

Succession Planning'- A Distinctive Reinventing Tool For Sustained Organization Effectiveness and Survival



Management

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ABSTRACT

Succession Planning helps in providing continuity to management to ensure that organization has the right leaders in the right places at the right time. Essentially, it is about how to plan and align human resources with the overall business planning process. Succession Planning (or Management Continuity Planning), as part of HR Planning, is about preparing successors to assume key roles within the business, particularly during critical points of a business' growth and development cycles.

The future sustenance of any organization in today's competitive and uncertain environment is its future leaders and preparation of rich talent pools that it has of those key people who will occupy future roles. It is this consistent preparation of this talent capital and future successors that will provide an added competitive advantage and an exemplary vision for progressive organization. The focus of present paper is on role and relevance of succession planning as a tool for competitive organization building and preparation of future leaders.

It focuses on process, benefits and interrelation between succession planning and effective talent management. It provides insight to almost all the organization that is creative and strategic enough to retain and ensure their competitive presence as market leaders with strong employer brand.

I) Introduction: Understanding succession planning

"Succession planning, like a relay race, has to do with passing on responsibility..Drop the baton and you lose the race."

Today's changing and competitive business demands high appealing leadership to survive in this competitive business environment, and a need to consistently look and keep a check on availability of its talented workforce, talent bench, competencies available, skill match, talent pools and reservoir and assessing how far the available talent is competent enough to occupy future roles, even ensuring whether the industry related workforce is available or not, ensuring their procurement ,attraction, engagement and retention either externally or internally so as to fulfil organization goals. In this process organization are undoubtedly focussing strongly and quantifiably on how the present methods of talent assessment, training and development plans, career path, talent reviews, appraisal and talent reports are adding and indicating exponential growth of talent.

The installation and use of a process like succession planning is the most important human capital investment. Talent is a scarce resource. The level of competition and generational shifting of the leadership pool has made it increasingly difficult for organizations to find the quantity and quality of leaders needed to ensure success.

The only way to sustain the business is through effectively planned succession planning is to look at the bigger picture— workforce readiness and leadership sustainability. The term "sustainability," of course, is most commonly associated with environmental stewardship today. But in reality, the same exact principles apply when looking at organizational talent. Simply put, sustainability refers to the capacity to endure.

In a business environment, this is done through careful and responsible management of talent resources, as well as an organizational mindset that doesn't sacrifice long-term competitiveness for short-term gains. This means that succession can no longer be a simple disaster contingency in the event that a leadership role becomes suddenly open. If the competition changes, if the economy changes, if consumer expectations change, the skills that helped to lead the company before may no longer be the right fit. It will be important to have a deep and diverse cadre of talented leaders in order for the organization to endure their long term goals.

"It is a purposeful and systematic effort made by an organization to ensure leadership continuity, retain and develop knowledge and intellectual capital for the future, and encourage individual

employee growth and development."

"Succession planning (or management) is a systematic approach to ensuring that an organization has a steady, reliable pipeline of talent that will meet its future needs in leadership and other linchpin roles."

II) Trends Impacting Succession Planning

- Board concerns and directives
- Increased costs associated with external searches
- Increased turnover
- People who had been regarded as successors for key positions left by surprise
- High performers are leaving
- Managers complain that they have no one ready to fill vacancies
- Employees complain that promotion decisions are made unfairly
- Insufficient numbers of women and/minorities at senior levels

III) Essentials that decide effective CEO movement- Full engagement of board and leadership Information about transition to the staff for easy acceptance

Strategic assessment of candidate (new incumbent) profile-

One important element that can ensure success of succession planning is effectively and strategically mapping the performance of the new incumbent and relating it with the direction the organization and its long term goals. This will help both management as well as the staff to understand the expected direction and skill set required.

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Assessing the candidate through multi-dimensions- The board should decide very carefully the sources, process and methods of assessing the successors based on the consensus of board members

Focusing and developing the successor as medium of introducing the new organization culture and expectations-

It is important the successor should know the differences, strength areas, leadership positional and the expected outcome from him along with deeply understanding the culture and environmental

conditions that can serve as pull or push factors

Emotionally supporting the departing leader- It is difficult for both leader and the organization along with others related to the departing CEO to quickly change and adapt to the new requirements thus a situation like this needs to be handled carefully so that a constructive message can be conveyed

E.g Planning succession at Unilever

All management positions at level 3 and above are considered key. In total of about 250. In Employees everyone is assessed annually. Although people are assigned and designated for particular roles, others may be hired into a role from other parts of the Company or the outside the division. Extent to which designated people are hired depends on the amount of influence the HR head has in each department. Skills and competencies have been benchmarked and detailed for every position by function.

