

## Succession Planning at HEIs: Leadership Style, Career Development and Knowledge Management Practices as Its Predictors

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### Abstract

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Succession planning has spelt many affirmative returns to organizations, several reviews have indicated that this corporate initiative lacks in its planning, implementing and managing. It happens at HEIs in Malaysia that have been slow to embrace corporate formal succession planning approach. Perhaps the appropriate leadership style, perception of career development opportunities as well as knowledge management practices may enhance the succession planning of public universities in Malaysia. Therefore this study specifically intends to examine the significant relationships between succession planning and its predictors which are leadership style, career development and knowledge management practices. The sampling frame in this study contained a list of all administrative officers grade (N41-N54) at 19 public universities staff. According to the results, there is significant influence of two independent variables which are leadership style and knowledge management on successive planning effectiveness. Nevertheless, career management does not influence successive planning effectiveness although both are significantly related.

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**Keywords:** Leadership; knowledge; management practice.

### 1. Introduction

Higher education institutions (HEIs) in Malaysia have long been responsible for educating and developing future leaders and thinkers for the nation. While great at moulding future leaders and workforce for the nation, many HEIs are not taking the necessary steps to develop their own administrative staff of leadership talent to take them into the demanding and challenging tomorrow

through appropriate succession planning program as they are slow to adopt and implement learning and talent management strategies and technology solutions that could help them facilitate and ensure the development and retention of faculty and staff on campus. Perhaps the appropriate leadership style, perception of career development opportunities as well as knowledge management practices may enhance the succession planning of public universities in Malaysia. This study specifically intends to examine the relationships between succession planning, leadership style, career development and knowledge management practices.

## **2. Problem statement**

Today, the most pressing talent management issue facing universities is succession (Jusoff et al, 2009). Considering that a university is no different from any respectable organizations in the constant quest forward, the irony is perhaps softened as the debate can only be fuelled by a genuine eagerness to stay relevant and competitive, hence the uneasiness stirring from within. Staying connected with the external environment, keeping constant vigil of the ever changing expectations and maintaining a heightened sense of awareness towards the wants and needs of society are basic rules for the survival of HEIs today. The ability to obtain updated information and the even greater capacity to digest and filter the incoming data with significant bearing on the operations of a university are simply indispensable (Alina, Chee Ming, Eta, Angzzas Sari, 2012). Their study has supported Zaini, Siti Akhmar, Kamaruzaman and Posiah (2009) study when they revealed succession planning as a tool to attract competent and capable talent pool; that directly will ensure and enhance organisational effectiveness and competitive edge as well as customers' satisfaction and experience.

According to Rothwell (2005), he defined the concept of succession planning as “a deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage individual advancement”. He also asserted succession planning is imperative considering organizations today face the ever-increasing issues related to growth, globalization and competitions. Therefore succession planning is needed to cultivate the right talent in order to meet these daunting challenges. Rothwell also firmly emphasized that “the continued survival of the organisation depends on having the right people in the right places at the right time (Rothwell, 2005). For this reason, the impact on organisational continuity would be overwhelmed if a successor was suddenly required and none had been identified. These problems became critical when it involved positions and fields that were critical to the survival needs and the thrust of the organisation, in this case is the university. Indeed, to overcome this problem, universities should provide a plan to prepare and develop highly qualified and capable staff to fill the vacant positions. In this regard, potential successors need to be identified by the management in order to ensure the program vision and missions are achieved. In addition, succession planning program not only helps to ensure that key management position remain filled, but it also helps to identify critical training and development needs of both individual managers and the organizations as a whole. It clearly involves taking an investment-oriented approach toward employees. Therefore, in order to ensure the succession planning is effective, the organization must involve the whole people in the organization (the executives, top managers, and staff), having a systematic process and an efficient

human resources information system. Nevertheless, despite the importance of succession planning program for any organisation, it is considered less important by the university.

