

# A CONCEPTUAL MODEL OF SUCCESSION PLANNING FOR PUBLIC HIGHER LEARNING INSTITUTIONS IN MALAYSIA

Yasmeen Bano

Faculty of Technology Management and Business  
Universiti Tun Hussein Onn Malaysia, Johor, Malaysia

*gp160150@siswa.uthm.edu.my*

## Abstract

Succession planning is a very popular topic in all types of organizations nowadays and it is essential to the future survival of public institutes in Malaysia. Succession planning in public Higher Learning Institutions (HLIs) in Malaysia is a new issue and the institutions do not actively engage in it yet. Sometimes succession planning has taken place in the institutions, but it is rarely practiced. This paper will give more attention to the implementation of current best practices of succession planning in the public HLIs in Malaysia and will propose a conceptual succession planning model based on the systematic literature review. The appropriate research method for this study is qualitative approach. This study will experience applying systematic literature and preliminary in-depth interview technique.

**Key words :** *workforce planning, succession planning Best practices, Talent management, Public Higher Learning Institutes.*

## 1.0 INTRODUCTION

The public Higher Learning Institutions (HLIs) in Malaysia depend on highly skilled or key workforce to carry out the most critical tasks, however many of the public HLIs do not have a plan in place in case key employees depart the institution (due to resignation, termination, retirement, promotion, illness, disability and demise). Many of the public HLIs do not have a succession plan (Bowen, 2008). Therefore, a succession plan will be vital to implement for those who do not have anything in place. Higher education historically adopts corporate processes more slowly than private industry (Clunies, 2007); however, Carey, Ogden, and Roland (2000) indicated that many functions of higher education are also shown in private industry.

Selecting a successor for top leadership and senior management positions is one of the most fundamental decisions to be taken by all public HLIs in Malaysia. The best and strongest foundation for the institute is a pool of individuals, leaders and talented workforce, who can observe knowledge, culture and is capable for taking over leadership roles. Malaysia is facing a two-pronged talent shortage, the first being migration, and the latter being the effects of aging of the talent pool. In today's global marketplace, competition for good talent is intense (Zulita Mustafa, March 1, 2017, News Straits Times). According to Universiti Tun Abdul Razak (UNIRAZAK) President and Vice-Chancellor Professor Datuk Seri Dr Md Zabid Abdul Rashid, "Malaysia is facing a talent crisis because once again the overall ranking of Malaysia in the talent index has actually gone down". Succession planning has gained popularity when small and large organizations face shortage of skills and talent pool. According to the World Talent Report 2016 of the International Institute for Management Development (IMD), Malaysia is ranked number 19 out of 61 countries in its ability to attract talent, falling from its ranking at 15th in 2015.

Currently in the globally competitive environment most of organizations focus their succession planning on only few selected positions, like Chief Executive Officer (CEO), rather than focusing on

all levels like middle management and Head of Department positions. Organizational priorities will have to be given attention for the success of succession planning. Ensuring that the CEO makes succession planning a priority will help avoid a leadership crisis later (Cascio, 2011). In addition, Boyle (2009) stated that the average employment term of a CEO is six years. This is short term management by one person; therefore, consideration of any executive level candidate must be centred on a corporate strategy (Dutra & Griesedieck, 2010). This strategy will also be important for hiring at lower levels. Succession planning should continue throughout the development of employees at each level within the organization and higher institutes. Leadership is urgently needed at all levels of the organization (Marron & Cunniff, 2014). Human resources management can play a very important role in the implementation of succession planning as well as to develop and implement competencies for the entire workforce. The human resources management department arranges mentoring & coaching for new employees and employees will be able to know exactly what is expected from them. By expanding succession planning efforts, an organization may more easily, and consistently, identify a pool of talented people.

## **2.0 LITERATURE REVIEW**

The literature review will highlight some important aspects to be considered when the succession planning is needed in public HLI's in Malaysia. In addition, this concept paper is to review previous researcher's literature related to workforce planning, talent management and succession planning. The study will explore the best current practices of succession planning linked to the workforce planning and talent pool.

