Impact of Leadership on Effective Succession Planning: Comparison of Public and Private Organizations

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Abstract
Leadership plays a substantial role in effective succession planning in public and private organizations. In comparison to private organizations, most public organizations have a bureaucratic structure. A study has been conducted to observe the impact of leadership on effective succession planning in public and private organizations. Study based on qualitative methodology. We can successfully observe the nature of both organizations by conducting an interview study. The study chose two private organizations, such as Standard Chartered Bank and Bank Alfalah. Two other public organizations are also taken into observation, namely the National Bank of Pakistan and the First Women's Bank of Pakistan. N=250 people from the aforementioned organizations were observed for the study. According to one study, hiccups integrate the nature of tenancy and political administration in people working in the public sector, as well as work force framework principles, the absence of assets, and the absence of core interests. A study found that proper implementation of strategies needs to be taken into consideration because most organizations fail to implant the proper program. Decision-making is also important because it's necessary to take the right decision at the right time for effective succession planning.
***Key words**: Succession planning, leadership, public and private organization, decision making.*

Introduction

The idea of succession planning has been a focus of study in the private sector for a long time, but in the public sector it has not received much attention. Berke (2005) analyses the fact that almost 130 studies were conducted related to succession planning between 1980 and 1993, of which only five focused on the public sector. Even so, the process of succession planning is being discussed increasingly in the public sector, and the drawbacks of not having satisfactory succession policies and procedures in place are becoming evident. Ahmad et al. (2017) investigated the next good leader, which is as important for the public sector as supporting the current leader, as well as an important factor in moving and driving organizations forward. Thus, in order to groom potential future leaders, organizations must focus not only on succession planning but also on the leader's commitment. According to research by Al Suwaidi (2020), succession planning is crucial for business sustainability and organizational growth in the public sector. This study will assist decision-makers in developing appropriate strategies and policies to support executive succession planning in public sector firms. They can use it to put best practises in this field into effect.

Now the question arises: what is succession planning? Wolfe (1996) well-defined succession planning as a purposeful and organized attempt by an organization to secure leadership stability in key positions, maintain and increase knowledge capital for its future, and promote employee skill development. In addition, establish the best criteria for staff selection and encourage participatory governance. To prevent a shortage of staff, Nieri et al. (2019) advised universities to implement a strong succession plan and human resource plan. Additionally, career development plans will be presented, and staff members will be urged to pinpoint their own educational requirements. Atwood (2007) considered succession planning a tool by which an organization arranges and substitutes administrators, supervisors, and other employees who vacate their positions in the organization; it is significantly important to a business's persistent and everlasting success. It consists of practices about how a firm categorizes and hires successors, how it administers changeover from one individual to another, and how it maintains successors.

Review of Literature

According to Rothwell et al. (2008), effective succession planning involves recognizing employees with high potential as well as enrolling them in particular training and development

programmers for further management positions. Therefore, the process of succession planning is extremely important for maintaining an organization's inventiveness and ensuring that it accomplishes its mission and goals. According to a 2003 study by Kim, succession planning is quickly emerging as a crucial strategic planning tool for human resource management as well as for enhancing government performance and accountability. This is due to widespread downsizing and an ageing workforce. This essay aims to provide insight into the relationship between succession planning and employee evaluations. The importance of employee assessment procedures for facilitating succession planning management decisions that comply with organisational objectives as well as strategic workforce plans is discussed. In addition, it analyses how employee assessment procedures can take into account career development, training needs, retirement plans, workforce diversity, succession planning, and mentoring programmes.

In contrast to the literature on human resource development Ali et al., (2018) study effectively identified an empirical association between succession planning and turnover intentions. Additionally, through succession planning, this is a crucial mediatory mechanism for job security and career attitude for reducing turnover intentions among bank employees. The authors also investigate if succession planning improves employee job security and fosters a career mentality that lessens the likelihood of employee turnover plans.

Succession Planning – A Systematic Approach

Discover

The focus of succession planning is to identify the critical positions. The department can only move forward once these positions and roles are classified with the help of a risk assessment being conducted to analyze present and future vacancies.

Recognize

The next step focuses on acquiring a clear understanding of the competencies required for performing successfully in critical positions. Blair (1997) suggested that this information not only gives the department an understanding of the behavioral and technical responsibilities of the key position but also helps them to design adequate training, development, and assessment plans for them.

Classify succession management strategy

Since that critical position has been recognized and composed for competencies, the next job is to decide the management strategy that is going to be used for addressing succession planning.

Implementation of succession plans

After the identification of the correct strategy, the next step is to file and implement an action plan accordingly. An action plan is a document that holds a proper mechanism for defining the duties and responsibilities of key positions.

Analyze affectivity

To figure out if the efforts of the succession planning department are successful, the workforce data is systematically monitored and the designed activities are constantly evaluated. Wolfe (1996) explained that the significance of an officially authorized assessment at each step cannot be overemphasized. Furthermore, whenever the internal workforce feels out of their element, external expertise must be sought. Mattone (2013) specified that this helps organizations make sure that the succession planning agenda fits their needs and exploits employees' skills in the best way possible. In any case, it is crucial that the businesses apply and implement the programmer of succession planning to achieve long-term success.