The reality of succession planning program was assessed via a survey conducted by Rothwell (2005 & 2002). Rothwell (2005 & 2002) study on succession planning and management practices revealed that the opinions of top management on the succession planning and management were inconclusive. Rothwell (2005) also added succession planning and management should support strategic planning, strategic thinking and provide an essential starting point for management and employee development programs. Furthermore, Rothwell (2005) also suggested succession planning and management should support strategic planning and strategic thinking and should provide an essential starting point for management and employee development programs. In addition, in a separate study, Jaladdin's (2009) study revealed emphasis of succession planning program was not consistent within the organizations of public sector. In this regard, this program is interpreted by some government departments/agencies as among important agenda, while on the other side of spectrum there was also those who placed this program under uncritical category and thus gave less priority. This is because the mechanism of implementation depends on the core business or the goals of ministries/departments respectively. As for civil servants working in public universities specifically, succession planning was an unusual issue despite Pekeliling Perkhidmatan Bilangan 3 on Succession Planning Program was made known since 2006. According to Jaladdin (2009) study, two out of five diplomatic and administrative officers (PTD) were aware of succession planning program, leaving another three officers not aware of it. In time, the ignorance created problem especially among official of Grade M48 to M54 where as some of them involved directly in decision making process or in establishing the organization's policies. Besides, Jaladdin's (2009) study also found that the emphasis of succession planning program was not consistent within the organizations of public sector. In this regard, this program is interpreted by some government departments/agencies as among important agenda, while on the other side of spectrum there was also those who placed this program under uncritical category and thus gave less priority. This is because the mechanism of implementation depends on the core business or the goals of ministries/departments respectively. Overall, the different mechanism of implementation deteriorates the importance of succession planning matter even more as there was no definite mechanism to ensure the successfulness of succession planning program of these universities.

### **3. Literature Review**

#### *3.1. Succession planning*

Despite positive response and preference on accomplishment of succession planning program from successful organizations especially from profit oriented organizations, this program is not realistically favored by educational organization due to short of succession planning program planning, implementing and managing initiatives (Clunies, 2007; Rothwell, 2005). Therefore the educational organizations attempted to overlook the importance of the program as significant individual staff career development program. On the contrary, succession planning program is detrimental in any establishment (Rothwell, 2005); thus any organization such as education organization should not overlook its importance. In fact, simple succession planning initiatives that tailored to the need of the

education organization are deemed necessary as suggested by Clunies (2007). Rothwell (2005) also viewed similarly when he emphasized on the significance of succession planning as an effort for individual development in any organisation. In particular, the urgency of succession planning program is especially imperative when vacated positions are unfilled due to empowered employees' shortages from various position or ranks causing incompetence. In fact, ineffective succession planning program will cause a growing tendency of staff leaving the organization due to lacking of career management opportunity. Corresponding to the circumstances, both Clunies (2007) and Rosse and Levine (2003) suggested education organizations to instantly embrace necessary succession planning program despite striking cultural dissimilarity between the boardroom and the campus and the complicated and bureaucratic procedures for hiring compared with business establishments.

### *3.2. Career development*

According to Kirk et.al (2000), career development can be described as a process for achieving specific employee and organization goals, including providing career information to employees, helping employees identify advancement opportunities, promoting job satisfaction, and improving employee productivity. In terms of advantages, career development is a vital organization strategy that facilitates internal promotion (Bowes, 2008) and with this strategy organizations can help employees identify and understand their interests and strengths such as widen their skills, plan and implement career goals, and develop themselves for their career path (Whymark & Ellis, 1999; Cambron, 2001), or employee engagement, retention, and succession strategies (Rothwell, 2005; Tarasco & Damato, 2006; Beever, 2008; Bowes, 2008), to increase understanding of organization and enhances reputation as people developer. Interestingly, in other aspects, career development can help companies attract the best employees, as well as motivate, develop, and retain the best workers over time. The benefits of a carefully crafted organization career development system can help a better employee-organization fit, a better employee-job fit, effective communications between employees and managers and increased employee loyalty. It also can improve employee morale and job satisfaction, leading to improved performance. Hence, with the improved engagement it may facilitate succession efforts to reduce turnover; employee motivation and promotion within the organization.