### **2.1 Succession planning**

Currently all types of organizations are facing a problem in preparing leaders at all levels. This may create short falls of experienced workforce, particular for senior level positions. Successful companies have always implemented succession planning at all levels. And some organizations apply succession planning only on the key positions. It is further defined by (Hampel, Procter, Deuter; 2010) that succession planning is more than just the concept of filling a position in the future, it involves a structured process of identifying key positions and their requisite qualifications and competencies; selecting potential internal candidates; targeting development and tracking those candidates; selecting a successor and ensuring a commitment of resources. However, research evidence suggests that many highly successful companies overcome these and other challenges by marrying the leadership development and succession planning processes for optimal identification, development and placement of leadership talent (Conger and Fulmer, 2003). It is noted that the private sector has more flexibility to hire leaders as compared to the public sector. Because the public-sector focusses on culture, institutional values, under strict budget guideline and organizational systems. Differences between higher education and private industry is that in higher education the skill set required for management positions is geared more toward academic skills (Abdullah et. al, 2009).

Although succession planning is part of human resources management but not initiated by the human resources department. It is foremost the responsibility of the CEO and senior management team to fully involve and complete the process with commitment and identify the criteria for successors. Succession planning and management is important for the continued survival of the organization and depends on having the right people in the right places at the right times (Rothwell, 2011).

### **2.2 Workforce planning**

Succession planning focuses on manpower planning activity such as recruitment and development of employees to fill managerial and top positions (Taylor, 2002). Workforce planning is very important for public institutions facing layoffs and job cuts. Human resources management not focus only on a

single employee's issue, it also focuses on collective human resources and it becomes part of long term human resources planning which link to succession planning and strategic planning of organization. Workforce planning always prefer that human resources management professionals and senior management working together to know about the gaps of current employees when came up to future workforce required. It is important to work together human resources management experts and senior management team to develop successful changes in the organization.

According to (Kochanowski, 2011), the workforce plan then becomes a matter of filling the gaps that have been identified in time for some transition to occur. Succession planning is a very important option to all institutions and should not be ignored. Hiring key workforce is a hard task without proper succession planning. Selecting key position leaders is to assure leadership continuity. Hiring an internal employee for critical positions is an advantage for institutions which encourages employees in public services to work harder for a promotion. Internal hiring will make the process simple and fast for unforeseen circumstances such as sudden contract termination, death or disability of senior management staff. On the other hand, hiring an external candidate can make the process slow and can lead to conflict among the existing senior staff. It is also costly and according to (Bercherlmann; 2005), 65% of external hiring fail within the first two years

## **2.3 Talent Management**

The core strategy of succession planning is to identify the best talent. The strongest foundation for public HLIs is a skilled, experienced and talented pool, who can move into leadership roles. It is about a systematic approach to identify, develop and plan talented people for key positions in the institution. Hunter (2012) defined that, other important sources for succession planning are the newcomers with talent. In addition, talent forecasting includes accounting for not only the current workforce, but also the anticipated workforce, while factoring in the supply and demand dynamics of the industry (Kowalewski et al, 2011). Sometimes organizations face problems when the technical and specialized positions vacant. In this case succession planning can play an important role to ensure that daily business activities must not be affected. Succession planning will help for long term planning to fill key positions in the organizations. It is also noted that some organizations go for external hiring to fill the key positions rather than to look for internal talent. External recruitment will waste time and hidden expenses. Thus, key to the succession planning process is the identification of critical talent.

## **2.4 Current Best practices of succession planning in public HLI's in Malaysia**

This study is addressing the importance of succession planning in public HLIs in Malaysia. It is commonly practiced in public HLIs that effective succession planning can help academic managers to develop their professional growth for new leadership roles in the academic institutions. Succession planning has many benefits to offset a large transition or unexpected events causing a major change in leadership (Chandler, 2015). There are the following specific best practices in succession planning in public higher learning institutes in Malaysia.

