Talent Management in Managerial Succession Planning: A Qualitative Study

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ABSTRACT

Investment in Human Resources is managed through a strategy for preparing sustainable future leaders. Talent management with the right processes of identification, recruitment and selection, development, and retention will put the right people in the right place. This study aims to determine the implementation of talent management in managerial succession planning at Soerojo Hospital. This study is qualitative research with a single case design using an in-depth interview and was conducted in October-November 2022. Informants were recruited using a purposive sampling technique, consisting of 1 key informant, 1 main informant, and 1 additional informant. The results revealed that talent management in managerial succession planning had not been fully implemented, as indicated by the subjectivity of the leaders in identifying talents, recruitment carried out after there was a vacancy, no talent pool at the selection stage, inadequate curriculum-based talent development and suboptimal talent retention because there is no guideline for implementing talent management. Therefore, Soerojo Hospital needs to establish regulations, compile curriculum and talent development methods, and create a harmonious work atmosphere for the sustainability of the organization.

Keywords: Talent Management; Succession Planning; Managerial; Talent Pool

INTRODUCTION

Human Resource (HR) management has changed. Previously, HR was considered as a cost, but later, it will turn into an investment if managed properly (Saadat & Eskandari, 2016). This phenomenon provides new challenges for organizations in terms of understanding and developing effective human resource management concepts to resolve any organizational challenge. Consequently, a global concept, “the right person, at the right place, at the right time,” was founded (Greenberg & Baron, 2020).

Based on data from International Corruption Watch (ICW) reports that in 2020, 321 out of 1,218 corruption cases were carried out by Civil Servants (Guritno & Rastika, 2021). The management of human resources in realizing competitive Civil Servants has not resulted in optimum efficiency. Meanwhile, to realize Good Governance, Corporate Governance, and Civil Society in government management of Civil Servants, human resources with competence, skill, and good attitude are needed. The process of recruitment, appointment, placement, and promotion of positions must be conducted in an open and competitive, considering the qualifications, skills, and performance required by a position as well as the candidate's qualifications, skills, and performance (Undang-Undang (UU) Nomor 5 Tahun 2014 Tentang Aparatur Sipil Negara, 2014).
Soerojo Hospital is a technical implementing unit under the Directorate General of Health Services, Ministry of Health of the Republic of Indonesia, which has 756 employees consisting of 572 Civil Servants, 3 Government Employees with Employment Agreements and 179 Non-civil servants. There are managerial position categories consisting of 4 Directors, 6 Coordinators, 13 Sub-Coordinators and 17 Installation Heads. The recruitment mechanism for the positions of Directors, Coordinators, and Sub-Coordinators is determined through a Decree of the Minister of Health. Meanwhile, the mechanism of recruitment and appointment of the Installation Head is through a Decree of the Main Director of Soerojo Hospital.

The Head of the Installation's succession management is currently going through an open selection mechanism internally and consists of open recruitment processes, administrative selection, and interviews. However, based on preliminary studies, there were several obstacles found in its implementation, including 1) officials resigned, 2) length of time for vacancies, 3) recruitment was carried out after the position was vacant, 4) position formation was filled with direct appointment by the leaders due to the lack of interest in participating, 5) there is no map of potential as a reference for succession of positions, 6) elected officials feel that they have not been equipped with planned and measurable management skills. Therefore, talent management is important to consider as one of the operational strategies to identify and allocate high-potential and high-performing employees in key positions that affect organizational sustainability (Rifai et al., 2021).

Based on this background, we are interested in conducting an exploratory study on the implementation of talent management, especially in managerial succession planning for the position of installation head. This research is expected to contribute to the management of organizational strategic assets through continuous process improvement in preparing future leaders.

LITERATURE REVIEW

Talent Management

Talent management is based on the concept that 'talent' needs to be identified, developed, and managed differently (Gallardo-Gallardo & Thunnissen, 2016). This is accomplished by selecting and placing employees based on their potential, which has a direct impact on organizational performance (Luna-Arocas et al., 2020; Mahfoozi et al., 2018). The approach that is commonly used to identify talent systematically is a two-dimensional matrix, the nine-box grid (Hatum, 2010; Jooss et al., 2021).