Hypothesis

> H0**:** There is no significant relationship between effective succession planning and leadership.

> H1: There is a significant relationship between effective succession planning and leadership.

Research Methodology

The study uses a qualitative approach. Face-to-face interviews were conducted to observe and discover the factors of effective succession planning in the public and private sectors. The study has taken two private organizations, explicitly Standard Chartered Bank and Bank Alfalah, and selected two public organizations, specifically the National Bank of Pakistan and the First Women Bank of Pakistan. The interview questionnaire was developed form different studies on the bases of literature review and pervious work.

Succession Planning in Public and Private Sector

Evidently, succession planning is practiced more formally in the private sector than in the public sector, which has only recently allowed looking at it analytically. Likewise, there is an urgent need to formulate succession planning in non-profit organizations. Based on a research study of

the federal government's Senior Executive Service (SES), " "The loss of experienced executives without competent replacements can have a significant, immediate detrimental effect on a business," according to Mattone (2013). Additionally, over the last few years, labor market conditions have blended with social and demographic conventions to raise the competition for productivity between the public and private sectors. According to Blair (1997), this trend has motivated many public organizations to revise their approach to talent management and implement tactics similar to those used in the private sector for engaging and retaining it. Despite the fact that it was very challenging to execute those programmers in the public sector, some of these efforts actually succeeded.

The experiences of several public and private sector organizations have evidently confirmed that an organization can benefit very strongly from succession planning; however, the implementation of these programmer is not as effortless as it may seem. Rothwell et al., (2008) discussed that a frequent and potentially critical decision in both the public and private sectors is to delegate succession planning as an independent programmer instead of treating it as an integral approach for supervising talent in the organization. Effective succession should be associated with other HR and management processes and eventually become part of the organization's culture.

Atwood (2007) analyses how many public and private organizations view succession planning as a yearly event in which the senior managers are accommodated in a room to discuss the potentially talented employees in the organization. This is how the process of succession planning traditionally works in the private sector—by singling out successors whose abilities have been refined for appropriate positions. The strategy is utilized less commonly in the public sector, given personnel system limitations. Yet, it is jeopardizing all businesses that tend to use it. According to Berke (2005), succession planning is so important that it should be linked to an organization's goals and strategies. The association should first be clear about its vision for the future and the administration and abilities that vision will require. Wolfe (1996) highlighted that without these fundamental establishments, succession planning projects won't accomplish their desired results. After the association formulates its objectives and procedures, it must focus on the goals it is supposed to accomplish and the skills needed to achieve them. Processes that evaluate capacity, deal with gaps, and assess performance will support these choices. Roothwell

(2005) points out that this leads to one of the difficulties of implementing succession planning in the public sector: methodology coherence.

As Berke (2007) noted, one of the significant difficulties is managing development and projects even with evolving organizations, legislative issues, and priorities. While this is an essential thought, it doesn't imply that succession planning can't be adequately adjusted. By concentrating on the abilities and capabilities expected to accomplish the association's vision, the succession planning system is to some degree safeguarded from changes in priorities and projects. For instance, it bodes well to develop strong administrative skills in future pioneers at an organization that oversees vast projects. The specific undertakings and even a percentage of the subtleties of project management will change as the initiative and motivation change; however, the central skill is still needed.

According to Mattone (2013), one of the most well-known issues mentioned by public sector leaders and HR staff is the limitations people in public personnel systems place on their capacity to implement private-sector style programs. Blair (1997) stated that while this is valid for conventional succession planning projects, various literature reviews and experiences point to the requirement for these models themselves to change. The most essential change for people in the public sector is moving from coordinated substitution mapping to making a pool of future pioneers fit for meeting the association's succession needs. These pools are referred to as "high potential," "quick track," "rising pioneers," and other terms. By adding to a profile of fruitful leadership in their association, associations can add to a pool of leaders who meet this sketch and have a scope of useful and specialized abilities. When a position becomes available (planned or unplanned), the private sector organization first searches this pool for individuals who can quickly enter the position.

Notwithstanding the issues of privilege and unforeseen succession needs, this methodology also conveys the advantage of enhancing performance. Members of the pool are constantly improving their skills and abilities, which leads to improved performance within the organization. Rothwell et al., (2008) reported that as associations grow these pools, they will have more bench quality for future succession needs and make the best use of increased performance in a more extensive scope of staff. Pools can create a procedure that addresses the issues of the association and works within existing staff rules. The fundamental components of this methodology for a public organization include: using an open and aggressive procedure for becoming a member of the

pool. Atwood (2007) proposes that this regularly incorporates threshold criteria, for example, certain scores on performance evaluations, time in position, accreditations, or different components. Interest in the system is entirely deliberate. It is not a necessity for advancement, nor is the individual punished on the off chance that he or she drops out. A significant number of the activities occur outside of work time or with the understanding of the staff's manager. At the point when an administrative or authority position opens, the standard faculty techniques are used to fill it. No extraordinary consideration is given to program members.