### ***2.4.1 Selection criteria for leadership recruitment***

The Ministry of Education in Malaysia is engaged in the development of a strategic framework for Continuing Professional Development (CPD) for academic staff through its agencies such as the Higher Education Leadership Academy (AKEPT) and in consultation with public and private HLIs which include succession planning and leadership development courses for academic leaders (Malaysia Education Blueprint 2015-2025, Higher Education). The selection procedure to identify the candidates for the leadership talent pool is to keep the candidate's track record for leadership style, reputation, professional skills and experience. The candidates for top leadership (university Vice Chancellor, Deputy Vice Chancellor) must undergo five professional development programs and

candidates for Middle Management positions (Head of Departments, Deans) must undergo seven professional development programs arranged by AKEPT for academic staff.

#### ***2.4.2 Next generation of academic leaders***

Akademi Kepimpinan Pendidikan Tinggi (AKEPT) is looking for a next generation of academic leaders through the AKEPT Young Scholars Programme (YSP). This programme aims to cultivate related skills pertaining to future academics especially among research students across various Malaysian public HLIs.

#### ***2.4.3 Implementation of succession planning***

In most cases succession plans only apply to top level management, which cause the frustrations among middle managers and supervisors. The traditional succession planning usually neglects to address the leadership gap at middle management and lower management levels. However, a few institutions apply succession planning for both top and middle management, like at University Tun Hussein Onn Malaysia, where it is being practiced for the past two years (UTHM, Succession planning unit, personnel communication, 2017). Once the succession planning has been established, implementation will be essential to provide evidence to support change. Implementation is what matters most (Malaysia Education Blueprint 2015-2025, Higher Education)

#### ***2.4.4 Female leadership in public HLIs***

The public HLIs give chances to female staff to participate in formal academic leadership activities and trainings. However there are still many barriers that prevent women being promoted, including: deep rooted stereotypes and lack of women's participation in decision-making. In fact, 20% of female employees have been selected for senior positions in the past 3 years (UTHM, Succession Planning Unit, personal communication, 2017).

### **2.5 Proposed conceptual model**

The proposed conceptual model is deduced from previous research studies and adopted from the Seven-pointed model by Rothwell and the Acceleration Pool Model by Bayham. The arrows show the close relationship between workforce planning, talent management and succession planning.

