
Differentiation and Succession Planning in Teaching Hospitals in Port Harcourt, Nigeria

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Abstract: *This study examined the association between organizational structural differentiation and succession planning of hospital in Port Harcourt, Nigeria. The study adopted a cross-sectional survey design as the research methodology and structured questionnaire was randomly distributed to 80 heads of department in Rivers State University and University of Port Harcourt Teaching hospitals. At the point of retrieval 72 respondents provided the data generated for the analysis which was analysed with the use of Pearson Product Moment Correlation coefficient. The findings from this study showed that differentiation have a positive and significant relationship with succession planning, meaning that differentiation of organizational structure enhances succession planning within the context of an organization. Therefore, this study recommends that management should by a matter of importance channel majority of its training or mentoring (especially technical training) through the units/departments, this is because it creates a better impact on the development and growth of the employee.*

Keywords: *Differentiation, Succession Planning, Training, Mentoring*

INTRODUCTION

The Nigerian health sector is one of the industries that have experienced inadequacies both as public or private owned. This is why the nation annually loose large sum of money to foreign nations as many Nigerians (including the president) prefer to travel abroad for the sake of getting quality treatment when sick. This is at a time when nations are leveraging on breakthroughs in delivering quality health as a means of attracting foreign earnings, there is a need for the Nigerian hospitals, in addition to deploying sophisticated equipment, adopt season managerial techniques that will make them operate an efficient, effective and sustainable system that is structurally governed irrespective of who occupies the positions available and required to stir the administrative responsibility and ascertain sustenance of momentum at each time. This because Nigeria is blessed with intelligent professionals in the area of medical science. Several highly complicated surgical successes has been recorded at the different teaching hospitals in Nigeria at one time or the other and for these success stories to continue in order to gain people's confidence on the competence of our medical professionals adequate deliberate planning must be observed by those who occupy strategic positions in the various health centers operating within the country.

Consequently, it becomes pertinent to review a few explanations on succession planning, as one of the main technique leveraged on to ascertain sustenance of successive momentum as leadership move from one person to another within the same organization. According to

Beheshtifar and Vazir-Panah (2012); Calareso, (2013); Fink (2010), succession planning is a basic device utilized by authoritative pioneers to plan for future changes in representative socioeconomics and to guarantee workers are created and prepared to expect positions of authority. Organisational structure is a expensive device for biased succession planning and attainment reasonable benefit (Moradi, 2014).

Additionally, Connor and Carson (2012) kept up that progression arranging is more than simply ascending the stepping stool. It includes more extensive improvement and more extensive take a gander at the association. Severally the terms “succession planning”, “replacement planning”, “executive manpower planning” plus “career planning” are utilized reciprocally to mean something very similar however some slight differentiations do exist. In recognizing substitution arranging and progression arranging, Kathryn and Martins (1994) expressed that "while substitution arranging centers around explicit applicants who could fill assigned administrative positions, progression arranging is a methods for distinguishing people with high potential and guaranteeing that they get suitable preparing and occupation assignments went for their since quite a while ago run development and improvement. This qualification be that as it may, lies on the specialized translations. Progression arranging is unique in relation to profession arranging as in vocation arranging is a part of human asset arranging that is correlative to progression arranging.

Consequently, with the understanding that there are insufficient study ascertaining the correlation between the organizational differentiation and succession planning (Galbraith 2014) and according to Mintzberg (1979), the preparation of an association is the sum of the habits in which the association divide its work into separate task and then achieve coordination among the distinct task. This study therefore examined the nexus between organizational differentiation and succession planning.

The main aim of this study is to examine the influence of differentiation on succession planning of the teaching hospitals in Rivers State. Other specific objectives are to:

- i. Examine the relationship between differentiation and training of the teaching hospitals in Rivers State.
- ii. Examine the relationship between differentiation and mentoring of the teaching hospitals in Rivers State.

The following research questions are presented with regards to the objectives of the study:

- i. What is the relationship between differentiation and training of the teaching hospitals in Rivers State?
- ii. What is the relationship between differentiation and mentoring of the teaching hospitals in Rivers State?

LITERATURE REVIEW

Theoretical Background Institutional Theory

The Institutional theory of Organization and Dynamic Capability theory were adopted as the baseline theories in discussing the relationship between organizational structure and succession

planning. This study is centered on the theoretical framework of the institutional theory of organization and dynamic capability theory. The concept of the institutional theory is one issue that has over the years occupied a central place in the discourse of organizational theory. It addresses issues such as the internal processes and organizational structure that make the organization what it is. According to Ahiauz and Asawo (2016), the underlining assumption upon which the institutional theory is built is structuralism. The way organizations are structured has become strategic issue of concern in contemporary management practice to achieve competitive advantage.

