Assessing Competencies and Succession Planning
A Case Study: South Pars Gas Complex Company

Shahnaz Zergani[1], Salim Zergani[2]

[1]Master educator in South Pars Gas Complex Company
[2]M.A. student of MBA in Khouzestan Scienece and research Branch

ABSTRACT

This article aims to introduce the outcomes of application of competencies in Human Resource Management (HRM). First, background of the study, literature, and components of competency will be presented and then the quality of schematizing, formation and launching succession planning in the organization will be introduced. And finally, the current status of succession planning and talent management will be compared with the optimal situation in South Pars Gas Complex Company.

KEYWORDS :competency, schematizing succession planning, succession planning, talent management, supporting human capital

INTRODUCTION

There are various distinctions between leading successful companies in the world and other companies and enterprises. One of these distinctions is that well-organized, strict, consistent programs are designed and implemented for talent identification and succession planning of management in all leading companies, which are supported by the senior managers of these organizations. Identifying and training future managers is one of the main approaches to the development and survival of organizations and generally seeks to create incentives for retention of competent personnel in the organizations, promoting a culture of merit selection, and creating a sound competitive environment in the organization.

Visionary companies compared with the rival companies, far more attempt to cultivate capable internal managers. This attempt is a step toward maintaining the principles and values of these companies. From among 113 managing directors of the visionary companies, that we are aware of their conditions, only 3/5 percent has entered out of the firm. This figure is 22/1 percent in the comparison companies. Interpretation of these figures is that visionary companies have cultivated and upgraded their present internal manager 6 times more than the comparison companies. What distinguishes the visionary companies from the comparison companies is not the quality of management but the consistency in high quality management. Visionary companies give more importance to training of managers and their improvement than the comparison companies and this act has become institutionalized in their company.

The concept of competency

The term competency first entered management literature in 1973 in an article by "Mc Cleland". Competency is known as the cause of distinction and differentiation between quite optimal and ideal performances with the typical average performances.

What it means by competency is the qualities which personnel of the organization should possess, so that the organization can function properly and continue its activities in a competitive diverse environment. The model of competency is developed by analysis of the models and frameworks of the competency of managers by visiting the organization to identify the competencies required by the organization. A set of knowledge, skills, personality traits, interests, experiences and job-related capabilities enable the holder to act at a higher than average level. In fact, competency provides a model that reflects an individual with superior performance in the assigned job.

Elements of competency

Nowadays, competency is mainly referred to the required qualities for success in a job or is referred to the superior performance. Competency implies targeted behavior which includes the following elements:

- Knowledge and perception: professional knowledge, information and expertise related to the career
- Capabilities or skills: ability to perform tasks related to career goals
- Attitudes and values: preferences and assumptions of the individual

---

* Corresponding Author: Shahnaz Zergani, Master educator in South Pars Gas Complex Company. shahnaz.zergani@yahoo.com

- Features: personality traits and manner of reaction to situations and individuals
- Motivation: inner drive and passion for action

Studies show when the number of evaluated criteria increases, precision of the assessment center will be reduced (Gaugler & Thornton, 1989).

Necessity and application of competency in the domain of Human Resource Management

If we analyze human resource systems of the organizations, it will be indicated that most of the times the required association and connection between their sub-systems such as knowledge development, performance assessment, recruitment and …does not exist and this leads to the inefficiency of the human resource systems.

In other words, connections and strong overlap between various subsystems of human resources is imperative for mutual strengthening of these subsystems and finally, system city and dynamism of the human resource system is an essential task which ultimately leads to the integrity of human resources and their functions (The Development organization, 1384).

Role of model of competency in human resources programs

Competencies will help integrate the development of human resources programs. This task requires an understanding of the role of model of competency in the following programs.

Human resource departments are faced with the questions which their responses act as stimulant to the projects, procedures and systems implemented in the organization.

Some of the questions that human resource departments typically seek to answer are:

1) How to hire the right people?
2) How should people be appointed to have the best individuals in different positions?
3) How is the condition of human resources and, with a more accurate interpretation, the condition of human capital?
4) What are the training and development needs of the staff and how should these needs be fulfilled?
5) How should the rewarding system be designed?
6) How should we assess the employees' performance?

These questions and other similar questions can often be classified into three major categories as follows:

1) Selecting the right people for the job which are considered in recruitment, appointment, promotion and job rotation.
2) Staff development for performing current tasks in an ideal way, discovering talents and development of personnel, and selection of individuals for placement in succession plans.
3) Assessing employee performance to reward them and evaluate the preparedness of the organization's human capital

Defining management and planning for succession

There are several definitions in this area. In some expert's view, succession planning programs are conducted based on the previous person's planning along the royal throne succession. Schematizing succession planning includes selecting the most appropriate employees for taking office in higher management positions in the firms from a group of skilled candidates.

