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SUCCESSION MANAGEMENT IN SAUDI ARABIA COMPANY

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ABSTRACT

Succession management and planning were important components of management which requires keen analysis. The company efficiency depends on its succession planning and management models and management systems especially during transition times. Most companies tend to collapse which raising need to perform a thorough analysis of succession management with a focus on Dallah Albrakah company. The performance trend of aforementioned company had been dwindling over time. The study used both qualitative and quantitative analysis. The company tend to fluctuate in its performance which related to various management schemes applied. The result showed companies continued to record lower performance due improper succession management and planning applied.

INTRODUCTION

Succession management is condition that has faced many business entities for long time. Nevertheless, the practice understanding is necessary in maintaining proper operational structure of company. The company has undergone notable losses in operations due to succession management due to underlying models of operations such as managers impose on the company as well as employee (Caldwell, 2007). Nevertheless, an elaborate explanation of major contribution to such drops in performance has never been achieved. Therefore, various management concepts are key for any company to maintain company performance (Hayes et al., 2008).

Traditionally, succession management incorporated simple succession plans without defined structure. The management scheme involved name identification of possible replacement demonstrated high potential of executing company strategies. The model only worked in some few instance

since the company used existing models of operation with minimal changes in operations (Mainyu, 2011). The modern succession plan employs two activities which include tracking emerging pivotal roles such resource pressure point and modern management focuses on proactive development of strong pool of talent.

The succession management process constituted time frameworks which essential among leaders. There are leaders who are ready now, ready soon and keep an eye on. All leaders have potential of developing good management skills which concentrate only their period of rising to managerial tasks depend on defined timelines (Halter et al., 2005). Nevertheless, most leader are never willing to take over management roles of struggling company citing reason of possible short period replacement due to impending increasingly uncertain and complex environment (Lamoureux et al., 2009).

Succession planning is human resource planning part with overall strategy of organization (Soltani et al., 2016). Succession planning is third type that focuses on manpower planning activity such as recruitment and development of employees to fill managerial and top positions (Adewale et al., 2011). The succession planning is systematic effort to help managers who needs to identify a poll of high potential candidates, develop leadership competencies and select leaders from potential leaders (Mehrabani et al., 2011).

The various determinants of succession management has been a problem at Dallah Albarakah company. The lacking of well-defined outlines of factor to consider during developing succession management plan had caused multiple losses in the company. The study aimed to evaluate current workforce capabilities and future business needs.

METHODOLOGY

In this study, cross-sectional study was used design-based approach in particular survey-based approach. The study used primary data and data collection included conceptual methods focused on existing multi-level employees of Dallah Albrakah company. The study had sample size of 50 respondents was selected from population of 300 employees through random sampling method.

The data collection method involved both qualitative and quantitative collection sources. In additions, data collection used both primary and secondary data collection methods. The second data included sources such as E-books, journals, magazines and published textbook readily. On other hand, the primary collection included questionnaires and interview session.

The questionnaires consisted three parts included closed ended questions, semi-structured questions and open-ended questions. The interview session applied an interview guide with specific questions addressed the issue under the study. The data obtained was analysed using descriptive data analysis. The analytical method was more effective as provided quantification mechanism that guiding in the result which was core principle of study work.

RESULT AND DISCUSSION

Result

In Fig.1, most employees in the company had average knowledge about general composition of the company. The employees showed commendable response to information regarded personal issues compared to other issues.

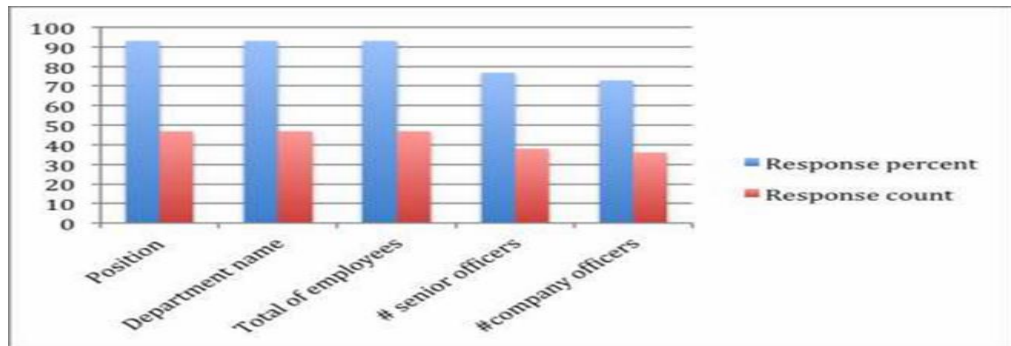


Fig. 1. Demographic Complexion.