One of the early contents within which the institutional theory was developed was the study of the organizational structure Pfeffer (1993). This view was supported by Zucker (1994) in Ahiazu and Asawo (2016), who argued that the issue of organizational structure is so fundamental to the institutional theory which is driven by the reason why different organizations irrespective of their different operating environment are often so similar in their structure.

It is therefore evident in the above discourse that the principal feature of an organization is its structure which has a strong bearing on the succession planning decision making processes of the firm.

Dynamic Capability theory

On the other hand, the Dynamic Capability Theory employs the term dynamic to mean that organizations continuous effort in integrating and configuring its internal techno and socio-structural systems to create a balance or fit with changes which result from the turbulence of the external environment (Teece, Pisando & Shen, 2017). Dynamic and Capable organizations employ their intangible resources such as knowledge management, learning mechanism, organizations' structure, orientation and team work results in the creation of dynamism in organization (Shygi-Chien and Chuing-Han,2012).

Golden and Powel (2012) affirmed this notion by asserting that dynamic capability of a firm is contingent upon its structure which creates flexibility, positive learning culture, recognizes and utilizes diversity which consequently lead to the empowerment of the organization.

The implication of these theories, the institutional theory of organization and the dynamic capability theory to this study is that it provides a clear framework for predicting how organization behave, particularly as it concerns making strategic choice. It offers a concise but in-depth description and prediction of the structural dimensions of organizations (complexity, formalization and centralization) adopted in this study and their possible impact on strategic positioning (product differentiation, price differentiation and focus strategies).

Conceptual Review of Structural Differentiation

Differentiation is also known as complexity. According to Robbins (2016) and Fredrickson (2009), complexity refers to the degree of differentiation that exists within an organization. The three dimensions that usually indicate the level of structural complexity are horizontal, vertical, and spatial differentiation. Vertical differentiation refers to the number of hierarchical levels in the organization; spatial differentiation is the degree to which the location of an organization's offices, plants, and personnel is dispersed geographically; and horizontal differentiation has to do with the degree of differentiation between —generally interrelated— units, based on the nature of the tasks performed by members, their education or training. Therefore, the horizontal

dimension of complexity may have its origin either in a high degree of division between the roles and functions performed within the enterprise (functional specialization) or in the social specialization achieved by hiring professionals who hold not-easily-routinized skills, according to their knowledge, education, and background (Robbins, 2016).

The study reported herein focuses on the horizontal dimension of complexity, which some studies consider a better predictor of selecting a successor than the vertical and spatial dimensions (Damanpour and Schneider, 2008). This is due to the fact that, regardless of the number of hierarchical levels or geographical locations existing within the firm, horizontal differentiation entails grouping together individuals who share a common knowledge base (homogeneity of knowledge) for the development of joint projects (the different medical specialties in a hospital is an example). Thus, greater horizontal differentiation is likely to improve the skills and abilities of the staff in the activities they perform, because they are specialized in those activities, and it fosters the invention of new methods, technologies, or products related to them (Mintzberg, 1979). The horizontal dimension of complexity could also prove efficient for knowledge application, since absorbing new ideas requires a base of prior knowledge (Norman, 2004; Postrel, 2002; Cohen and Levinthal, 2000), and the mutual understanding and homogenization of a body of knowledge among employees can facilitate its exploitation (Kogut and Zander, 2011) or application, thus helping to improve the firm's knowledge performance.

Along the same lines, organizational complexity promotes the formulation of proposals for the generation and implementation of new knowledge for several reasons (Aiken and Clarke, 2013). First, high levels of complexity indicate diverse expertise bases (heterogeneity of knowledge) that may result in the identification of a wide range of problems and the availability of diverse kinds of information and knowledge about problem-solving. Second, complexity implies a variety of interests, which may stimulate new proposals as the various occupational groups, departments and strata seek to improve or protect their position in the firm. Third, structural complexity makes possible, and may often require, a formal or informal assignment of special responsibilities to propose organizational changes in particular roles and subunits. Organizational complexity can consequently provide the heterogeneity required to generate knowledge while, at the same time, the internal homogeneity within the departments and units will facilitate its implementation (Forrester, 2000) in order to improve knowledge performance.

Concept of Succession Planning

Rothwell (2015) defines succession planning and management as “any effort designed to ensure the continued effective performance of an organization, division, department or work group by making provision for the development, replacement and strategic application of key people over time.” Succession planning and management programs focus on a systematic process for developing individuals to move into key positions within an organization (Harrison, McKinnon & Terry, 2006; Michaels, Handfield-Jones & Axelrod, 2011). These positions could be limited to the most senior executive positions or could apply to a broader plan for many levels of management within the organization. According to Harrison, McKinnon & Terry (2006), succession planning “refers to a systematic process of developing individuals to fill an organization’s key roles”. When an organization has a well-planned succession planning and management program, there are a number of qualified people available who are prepared to

transition into a number of leadership roles (Harrison, McKinnon & Terry, 2006; Bonczek & Woodward, 2006).