Manuals describe competencies and skills for each discipline within Unilever. Competencies are reviewed annually. All managers are part of the pool though only certain people are listed (usually the top 5% of a division). "Listed" candidates are identified by the direct management and the HR head in each division. Unilever has an extensive system of PDP (Professional Development Programs). Each person is rated according to the competencies and skills for each function.

Three to five developmental areas are identified by both the manager and employee and a development program is agreed to. All are reviewed by HR for consistency and to assess training and development program needs (it acts as a training needs assessment). The Unilever program for management development lasts 2 weeks and is conducted by University staff in England with peers from elsewhere in the company. Each division also has their own development program. Career planning is a part of a comprehensive Professional Development Program at Unilever that includes evaluation against skills and competencies, development in key areas, key assignments, management development, listing and succession planning. Career Path: Emphasis is put on breadth of experience so that often managers' career paths takes them to varied assignments, i.e. a marketing person might start as a brand manager and then take a lateral assignment to an overseas regional marketing function and then come back in 18 months to 2 years as a marketing direct.

"Though cumbersome, the process has a generally positive effect in helping management consider key positions, manage risk and consciously develop people. Managers at Unilever are generally more rounded and developed in their field

Many organization follow **steps like these** while planning succession in organization -

1. Identifying key position
2. Preparing job profiles for different position
3. Competency gap analysis
4. Identifying opportunities available
5. Preparing individual development plans
6. Monitoring and evaluating the succession plan
7. Maintaining talent inventory

IV) Risk mitigation through effective succession planning

Succession planning also helps in reducing the risk level in an organization, as suggested by Koay Sharon

i) Vacancy Risk: Organizations should safeguard critical business capabilities by focusing on the most vulnerable portions of the business with accurately translating business strategy into talent strategy and effectively planning for key talent departures.

ii) Readiness Risk: Executive talent development systems must ac-

curately and efficiently match executives with needed development experiences, balance the short-term risks of stretch assignments.

iii) Transition Risk: Systems must be in place to identify needed behavioural changes for executives and to thoroughly onboard new executives to ensure organizational fit to facilitate their success in new roles.

iv) Portfolio Risk: Organizations should consider the entire structure of their talent demand (e.g., jobs, processes, structures) to ensure that the organization is getting maximum return on talent.

V) Competitive advantage through succession planning

Thus, succession planning helps in reducing risk, ensures continuity for the organization, and creates mobility for engaging high potential individuals. That's why it's important to see it from all perspectives. It helps in workforce readiness and leadership sustainability. It helps in careful management of HR and setting a right organization mindset and also helps in avoiding talent hoarding that easily occur unintentionally (or, on occasion, intentionally) when those accountable for succession have no visibility into potential outside of their immediate team or department.

At the same time, there may even be reluctance on the part of the individual leaders to engage in what they perceive as bringing about their own replacement, leaving them to keep their best people. It helps in increasing the quality and bench strength of the company's leadership pipeline. It helps in implementing a performance-based culture, creating high levels of engagement and retention, accelerating change and business growth.

VI) Talent management and succession management

Talent management focuses on ensuring the right availability of required workforce across organization and maintaining their capability and competencies through effective training, development, Assessment, potential reviewing, talent forecast and auditing from time to time. This helps organization to forecast and plan right skills for right positions for present as well as future.

Succession planning and management on the other hand focuses on that Key person or successor that matches with the gravity of the position with all such traits and capabilities to provide a strategic vision and future direction to the organization as per expectations of each stakeholder and thus creating a market leadership and sustenance. It is only through effective talent planning and follow up that succession planning can be result driven. It is a consistent process of preparing and equipping those key employees which organization wants to retain, develop and utilize for its future (whether they are internal or through external sources). Thus it can be said that talent planning works for future effective succession planning and effective talent management helps in preparing rich pool of talent that helps in selecting the most suitable candidate as successor for shaping organization tomorrow.

Conclusion

Thus, from above it can be concluded that succession planning can in itself act as a competitive tool for deciding organization future. It is a collaborative effort and consensus that should be proactively planned and implemented along with assessing at regular intervals through succession reports and audits to keep a check on movement and availability of talent and future successors. Succession planning also should be well planned and strategically related to the future and forecasts and the best organizational attributes should be matched with the individual attributes that can serve as organization key competencies and thus a distinctive advantage for the organization.

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