based on the following four traits:

- 1) Managers are not born, they should be trained and developed,
- 2) There should be a major focus on the capabilities and qualifications required for the future of the organization while training and developing managers,
- 3) Succession planning and identification of capable human resources needs a systematic and organized programming,
- 4) Senior managers should take the initiative, support such efforts, and be main clients of such programs.

Therefore, succession planning with consideration of knowledge, competence, capability, and other indicators of merits with mentoring viewpoint, current managers and best-practice managers, is an approach which is discussed in this article.

Objective:

Identification of capable employees qualified for management (according to indicators of qualifications in job finding agencies) and their training and development by the current managers and best-practice managers (mentors) for Human Resources Development and Empowerment

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*Definitions:**Succession Planning:*

A process for identifying and developing internal people with the potential to fill key leadership positions in the company through different evaluation methods such as recruitment agencies.

Advantages of Succession Planning:

- 1) Internal Human Resource Development
- 1-1) Defining objectives for recruitment initiatives
- 1-2) Designing special training programs
- 2) Strategy of balancing the qualified human resources
- 2-1) Career path development
- 2-2) Evaluations of the objectives of the organization and the staff
- 3) Facilitating the communication and knowledge management
- 4) Increasing potential and readiness for job moves through
- 4-1) developing job-ladder
- 4-2) replacement planning for the employees

Human Capital Development:

The knowledge, skills, and qualifications that an employee acquires through training and experiences in an organization are defined as the human capital. The development plan of the organization is called Human Resource Development.

Mentor / Mentoring:

Mentor is the role that an expert plays in an organization as an advisor and trainer for educating and developing the employees. Mentors responsibilities include sharing information, knowledge, skills, and required qualifications with learners in specific positions.

Competency:

Acquiring standard indicators required for a position by the employee. This indicator includes knowledge, skills, capabilities, distinguishing characters and personality traits and other requirements for that position.

The Succession Planning Implementation:

As said above, succession planning for internal individuals and their training is done via special educational programs for which purpose, the organizations' managers are chosen as the mentors or specialists for implementing the training programs for talented employees whom we can call the future managers of the organizations. Therefore, implementation of the succession planning is subject to a powerful evaluation system through which the potential and current capabilities of qualified employees can be identified. One of these current evaluation approaches which we have applied as the methodology for identification and setting the indicators for qualifications of managers is assessment centers approach.

First step: setting assessment centers:

Assessment centers, is a comprehensive method for evaluating capabilities and potentials of individuals. These evaluations can be used for assessing the readiness and the current capabilities or potentials of individuals. Assessment centers are involved in evaluation of a group of participants by a team of evaluators with application of different exercises and examinations for selecting qualified individuals to play key management roles. Based on the objective, in these centers there are two concentrations on evaluation: one is designed for recruitment, and another to identify the strengths and potentials of individuals for promotion. The former is called evaluation concentration, and the latter is called development. Recruitment and promotion, identification of training needs, development and improvement of potentials are the three main functions of these assessment centers.

Therefore, in this part of the study through setting assessment centers we explain four approaches for identification of individuals for succession in management and their strengths and weaknesses for learning and development. These four approaches are (it should be noted that the first level which is screening and identification of individuals is performed on applicants who can enter as volunteers in the succession planning provided they have passed 75% of their annual appraisal after a public notice):

- A) Setting qualification standards for management
- B) Setting assessment parameters and indicators
- C) Selecting evaluators and implementing the evaluation center programs
- D) Preparing a profile of participants' strengths and weaknesses

