The Relationship between Organizational Culture and Employee Succession Planning in Keshavarzi Bank Branches in Tehran

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Abstract

This study aimed at investigating the relationship between organizational culture and employee succession planning in the Keshavarzi Bank branches in Tehran in 2013. For this purpose, 333 employees of the Keshavarzi Bank branches in Tehran were selected through simple random sampling and responded to organizational culture questionnaire (Cameron and Quinn, 2001) and the succession planning questionnaire (Roswell, 2005). The results of the questionnaires were analyzed using Pearson correlation coefficient and Friedman tests. Results showed that dominant features, organizational leadership, employee management, organizational coherence, strategic emphases, and success criteria had a significant positive relationship with employee succession planning in Keshavarzi Bank branches in Tehran.

Keywords: Organizational Culture, Succession Planning, Keshavarzi Bank

1. Introduction

Modern changing world requires organizations to look for new tools in order to survive and grow. One of the tools that can assist organizations in realizing these goals is knowledge management. Knowledge management is a process that helps organizations discover, select, organize, and disseminate important knowledge and information. It is an expertise essential to
activities such as problem solving, dynamic learning, and decision-making. On the other hand, managers and their styles and competencies have had a growing trend. Currently, teamwork, collaboration, and education are the most important aspects of management and leadership styles, and considering the people’s psychological needs has become the focal point of management. Present and future managers must be able to inspire employees and lead work teams. Therefore, training programs for new managers have to focus on these competencies and skills.

2. Problem Statement
In this new millennium, liquidity, raw materials, and land, which were formerly considered critical for the formation and development of organizations, had lost its former importance. Organizations need to survive and operate in a world that is rapidly and considerably changing (Iranshahi, 2008; 83). It should be acknowledged that in modern dynamic environment, people are the most important element in administration of many organizations. Organizations are relying on people as the main asset and encouraging them to understand, comprehend, and provide new ideas and knowledge and utilize these ideas in realizing corporate goals. This requires that organizational culture to be considered as a constituent of organizational characters which affects behavior of employees because a valuable human resource is a culture that supports educating and knowledge (Sharif-Zadeh and Kazemi, 2008).

Today, organizations pay high prices to attract and retain human resources in order to stay in the competition. Due to the competition between the organizations and companies in achieving greater benefits, leveraging existing resources have become important. Human resources have the ability to process other sources and create the services and goods for which the organization was established. One of the most important tasks of human resource management is human resource planning. Human resource management can provide the size and composition of the workforce needed for the future and enhance the capabilities of the workforce through efficient and effective planning. Hence, the continued existence of the organization and realization of its goals require human resource planning to be a high priority. It should be noted that effective human resource planning, and generally any type of planning, requires information, particularly processed information (Kiani, 2007). Recent successes of organizations with minimum resources on the one hand, and on the other hand, the failure of organizations with the best financial capabilities, reflects the significance of non-material and spiritual factors in development of organizations (Rouhi-Azizi et al., 2003). Organizations are more than the mere horizontal and vertical levels, units, and the hierarchies. Organizations own a personality similar to a person. A personality that has flexibility, conservatism and innovation features. Employees agree on a particular pattern of behavior which is the organizational culture. Most studies on organizational culture seek to discover and interpret of the bases of the presses of organization. Organizational culture enables employees to overcome radical survival and compatibility obstacles, create internal processes, and eventually, maintain the survival and compatibility of the organization throughout time, where a group of people live together and share their problems and enemies. In that context, culture is a norm that binds the elements of the organization (Amir-Mozaffari, 2007).
The main point raised in those study is that despite the common cultural identity of the members of an organization, the shared beliefs, values, and norms of behavior bring about integration and coherence in their efforts, internal commitment to the organization, and a clear understanding of the philosophy, and consequently, the success of the organizations. In other words, researchers believe that success of successful organizations lies in the strong intangible organizational factors in organizational culture, values, and beliefs of the employees (Abzari, 2008). Today, the most important competitive advantage in the modern competitive world is the human resources which determine the success or failure of an organization. One the other hand, a major concern for any organization is replacing skilled professionals in corporate positions. Thus, successful and prospective managers need to identify the human potential in the organization for future jobs and key positions and prepare them for these occupations through a variety of educational and training programs. Since organizations will face an increasingly competitive future challenges, and there is a need for more qualified and more effective managers to manage these challenges, talent management or succession planning gain importance in prospective organizations (Najafi, 2006). Given the above, it can be concluded that to achieve success, organizations must focus on the succession planning.

