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Succession Planning: Developing Leaders for Tomorrow to Ensure organizational Success

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Abstract:

The contemporary research on the various dimensions of organizational behaviour paradoxically fails to emphasize or give needful attention to an important issue of succession planning. The organization aren't fully aware of the negative impacts of succession planning and vis-à-vis its cost to the organization. Managing the succession of talent is a vital strategic process that minimizes gaps in leadership and enables the best people to develop the skills necessary for possible future roles. The development of "high potentials" to effectively take over the current leadership and replace the one at a perfect time in the similar positions is known as succession planning. As organizational structures are flattening and significant changes in work arrangements force executives and management development professionals to rethink on how high potential managers attain the requisite developmental experiences of senior managers. Succession plan helps identifying and grooming high potential managers for advancement into key, senior positions effectively, while a leadership development programs creates a pool of potential leaders with specialised area of expertise, and give them with opportunities for professional growth.

Key words: high potential, leadership, recruiting, succession planning

1. Introduction

Succession planning is a strategic approach to ensure that necessary talent and skills will be accessible when required, and that essential knowledge and abilities will be maintained when employees in critical positions leave. The succession plan recognizes that some jobs are the lifeblood of the organization and too critical to be left vacant or filled by any but the best qualified persons. Succession planning programmes typically include the provision of practical, tailored work experience that will be relevant for future senior or key roles. In the succession planning process, potential employees are selected first, and then enhancement of their knowledge, skills, and abilities are done, and finally they are prepared for more challenging roles in their career path. Actively pursuing succession planning ensures that employees are constantly developed to fill each needed role. As the organization expands, they are assigned more opportunities and therefore productivity is increased and hence sales are increased. Succession planning guarantees that employees are readily available in hand and waiting to fill new roles. A succession plan helps in a situation like when employees retire or die, the business continues according to organizations vision and strategy. Leadership development is the augmentation of an employee's ability to proficiently and effective leader. Basically, it is teaching of leadership qualities, including communication, ability to motivate others, and management, to an individual who may or may not use the learned skills in a leadership position. It concerns about the development of social capital rather than just human capital. "Leadership development is broader than programmes of activity or intervention. It is concerned with the way in which attitudes are fostered, action empowered, and the learning organisation stimulated" (Bush and Glover, 2004, p19, citing the work of Frost and Durrant, 2002). There are evidences to suggest that organization generally include leadership development program and this is a huge disadvantage in this competitive environment and organization which takes it seriously outperform the competition.

Research evidence suggests that many highly successful companies can overcome various challenges (such as rise in the inexperienced youth population who are not really equipped to undertake a lead positions in the firm) by aligning the leadership development and succession planning processes for optimal identification, development, and placement of leadership talent (Conger and Fulmer, 2003). Kur and Bunning's (2002) recent review of succession planning and leadership development practices argued that "corporate leadership development can no longer simply rely on planning the replacement of existing leaders" (p. 761) and that organizations must focus on developing the leadership function rather than individual leaders.

Human resource professionals with the support of managerial personnel help in identifying high potential employees and assessing the bench strength of the potential employees. With the emergence of high potential employees, managers at all levels

are engaged in delivering leadership development activities such as teaching in-house courses and workshops, facilitating action learning projects, and creating assignments that fall outside the employee's functional background. Next, high potential managers demonstrate their talents through organization-wide forums, including leadership academies that showcase action learning projects for top management team members and board members. Finally, succession decisions for managerial positions are driven by consideration of a diverse range of candidates.

The roadmap of a leadership development initiative should be grounded in succession planning, anchored in the organization's strategy and feasible given the organization's size and resources.

2. Process of Succession Planning

• Step 1: Identify critical positions:

Critical positions are the nucleus of succession planning efforts. Without identifying these positions it is impossible to effectively meet its business objectives. Regular assessment may also be conducted and compared to current and future vacancies to identify critical positions within your organization. To identify the critical positions is an important task of the manager as succession planning can be done beforehand if possible threats about the employee leaving the organization or retirement, etc. can be done in advance.

