



## RESEARCH ARTICLE

## THE EFFECT OF HOSPITAL MANAGERS' SUCCESSION PLANNING ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF SHOUSHTARI MATERNITY HOSPITAL IN SHIRAZ IN 2017

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### Abstract

**Objective:** Widespread and rapid changes that have been created in current organizations, have led to feel lack of managers with skill for key jobs of organization and hence about the importance of succession planning in organizations be as a fundamental and vital agent should be related to strategic goals of the organization and be taken from organization's strategy and directly involves managers of line. Actually, it can be said that succession is the second important issue that current organizations are faced it. In this regard, this investigation proceeds to the investigation of the effect of hospital managers' succession planning on Shoushtari Maternity Hospital in Shiraz in 2017.

**Methods:** Statistical sample of the study was chosen by random method and by using Cochran formula among 240 of personnel in the hospital. Hypotheses of the study were investigated by using correlation test and regression by using SPSS software.

**Results:** The results in studied sample showed that succession planning has positive and meaningful effect on criteria of organizational performance (ability of employees, clarification of organizational duties, to help employees, encouragement of personnel, evaluation of personnel, increase in the credit of employees and improvement of organization's environment).

**Conclusion:** The results of succession planning along improving the condition of organizational environment by changing organizational environment and improving spaces and working equipment are noticed.

**Keywords:** Organizational performance, Shoushtari Maternity Hospital in Shiraz, Succession planning.

### INTRODUCTION

Organizational performance is a general structure that refers to the condition of performing organizational operations. The most famous definition of performance has been presented by Neely and colleagues<sup>1</sup>: "The process of explaining the quality related to effectiveness and competence of previous proceedings". According to this definition, the function divides into two components:

1. Competence which describes the condition of organization's use of resources in producing services or productions, it means the relation between actual and proper composition of inputs for producing certain outputs;
2. Effectiveness which is the describer of the degree related to reaching organizational goals.

Evaluation of performance and more general management of performance is a process that by this, beneficial and useful information about the condition related to effective performing of affairs for reinforcing positive actions and deleting improper and unnecessary behaviors can be achieved.

Evaluating performance, in addition to preparing informational feedback, has other important performances that determining educational needs and developing human resources are of them<sup>2</sup>. Now a day, improving organizational performance has changed to one of the main troubles of organizations, in a way that unlike past, organizations search for improving organizational performance and also investigate effective factors on it to find the best solution related to growing its organization by this way. One of the

effective factors on organizational performance can be succession plans.

The principles of succession planning from the point of view related to Peter Drucker include:

1. Managers are not born; rather they should be educated and trained.
2. In the process of training managers, the main emphasis should be on needed skills and capabilities in marketing world related to organization's future.
3. Finding talent and succession planning need regular and systematic plan.
4. Superior managers of the organization should be caretaker, promoter and main customer of these plans.

Succession planning can be used for key jobs of organization in all levels and also these plans can be effective on all important organizational aspects<sup>3</sup>. Succession planning paces toward continuance of leadership and creation of talent to enable the organization to continue its work by planned wisdom and attitude<sup>4</sup>. On this basis and also history of current researches in this field, it can be guessed that succession planning be effective on different organizational aspects including performance. So, in this research we are looking for a proper answer to this question that can succession plans have meaningful effect on organizational performance or no?

#### **Succession planning concept**

Widespread and rapid changes that have been created in current organizations, have led to feel lack of managers with skill for key jobs of organization and hence about the importance of succession planning in organizations be as a fundamental and vital agent should be related to strategic goals of the organization and be taken from organization's strategy and directly involves managers of line. Actually, it can be said that succession is the second important issue that current organizations are faced it<sup>5</sup>. About the importance of effective succession planning it can be said that succession plan can determine a guideline for human resources and existing employees, explain new human power, facilitate facing organization's changes and propose novel ways and choices in new environment<sup>6</sup>.