Most employees were aware of succession management. There were 74.6% respondents had some information about succession management, Nevertheless, 57.9% respondents who had some information about terminology showed better understanding of system operation models. 42.1% respondents claimed did not understood term meaning regardless aware in many instances in management especially in dealing with human resource.

Besides, 38 respondents showed defined difference between two terms. In their response, the respondents claimed career development usually involved company incorporation which companies provided training to their employees for competitive advantages. The personal development as an individual task and did not related to the company organization. Meanwhile, 7 respondents showed there was no significant difference between two terms. There were 5 respondents did not respond to this question.

In this study, presence of succession planning within company showed company had no defined succession. There were 43 respondents showed no defined plan existed in the company.

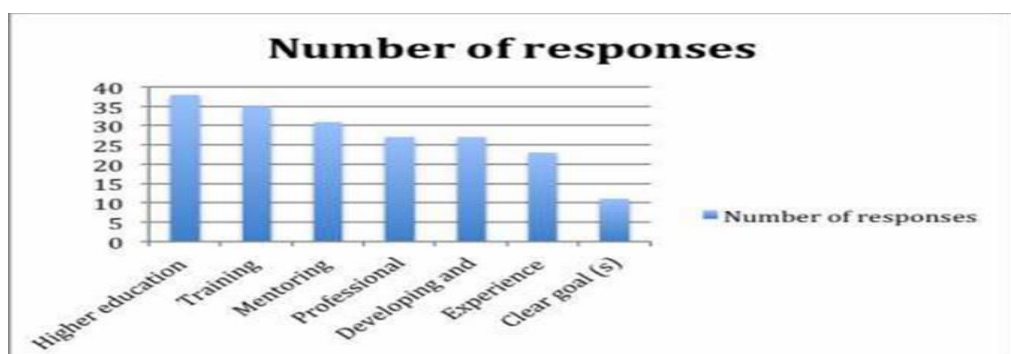


Fig. 2. Ranking Components of Succession Management.

In Fig.2, the respondents denoted that company did not offer much regarded plan for succession. There were 36 respondents showed the company had minimal concern with the succession. However, most respondents were observed among middle level officers which total up to 66% compared to their upper level, 34%. The respondents also noted that education level and working experience for positions at upper and middle management level. Regarding on practices of succession management improvement within the company, there were 45 respondents.

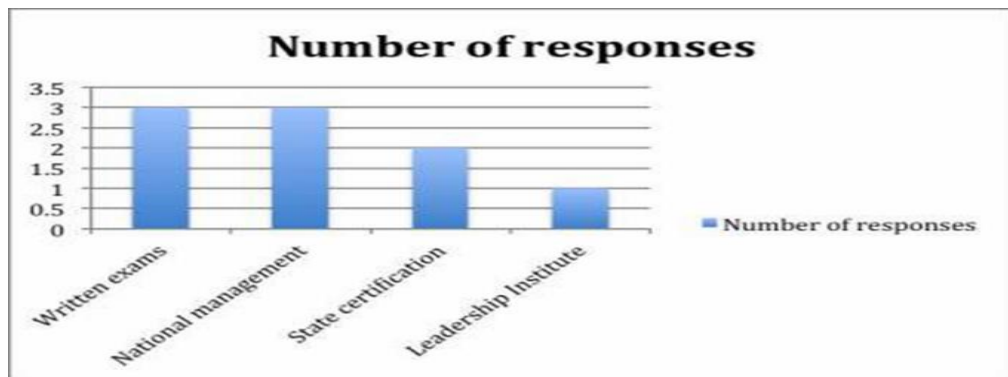


Fig. 3. Number of Required Elements, Programs Or Process To Steer Succession Management Development For Promotion Of Upper And Middle Level Officers.

Furthermore, the questionnaires showed that company focused on encouraged its employee to attain leadership rank rather than personally involved employees in such cases. 42 respondents answered and 8 respondents skipped the questions.

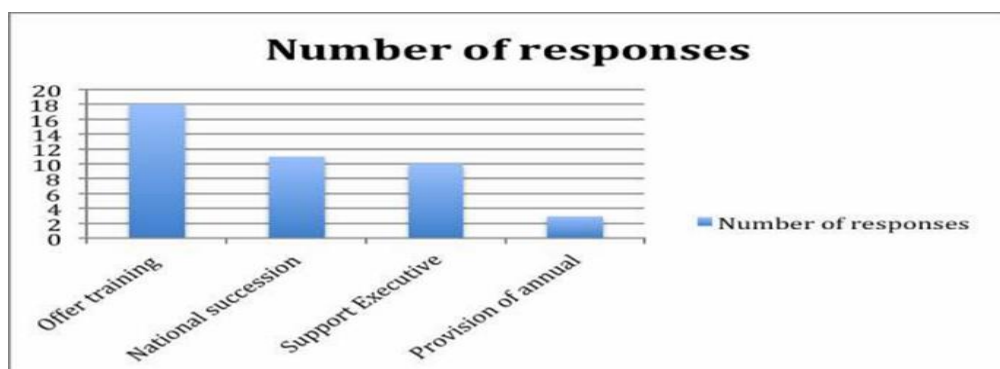


Fig. 4. Action Taken by The Management Board To Encourage, Coach And Mentor Future Leaders.