According to Rothwell (2015), succession planning and management is important for several reasons:

1. The continued survival of the organization depends on having the right people in the right places at the right times.
2. As a result of recent economic restructuring efforts in organizations, there are simply fewer people available to advance to the top ranks from within.
3. Succession planning and management is needed to encourage diversity and multi-culturalism and avoid “homosocial reproduction” by managers.
4. Succession forms the basis for communicating career paths, establishing development and training plans, establishes career paths and individual job moves.

Succession planning is a structured process involving the identification and preparation of a potential successor to assume a new role. It is seen as any effort designed to ensure the continued effective performance of an organization, department or workgroup by making provision for the development and replacement of key people over time. Succession planning is the process of optimizing the identification, development, and placement of leadership talent (Masthan & PremchandBabu, 2013).

Training

Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively (Gordon 2016). As one of the major functions within HRM, training has for long been recognized and thus attracted great research attention by academic writers (see e.g. Gordon 2016, Beardwell, 2014). This has yielded into a variety of definitions of training. For example, Gordon (2016) defines training as the planned and systematic modification of behavior through learning events, activities and programs which result in the participants achieving the levels of knowledge, skills, competencies and abilities to carry out their work effectively.

It is worth noting that, as researchers continue with their quest into the training research area, they also continue their arguments into its importance. Some of these researchers argue that the recognition of the importance of training in recent years has been heavily influenced by the intensification of competition and the relative success of organizations where investment in employee development is considerably emphasized (Beardwell, 2014). Related to the above, Beardwell (2014) add that technological developments and organizational change have gradually led some employers to the realization that success relies on the skills and abilities of their employees, thus a need for considerable and continuous investment in training and development.

Mentoring

Mentoring leaders is not a new method; however, it has never been more important. In a time when baby-boomers are aging and wanting to move out of their executive positions, there is a tremendous need to quickly and efficiently develop new leaders who can take the helm of these executives. In a 2002 Global Leadership Survey conducted by the Society for Human Resources regarding the development of global leaders, they found that only 22 percent of the companies surveyed used mentoring programs (SHRM, 2002). However, in a follow-up study, Fredman and Rogers found that of the top 20 global companies, 82% used formal mentoring programs

compared to barely half the other firms (Fredman and Rogers, 2016).

Mentoring has been used in the private sector as a tool, strategy, or technique for the development of all employees. Mentoring embraces a philosophy about people and how important they are to the organization. There are many studies which suggest the numerous benefits of mentoring for the mentee, mentor, and the organization. Mentoring has proved valuable to the overall stability and health of an organization. It plays a vital role in future organizational leadership, and the potential leaders are strengthened with the nurturing of their mentors. Most successful executives when asked about their success can point to influential individuals in their past who taught them, guided them, provided insight, shared their wisdom and challenged them at the right time. For executive development, mentoring is seen as essential.

Mentoring Follows a more open and evolving agenda, and deals with a range of issues including career guidance and passing on in-depth knowledge of cultural matters and management. It usually exists because of the mentor's lengthy experience and wisdom in a particular role in the cultural community, and their track record of success.

Relationship between Structural Differentiation and Succession Planning

There seems to be insufficient studies correlating each dimensions of organizational structure with succession planning and this assertion is likewise supported by Lalitha (2006) who in a study of organizational complexity and succession planning stated that little research, however, has been devoted to studying how these various components are part of any sort of deliberate process guiding CEO succession. Furthermore, the researcher cited Vancil (2012) which suggested that one common pattern of succession is "relay succession."; a process which includes the selection of an heir apparent a few years before the CEO is expected to step down and this is being utilized by proportion of sampled firms. For instance, four years before CEO turnover, 41% of firms have an heir apparent. Immediately before turnover, this number jumps to 60%. Because the relay model of succession appears to be common, the remainder of this analysis focuses on relay succession. Meanwhile, some other firms like General Electric use the "horse race" model succession plan (Lalitha, 2006).

One way in which firms can lower expected succession costs is to mentor and train a suitable in-house successor. The greater the operational complexity of the firm, the greater will be the expected succession costs associated with an outside successor, and the more likely the firm will be to have a relay succession plan. An added benefit to such firms from choosing an insider is that internal promotion encourages managers to invest in firm-specific human capital (Jaggia and Thakor, 2012). In contrast, more outside appointments could cause insiders to revise downward their expected probability of making it to the top, and could result in lower incentives to perform (Lazear and Rosen, 2014). Furtado and Rozeff, 2016) suggest that firms may prefer insiders as they could earn returns on the firm-specific human capital of insiders.