• Step 2: Identify competencies

By completing the process of competency or position profiling within the organization, employees whether present or current employee gain an understanding of the key responsibilities of the position including the qualifications and behavioural and technical competencies required to perform them successfully. Critical competencies can be identified by using 360° feedback for development purposes, analyzing external sources of talent etc. Identifying exact competencies is a challenging assignment as managers are required to make in advance arrangements for employees who could replace the existing employee with a same level of competency and skills.

• Step 3: Identify succession management strategies:

Due to presence of several human resource strategies only those should be chosen which are in congruency with firm's policies, creating talent pools, onboarding and recruitment to support succession planning becomes critically essential. Succession management strategies are indeed a need for all corporate and business houses that strives to achieve excellence in the long run.

• Step 4: Document and implement succession plans:

After strategies have been identified, the strategies are documented in an action plan. This Action Plan provides a mechanism for clearly defining timelines and roles and responsibilities. Integrating succession planning to HR processes like Recruitment and retention Performance management, Recognition, Workforce planning, Compensation.

• Step 5: Evaluate Effectiveness:

To make sure that the succession planning efforts are successful or not, systematic monitoring of manforce data, assessing activities and initiate changes. This can be done by analyzing satisfaction surveys from customers, employees, and stakeholders, Assessing response, listening to leader's responses etc. Fig. 1 below explains the organizational culture of leadership development for succession planning in detail.

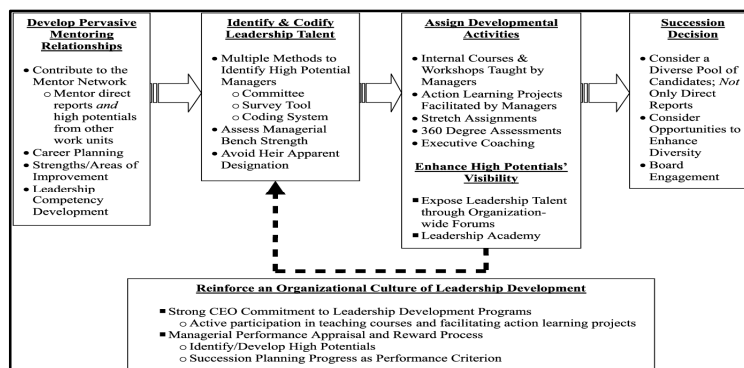


Figure 1: Organizational culture of leadership development

Source: <http://www.emeraldinsight.com>

3. Benefits of Succession Planning

- Integrating strategic goals and human resources to enable the “right people in the right place at the right time” to achieve desired business goals.
- growth of qualified pools of employees ready to fill key positions
- Helps to sustain a high-performing public service and ensure the smooth and continuous delivery of services and programs.
- Identifying workforce needs as a means of targeting necessary employee training and development.
- Guiding individuals realize their career plans and aspirations within the organization.

- Employees' ability is improved in this changing environment.
- Timely corporate knowledge transfer.

4. Steps For Improving Succession Planning Process

By gauging present succession planning process firm's can discover how much improvement is required.