#### **Performance**

Nowadays, organizations are placed in permanent competition. Because of creating competition between them, organizations are looking for seizing market, customers and more sale<sup>7</sup>. Intensity of competition annually is increased and continuously all organizations for their survival and eloquence need improvement of organizational performance. Based on done investigations, a comprehensive system of human resources increases organizational performance and has fundamental role in continuous competitive advantage. Hence, through an efficient and effective management system of human resources, people can be regarded as strategic asset<sup>8</sup>.

### **RESEARCH HYPOTHESIS**

After investigating problem of the research and fundamental studies about probable and logical

answers to the questions, the following hypotheses have been collected:

Hospital managers succession planning has meaningful effect on:

1. Ability of the employees.
2. Clarity of Organizational duties.
3. Evaluation of employees.
4. Improvement of organization's environment.

#### **Literature Review**

Baladehi and Saleh in a research that was done descriptively and by survey method proceeded to investigating succession planning and its relation with the way of leadership related to commanders and managers<sup>9</sup>. Statistical population in this research was working managers and commanders in occupational place of 17 and up to this related to police command of Mazandaran province that for choosing statistical sample according to limitation of statistical population, all-counting methods were used. Collecting data has been done by librarian information and using questionnaire. Standard questionnaire related to succession planning of Kim with 43 questions that after idea, final questionnaire according to studied society and its features (regional) 36 questions were tempered and chosen and includes three indexes of organizational factors aspect with 17 questions, personal factors with 7 questions and process aspect with 12 questions. Stability of this questionnaire was tested by Cronbach's test 0.85. For analyzing data two methods of descriptive statistics (variables of gender, marital status, educations) and inferential statistics (correlation coefficient, regression) with SPSS software were used<sup>10</sup>. Results indicated that there is also relation between succession planning components (organizational, personal and process) and type of leadership related to commanders and managers that among them, process factors (0.467) had the highest correlation coefficient and personal factors (0.434) had the least correlation coefficient. Tsai in a study has proceeded to investigating the effect of succession planning in family businesses on organization's performance according to the role of moderating related to criteria of human resources<sup>11</sup>. Results of the study indicated that succession plans of managers have meaningful effect on organization's performance. Also, other results showed that criteria of human resources doesn't have meaningful effect on the relation between succession planning and managers performance. Minichilli and colleagues in a study proceeded to the investigation of the relation related to succession planning mechanism of managers and performance of the company<sup>12</sup>. In this research, performance of the company was assessed according to financial and non-financial issues and the results of the research showed that managers succession planning have meaningful relation. Also, they concluded that organizational environment can also have meaningful effect on the relation related to succession planning and performance of the company. Crumpucker and colleagues in an investigation as the relation of generation with succession planning stated that the main goal of their studies is the investigation of the relation between especial aspects of succession

planning with changing generations in financial and non-financial organizations<sup>13</sup>. In this study, 12 financial companies and 28 non-financial organizations have been used as statistical society. Results of the study indicated that there is a meaningful relation between the aspects of succession planning and changing generations.

## METHODS

Statistical population of the present research includes all employees and personnel of Shoushtari Maternity Hospital in Shiraz. According to this issue that the amount of statistical population estimated as 240 and also the results of Cochran formula, 169 people were chosen as final samples of the research. On the basis of goal, this investigation is practical and according to the way of collecting data is descriptive-survey and on the basis of the way of execution it can be understood as correlated. In this research for assaying investigation variables, questionnaire has been used. For collecting data related to succession planning, standard questionnaire including 43 locutions and 3 components (organizational factors, personal factors and process factors) were used. Also, for assaying organization's function, questionnaire of organizational function of Hersey and Goldsmith that has 42 locutions and 7 components was used. Information related to theoretical catechism and literature review of librarian resources, valid sites and published articles in scientific journals and conferences was gathered.

### Analyzing and testing research hypotheses investigating the condition of variables distribution by using Kolmogorov Smirnov test

**Null hypothesis:** Data is obeyed normal distribution.

**Alternative hypothesis:** Data is not obeyed normal distribution. According to Table 1, it can be said that as meaningful levels of all indexes are more than 0.05 criterion, these indexes are obeyed normal distribution.