The Nine Box Talent Matrix (Figure 1) is used to map talent conditions and implement development programs for future leaders. An individual in the Star talent box can be defined as having high performance and potential and labeled as a “Star” employee (Hatum, 2010) who is eligible for promotion or retention (Rothwell, 2011; Siregar & Kartika, 2020). Employees in the yellow box are employees placed in units appropriate to their position and will be directly supervised and monitored by the HR manager to determine the level of employee satisfaction and retention (Siregar & Kartika, 2020). Employees in the red box are low performers. These employees will be considered for rotation from assignments that have a significant impact on the sustainability of the organization and may even be terminated (Siregar & Kartika, 2020).
According to Febrianto (2021), the aim of talent management is: 1) finding and preparing talents for key positions as future leaders and positions that support the organization; 2) encouraging professionalism of positions, competence, and career clarity of talents; 3) realizing objective, systematic, open and timely succession planning; 4) ensuring the availability of the right talent, in the right position and at the right time, based on the organization's strategic goals, vision, and mission, while balancing career development and organizational needs.

**Succession Planning**

According to Firmansyah and Fahrani (2019), succession is literally defined as a replacement, and in this case, it is usually leadership. According to Rakhmawanto (2020), succession planning is the process of appointing potential candidates to leadership/managerial positions. In an organization, individual cannot take on the role of leader continuously. Therefore, leadership transitions must be managed properly to avoid conflict (Ahmad, 2020). Moreover, there are cases where a manager has left the organization, and no one wants to fill the vacant position. Succession planning is considered an important part of an organization's human resources because it can be used to fill vacancies in certain leadership positions (Rakhmawanto, 2020), ensure leadership continuity, avoid transition problems, reduce promotion incidents (Kim, 2003), and prepare for unexpected conditions (Butler & Roche-Tarry, 2002).

**Managerial Position**

A manager is someone who possesses leadership expertise and skills, as well as cognitive talents (Daniarsyah, 2017). Leadership skills are the ability to develop, lead, and direct others, work together in groups, and lead groups. Cognitive skills include analytical thinking, conceptual thinking, and technical/ professional/ managerial skills (Daniarsyah, 2017).

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**Figure 1. Nine-Box Talent Matrix**

Source: Siregar and Kartika (2020)
RESEARCH METHOD

This research is a qualitative study with a single case design using an in-depth interview approach and was conducted in October-November 2022 in Soerojo Hospital, Indonesia. This study has been approved by the Soerojo Hospital Ethics and Law Committee on 14 October 2022 (No.62/KEH/X/2022). The informants were recruited using a purposive sampling technique, consisting of 1 key informant (Director of Human Resources, Education, and General), 1 main informant (Coordinator of Human Resources, Education, and Research), and 1 additional informant (Young Personnel Analyst). The data was analyzed in stages: collection of raw data, data reduction, data interpretation, and drafting of conclusions. Triangulation was used to ensure the validity of the research data. Source triangulation is done by comparing the answers of the three respondents, and technical triangulation is done by comparing interview data with field observations or documentation studies.

RESULTS AND DISCUSSION

Succession planning is a process that is continuously carried out to identify, evaluate, develop, and prepare the most qualified candidates to replace job positions (Rakhmawanto, 2020). Based on the results of a documentation study and field observations regarding the implementation of managerial succession planning for the position of installation head in Soerojo Hospital, recruitment and selection are conducted if there are employees resigning, learning assignments, or rotation/replacement of officials. In 2020, the recruitment and selection process stage consisted of administrative selection, assessment center and interviews. Meanwhile, 2022 consists of administrative selection, presentations, and interviews. The changing stages of the process are due to the fact that there are no internal regulations. Therefore, the selected employees from the selection process are directly appointed and placed. Talent management has not been carried out systematically.

![Figure 2. The Overview of Research Results](image)

Talent management is a method of preparing employees to occupy vacant positions that have been planned or prepared in the previous year. Therefore positions are filled by the right people and in the right places (Rakhmawanto, 2020). Managerial succession planning is successful if vacancies are filled immediately because the organization has already identified and recommended candidates to fill the position. Therefore, the continuity of
leadership will be ensured (Azmi et al., 2016; Kim, 2003). The picture above is an overview of the results (Figure 2). This study identifies talent management that is divided into 3 aspects (principles, dimensions, and processes). Each aspect was explored in depth by interviewing informants.

Table 1. The Characteristics of Informants

<table>
<thead>
<tr>
<th>Informant Initials</th>
<th>Age (y.o)</th>
<th>Gender</th>
<th>Education</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAM</td>
<td>52</td>
<td>Male</td>
<td>Magister</td>
<td>Director of Human Resources, Education and General</td>
</tr>
<tr>
<td>AN</td>
<td>48</td>
<td>Female</td>
<td>Magister</td>
<td>Coordinator of Human Resources, Education, and Research</td>
</tr>
<tr>
<td>AC</td>
<td>41</td>
<td>Male</td>
<td>Magister</td>
<td>Young Personnel Analyst</td>
</tr>
</tbody>
</table>

Table 1 shows that the informants in this study were leaders in the Substance of Human Resources, Education, and Research, consisting of 2 males and 1 female who had a magister educational background. In this research, HAM was the key informant, AN was the main informant, and AC was the additional informant.