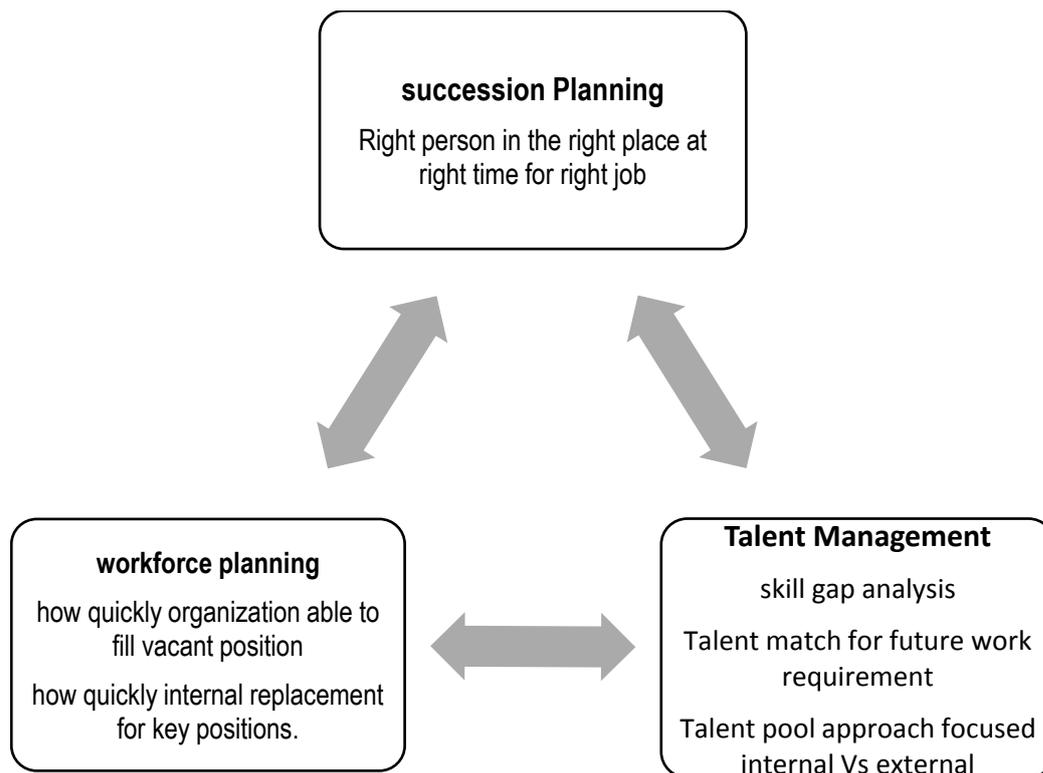


Figure 1: The proposed conceptual model for the relationship between workforce planning, Talent Management and succession planning.

Source: The Seven-pointed Start Model (Rothwell; 2003, 2005), Acceleration Pool Model by (Byham et al; 2002)

### 3.0 METHODOLOGY

The approach of this study is qualitative in order to gain a greater understanding of current best practices in public HLIs in Malaysia. This concept paper is based on applying the practice of systematic literature review, as systematic literature review attempts ‘to identify, appraise and synthesize all the empirical evidence that meets pre-specified eligibility criteria to answer a given research question’ (Cochrane definition, 2013). This study will employ document analysis and preliminary in-depth interview technique. The document analysis in this regard is conducting content analysis on the literature related to this topic to identify the factors; while the preliminary interview will be conducted with the Human Resources personnel in one public university in the southern part of Malaysia.

### 4.0 DISCUSSION

Succession planning is not only important for the public HLIs and its current workforce, it is also important to keep a talent pool to bridge a future leadership gap. Most organizations, either small or big, talk about initiating succession planning but when it comes to the implementation phase many public HLIs do not find the time to work on it, until it is too late to address the issues on succession planning at the right time. Sometimes the succession planning implementation phase cannot be successful due to less support from senior and middle management levels. Retaining best talent through employee’s development is an integral part of successful implementation. Universities have a stronger advantage to hiring internally versus externally, but if the wrong candidate is chosen then there is the potential for the process to fail and hinder the university (Long, Cooper, Faught, & Street, 2013). If any organization wants diverse leadership, then organizations must focus to promote female

employees and minorities to senior or leadership positions. The best approach to develop talent is to focus on all levels in the organization and keep updated replacement chart.

## **5.0 CONCLUSION**

Succession planning is done to ensure key people to stay and carry out day to day operations with minimum distractions. Succession planning helps to smooth leadership transition. To ensure success, the organization needs leadership backup and individual development in relevant job categories.

Figure 1 illustrates the strong relationship between workforce planning, talent management and succession planning. Today, the most pressing talent management issue facing universities is succession (Jusoff et al., 2009; Alina et al., 2012). Talent management is the process of identifying and forecasting employment needs and the best way to meet those needs (Michaels, Handfield-Jones, & Axelrod, 2001). It is the responsibility of the Human Resources department and they have to ensure that qualified employees are developed according to need of organization. According to the Rawls Group's founder, "HR's role in succession planning is to find people who fit the culture and to help them develop the skills to lead the organization so it stays viable in the future." The implementation phase involves a few steps including talent assessment, creating a specific job model which defines behaviour, skills, knowledge and experience, talking to employees about their career and reviewing succession planning every year. It is important to match the needs of the organization with the needs of the employee (Fulmer, 2002). There is the need to maintain a skilled workforce along with the company's focus to recruit new talent and increase their talent pool for the future survival of the organization (Zeiss, 2005).

The first scholar to document and identify the need for succession planning was Henry Fayol (1841-1925; W. Rothwell, 2001). The book by Rothwell (2005) mentioned that an organization which does not have a succession planning system in place i.e. they lack a formal succession plan, find trouble in various areas such as: key positions are not filled in a timely manner, key positions are filled by external candidates, constant horror of turnover at key positions, potential replacements are never ready and lack essential skills, most qualified talent is not retained. These are some problem areas which organizations face and never realize. It's just due to lack of formal planning. Succession planning has been described generally as having the right people, with the right skills in the right place at right time, at the right cost and performing at the right level.

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