### *3.3. Knowledge management practice*

According to Kidwell et al. (2001) knowledge management (KM) is often loosely defined, but its central purpose is the action of "transforming information and intellectual assets into enduring value". In the arena of higher education, KM is being touted as a method that will increase institutional innovation. Meanwhile, according to Azura (2009), knowledge management is a systematic approach to manage organizational tacit and explicit knowledge that resides in its people, process and technology for the purpose of enhancing organizational performance and competitiveness. Knowledge management represents an increasingly important area of consideration particularly for public sector organizations such as higher education institutions. As a service provider, it relies on the intellectual capital and the knowledge of its staff. Capturing, organizing and sharing organizational knowledge is important in order to maximize and fully exploit the intellectual asset. With the current external

pressures of economic instability, changes in governmental policy and increased globalization and commercialization, the education sector at this time not only needs to be efficient and effective but also innovative and trend setting in order to remain competitive. Furthermore, the organization that will prosper in the future will be those that make best use of the knowledge they hold and are able to exploit this through organizational learning (Garcia, Annansingh and Elbeltagi, 2011). In addition to that, KM can be used by educational institutions to gain a more comprehensive, integrative, and reflexive understanding of the impact of information on their organizations. However introduction of knowledge management into the educational arena has been a slow and often underutilized process due to the fact that it is a multi-layered and systems-oriented process that requires organizations to rethink what they do and how they do it (Metcalf, 2010). Therefore, management training programs and courses need to include aspects of succession planning, career development and knowledge management processes as well as training in transferable skills or soft skills.

### *3.4. Leadership style*

Defining leadership has been a complex and elusive problem largely because the nature of leadership itself is complex. Interestingly there are many studies and publications about leadership in recent years, but there is no common definition of leadership yet. Many authors have attempted to describe leadership within the limits of their understanding and emphasis. The next following definitions of leadership are found from literature which may be more representative for leadership. Obiwuru, Okuwu, Akpa, and Nwankwere (2011) said that the leadership is an important subject in the field of organizational behaviour. These authors further explain that leadership possesses a dynamic effect on individual and organizational interaction. In other words, the leadership capability has strong correlation to management's "collaborative effort" execution. This statement echoed by Daft (2011) who cited that leadership is an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes. In addition, Fairholm (2009) offers a classification of five (5) leadership perspective namely the leadership as scientific management, leadership as excellent management, leadership as a values displacement activity, leadership in a trust culture and whole soul spiritual leadership. Bennis and Nanus (1985) and Shelton et al (2002) both stressed on leadership as the pivotal force behind successful organizations and that to create vital and viable organizations, leadership is necessary to help organizations develop a new vision of what they can be, and mobilize organizations to change toward their new visions.

#### *Proposed Hypotheses:*

Ha1 There is a significant correlation between career development, knowledge management practices, leadership style and succession planning at HEIs.

Ha2 There is a significant influence of career development, knowledge management practices and leadership style on succession planning at HEIs.

#### 4. Methodology

The study objectives are: 1) To examine the relation between career development, knowledge management practices, leadership styles and succession planning and 2) To investigate the influence of career development, knowledge management practices, leadership styles on succession planning. The population of the study were the administrative staff of HEIs in Malaysia. The list of the N scheme working population is used as sampling frame of the study (Zikmund et.al, 2010). The sampling frame in this study contained a list of all administrative officers grade (N41-N54) at 19 public universities staff which are UUM, UM, USM, UPM, UTM, UIAM, UNIMAS, UMS, UPSI, USIM, UiTM, UTHM, UTEM, UMP, UNIMAP, UMT UDM, UMK and UPNM. The sampling process was facilitated by the availability of a sampling frame in the form of the universities' directory in the website. Therefore, for the purpose of this study, the use of the directory constitutes a sufficiently reliable sampling frame. Once the sampling frames are collected for each university, 20 samples were collected using systematic sampling, which a starting point will be selected by a random process, and then every *n*th number on the list will be selected (Zikmund et.al. 2010). A total of 400 administrative officers from the whole population as a sample was taken based on the determination table of sample size by Krejcie and Morgan (1970). The nature of this study is correlational. The survey research was facilitated via questionnaire. In addition, the unit of analysis of the study was administrative staff of HEIs. The measurement instrument to gauge the dependent variable (DV), succession planning effectiveness was taken from Questionnaire for Effective Succession Planning and Management (SP&M) by Rothwell (1999), the measurement to gauge career development was adopted from the American Standard Training and Development (ASTD) Survey Questionnaire by Gutteridge, Leibowitz and Shore (1990), the measurement to gauge knowledge management practices or processes were adapted from Beijerse (2000) and Filiud et. Al. (2000) (as cited in Azura Mat Russ, 2009) consisted of five (5) elements (knowledge acquisition, knowledge creation, knowledge storage, knowledge sharing and knowledge transfer) and measurement to gauge leadership styles was adapted from Leadership Styles Questionnaire from [www.sagepub.com/northhouseintro2e](http://www.sagepub.com/northhouseintro2e). Reliability test was performed on the measurement of the study, with cronbach alpha values more than 0.7 at acceptable level.