## RESULTS AND DISCUSSION

### Investigating the relations between research variables

1. Hospital managers succession planning has meaningful effect on:

#### The first hypothesis: Ability of employees.

**Null hypothesis:** Doesn't have on ability of employees. According to results (Table 2), the amount of correlation between two variables of succession planning and ability of employees equals to 316.0 and because the meaningfulness level of the test is less than 0.05, so null hypothesis is not accepted and there is a meaningful relation between two studied variables. As the beta coefficient is positive, the relation between two variables is direct. Determination coefficient showed that 10% of changes related to ability of employees are explained by hospital managers succession planning. So, as observed, investigating and proceeding plans of succession planning could increase ability of employees. This issue has been occurred on the basis of increasing the motivation of employees and also increases their scientific and practical capabilities.

The result of investigating this hypothesis agrees with the studies of Minichilli and colleagues and by Tsai. 2. Hospital managers succession planning has meaningful effect on:

#### The Second hypothesis: Clarity of organizational duties.

**Null hypothesis:** Doesn't have on organizational duties. According to results (Table 3), the amount of correlation between succession planning and clarity of organizational duties equals to 337.0 and because the meaningfulness level of the 0 test is less than 0.05, so null hypothesis is not accepted and there is a meaningful relation between two studied variables. As the beta coefficient is positive, the relation between two variables is direct. Determination coefficient showed that 05.4% of changes related to the clarity of organizational duties are explained by succession planning.

**Table 1: Investigating the condition of variables distribution.**

Variables	The amount of test statistic	Amount	Meaningfulness level
Organizational performance	0.684	169	737.0
Succession planning	1.111	169	169.0

Succession planning by seeking help from beneficial courses in expressing duties and explaining job of people and condition of basic and effective performing of these obligations could improve clarity of organizational duties. This effect may be because of lack of organization paying attention to expressing the explanation of job and obligations of people during novitiate and professional courses. The result of investigating this hypothesis agrees with the studies of Minichilli and colleagues, Tsai, Beals and colleagues and Boroomand and Tavoosi.

3. Hospital managers succession planning has meaningful effect on:

#### The third hypothesis: Helping employees.

**Null hypothesis:** Doesn't have helping employees.

According to results (Table 4), the amount of correlation between two variables of succession planning and helping employees equals to 34.0 and because the meaningfulness level of the 0 test is less than 0.05, so null hypothesis is not accepted and there is a meaningful relation between two studied variables. As the beta coefficient is positive, the relation between two variables is direct. Determination coefficient showed that 6.3% of changes related to helping employees are explained by succession planning.

Working power is regarded as strategic resources of the organization that it should be tried in keeping and improving their capabilities and also distinguishing the needs of employees and deleting them. Succession planning by distinguishing weak and strong points of employees can revise in explaining job or organizational position of employees that is proper and acceptable for employees according to their abilities

and physical features and by regarding their skills can prepare them for higher positions which all these items are considered as helping employees.

**The fifth hypothesis: evaluating employees.**

**Null hypothesis:** Doesn't have evaluating employees. According to results (Table 5), the amount of correlation between two variables of succession planning and evaluating employees equals to 31.0 and because the meaningfulness level of the 0 test is less

than 0.05, so null hypothesis is not accepted and there is a meaningful relation between two studied variables. So, by using regression test, we proceed to investigating the condition of the relation. As the beta coefficient is positive, the relation between two variables is direct. In plans of succession planning for distinguishing and determining capabilities, according to these activities, some evaluations are done.

**Table 2: Alternative hypothesis: Ability of employees.**

Variable 1	Variable 2	The amount of correlation coefficient	T	Meaningfulness level	The amount of determination coefficient
Succession planning	ability of employees	316.0	4.548	0.000	10.0

**Table 3: Alternative hypothesis: Organizational duties**

Variable 1	Variable 2	The amount of correlation coefficient	T	Meaningfulness level	The amount of determination coefficient
Succession planning	Clarity of organizational duties	337.0	5.146	0.000	054.0

Furthermore, on the basis of the announced results related to plans and courses of succession planning, some results persuade managers and especially human resources section for performing some evaluations that the results of these evaluations may lead to periodically holding evaluation in intended organization. The result of investigating this hypothesis agrees with the studies of Minichilli and colleagues, Tsai.