**Principles of Talent Management**

The implementation of talent management in succession planning for the position of installation head is observed based on commitment, objective, planned, open, timely, accountability, no intervention, and no Corruption, Collusion, and Nepotism (CCN). Based on in-depth interviews, important principles in implementing talent management are as follows:

a. There was an intervention.

"... the number of enthusiasts for the installation is small or empty... if I'm not mistaken, it doesn't meet the competence and potential that it should have, under the conditions of existing expectations. So, in a limited meeting, the leaders (directors) have a prerogative right to determine, ...” (3rd Informant, AC)

"This isn't math. It means that the results of the selection are a kind of recommendation. So, the one with the highest score is not automatically selected... we don't do a scoring where the employee with the highest score is chosen. Because, of course, the highest decision rests with the leaders, and he will see the results of the selection as a recommendation” (2nd Informant, AN)

b. Recruitment and selection were carried out when there were vacancies.

"... it hasn't been systematized. We haven't created a system, so it really depends on the leaders. For example, if there is a rotation period, the person concerned will have a study assignment, and automatically there will be a vacancy, and then we must fill it. So, there isn't like "Ooh every 5 years we'll replace it", ...” (2nd Informant, AN)

c. Talent management is not conducted in a structured and systematic because there is no regulation.

"Nothing yet. We need to be honest and say, "We don't have it yet. “So we must create guidelines.” (1st Informant, HAM)

"That's the leader's authority. That was what I said. The systematics haven't been made, right? We can't say it's true or false. Gaps like that are still there. That's why we work at government installations. Regulations have to be made....” (2nd Informant, AN)
d. The succession is carried out in a planned, open, timely, no CCN, and well-documented.

Based on the interview results, the planning principles in the succession of the installation head position were well coordinated, consisting of team preparation, open recruitment, registration, selection implementation, and announcement of selection results. The implementation is also carried out openly, that all employees have the same opportunity to take part in open selection according to the requirements specified in the selection announcement that can be accessed via WhatsApp group or the hospital's website. The selection stage is achieved by the administration selection time and the announcement of the selection results. The time achievement of interview selection and announcement of selection results is also in accordance with the time plan in the Open Selection Framework of Reference for the Installation of Head Position in the Soerojo Hospital in 2022.

In this study, the issue is that promotions and positions are based on subjective consideration, close relationships, like and dislike stakeholder dominance, and not being selective in looking at employee’s competence and potential. Meanwhile, succession planning must be implemented objectively, transparently, and measurable (Rakhmawanto, 2020). Therefore, to ensure the objectivity of the talent management process, an assessment center and talent pool as measurement tools are required. An assessment center carried out by a capable, independent team is needed to accurately predict and evaluate employees’ competence and potential (Suparman & Naibaho, 2021). Meanwhile, a talent pool is needed to provide data on potential leaders according to the needs of key positions in the organization (Firmansyah & Fahrani, 2019). Policies or guidelines are also needed to ensure that talent management is carried out independently to avoid conflicts of interest (Kravariti & Johnston, 2020). A standardized talent management system with measurable variables and indicators can avoid the subjectivity of judgments. Therefore, it will automatically increase the trust of employees and organizations in accepting the results (Ahmad, 2020).

**Dimensions of Talent Management**

The standards used in searching for talent consist of the dimensions of performance and potential/competence (Rifai et al., 2021). However, this dimension has not been included in a leadership policy in this study. Performance dimensions are assessed periodically based on the completion of tasks and performance of employees in work units through the assessment of Employee Performance Targets (EPT) and the assessment of Individual Performance Indicators (IPI). Meanwhile, potential or competence is assessed through managerial and leadership abilities. In addition, Knowledge, Attitude, and Practical aspects are used as the basis for assessing employee capacity, as conveyed by informants:

“Yes, of course .... KAP must be met. Knowledge, Attitude, and Practical. That's something when we assess the capacity of employees. Then, if continued as talent,... these managerial and leadership aspects that we assess. Apart from evaluating his own work unit, how he carries out his main duties and functions in each work unit is, of course, a part that we pay attention to. But the added value is when he is in a team across directorates, across work units”

(2nd Informant, AN)

“... so far, there are performance assessments. It is in EPT, also in IPI...”