3. Research Conceptual Model
4. Materials and Methods

This is an applied descriptive survey study. Information was collected using questionnaire. The statistical population consisted of 1133 employees of Keshavarzi Bank branches in Tehran with minimum sample size of 285. To ensure a sufficient number of returned questionnaires, the sample size was considered to be 323. In total, 333 completed questionnaires were returned.

5. Findings

Findings from the questionnaires were analyzed in both descriptive and inferential statistics. Also, the questionnaires' validity and reliability were obtained through Cronbach's alpha as 0.915 and 0.875 for organizational culture and succession planning, respectively. The reliability of the items is shown in the following table.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Cronbach’ alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant features</td>
<td>0.895</td>
</tr>
<tr>
<td>Organizational leadership</td>
<td>0.877</td>
</tr>
<tr>
<td>Employee management</td>
<td>0.975</td>
</tr>
<tr>
<td>Coherence of organization</td>
<td>0.732</td>
</tr>
<tr>
<td>Strategic emphases</td>
<td>0.842</td>
</tr>
<tr>
<td>Success criteria</td>
<td>0.855</td>
</tr>
</tbody>
</table>

All the values of Cronbach's alpha coefficient obtained for the components were greater than 0.7, and therefore, the reliability of the questionnaire items used to measure the components of research was suitable.

6. Results of the research hypotheses

The main hypotheses: Organizational culture has a significant relationship with employee succession planning in Keshavarzi Bank branches of Tehran. Pearson correlation test was used to test the significance of the relationship between organizational culture and employee succession planning in Keshavarzi Bank branches of Tehran. The results are as follows:
Table 7.1. The correlation coefficient between organizational culture and employee succession planning

<table>
<thead>
<tr>
<th>Factor</th>
<th>Correlation coefficient</th>
<th>Number</th>
<th>Sig.</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational culture and employee succession planning</td>
<td>0.534</td>
<td>300</td>
<td>0.000</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Table 7.1 shows the correlation coefficient between organizational culture and employee succession planning in Keshavarzi Bank branches of Tehran. The correlation coefficient is 0.534 (p<0.01). Considering the direction and level of this correlation coefficient, it can be said that the correlation between these two factors is moderate and high. Since the direction of this correlation is positive, increase in organizational culture level increases the level of employee succession planning in Keshavarzi Bank branches of Tehran as well, and vice versa.

First sub-hypothesis: The dominant features have a significant relationship with employee succession planning in Keshavarzi Bank branches of Tehran. Pearson correlation test was used to test the significance of the relationship between dominant features and employee succession planning in Keshavarzi Bank branches of Tehran.

Table 7.2. The correlation coefficient between organizational culture and employee succession planning

<table>
<thead>
<tr>
<th>Factor</th>
<th>Correlation coefficient</th>
<th>Number</th>
<th>Sig.</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant features and employee succession planning</td>
<td>0.199</td>
<td>300</td>
<td>0.001</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Table 7.2 shows the correlation coefficient between organizational culture and employee succession planning in Keshavarzi Bank branches of Tehran. The correlation coefficient is 0.199 (p<0.01). Given the direction and level of this correlation coefficient, it can be said that the correlation between these two factors is low. Since the direction of this correlation is positive, increase in dominant features level increases the level of employee succession planning in Keshavarzi Bank branches of Tehran as well, and vice versa.

Second sub-hypothesis: Organizational leadership has a significant relationship with employee succession planning in Keshavarzi Bank branches of Tehran. Pearson correlation test was used to test the significance of the relationship between organizational leadership features and employee succession planning in Keshavarzi Bank branches of Tehran.

Table 7.3. The correlation coefficient between organizational leadership and employee succession planning
Table 7.3 shows the correlation coefficient between organizational leadership and employee succession planning in Keshavarzi Bank branches of Tehran. The correlation coefficient is 0.433 (p<0.01). Given the direction and level of this correlation coefficient, it can be said that the correlation between these two factors is moderate. Since the direction of this correlation is positive, increase in organizational leadership level increases the level of employee succession planning in Keshavarzi Bank branches of Tehran as well, and vice versa.

Third sub-hypothesis: Employee management has a significant relationship with employee succession planning in Keshavarzi Bank branches of Tehran. Pearson correlation test was used to test the significance of the relationship between employee management and employee succession planning in Keshavarzi Bank branches of Tehran.

Table 7.4. The correlation coefficient between employee management and employee succession planning

<table>
<thead>
<tr>
<th>Factor</th>
<th>Correlation coefficient</th>
<th>Number</th>
<th>Sig.</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee management and employee succession planning</td>
<td>0.436</td>
<td>300</td>
<td>0.000</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Table 7.4 shows the correlation coefficient between employee management and employee succession planning in Keshavarzi Bank branches of Tehran. The correlation coefficient is 0.436 (p<0.01). Given the direction and level of this correlation coefficient, it can be said that the correlation between these two factors is moderate, and since the direction of this correlation is positive, increases in employee management level, the level of employee succession planning in Keshavarzi Bank branches of Tehran as well, and vice versa.