This definition refers only to the selection of skilled individuals but does not explain how and why these people are selected. To define it in another way, "succession planning is planning for potential successors to the current management posts"; in the world's leading organizations, succession planning is conducted through a process named talent management.

Through this process, human talents of the organization are identified for future key jobs and positions and are prepared through a variety of educational and training programs to gradually take over these positions and responsibilities**.** In these organizations the assumption is that all employees possess talents and competencies but due to some limitations they can only make long-term investment on those employees who possess superior talents related to the organization's strategic orientation.

Current status of succession planning and talent management in South Pars Gas Complex Company and comparing it with the optimal conditions

Succession management is considered a somewhat immature and new process for most of the organizations. Less than 12% of companies have properly run succession management programs.

In the maturity model provided by the BersinCompany and Creative Leadership Center, five stages are set for achieving ultimate maturity in succession management for organizations.

Level zero: no succession process has been conducted.

At this level the organization has not conducted any processes for succession management but may have potential successors to the chief executive officer or managers at various executive levels.

Bersin company's studies show that 21% ofthese companies typically confront superficiality and usually face inefficiency in management and leadership skills.

Level one: planning substitution

Organizations at level one will focus on senior management levels. A list of talented individuals for these posts has been developed but there will be no formal process for developing this succession. 15 percent of the present organizations are at this level.

Level two: traditional succession planning

Organizations which form programs to substitute senior managers are at this level. Talent assessment and identification of elites, and development programs, are conducted at this level. 52% of organizations are at level two.

Level three: management of integration

Organizations which are located at level three of succession management would take into account all organizational levels of a company, and this succession is aligned with the company's business strategies and other talent management processes in the company. Less than 12% of companies have reached this level of maturity.

Level four: transparent dynamic of talents

Almost none of the organizations have reached such level of maturity. At this level the companies fully recognize potential capabilities and abilities of their workforce, and decision making about these talents will be quite naturally based on the total interest of that business.

Success in final step of the maturity model- dynamism of talents

The following points should be considered to achieve steps of the maturity model:

- Participation of executive managers
- Development plan
- Universal application
- Permanent application
- Stepped dynamism
- Expressing satisfaction of the talented individuals with high performance
- Talent assessment process
- Being aligned with business objectives
- Leveraging technology
- Measuring the effectiveness

MATERIALS AND METHODS

Now, according to the four given levels, we consider succession planning situation in south Pars gas complex company. First, I have to declare that, fortunately, the above matter has become a part of manager's concerns in recent years. The issue of succession planning for managers, finding and developing future leaders and the possibility of utilizing set of reliable tools and techniques that applied for evaluation and selection of persons are especially important. There are traditional continuous efforts in the company to provide substitutes for supervising positions, but it is not crystal clear, so in the elementary levels and before formal actions there is a controversy in supervisors and managers' tastes and lack of transparencies, and managers may criticize this issue. The importance is that South Pars gas has gathered many young graduates due to the multiplicity of new refineries and their operation. However, managerial jobs and leaders should be selected from among these youth in a hard competition. It can be imagined as very hard for some to work as subordinates to their own classmates.

Common activities for meeting many and diverse new jobs in the company are: supplying executive body personnel through mass absorption, testing, and basic training in the beginnings of duty. But, for providing middle jobs, leaders, and key positions, single searches and selecting from other inside parts or employment from other external organizations are going to be done. Since leadership positions need a special attention and selection, "succession planning or substitution" should be applied as a resort that meets the given needs in the literature of human resources. Most of the times, managers of organizations have access to such a program and in a wide scale, they organize the data through a special unit and utilize the program, and with an influential support, they may be able to adapt and execute such a program completely.

Most of the potential supervisory jobs in technical sector lack management classical knowledge, and recently, MBA training classes have been held for a limited number of leaders. However, the need to provide substitutes for leadership positions is remained and it had been a custom to introduce persons who have no special training program and are personally ready as candidates by the suggestion of local managers or directors. After interviewing with human resources director and related experts, most of them are introduced formally. Although analytical and detailed consideration about this issue is submitted to the planning expert through human resources director to adapt it according to the rules of substitution, it seems better to study succession planning in an optimal position, while there is a unit of human resources planning and programming for many competitive coworkers and subdivisions refiners and the need to activate diverse positions. The reason for doing that is to prepare a training course for the selected person that is agreed among director, refiner's manager, and human resource director, and prepare that person for the appropriate position.

