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INVESTIGATING THE SUCCESSION MANAGEMENT IN THE NATIONAL IRANIAN GAS COMPANY (NIGC)

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ABSTRACT

This study aims at investigating the current status of succession management in the National Iranian Gas Company (NIGC). This research is applied in terms of objective. The statistical population of this study consists of 1000 senior manager in National Iranian Gas Company. The statistical sample size is equal to 308 who are selected from the population subjects through random sampling according to Kerjcie and Morgan table. The descriptive statistics are utilized for analysis at the descriptive level, and the one-sample t test is applied at the inferential level to compare the mean of research components through SPSS software. The appropriate model is identified after investigating the research findings. In this model, the succession management system in the National Iranian Gas Company is identified with individual and job components. The individual component is investigated with cognitive and behavioral indices and the job component with structural and underlying indices. According to the findings, the individual and job components of succession management affect each other.

Keywords: Succession Management, the National Iranian Gas Company (NIGC)

INTRODUCTION

The succession planning is a process to ensure the existence of proper source of successors for present and future key positions, so that the individual career path is managed for optimizing the organizational needs and individual ambitions and objectives (Huang, 2001). Therefore, the organization can utilize the employees, who have developed their skills for key activities in organization due to their desires to get higher key positions, and thus the organization can take advantage of activities by this group of staff. Furthermore, the successful succession planning can reduce the staff turnover (Johnson *et al.*, 1994; quoted by Huang, 2001) as the employees, who have desire for good future career in the organization, are less likely to leave their jobs.

Nowadays, the succession planning is very seriously taken into account because the instantaneous changes and new ways of working, multi-generational labor, and the lack of human talent in today's world have made new challenges in human capital market. In fact, this planning is a tool which satisfies the future organizational need for staff, considers several succession candidates for each critical position in organization, takes into account the promotion of these candidates qualification in terms of competencies and skills, and prepares them for leadership. The succession planning strategy creates the leaders with the abilities to transfer knowledge and sharing it within the organization and compensate the probability of knowledge shortcoming due to the staff retirement and promotion (Helton and Jackson, 2007). This plan should be in such a way that it covers all main functions of organization on the path to developing the candidates for promotion. Through staff education, the organizations will be committed to develop their own local talents, so that the employees enjoy the sense of development and feel encouraged in this regard. In this case, the probability of finding a right person with right skills is enhanced in the organization; furthermore, the employees believe that the senior managers have not reached this level overnight, but through they are developed through careful planning and forethought over years (Helton and Jackson, 2007).

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Since the National Iranian Gas Company is a growing institution and faced with numerous environmental changes, it should pay attention to this issue in order to respond to environmental changes and organizational development. The succession management system can help the organization in this regard in order to achieve the increasing efficiency, productivity and performance improvement. Therefore, this study is seeking to investigate the current status of succession management in the National Iranian Gas Company and responding to the question about the status of succession management in the National Iranian Gas Company.

MATERIALS AND METHODS

This research is applied in terms of objective and combined (qualitative and quantitative) according to the method. The studied statistical population consists of 1000 senior managers in the National Iranian Gas Company. The sample size (308 subjects) is obtained according to Kerjcie and Morgan sampling table (1970) with confidence level of 95% and sampling error of 5% (Hassanzadeh, 2011) and 400 questionnaires are distributed through random sampling in order to prevent the possible loss and finally 308 valid questionnaire are analyzed and investigated. The researcher-made questionnaire is the data collection tool consisting of the succession management factors in the National Iranian Gas Company and it is designed according to the interviews and investigation of literature, has the appropriate validity and reliability, and utilizes the senior manager's views in the National Iranian Gas Company. The questionnaire has 75 questions consisting of the job factor including the structural and underlying variables, and the individual factor including the cognitive and behavioral variables; and each field has its own questions. This questionnaire is examined by advisor and supervisor professors and experts for several times, and its validity is confirmed through the experts' judgment and pilot implementation. The Cronbach's alpha coefficient is utilized in this study for determining the reliability of tool.

RESULTS AND DISCUSSION

Results

Main research question: How is the current status of management succession in the National Iranian Gas Company?

Table 1: Statistical description of current status of succession management (individual components)

Variable	No.	Mean	Standard deviation	Error of mean deviation
Cognitive	308	3.0153	0.87088	0.04962
Behavioral	308	3.1711	0.85673	0.04882
Individual components (in general)	308	3.0932	0.82869	0.04722

According to the table above for the statistical description of current status of succession management (individual components), the mean score of cognitive index is equal to 3.01, the mean score of behavioral index equal to 3.17 and the mean score of individual components (in general) is equal to 3.09.

Table 2: One-sample t-test for current status of succession management (individual components)

Variable	Mean = 3			
	t	df	Significance level	Mean difference
Cognitive	0.308	307	0.759	0.01526
Behavioral	3.506	307	0.001	0.17115
Individual components (in general)	1.974	307	0.049	0.09320

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According to the table above for the current status of succession management (individual components) according to the t-value for behavioral index (t=3.50) and individual components (in general) (t=1.94) at the level of p<0.05, there is a significant difference between the behavioral index, individual components (in general) and theoretical mean of test (the average applied scale), so that the behavioral index of individual components (in general) is significantly higher than the average. Furthermore, there is no significant difference between the cognitive index and theoretical mean of test (the average applied scale) with regard to the t-value for cognitive index (t=0.30) at the level of p>0.05.