These projects are for the most part not called "succession planning," but rather suitably marked as "leadership advancement" or some other comparable name. Once more, the emphasis is on building administration abilities instead of preparing substitutions. Berke (2005) pointed out that it is not the least bit the purpose of these projects to destabilize the association's faculty processes. These leadership improvement projects are centered on enhancing execution today and securing the future of the association. Since admission to the system is through an open and aggressive procedure, the same procedural reasonableness that is inalienable in the work force framework is reflected in the succession planning project. In any case, as indicated by Wolfe (1997), there are a few other critical considerations to take into account when outlining this sort of project. Firstly, a powerful execution of the administration procedure is important. Precise information about a potential pioneer's performance must be accessible for selection criteria in the succession planning program. If the association does not have a successful execution and administration process, it ought to create one. This will help to ensure the success of administration improvement initiatives and provide a much higher rate of profitability.

A second concern is the accessibility of data to dissect potential system members and future pioneers. Rothwell (2005) stated that information ought to incorporate performance over the long run, evaluations of skills and aptitudes, past experience, and time in position. Additionally, it could incorporate different components, such as 360-degree appraisals and professional interests. Although IT is useful in analyzing and dissecting this data, it is redundant for a viable system. Although the burden of information gathering and administration can be difficult without the proper technological environment, organizations can carry out a project without it. Similarly, as with any other programme of this type, senior and line administration support and purchase are essential. Blair (1997) proposed that without them, these sorts of projects will rapidly crash as different needs will shift time and assets far from creating future pioneers.

As a final point, there must be a close association with the organization's legitimate direction to ascertain that the project conforms to most of the relevant regulations. A few regular mistakes can crash the system.

Making it a HR process.

The system will fail if it is a HR-only process and administration does not buy in and take an interest.

Beneficiary evident disorder.

Falling into the substitution-arranging mode and designating true successors for positions that may become open will undermine the validity of the system and may bring about legitimate issues.

Concentrating a lot on system members.

While it is critical to ensure that the system has the necessary assets and services, keep in mind that the rest of the organization requires advancement as well.

Early or prominent disappointments.

On the off chance that a system member is included in a prominent disappointment or if the project quickly gets negative input, it won't keep going for long.

Absence of genuine criticism.

For the formative parts of the system to be powerful, members must get fair input about their territories for advancement.

Poor administration readiness.

Administration must comprehend and bolster the project and give members the time they need to participate in it. This is only an outline of system improvement and key contemplations. The configuration and usage of these projects in the public and private sectors is complex, and associations must verify they have the aptitude to outline and convey a successful programme before beginning down the road.

Conclusion

As per Wolfe (1996), succession planning is a crucial part of an effective personnel management strategy that helps a company achieve its long-term objectives. Despite associations' concerns about a looming "retirement emergency" and a power gap, succession planning is now a major focus of public sector HR management. While the private sector has progressively focused on

making progress on arranging projects that adjust to their changing business needs, the general public sector has fallen behind. Zafar (2020) studied the effect of succession planning on organizational growth and the relationship between gender diversity and organizational growth. Atwood (2007) reports that this is due to the complications that arise while executing these projects in the public sector. Difficulties include people in the public sector's tenure and political administration, work force framework principles, a lack of assets, and a lack of core interests. Writing about effective projects is meager, yet fruitful public sector models and methodologies have been executed at different levels. Mattone (2013) demonstrated that when these methodologies are connected to an association's procedures and coordinated with other HR practices, public sector associations can benefit. At the focal point of these projects is solid leadership maintenance, concentrating on building up a pool of future pioneers, and an obvious concentration on execution. Succession planning is turning into a necessity. With the right direction and skill, the public and private sectors can meet their talent challenges. According to Najam ul Hassan, S., and Siddiqui, D. A. (2020), staff retention and succession planning are interdependent. Meaning that poor succession planning results in employee turnover, which makes the succession plan useless. Finding out how SP impacts ER is therefore a major challenge. Its empirical validity was established by conducting a survey with a closed-ended questionnaire. Using SmartPLS3, descriptive statistics, partial least square (PLS), and structural equation modelling (SEM) were used to analyse the data. According to the data, employing effective succession planning strategies had a strong, positive relationship with employee retention. Out of the seven potential mediators, only three—job security, rewards, and supervisor support—significantly attenuated this relationship. Planning for succession also appears to have a big impact on work atmosphere, work-life policy, and career development. The findings also showed that there is no correlation between staff retention and organisational effectiveness, and that there is a negligible relationship between good succession planning processes and organisational effectiveness.

Recommendation

The study recommended that researchers take private and public organizations other than banks into consideration for future research. Further, other factors are also taken into consideration, such as staffing, management practices, and implementation policies.

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