Therefore, in order to bridge this gap of insufficient studies on the influence of structural differentiation and successional planning especially as it concerns the large scale general hospitals in Rivers State, this study shall examine the hypothetical statements stated in the previous sections of this review.

H0₁: There is no significant relationship between structural differentiation and training

H0₂: There is no significant relationship between structural differentiation and mentoring

METHODOLOGY

Cross sectional survey design was adopted in this study. Primary data were drawn from the two (2) teaching hospitals operational in Port Harcourt, namely: University of Port Harcourt and Rivers State University Teaching Hospital. Eighty (80) copies of questionnaire were distributed to Heads of Departments, while upon retrieval from the field 72 were correctly filled and utilized for analysis. The unit of analysis constitutes medical practitioners who occupied leadership position like Head of a Department/Unit. Furthermore, the derived data were analyzed with descriptive and inferential statistics, and the formulated hypotheses were tested using Pearson Product Moment Correlation coefficient statistical tool with the aid of Statistical Packages for Social Sciences (SPSS) version 24.0. In this study, the researcher adopted Cronbach alpha which is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. Nunnally (1978) set a tolerable range of 0.7 to adjudge the goodness of this statistical measure. In view of this the coefficient of alpha which was computed to be 0.742 for structural differentiation and 0.856 for succession planning indicated that the scale is reliable.

DATA ANALYSIS AND RESULTS

Table 1: Bivariate hypotheses of association between variables (Structural Differentiation – training and mentoring)

			Structural Differentiation	Training	Mentoring	
Pearson	Structural Differentiation	Correlation Coefficient	1.000	.247*	.825**	
		Sig. (2-tailed)	.	.000	.000	
		N	72	72	72	
	Training	Correlation Coefficient	.247*	1.000	.634**	
		Sig. (2-tailed)	.000	.	.000	
		N	72	72	72	
	Mentoring	Correlation Coefficient	.825**	.634**	1.000	
		Sig. (2-tailed)	.000	.000	.	
		N	72	72	72	
			N	118	118	118

Table 2: Model summary of the association between differentiation and training

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.247 ^a	.061	.048	4.19524

Table 3: Model summary of the association between differentiation and mentoring

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825 ^a	.681	.676	2.12349

a. Predictors: (Constant), Differentiation

The correlation analysis presented in table 3 showed that differentiation has a positive and significant relationship with succession planning ($r = .247$, $p = .037$; $r = .825$, $p = .000$). Particularly with a correlation (r) value of .247 the relationship between differentiation and training is weak. Meanwhile, the association between differentiation and mentoring is very strong. The study likewise showed that the association between differentiation and succession planning is significant at p-value of .037 and .000 for all the variables which is not up to 0.05 which made the hypothesis (H_{01} and H_{02}) to be rejected.

Similarly, to establish the degree of impact, differentiation was regressed with training and mentoring. The result of the regression which was displayed in Table 4 and 5, revealed R^2 values of .061 and .681 respectively. This indicates that differentiation predict succession planning. The study found out that 1 unit increase in differentiation processes of an organization lead to a .410 unit increase the training of employees and a .217 unit increase in the mentoring of employees. In other word, since differentiation is positively related to the two measures of succession planning, therefore, any improvement in differentiation will cause employee training to improve by 41.0%, while mentoring will improve by 21.7%.

DISCUSSION OF FINDINGS

In this study differentiation has been proven to promote succession planning, especially with the outcome that shows that it has a stronger influence on training than other dimension of organizational structure. The concept of differentiation come into play when an organization become more complex and according to Robbins (2016) and Fredrickson (2012), complexity refers to the degree of differentiation that exists within an organization. Irrespective of the type of differentiation, it create an environment where people who belong to a particular differential unit have a common focus, this because each unit is made up of employees with similar educational background, thereby making the process of mentoring and training quicker and less strenuous. This claim is corroborated by Norman, (2004); Postrel (2002); Cohen and Levinthal, (2000) as the authors found out that the horizontal dimension of complexity could also prove efficient for knowledge application, since absorbing new ideas requires a base of prior knowledge, and the mutual understanding and homogenization of a body of knowledge among employees can facilitate its exploitation (Kogut and Zander, 2011) or application, thus helping to improve the firm's knowledge performance.

CONCLUSION AND RECOMMENDATIONS

This study concludes that differentiation significantly influences succession planning in Teaching Hospitals in Port Harcourt, Nigeria. Therefore, this study recommends that management should by a matter of importance channel majority of its training or mentoring (especially technical training) through the units/departments, this is because it creates a better impact on the development and growth of the employee.

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