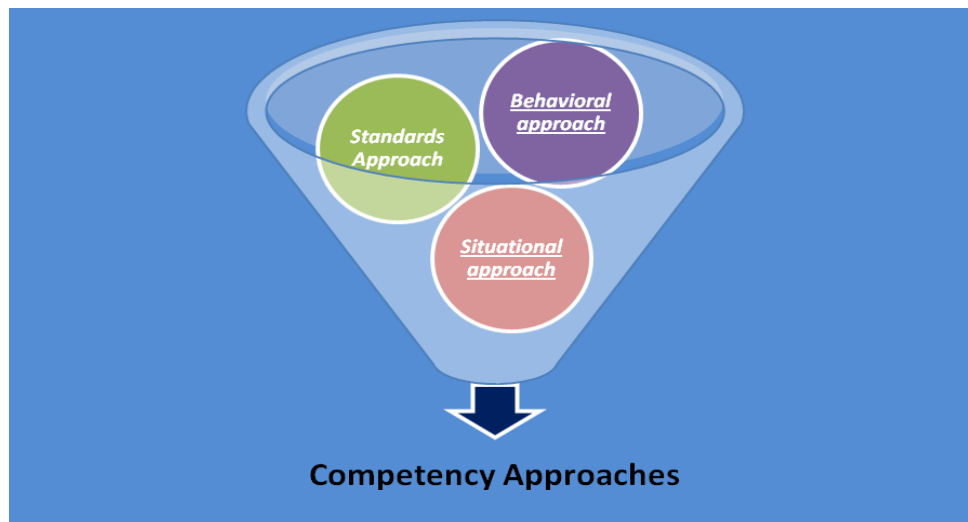
A) *Setting qualification standards for management:*

There are different resources and approaches for setting qualification standards for management. Some researchers like Richard Boyatzis, Spencer and Spenser, Schroder, and Dulewicz, after some research have suggested three main approaches for management qualifications:

Behavioral approach – in this approach, qualification is defined based on behavioral patterns and is mainly concerned with some behaviors which are connected to best practices. This approach in evaluation of managers with 360 degrees method is broadly applied in identification of behaviors which are connected to excellent performances.

Standards approach – this approach, based on the analysis of the position, defines the minimum functional standards needed to ensure quality performance in management positions.

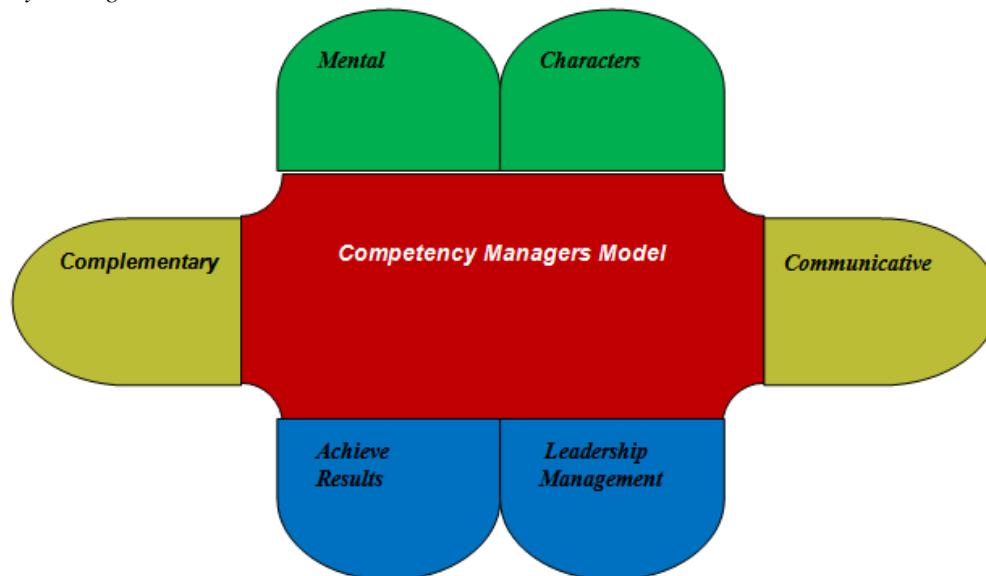
Situational approach – this approach can be categorized a behavior approach too, but is more focused on whether situational elements can affect the needed individual qualifications for best practices.



INDUSTRIAL DEVELOPMENT ORGANIZATION OF UNITED NATIONS has listed 14 required competences for all managers in different industries as follows:

- Strategic thinking and scenario building capability
- Analysis, problem solving and decision making
- Planning and organizing
- Change Management
- Managing small organizational groups
- Managing large organizational groups
- Team Leadership
- Information Management
- Creativity and Innovation
- Representation and Discourse
- Spirit of entrepreneurship and coaching
- Easy to moderate building and building groups
- The ability to provide content and public speech
- Interview