#### 5. Findings

Total of respondents were 337 with 145 male and 192 female; where most of the respondents are at the age of 25 until 34 years old which consist 38.6% from total respondents. Most respondents served HEIs for 6 to 10 years. They are those who already familiar and well verse with the previous and current situation of HEIs' organization. Majority are first degree qualified with 69.1%. Most administrative officers are grade 41 whilst 2 persons are grade 54 and the others such as N52, N48 and N44 are 6.5%, 13.9% and 19.9% of total respondent. In terms of the mean and standard distribution of the variables of study, succession planning mean = 5.58 , SD = .922, career development mean = 3.74, SD = .595 , knowledge management practices mean = 3.82 , SD = .549 and leadership style mean = 3.82, SD = .599.

**Table 1.** The Correlation between Variables of Study

		1	2	3	4
1. Career Development	Correlation	1			
	Sig. (2-tailed)				
2. Knowledge Management Practices	Correlation	.657**	1		
	Sig. (2-tailed)	.000			
3. Leadership Styles	Correlation	.590**	.586**	1	
	Sig. (2-tailed)	.000	.000		
4. Succession Planning	Correlation	.208**	.315**	.335**	1
	Sig. (2-tailed)	.000	.000	.000	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

According to the correlation results, independent variables are significantly correlated to dependent variable. Thus Hypothesis Ha1 is accepted. Meanwhile to test Ha2, the researchers perform MulReg and Structural Equation Modelling Analyses.

**Table 2.** The Impact of Independent Variables on Dependent Variable

$$R^2 = 13.8 \text{ Adj } R^2 = 13.0; \text{ Sig} = .000; F \text{ Value} = 17.73$$

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.164	.361		8.755	.000
	MeanCD	-.139	.111	-.090	-1.252	.211
	MeanKM	.373	.120	.222	3.113	.002
	MeanLS	.397	.102	.258	3.870	.000