It can be seen that these works and responsibilities include analytical support based on the rules.So, it provides the reliance for employees and managers and creates sufficient legitimacy to convince public opinion, and hope and belief in equal opportunities for growth of best of the complex. It can be said in a case of success of the project, it is considered as a

solution for managerial challenges in the young employees' range of expectation. These young employees have the sense of competition and the same educational position.

Based on the above levels, a group of plan and program unit has to fundamentally study this 'project' and perform it. For the purpose, a study was done for 17 employees who were going to retire in 3 to 5 years, but in some cases there was an obvious lack of sufficient employees with the needed expertise. Using extra organizational information based on the knowledge of those managers who came to the complex, the need of substitutes was met with inviting experts from out of it with a risk and for some positions the needed resources was provided with some studies and inside suggestions. Meanwhile, the designed models of refinement and distribution companies as well as petrochemical and gas non industrial operations company studied the specialized books in this field. They also get help from Ms. RebeKaven and Mr. Mostafa khaki and the existing records in the human resources and planning department of National Gas Company. Most of these studies, though pay attention to the logical basis of this matter, are unable to calculate quantitatively and process the information. To remove this defect, a calculating tool in excel format was operated based on employees competency model of indexes points. In this computational tool, giving half competency information of employees, three persons with the priority in each field and job level can be achieved and their names can be extracted. In fact, knowing people with this tool is the finishing point of deducing quantitative points in math and after that, analysis of each person's abilities and personal characteristics is going to be started.

The main angles of a successful and optimal succession planning system

The main angles of a successful succession planning system are:

1. Organization strategy: it is the basis of every succession planning system. Succession planning systems are connected to both human resources management and simultaneously to organization strategic directions and these systems connected both areas. In such a role, these systems are crucial resources that define the organization's need to leaders and managers to reach the goals and organization strategic directions.
2. Supporters of succession planning system: supporters are important in two ways, first they play a crucial role in the system's usefulness, and two in acceptance of that system on the others behalves. The support of these succession planning systems should be in the higher level of the organization. However, this support is not from one side. These systems also support the top managers through efficient training.
3. Identifying the talents and creating talents' bank: the third angel of succession planning systems is to identify and select talented persons. These systems put their evaluation basis on persons' operational results, their potentials, and also collection of valuable management and organizational capacities.
4. Training and developing talented persons

RESULTS AND SUGGESTIONS

As mentioned in the above statements, succession planning in South Pars is in its beginning and the second level of the above four levels of maturity model and there is a long way to reach the forth level. So, there are some practical suggestions to reach this level:

1. Necessity to believe the senior management of the organization/company for the future planning of managers
2. Introducing the executive from the senior manager
3. Creating the leader committee
4. Selection of the plan consultant
5. Holding of a seminar for the board of managers
6. Announcing and cultural infrastructure in the company/ organization
7. Identifying the general and special capabilities and competencies
8. Designing a questionnaire for call
9. Identifying the acceptance situations in the plan(minimums and maximums)
10. Holding a seminar for all the organization/company staff and announcing a call and distributing the questionnaire
11. Designing a future managers' information bank
12. Collecting the completed questionnaires and evaluating them
13. Announcing the qualified persons for participating in the plan
14. Providing the needed questions for general test(management, intelligence, language, computer)
15. Take the exam
16. Announcing the exam results and introducing the best scores
17. Introducing the best persons for evaluation
18. Evaluating them in evaluation centers
19. Announcing the results of evaluation centers and the top persons
20. Doing the 360 degree evaluation in the place of company/organization
21. Prepare the list of top persons as future managers of the company
22. Developing the educational system and career, based on evaluation centers and 360 degree evaluation

23. Continuous evaluation of selected persons of future managers' plan

Conclusion

In the South Pars Gas Company, succession planning is in its way to develop and there are some useful suggestions to accomplish the desired goal. One of the suggestions is to introduce the executive. Creating a leader committee and a consultant for the plan are also some other recommendations.

REFERENCES

[1] Kalinz, J. 2005, "Better than good", Farasal organization publication.

[2] Coffman, C.2003, "talents deep management; releasing the capacities", selected articles of 35th human resources international conference, the first special issue of developing human resources, Iran Industrial Development organization, Tehran.

[3] Abolalaei, B, Ghafari, A, 2006 "future managers", industrial management organization publication

[4] Human resources assistance, 2005, Iran Industrial Development organization, human resources development pros and cons

[5] Abolalaei, B, Ghafari, A, 2005, "future managers, theoretical issues and practical experiences in managers' talent and succession planning, Tehran, industrial management organization

[6] Gaugler, B.B. &Thornton, G.C. (1989), Number of Assessment Center Dimentions as a Determinant of Assessor Accuracy, Journal of Applied Psycology, 74,(4).