Since a suitable model for development of each organization requires identifying mission, perspective, target markets and development of human resources in each organization, therefore, according to last my study and experience with use of 360 degree feedback, also, after investigating defined organizational values for several leading companies such as Microsoft, Sony, Emirate Air, Michelin, and PETRONAS, in this paper, we present the general competence model with 6 main indicators and 25 sub-indicators, based on learning oriented approach as follows:

Competency Managers Model:*Mental competence, including:*

Working knowledge and problem solving - ability to understand problems, analyze issues of power and the relationship between its components, using knowledge of work and selects the most appropriate solution to solve the issue

Creativity, innovation and initiative - having vision and modernity in the field to create new and diverse options and providing valuable suggestions to improve work and remove barriers

Strategic Thinking - Strategies fully understand the organization and understanding long-term plan and having a system-based approach central to the process

Corporate Vision - fully understand the position, and prestige organization and opportunities and internal and external threats that the mutual influences of various units of organization

Professional seeking perfection - no contentment to the current situation in business and organizational efforts to realize the ideals of practical knowledge via individual and group

Characters competency, including:

Accountability - loyalty and stability in difficult times and problems resulting from the Tasks and efforts to achieve the desired result and the expected terms of regulations and procedures and effectively adapt existing emergencies

Flexibility - patience in dealing with others and considering their suggestions and criticisms and accepting effective solutions and non-interference in personal tastes and interests work

Pressure stability - employment hardships and lack of organization and spread to staff and colleagues and having the capacity to dominate the personal feelings

Communicative competence, including:

Popular - having good conduct and reputation from the perspective of colleagues and superior capabilities and the ability to attract and attract others to cooperate in organizational interactions

Public relations and social - to enjoy good reputation in terms of human communication and acceptance of knowledge and skills between the partners and staff

Persuasion - a positive and effective influence on others and their influence as a model of reasonable and acceptable

Leadership and management competence includes:

Empowerment - to developing and enhancing knowledge, skill and experience of cooperation and expand the capabilities and functional insight into slave.

Organize - manage power and coordination of activities and effective division of labor among workers with regard to goals.

Monitoring and evaluation - care, control and monitoring functions and activities affecting the administrative and scheduling programs adopted and to prevent waste and deviations from the program organization.

Planning - fully understand the current situation under the supervision unit and the organization and how to design, time and indicators required for tasks and a commitment to achieving the goals of the organization.

Crisis management and risk - apply power and tact and foresight in organizing the exploitation of resources and decision making can be appropriate, in order to conduct affairs in the transition from crisis situations.

Leadership - ability to understand the current building and new management practices in leading people to the appropriate path for achieving the goals and programs to develop a sense of interaction with public.

Competence to achieve results including:

Team building - a deep belief in team work and having the knowledge and management teams to attract participation in various working groups

Investment Management - Full management of financial resources and close monitoring of costs and expenses with regard to cost efficiency, time and manpower

Customer - attention and dedication to customer satisfaction and expectations of stakeholders and understand their real interests in the framework of principles and organizational

Decisions - having skills and ability to review the full selection issues and decisions effectively, timely and penetrating in different conditions

Allocation of resources - can plan and allocate appropriate resources to sectors or activities affect the timely implementation of programs

Complementary competence includes:

Institutional loyalty - a sense of belonging and commitment to organizational culture, organization and regulations with the aim of preserving the interests.

Tasks Management- the ability to create coherence and coordination required between the executive functions and factors

Honesty and reliability - truthfulness, honesty and commitment to the principles of human speech and behavior