Fourth sub-hypothesis: Organization coherence has a significant relationship with employee succession planning in Keshavarzi Bank branches of Tehran. Pearson correlation test was used to test the significance of the relationship between coherence of organization and employee succession planning in Keshavarzi Bank branches of Tehran.
Table 7.5. The correlation coefficient between organizational coherence and employee succession planning

<table>
<thead>
<tr>
<th>Factor</th>
<th>Correlation coefficient</th>
<th>Number</th>
<th>Sig.</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization coherence and employee succession planning</td>
<td>0.646</td>
<td>300</td>
<td>0.000</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Table 7.5 shows the correlation coefficient between organizational coherence and employee succession planning in Keshavarzi Bank branches of Tehran. The correlation coefficient is 0.436 (p<0.01). Given the direction and level of this correlation coefficient, it can be said that the correlation between these two factors is moderate and high. Since the direction of this correlation is positive, increase in coherence of organization level increases the level of employee succession planning in Keshavarzi Bank branches of Tehran as well, and vice versa.

Fifth sub-hypothesis: Strategic emphases have a significant relationship with employee succession planning in Keshavarzi Bank branches of Tehran. Pearson correlation test was used to test the significance of the relationship between strategic emphasis and employee succession planning in Keshavarzi Bank branches of Tehran.

Table 7.6. The correlation coefficient between strategic emphases and employee succession planning

<table>
<thead>
<tr>
<th>Factor</th>
<th>Correlation coefficient</th>
<th>Number</th>
<th>Sig.</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic emphases and employee succession planning</td>
<td>0.416</td>
<td>300</td>
<td>0.000</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Table 7.6 shows the correlation coefficient between strategic emphasis and employee succession planning in Keshavarzi Bank branches of Tehran. The correlation coefficient is 0.416 (p<0.01). Given the direction and level of this correlation coefficient, it can be said that the correlation between these two factors is moderate. Since the direction of this correlation is positive, increase in strategic emphases level increases the level of employee succession planning in Keshavarzi Bank branches of Tehran as well, and vice versa.

Sixth sub-hypothesis: Success criteria have a significant relationship with employee succession planning in Keshavarzi Bank branches of Tehran. Pearson correlation test was used to test the
significance of the relationship between success criteria and employee succession planning in Keshavarzi Bank branches of Tehran.

Table 7.7. The correlation coefficient between success criteria and employee succession planning

<table>
<thead>
<tr>
<th>Factor</th>
<th>Correlation coefficient</th>
<th>Number</th>
<th>Sig.</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>success criteria and employee succession planning</td>
<td>0.430</td>
<td>300</td>
<td>0.000</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Table 7.7 shows the correlation coefficient between success criteria and employee succession planning in Keshavarzi Bank branches of Tehran. The correlation coefficient is 0.430 (p<0.01). Given the direction and level of this correlation coefficient, it can be said that the correlation between these two factors is moderate. Since the direction of this correlation is positive, increase in success criteria level increases the level of employee succession planning in Keshavarzi Bank branches of Tehran as well, and vice versa.

7. Prioritizing factors of organizational culture

Friedman test was used to prioritize the factors of organizational culture.

Table 1.8. Ranking of factors of organizational culture

<table>
<thead>
<tr>
<th>Rank</th>
<th>Factor</th>
<th>Mean rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategic emphasis</td>
<td>4.32</td>
</tr>
<tr>
<td>2</td>
<td>Coherence of management</td>
<td>4.32</td>
</tr>
<tr>
<td>3</td>
<td>Success criteria</td>
<td>3.69</td>
</tr>
<tr>
<td>4</td>
<td>Dominant features</td>
<td>3.40</td>
</tr>
<tr>
<td>5</td>
<td>Organizational leadership</td>
<td>2.95</td>
</tr>
<tr>
<td>6</td>
<td>Employee management</td>
<td>2.31</td>
</tr>
</tbody>
</table>

Friedman test results show that the strategic emphasis component ranked first by mean rank of 4.32, coherence in management ranked second by mean rank of 4.32, success criteria ranked third by mean rank of 3.69, dominant features ranked fourth by mean rank of 3.40, organizational leadership ranked fifth by mean rank of 2.95, and employee management ranked last by mean rank of 2.31.
8. Discussion and Conclusion