5. Hospital managers succession planning has meaningful effect on:

**The seventh hypothesis:** Improving organization's environment.

**Null hypothesis:** Doesn't have improving organization's environment.

According to results (Table 6), the amount of correlation between succession planning and improving organization's environment equals to 312.0 and because the meaningfulness level of the 0 test is less than 0.05, so null hypothesis is not accepted and there is a meaningful relation between two studied variables. As the beta coefficient is positive, the relation between two variables is direct. Determination coefficient showed that 4.8% of changes related to the clarity of organizational duties are explained by succession planning. The existence of proper and favorable working conditions on the basis of working hygiene and anatomy of people are prerequisites of doing succession planning for distinguishing weak and strong points of employees and their improvements. In other words, providing lack of the existence of proper working conditions and organizational environment, working quantity and quality of people cannot be

assessed and be compared with working need and distinguish are this people prepared for receiving higher working positions or no? So, proper organizational environment is one of the requisites of rule-governed succession planning and also during these courses, if professional people do not observe environment's accordance with the type of people work and investigating competency of people. On the basis of achieved results in the first hypothesis: Hospital managers succession planning has meaningful effect on the abilities of employees. So, it is suggested to:

In organization, plans of succession planning periodically and permanently are held and during these courses, educational needs of employees be distinguished until, after distinguishing weak points, it is proceeded to deleting it and enriching abilities of employees. On the basis of achieved results in the second hypothesis: Hospital managers succession planning has meaningful effect on the abilities of employees. So, it is suggested to:

People as soon as reaching to organization during novitiate courses be aware of and familiar with explaining job and also working area during novitiate professional courses in and out of organization and also during work and out of it and periodically evaluation of working power be studied to evaluate clear and proper understanding of people than these obligations. On the basis of achieved results in the third hypothesis: Hospital managers succession planning has meaningful effect on helping employees.

**Table 4: Alternative hypothesis: Helping employees.**

Variable 1	Variable 2	The amount of correlation coefficient	T	Meaningfulness level	The amount of determination coefficient
Succession planning	Helping employees	340.0	4.946	0.000	063.0

**Table 5: Alternative hypothesis: It has evaluating employees.**

Variable 1	Variable 2	The amount of correlation coefficient	T	Meaningfulness level	The amount of determination coefficient
Succession planning	Evaluating employees	310.0	5.606	0.000	09.0

**Table 6: Alternative hypothesis: Improving organization's environment.**

Variable 1	Variable 2	The amount of correlation coefficient	T	Meaningfulness level	The amount of determination coefficient
Succession planning	Improving organization's environment	312.0	4.842	0.000	048.0

So, it is suggested to:

In succession planning courses, it is preceded to investigation of employee's occupational needs. Also, during succession courses, it is preceded to investigation of employee's non-occupational needs. On the basis of achieved results in the fifth hypothesis: Hospital managers succession planning has meaningful effect on evaluating employees. So, it is suggested to: Evaluation courses of employees and managers (all personnel) are held periodically and non-periodically.

## CONCLUSIONS

The results of succession planning courses and periodical evaluations by using in and out organizational counselors and also by using statistical software and noble and systematic informational technologies are used. On the basis of achieved results in the seventh hypothesis: Hospital managers succession planning has meaningful effect on improving organization's environment. So, it is suggested to: the results of succession planning along improving the condition of organizational environment by changing organizational environment and improving spaces and working equipment are noticed.

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## AUTHOR'S CONTRIBUTION

**Azizpour F:** writing original draft, methodology, investigation. **Vahdat S:** formal analysis, data curation, conceptualization. **Keshtkar R:** writing, review and editing. The final manuscript was read and approved by all authors.

## DATA AVAILABILITY

The data and material are available from the corresponding author on reasonable request.

## CONFLICT OF INTEREST

None to declare.

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