Competency		Behavioural Symptoms
Mental	<i>Working knowledge and problem solving</i>	Ability to understand problems, analyze issues of power and the relationship between its components, using knowledge of work and selects the most appropriate solution to solve the issue.
	<i>Creativity, innovation and initiative</i>	Having vision and modernity in the field to create new and diverse options and providing valuable suggestions to improve work and remove barriers.
	<i>Strategic Thinking</i>	Strategies fully understand the organization and understanding long-term plan and having a system-based approach central to the process.
	<i>Corporate Vision</i>	fully understand the position, and prestige organization and opportunities and internal and external threats that the mutual influences of various units of organization
	<i>Professional seeking perfection</i>	no contentment to the current situation in business and organizational efforts to realize the ideals of practical knowledge via individual and group
Characters	<i>Accountability</i>	loyalty and stability in difficult times and problems resulting from the Tasks and efforts to achieve the desired result and the expected terms of regulations and procedures and effectively adapt existing emergencies.
	<i>Flexibility</i>	patience in dealing with others and considering their suggestions and criticisms and accepting effective solutions and non-interference in personal tastes and interests work.
	<i>Pressure stability</i>	Employment hardships and lack of organization and spread to staff and colleagues and having the capacity to dominate the personal feelings.
Communicative	<i>Popular</i>	having good conduct and reputation from the perspective of colleagues and superior capabilities and the ability to attract and attract others to cooperate in organizational interactions
	<i>Public relations and social</i>	To enjoy good reputation in terms of human communication and acceptance of knowledge and skills between the partners and staff
	<i>Persuasion</i>	A positive and effective influence on others and their influence as a model of reasonable and acceptable.
Leadership And Management	<i>Empowerment</i>	To developing and enhancing knowledge, skill and experience of cooperation and expand the capabilities and functional insight into slave.
	<i>Organize</i>	Manage power and coordination of activities and effective division of labor among workers with regard to goals.
	<i>Monitoring and evaluation</i>	Care, control and monitoring functions and activities affecting the administrative and scheduling programs adopted and to prevent waste and deviations from the program organization.
	<i>Planning</i>	Fully understand the current situation under the supervision unit and the organization and how to design, time and indicators required for tasks and a commitment to achieving the goals of the organization.

	<i>Crisis management and risk</i>	Apply power and tact and foresight in organizing the exploitation of resources and decision making can be appropriate, in order to conduct affairs in the transition from crisis situations.
	<i>Leadership</i>	Ability to understand the current building and new management practices in leading people to the appropriate path for achieving the goals and programs to develop a sense of interaction with public.
Achieve Results	<i>Team building</i>	A deep belief in team work and having the knowledge and management teams to attract participation in various working groups
	<i>Investment Management</i>	Full management of financial resources and close monitoring of costs and expenses with regard to cost efficiency, time and manpower
	<i>Customer</i>	Attention and dedication to customer satisfaction and expectations of stakeholders and understand their real interests in the framework of principles and organizational
	<i>Decisions</i>	Having skills and ability to review the full selection issues and decisions effectively, timely and penetrating in different conditions
	<i>Allocation of resources</i>	Can plan and allocate appropriate resources to sectors or activities affect the timely implementation of programs
Complementary	<i>Institutional loyalty</i>	A sense of belonging and commitment to organizational culture, organization and regulations with the aim of preserving the interests.
	<i>Tasks Management</i>	The ability to create coherence and coordination required between the executive functions and factors
	<i>Honesty and reliability</i>	Truthfulness, honesty and commitment to the principles of human speech and behavior

B) Setting assessment parameters and indicators:

Different examinations according to the type of functions and responsibilities can be set. The main purpose of setting these examinations and assessment tools is to simulate the workplace for the applicants so that their skills and capabilities can be identified through these examinations. On the whole, with consideration of the indicators of qualifications, we suggest three kinds of examinations:

1. Examinations which assess the writing and reading skills of the applicants. Personality tests, IQ tests, and vocabulary assessment are included in these examinations.

2. Examinations which assess the oral presentation skills or argumentation capabilities of the applicants. Interviews, presentations skills, and group discussions are included in these examinations. For example, here we refer to group discussions:

Discussion Groups:

In these discussions, some information related to a situation in an organization is prepared in the form of a scenario and is provided to a group of 4 to 6 applicants. This group is given 40 to 80 minute's time to discuss and analyze the scenario in order to be able to answer the questions and make decisions accordingly. The most important potentials and skills which can be identified and assessed through these discussions among the participants include:

- Creativity (brain qualification)
 - Individual's negotiation skills to make others accountable (leadership and management qualifications)
 - Presentations skills and effective communication of ideas and viewpoints (leadership and management qualifications)
 - Teamwork skills and group decision-making (result-oriented qualifications)
 - Analytical thinking and comprehension skills (brain qualifications)
 - Influencing others (communication qualifications)
 - Flexibility and problem-solving (Brain and personality qualifications)
- 3) Examinations which assess the role playing skills of the applicants.