Table 3: Statistical description of current state of management succession (job components)

Variable	No.	Mean	Standard deviation	Error of mean deviation
Structural	308	2.8846	0.77629	0.04423
Underlying	308	2.7205	0.84233	0.04800
Job components (in general)	308	2.8025	0.78875	0.04494

According to the table above for statistical description of current status of succession management (job components), the mean score of structural index is equal to 2.88, the mean score of underlying index equal to 2.72 and the mean score of job components (in general) equal to 2.80.

Table 4: One-sample t-test for the current status of succession management (job components)

Variable	Mean= 3			
	t	df	Significance level	Mean difference
Structural	-2.609	307	0.010	-0.11543
Underlying	-5.824	307	0.000	-0.27954
Job components (in general)	-4.394	307	0.000	-0.19749

According to the table above for the current state of management succession (job components) considering the t-value for structural index (t =-2.60), underlying index (t=-5.82) and job components (in general) (t=-4.39) at the level of p<0.05, there is a significant difference between the structural index, underlying index and job components (in general) and the theoretical mean of test (average applied scale), so that the structural index, underlying index and job components (in general) are significantly lower than the average.

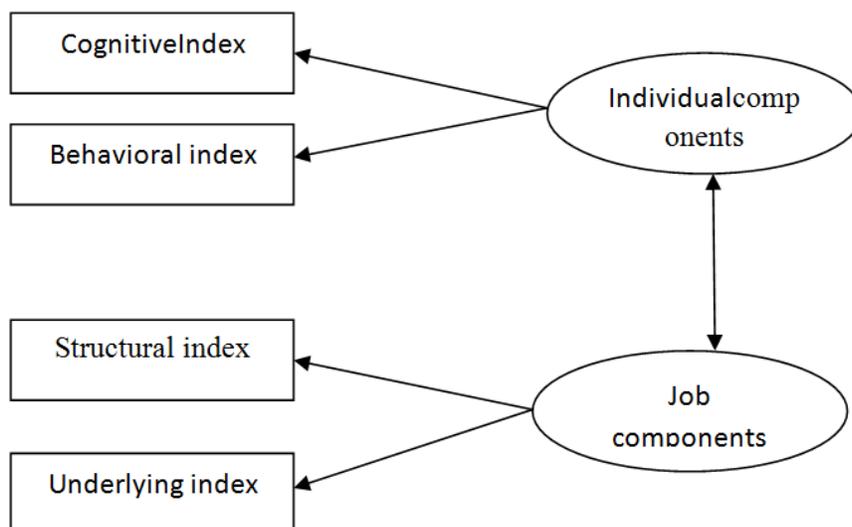
Discussion

For the current status of succession management (individual components) considering the t-value for behavioral index (t=3.50) and individual components (in general) (t=1.94) at the level of p<0.05, there is a significant difference between the behavioral index, individual components (in general) and the theoretical mean of test (average applied scale), so that the behavioral index and the individual components (in general) are significantly higher than the average. Furthermore, according to the t-value for cognitive index (t= 0.30) at the level of (p>0.05), there is no significant difference between the cognitive index and the theoretical mean of test (average applied scale).

For the current status of succession management (job components) considering the t-value for structural index (t=-2.60), underlying index (t=5.82) and job components (in general) (t=-4.39) at the level of p<0.05, there is a significant difference between the structural index, underlying index, job components (in general) and the theoretical mean of test (average applied scale), so that the structural index, underlying index, and the job components (in general) are significantly higher than the average.

How is the model of succession management system in the National Iranian Gas Company?

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The model above shows the succession management system in the National Iranian Gas Company. The succession management in the National Iranian Gas Company is known with job and individual components. The individual components is investigated with 2 components of cognitive and behavioral components and the job index with structural and underlying index. The findings indicate that the individual and behavioral components of succession management have a mutual relationship and the impact factor is equal to 0.89. In other words, the individual and job components of succession management explain 0.79% of variance. For the current status of management succession in the National Iranian Gas Company, there is a significant difference between the behavioral index, individual components (in general) and the theoretical mean of test (average applied scale), so that the behavioral index and individual components (in general) are significantly higher than the average. Furthermore, there is no significant difference between the cognitive index and the theoretical mean of test (average applied scale). For the current status of job components, there is a significant difference between the structural index, underlying index and job components (in general) and the theoretical mean of test (average applied scale), so that the structural index, underlying index and job components (in general) are significantly lower than the average. Furthermore, for the job factors of succession management, it seems that despite the fact that the National Iranian Gas Company takes efforts to recruit the labor with appropriate mechanisms in line with their development and retention, there is the lack of potential for assignment of responsibilities, lack of promotion way for talented employees in managerial occupations and the weak understanding of key positions in the National Iranian Gas Company (NIGC). It can be concluded that the managers' succession management plans have been excellent in our country and investigated and implemented in a few organizations and unfortunately, no nuclear structure framework and appropriate background is designed for succession management. Furthermore, no research is conducted for succession management in the National Iranian Gas Company and any model is not provided in this field. Schermerhorn *et al.*, (2005) emphasizes that the human resources management should play the role in implementing the organizational strategies by competencies of human capital and development of necessary competencies. The strategy designers and senior executives should develop and implement the appropriate strategies. Therefore, the human resource management should differentiate its communication with administrative unit from relevant unit of strategy formulation and development. ChimHaung *et al.*, (2013) emphasizes that the organizational traditions and values affect the succession management as the job factors; in other words, the necessary structure and field's for succession system should be consistent with the organizational values and traditions. However, the adverse status of job factors (required structure and fields) seems natural since there are no succession plans in The National Iranian Gas Company (NIGC).

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