The results of the main hypothesis suggest that there is a significant relationship between organizational culture and succession planning in Keshavarzi Bank branches of Tehran. Development of an organization, as a planned process, is equal to to evolution in organizational culture, and any changes in the organization while disregarding the organizational culture would not be effective. Results are consistent with those obtained by Ghanbari (1998), Zanjani (2004), Hashemian (1998), Shi and Huang (2010), and Bik (2010). The results obtained from the sub-hypothesis showed that there is a significant relationship between dominant features and succession planning in Keshavarzi Bank branches of Tehran. Various indicators are available in measuring success in organizations. One of the most important indicators is organizational culture and identifying the pattern of interaction with dominant features in an organization. Researchers have examined the different aspects of culture and reviewed and categorized it based on dominant expectations in organization, the dominant culture and subcultures, strength and weakness, model and different character, which are all components of the culture. The results are consistent with the results obtained by Zebardast (2004) and Shi and Huang (2010). The results obtained from the second sub-hypothesis showed that there is a significant relationship between organizational leadership and succession planning in Keshavarzi Bank branches of Tehran. Leadership has always been a part of an organization that has the resources and takes them to work toward the goals of the organization. A competent organizational leadership thinks of the future which is naturally associated with their succession planning. The results are consistent with the results obtained by Zebardast (2004) and Gunner (2010). The results obtained from the third sub-hypothesis showed that there is a significant relationship between employee management and succession planning in Keshavarzi Bank branches of Tehran. The main organizational factor based on which new employees must be socialized is the culture of the group they will join. Organizations, like nationalities, have cultural characteristics such as beliefs, customs, and practices that distinguish a nation from another. These features can be also related to succession planning. Results obtained from this research are consistent with those obtained by Zebardast (2004) and Karami (2005). The results of the fourth sub-hypothesis showed that there is a significant relationship between organizational coherence and succession planning in Keshavarzi Bank branches of Tehran. Social success requires that organizations pay more attention to customers' needs, integrate knowledge and technology, grow and develop in all aspects, and consider partnerships with companies and buyers and a proper combinations of them. Independence, empowerment, management accountability, performance, and professional competition between the units should be considered in the organizations. In fact, the absence of these features destroys an organization from within. Results are consistent with those obtained by Zebardast (2004) and Andalibzadeh (2010). The results of the fifth sub-hypothesis showed that there is a significant relationship between strategic emphases and succession planning in Keshavarzi Bank branches of Tehran. Increasing pressure of business in a competitive environment arising from globalization and complexity of the business environment have created a conditions in which, organizations have to have to utilize strategic thinking, strategic planning and strategic management in addition to
having competitive advantage and organizational competence in order to survive. Strategic emphases can be associated with the management. These results are consistent with those obtained by Zebardast (2004) and Abdi and Dianati (1998). The results of the sixth sub-hypothesis showed that there is a significant relationship between success criteria and succession planning in Keshavarzi Bank branches of Tehran. These results are consistent with those obtained by Zebardast (2004) and Abdi and Dianati (1998). Considering the results of this study, the following suggestions are offered:

1. Education: Changing and training the desired beliefs, values, and patterns of behavior through public education programs is an important method of change. Organizational culture training can be conducted as follows: holding planned competitions, installing banners and displaying appropriate behavior across the organizational, scheduled lecture on organizational culture, recreational education camping especially for administrators, and holding educational seminars for managers.

2. Changes in the key personnel: Managers and key personnel form the culture of and organization, and their values are distributed across the organization. Changes in key staff and senior managers of the organization change the core values of behavior.

3. Development of a cooperative system: This system considers employees’ thought and ideas, therefore, leads to a sense of loyalty, cooperation, and commitment toward the organization. The cooperative system is effective in improving organizational communication, problem-solving and decision-making capacity, and staff development.

4. Performance evaluation system: Criteria for evaluating the performance of managers and other employees can help promote and foster the organizational culture.

5. Development of a goal-based management systems: In goal-based management systems, the role of the managers changes to advising and facilitating. Also, the employees participate actively in assessments. This theory is a basic method of performance evaluation.

6. Restructuring and other organizational system: Restructuring and other systems, such as management information system, control system, salary and benefits, budgeting and hiring influences the behavior of the employees.

7. Job design: Job design evaluates the combination and regulation of the organizational tasks. Generally, four methods are listed in jobs design: specialization, job rotation, horizontal expansion of job, enrichment and vertical expansion of job based on job specialization which makes an organization as simple and small as possible. In job rotation-based designs, the aim is to avoid repetition and somewhat simplify through periodically replacing the tasks of employees. In horizontal expansion-based job design, the aim is to increase and diversify duties. In job design based on development and general employment of job, the depth and the concept of job is increased. The likelihood of increased profitability increases if managers consider the factors affecting the shaping of a suitable organizational climate.

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