C) Selecting evaluators and implementing the evaluation center programs:

Selecting evaluators should be done from different levels which are compatible with the target occupations and specialties. The most important responsibilities of evaluators include:

- Observing the individual's behavior during the examinations and exercises
- Registering the behaviors and actions in checklist
- Categorizing the behaviors according to aspects of behavior, skills, and knowledge
- Ranking and making decisions with other evaluators about assessed potentials of the applicants

Therefore, according to alternative qualification indicators and the scope of evaluation tests, a team of three evaluators is suggested as follows:

3. Organizational manager in different capacities
4. Senior specialist in each position
5. External specialist and advisor in each area of specialty

Having selected the evaluators, with consideration of tools and qualifications under assessment, all evaluators participate in a training program on how to implement the plan, fill out the evaluation forms, rank, and make decisions. In the end, according to the schedule, examinations and evaluations are done.

D) Preparing a profile of participants' strengths and weaknesses:

The data resulted from the evaluations of the participants in succession planning will be released in three reports:

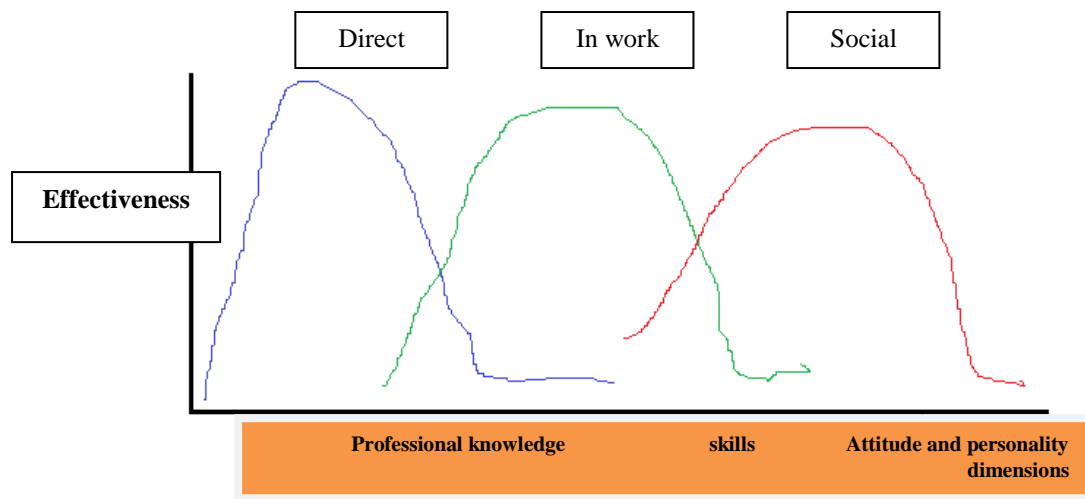
- 1) Profile of individual's qualification according to standards
- 2) Profile of individual's qualification according to examinations
- 3) Profile of identified individual's strengths and improvable abilities

Second Step: presenting learning and development program (succession pyramid model):

As learning organizations study their organizations in the face of present challenges and aim for learning and development, engage in succession planning, not because their current managers do not have the necessary qualifications. Therefore, implementing succession planning in this research with mentoring methodology will have three outcomes:

- Direct learning: the learning individual is exposed directly to learning topics
- Learning during working: learning ideas, skills, and new perception of what occurs in the workplace and similar situations.
- Social learning: a process of observation and following patterns of behavior, reception, and others' reaction about learning topics

Effectiveness learning chart:



Succession Planning Pyramid Model:

This is a pyramid approach as individuals are placed in different management levels according to their grades of their profiles in assessment centers, and the managers of each level and best practice managers in the organization will be involved in mentoring the selected candidates of succession planning in a hierarchical order. The management pyramid of the organization consists of three levels in which all qualification standards are acceptable:

Level of senior managers: who are responsible for policy making and strategic and long-term planning of the organization?

Level of mid-level managers: who are also known as technical managers and are responsible to set action plans.

Level of operational managers: who are responsible for implementation and execution of programs.