- **Simplified process:** Process should remain as simple as it can be. More complexity increases resistance to the implementation. Limited use of paper work may reduce the complications.
- **Decentralized process:** Decentralization encourages participation and creativity which facilitates the succession planning process.
- **Organizational culture:** There should be a fit between degree of succession planning formalities and organizational culture so to have a smooth flow of implementation .
- **Emphasis on learning skills and adaptability:** learning should be the focal point of the process. How to learn and adapt to whatever learned is important..
- **Recognition of on-the-job development:** This means learning while doing the job task for accelerating development. Because the training takes place on the job, it is comparatively realistic and no transfer of learning is required.
- **Variety built into assignments early in the manager's career:** it will be useless to develop leaders once they are half way through their career so it should start as early as possible when they are just starting their careers.
- **Encouragement of constructive developmental conversations:** Having positive, useful, comprehensive conversations with one's boss on a regularly which inturn helps in it helps an individual to identify their current knowledge , discover their latent skills and amend their mistakes so that they do not repeated them in future.
- **Managers coached before they give career developmental feedback:** developmental feedback only should be provided only after the manager is given coaching so there is no scope for wrong assessment.
- **Encouragement of individual mentoring for high-potential managers and senior-level executives:** top level executives should be given mentoring on individual basis and mentoring networks for potential juniors employees..
- **Built-in accountability with regard to feedback on whether personal development plans are implemented:** Mentors, coaches, bosses, managers should be held answerable for refining the developmental plan using feedback.

5. Common Practises Used for Leadership Development

There are number of practices available for leadership development organization can choose from. It is better to choose different developmental practices because of the different content of the different organization.

- **Classroom programs** are most commonly used leadership development program. Formal classroom programs can happen in off-site location also lasting from three to five days. Open enrollment programs are targeted to qualified participants across any number of organizations, whereas custom programs are designed to address the specific leadership challenges of a client organization. There are myriad private vendors of open-enrollment and custom leadership development programs, including nonprofit organizations, consulting firms and executive education branches of most major business schools. A particular strength of classroom programs is the standardization of content that is delivered to participants. A particular limitation is the uncertainty of transfer of development from an off-site classroom back to the job.
- **Personality inventories** are easy to use and can be effective in building individual self-awareness by providing participants with insight into their personal tendencies and values. They can also be used in helping participants appreciate individual differences in others and understand why other people may act the way they do.
- **Multi-source ratings/360-degree feedback** is also a very popular development practice. It involves the systematic measurement of the perceptions of an individual's leadership performance from an entire circle of relevant viewpoints, including self, subordinates, peers, supervisors and even external stakeholders such as customers and suppliers. This information is fed back to the individual. This broader view takes pressure off the supervisor. 360 degree appraisal enables an individual to monitor changing perceptions over time by repeating the exercise at regular intervals also there is evidence that this process is viewed more positively than traditional appraisal. Only problem with this feedback is the amount of time it takes and cost of implementation.
- **Assessment centers** offer a comprehensive method for assessing an individual's leadership potential. Traditionally, assessment centers have been used for selecting managers for middle- and upper-level jobs by assessing their skills through different assessment exercises that measure performance across a number of dimensions. Developmental assessment centers are used exclusively for employee development, with a heavy emphasis on assessment with feedback.
- **Coaching** Coaching is an ongoing guidance to guide an individual to increase the level of their skills. Coaching is often for shorter, more specific length of time. Also meetings between coach and employee are generally more structured and regular than in mentoring. It is one-on-one and it provides opportunity for feedback from professional. It also focuses on specific areas which need improvement. Generally coach and employee decide mutually on action plans, successive meetings and counseling. An important factor to consider with coaching is the training and experience of the particular coach as there is considerable variability in their background and skills.
- **Corporate universities** are at the extreme end of the education spectrum. A corporate university in-house training and education facility to better align training and development with business strategies. Some corporate universities are only for in-house training and development whereas others also offer open-enrollment and custom developmental programs.

Corporate universities represent a considerable investment in the learning and development of employees but also signal a commitment to the value of investing in human capital. Whereas hindrances such as matching curriculum to the needs of the organization remains a difficult task, not appropriate for small to moderate sized businesses to create their own university etc.