(2nd Informant, AN)
In employee mapping, there are several elements used as criteria: experience, profile, and qualifications that are assessed objectively, and all of them describe past performance. Meanwhile, the elements of expertise, potential, and quantification are assessed to predict the potential of candidates in the future. Those six elements are represented by performance and potential dimensions. Performance represents the criteria of what the candidate did in the past. Meanwhile, potential represents an element that predicts what the candidate can do in the future (Ahmad, 2020; Golik & Blanco, 2014). Measuring the dimensions of talent is important to map talent into specific profiles (talent pool), as well as improve development programs for high-performing and high-potential employees (Najm & Manasrah, 2017). Measurable talent identification (methods, tools, instruments, and independent team) is needed in mapping key positions and planning employee needs and criteria to identify and codify high-potential employees (Groves, 2007). According to Siswanto, this can be accomplished by evaluating employees every month by scoring each indicator (0–100) based on the criteria used in selecting employees with potential for managerial positions (Siswanto et al., 2021) as Figure 3 and Figure 4.

**Figure 3. Talent behavior identification**

- **Leadership**
- **Commitment**
- **Discipline**
- **Integrity**

| Score (0-100) | A (Very Good)= >91 | B (Good)= 91–76 | C (Enough)= 75–61 | D (Less satisfactory)= 60–51 | E (Not Good)= <51 |

**Figure 4. Talent skills identification**

- **Managing Change and Decision Making**
- **Development of Self and Others**
- **Service orientation**
- **Result orientation**
- **Communication skills**
- **Teamwork**

| Score (0-100) | A (Very Good)= >91 | B (Good)= 91–76 | C (Enough)= 75–61 | D (Less satisfactory)= 60–51 | E (Not Good)= <51 |
Process of Talent Management

The process of implementing talent management in managerial succession planning observed is identification, recruitment and selection, planning of placement, development, coaching, and retention for employees.

a. Subjective assessment of the leaders still interferes in the talent identification process.

“Yes, so far the leaders are observing, of course...in task interactions and implementation of activities in the hospital”
(2nd Informant, AN)

“But the added value is when employees are in a team across directorates, across work units. Then also take part in the team, it gives big points in the observations”
(2nd Informant, AN)

b. The recruitment and selection are carried out in a planned, open, and well-documented

“... It's all well documented. Everything from the beginning, the announcement, the opening of recruitment, planning, registration, selection until the final results are announced.”
(3rd Informant, AC)

c. Soerojo Hospital has an employee competency development program

“So far, we have competency development. So, every employee deserves it because that's a regulatory mandate. Each employee gets a minimum of 20 study hours/year, and the 3 competencies that we have to develop our technical, managerial, and sociocultural competence”
(2nd Informant, AN)

d. The retention program is carried out by coaching leaders and rewarding performance through remuneration.

“It depends if, indeed, the leaders still consider the employee as capable. We try to retain...Yes, he wrote a resignation letter, but we didn't accept it right away. So he was called first, coached by the technical director, and was motivated again.”
(2nd informant, AN)

“The problem is the award because the JV (Job Value) is the highest. But that's a risk... when the motivation is money, it is difficult. If you manage a government company, don't think about the money first. Because actually, it depends on their performance.”
(1st Informant, HAM)

“So what? Talking about career and salary, the remuneration of the installation head is quite high..”
(3rd Informant, AC)

The award for Installation Head is regulated by the remuneration placed at the highest job value in a managerial position. Furthermore, a roadmap of the employee's career path is needed to be contained in a policy. Previous research found that challenging assignments, career opportunities, high compensation, and learning opportunities will increase talent retention (Govaerts et al., 2011) and reduce the intention to resign. As expected, individuals with deep commitment and emotional attachment will have loyalty to the organization (Cegarra-Leiva et al., 2012). Therefore, in addition to compensation such as remuneration, Soerojo Hospital needs to build a pleasant working atmosphere and provide opportunities for learning and career development opportunities for the head of installation.

CONCLUSION

Succession planning in managerial positions at Soerojo Hospital is carried out in an open, planned, timely, and free from Corruption, Collusion, and Nepotism (CCN). However,
there is a subjective aspect of the leader's intervention because there is no policy that regulates it. In addition, the process of implementing talent management has not been fully implemented, and: there is no measurement tool for identifying talent, no talent pool, no specific curriculum for developing talent, and the retention program is still limited to rewarding through remuneration. Therefore, organizational commitment is needed in establishing regulations, compiling curriculum/talent development methods implemented through the corporate university, creating a harmonious work atmosphere, and supporting the learning organization with a fair reward system and work cultural internalization.

The authors realize that this study has limitations. This research only focuses on succession planning in managerial positions at Soerojo Hospital because talent management has not been fully implemented. The small number of informants also limited the scope of this study. Nonetheless, all informants in this study were confirmed to be experts in human resource management. This limitation can be taken into consideration for further research. Moreover, this result can be a consideration for organizational leaders to raise awareness of the importance of implementing talent management with the aim that organizations can place the right people in the right place and at the right time.

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