There were 72.1% answered yes while 21.9% answered no and 4 respondents skipped the question. Most respondents demonstrated that became leaders under informal circumstances.

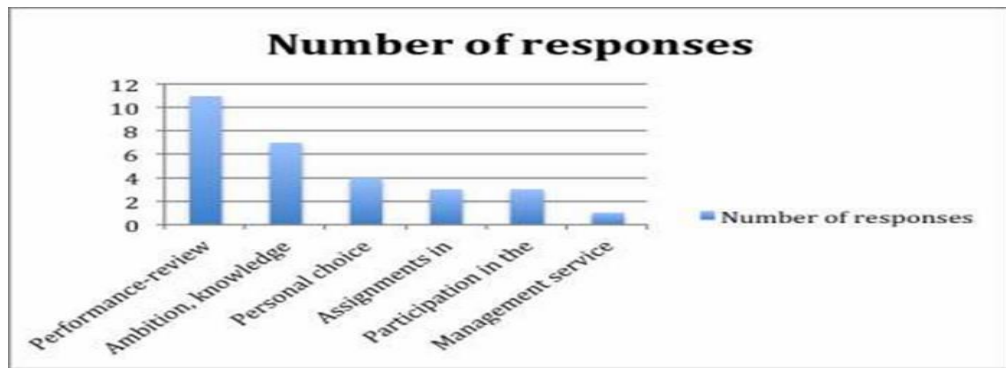


Fig. 5. Methods in Which The Company Identifies Leaders.

In additions, it’s true that the company upper and middle employees required features to work effectively.

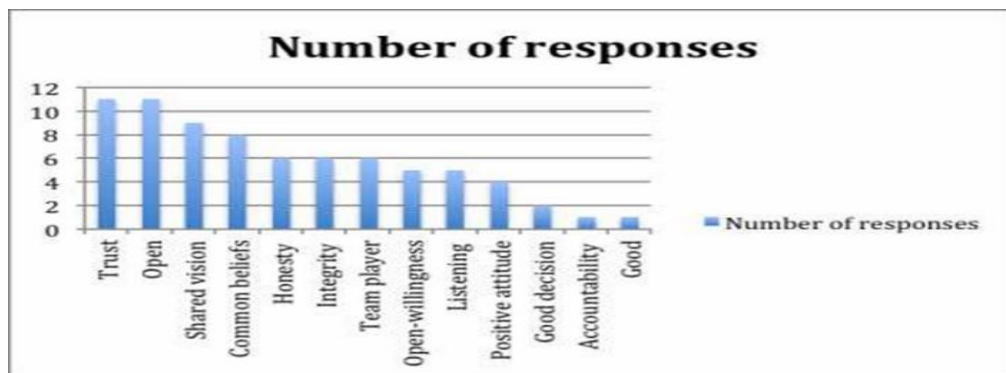


Fig. 6. Important Features of Upper And Middle Levels Employees.

The company did outsource employees from other companies, 83% respondents answered yes and only 17% respondents answered no on this question. The respondents provided various strategies to curb outsourcing such as improved employees training, mentorship and encouragement.

Discussion

The companies continued to record lower performance due improper succession management and planning applied. Meanwhile, good company performance had maintained trust of its employees especially upper and middle level employees (Caldwell, 2007). The recorded information was significant consideration in providing essentials of organizational structure and performance to provide best and competitive operational system capable of withstanding various diversities.

Succession management constituted company effort to encourage its employees to create capability of continual of company operations especially in key positions. The company incorporates management concepts, technical and professional standards in defining the results. Based on the result, it’s evident that leaders in the upper and middles level only received informal recognition which not practices in any company. It’s employees need realized

their appreciation such as provided development opportunities. The management team supports need to ensure that junior level employees were also empowered to rise management ladder.

CONCLUSION

In conclusions, the company tend to fluctuate in its performance which related to various management schemes applied. The company failure upon succession is due to introduction of unseemly behaviour that affected the relationship with other employees reduced teamwork. In additions, other assets that proper performance is due to complete confidence of manage chosen to manage the premises. An understanding of employee perception and clients was important in defined operational structure of management case. The client was foundation of any company and must focused of any leader. An increment in market value depended on the relationship built with the customers.

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