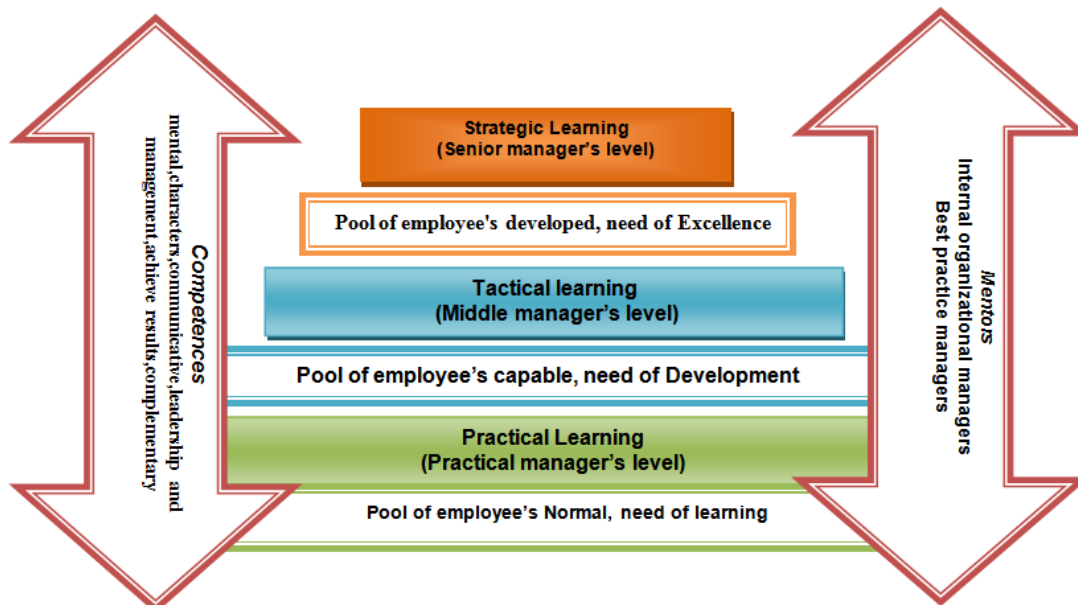
In other words, according to the table below, the points individuals have earned put them in four sections to start learning programs (according to each level of management):

Competence Level	points	Level of learning in the succession planning pyramid
Strongly needs to learn basic skills	0-50	Learning through experience (level of senior experts)
Almost satisfactory, needs learning	50-70	Operational learning (level of Operating Managers)
Capable, needs development	70-90	Technical learning (mid-level managers)
Developed, needs Excellence	90-100	Strategic learning (level of senior managers)

Note:

individuals who earn the points of the first level cannot participate in this level of mentoring. Since the principles of implementing mentoring programs for succession planning defines the minimum requirements for qualifications. Therefore, the learning levels in the succession planning pyramid consist of three:

For example, if somebody has earned the average point in the mid-level managers might be places in that level, but designing learning programs according to qualifications might be possibly placed in different levels. In other words, in forming a team in technical training, in allocating resources in operational training, and in programming in strategic training, and in each level can be mentored by a manager. However, the learning process in this program is based on the points of each indicator and in each level; the relevant manager has been overseeing the program as a mentor. The important point is that when a best-practice manager becomes a mentor in an area, he becomes the internal mentor in the same area as well, and information sharing and exercises according to the organization's strategy for business leads to problem solving and learning new approaches.

**Monitoring and Evaluation:**

Here the question is raised that “when does the program finish and when do the candidates sit at the managers’ desk?”

We should take into account a few points in response to this question:

- The number of accepted people for succession planning is defined according to the strategic plans of the organization in the beginning. Moreover, high cost of these programs is another reason for paying extra attention to the selection of individuals for participating in the succession planning and there will be a focus on acquiring qualifications.
- According to the needs of the organization in development and facing challenges, the minimum and maximum criteria for different managers differ in each level.
- What needs to be heeded is that the aim is not only to become a manager, but in some positions there is a need for management and executive thinking. Therefore, in such programs, there is no purpose of removing the previous manager (except for some special situations) but the organization should survive in the competitive market and in order to have better achievements they should train talented individuals.

This program is monitored by the M & E committee of learning succession planning. This committee consists of all managers of the organization, and the senior management, in addition to an external advisor and some administration officers for succession planning.