- **Mentoring** is considered a formal or informal process in which employee is given opportunity to grow personally and professionally with the guidance of a senior person, usually a professional colleague. One real advantage which mentoring programs offers is that it keeps talent at home and improves retention rate of the employees. It is an unfortunate reality that few leaders get any training on how to be effective mentors even when there is a formal mentoring program in place. Other cautions with regard to mentoring include that it is very time-consuming for both parties. Research demonstrates that mentors provide with both psychosocial benefits (e.g. acceptance, encouragement, and coaching) and career facilitation benefits (e.g. sponsorship, exposure, and challenging assignments) (Kram and Isabell, 1985; Noe, 1988; Yukl, 2006).
- **Action-learning projects** constitute an approach that is based on the assumption from adult learning theory that people learn most effectively when working on organizational problems in real. It is effective because it focuses on exactly what employee need to do - come up with the effective solutions to complex problems, then implement and evaluates them. It ensures that leadership is taking place as, a facilitator is assigned to assist the team and he helps the team through debriefing after the meetings are over. Organization gets solution to problem and team members develop skills necessary to be effective managers.
- **Special Job assignments** have long been favored as a leadership development practice. This is useful tool for both executive and the managers and they are more likely an outcome of coaching or mentoring the coach helps to identify needs to improve his feedback skills. These typically short term assignment address specific skill deficiencies. It is widely believed that leaders view their developmental activities to be experiential based, especially on-the-job experiences.
- **Job rotation:** A job design technique in which employees are moved between two or more jobs in a planned manner. Rotating employees to different department in the organization is a common practice. This helps managers to operate in the different roles and understand the different aspects of the job. Like a rotation to a foreign office would provide an international perspective.
- **Executive development programs:** The executive development program mixes classroom learning with real-life problem solving. Most programs offer some sort of action learning to accompany the class room work. Action learning provides trainees with real company problems to solve.
- **E-learning** employee can study any where, any time, and with greater flexibility and at lower cost. It is more successful for knowledge based topics and for people who have keen interest in computer technologies. However this practice is not suitable for skill or behavioural based learning. But nowadays in addition to the online materials, students are encouraged to engage in face-to-face workshops and seminars, a group consultancy activity and leadership exchanges. Thus, the emphasis moves from pure e-learning to 'blended learning'.
- **Team building/outward bound:** Some sort of team building is useful whenever a team is formed or several team members are replaced. Skills to operate effectively in a team are critical to effective employee functioning. Based on the organization's strategy, and the organization's size and resources multitude of possible developmental practices can be adopted. Implementation and follow up are very vital steps for the success of the practice.

6. Some Recommendation for Leadership Development

- Only those practices should be adopted which works for the organization rather than choosing those practices which are successful in other firms.
- Practices used can be based on number of factors such as size or structure of the organization, like small firms may be interested in adopting corporate university programs due to limited resources.
- Main goal of leadership development is to recognize talent and enhance their ability and motivation so it should be carefully done to increase the effectiveness of the leadership development.
- Experiences for the people can be upgraded by increasing more challenging activities, task, opportunities etc.
- Leadership development process should not be event based. It should be proactive ongoing process. Evaluation of the developmental practices plays a vital role in successful implementation of the programs.
- Create such a supportive environment in firm through active CEO and senior management participation in development programs and performance appraisal and reward systems that reinforce managerial engagement
- Organization's mentor network should be made by fully engaging all managers in mentoring relationships with direct reports and high potential employees in other work units.
- Analyse the leadership development practices and assess knowledge, behavior, and result outcomes.

7. Conclusion

Succession planning and leadership are those sound investments of the organization which can be a source of competitive advantage. Leadership development doesn't only include leadership training and but goes beyond to include mentoring, growing and developing through real work experiences, enriching experiences as well as an evaluation system that analyse progress and gives feedback. Promising leaders assignments which challenge them, give them the opportunity to take risks and polish new skills, then provides effective evaluation system that will identify mistakes which will lead to positive growth through their achievements. Industries and organizations of all sizes face incredible challenges in preparing potential employees to assume

future leadership positions. There is no guarantee that what works in a large multinational organization would also work successfully in a regionally based small or medium-sized enterprise. Thus it is important to reiterate that there is no one best way to plan for change or to develop a workforce.

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