a. Dependent Variable: MeanESP

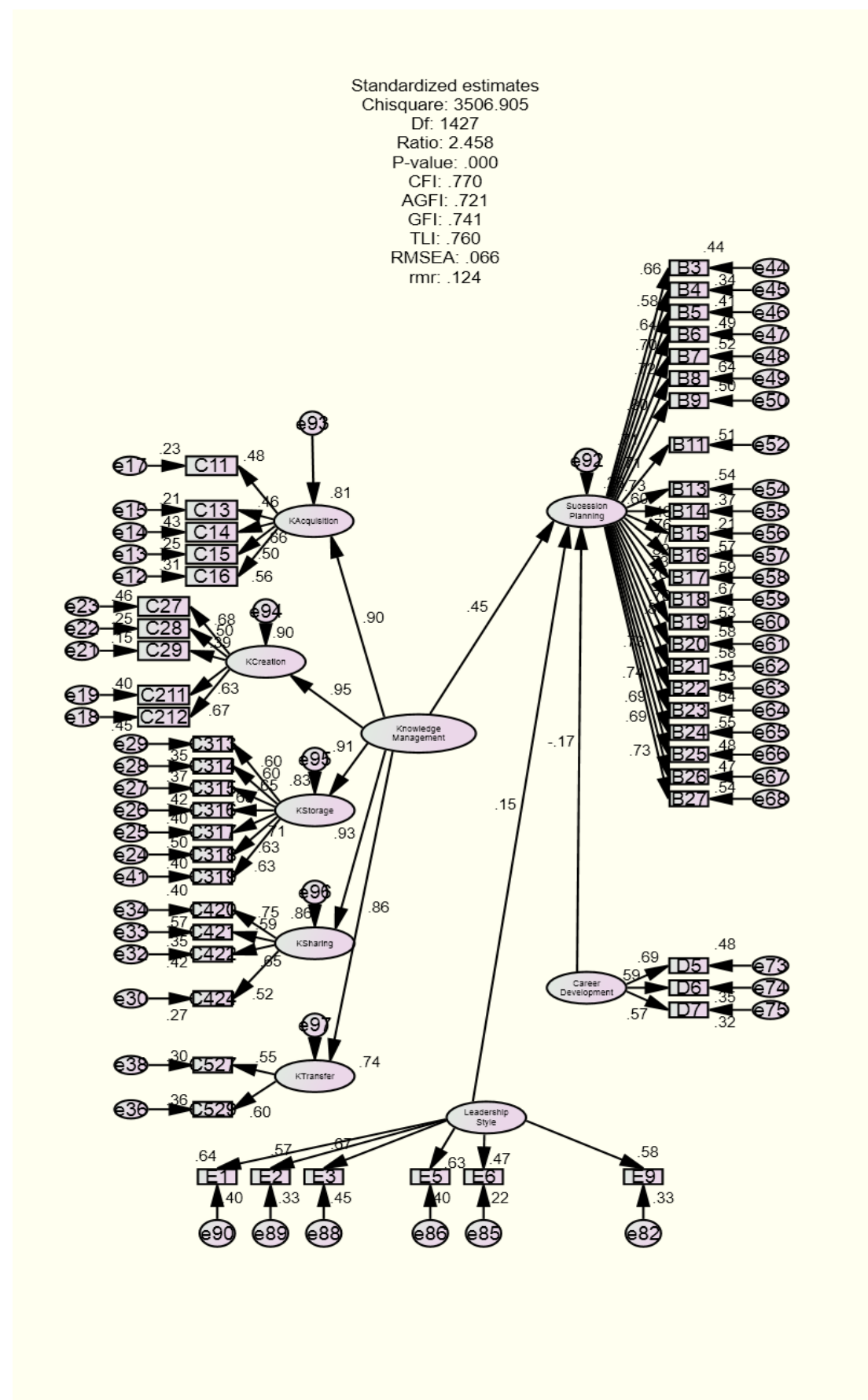


Figure 1. Modified Model



From the Table 2, it is revealed that 13.8% variance of the dependent variable, Succession Planning Effectiveness is significantly explained by three independent variables namely career development, knowledge management and leadership style at  $p=.000$ . Hence Hypothesis Ha2 is accepted. Meanwhile, leadership variable significantly influence succession planning effectiveness the most at Beta = .258,  $t$  value = 3.870,  $p = .000$ . Knowledge management is at second significantly influence successive planning effectiveness at Beta = .222,  $t$  value = 3.113,  $p = .002$ . Meanwhile, career management does not influence successive planning effectiveness. The result derived from multiple regression analysis then is supported with SEM AMOS. According to the modified model, the model is fit based on RMSEA at 0.66 indicating acceptable model. The result is supported by other GOF which are Ratio at 2.46, AGFI = .721. In terms of prediction, the three independent variables predict the dependent variable at 26%. Refer to the modified diagram in Figure 1.

## 6. Discussion and Conclusion

According to the results, there is significant influence of two independent variables which are leadership style and knowledge management on successive planning effectiveness. Nevertheless, career management does not influence successive planning effectiveness although both are significantly related. Nevertheless, generally, the three independent variables only predict small percentage of successive planning effectiveness variable. The findings indicate the existence of other significant predictors that are important in explaining the effectiveness of succession planning that have not been considered in this study. Therefore, the researchers recommend new study to be performed to explore other significant predictors of successive planning effectiveness. In conclusion, based on the results, we can now project that for HEIs, the knowledge management practices and leadership styles will raise the succession planning effectiveness whilst career management will not. Although there was a study, reveals that a main factor, which influences the succession planning is the role of human resource development, includes organizational development, career development, and learning and development of potential successors such as Mehrabani and Mohamad (2011), this is not the case for HEIs, the factor or predictor of career development could not be substantiated. In other words, there are other important elements or factors that can be predictors in influencing the effectiveness of succession planning effectiveness such as determining the requirement of the current performance, measuring the performance, determining the performance which are needed for the future, assessing the potential, following up, documenting competence, making and maintaining rewards for developing people, and evaluating results (Rothwell, 2002), management supports, clarifying the career path, creating a positive vision, strong organizational culture, technology advancement, flat structure and the financial conditions (Mehrabani and Mohamad, 2011).

## 7. Recommendations

There was a significant relationship between career development and succession planning. By way of Rothwell (2005) experiential, the task of succession planning and management is troublesome in any organization, since it entails the concentration of consideration and resources on the expansion and execution of a multifaceted plan. Creating a succession plan and training program necessitates HEIs to

evaluate its current employment arrangements and practices, projection upcoming needs, and begin emerging a succession plan that takes current human resources policies and practices into consideration.

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