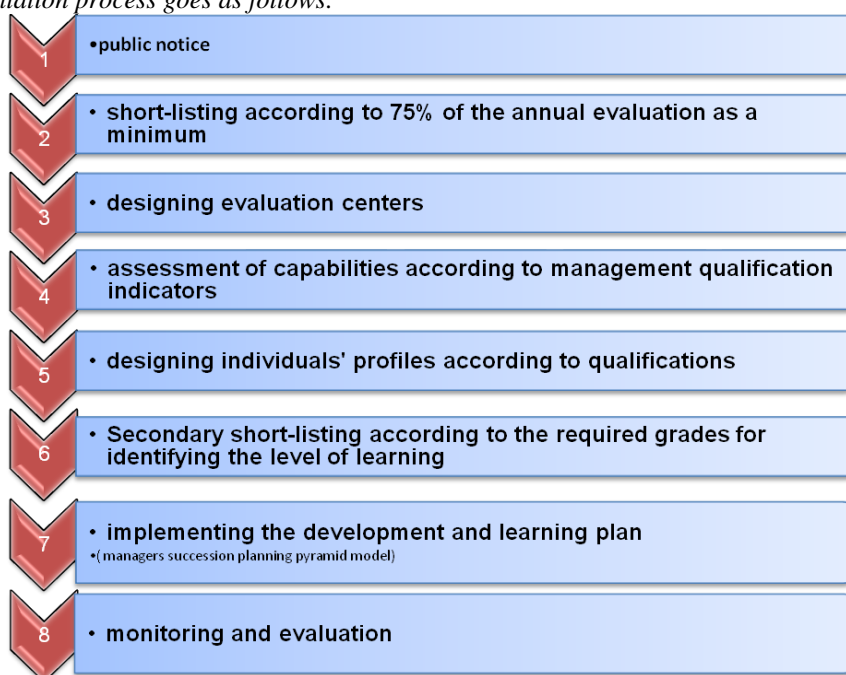
Conclusion and recommendations for further research:

The role of training, as the main goal of organizing this conference, can exist in all functional levels of an organization. As said above, all employees of an organization are called the human capital of that organization, and the development of these resources for learning organizations means participation in learning with the aim of moving forward with each other in succession planning.

As we have mentioned before, in order to implement the managers succession planning, we need to identify those employees with potential skills, knowledge, and capabilities. To this end, we designed assessment centers that according to evaluation method (360 degrees) 6 main qualification standards and 25 secondary qualification standards are defined, and as a result, the strengths and potentials of the employees are identified and embedded in the training program. The internal and best-practice managers are playing roles as mentors for developing the potentials for the selected candidates in the succession planning. According to the research, and practical examples of implementation of succession planning, the following behavioral patterns have been observed:

Enhancing the good spirits of the staff, maintaining the internal Human resources, developing qualifications and merits, creating learning attitude among the staff, increasing the accountability of the staff, encouraging to making progress and developing performance, decreasing recruitment costs for external human resources.

The implementation process goes as follows:



As a final note, in order to have better practical results by the means of this methodology, it is suggested that:

- 1) Some practical research be done in different organizations with different functions (educational – business) so that the proposed methodology and the results mentioned above can be applied to all organizations.
- 2) UNESCO as an international organization with the mandate to develop education for human resource development, take the initiative to identify those individuals who can be mentors in the learning pyramid and through organizing a data-base of the these people, help organizations to train specialized human resources
- 3) UNESCO can undertake a practical research with the title “identification and standardization of qualification indicators for human resource development” on a regional or international level for unifying indicators for better evaluation of employees.

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Biography:

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I was work in human resource management as expert, and manager in IRAN. I have experience 20 years, especially 15 years in human resource development. Some companies that, I worked include: KAVIR TIRE Co (based on tire manufacturing), ASRE DANESH AFZAR Co (based on IT SOLUTION), and IRAN KHODRO Co (based on automobile manufacturing).

Some project and research are:

- 1- Provided and implement of Human resource electronically map for KAVIR TIRE COMPANY
- 2- Provided and implement of career path and competency mapping with assessment centre methodology
- 3- Job satisfaction evaluation
- 4- Research member (as HR leader) under of supervision of Professor B.TABRIZI (Stanford University), "organization transformation in 90 days" in ADA Co
- 5- Identifying evaluating of future IKCO managers under the name of future managers
- 6- Business process re-engineering (BPR) of human resource management in IKCO
- 7- HR planning & training for Peugeot 206 project in IKCO
- 8- Improving the recruitment process for experts by using 6sigma in IKCO