



ISSN: 0976-3031

Available Online at <http://www.recentscientific.com>

CODEN: IJRSFP (USA)

International Journal of Recent Scientific Research
Vol. 8, Issue, 11, pp. 21621-21623, November, 2017

**International Journal of
Recent Scientific
Research**

DOI: 10.24327/IJRSR

Research Article

SUCCESSION PLANNING IN INDIAN ORGANISATIONS

Samatha Yamburi*

David Memorial Institute of Management Secunderabad, Telangana State

DOI: <http://dx.doi.org/10.24327/ijrsr.2017.0811.1109>

ARTICLE INFO

Article History:

Received 17th August, 2017
Received in revised form 21th
September, 2017
Accepted 28th October, 2017
Published online 28th November, 2017

Key Words:

Competitive advantage, succession
planning, promotion, advancement,
knowledge.

ABSTRACT

Organisations focus on gaining competitive advantage and Human Resource Management plays a vital role in achieving the same. Succession planning has a key role to play in this as it helps the organization to man the vacant strategic level positions effectively through a thorough and effective plan so that they are always in sync with the organization and can be helpful in accomplishing the needed objectives.

Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. Through your succession planning process, you recruit superior employees, develop their knowledge, skills, and abilities, and prepare them for advancement or promotion into ever more challenging roles. Actively pursuing succession planning ensures that employees are constantly developed to fill each needed role.

Copyright © Samatha Yamburi, 2017, this is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

Need For the Study

With liberalization and economic reforms being implemented in Indian market, the Indian organizations have become extremely successful by growing on their own in various sectors or by partnering with firms of other countries. The financial capabilities, functional capabilities & technological know-how have increased, as the organizations have started exploring opportunities that globalization and liberalization have provided them with. Organisations in their quest to excel, focus on sustaining in the long run. In this process leadership plays a very vital role. With changing times, it is crucial for organizations to have the right kind of people at the helm of affairs in the organization who understand the value system, ethics and ethos of the organization. It is key for the organization to have future leaders who understand the contingencies of time. Many businesses have seen success and are sustaining with even more vigor and perseverance with changing times as they are infusing competent & qualified insiders to the leadership positions through effective succession planning. It is mostly either through the form of heirs or through elevating the competent long standing employees of the organization. They understand the priorities of the business group better than outsiders. The present study aims to know the relevance of succession planning in this context.

Objectives of the Study

1. To know the importance of succession planning for an organization
2. To know the impact of succession planning on an organization
3. To understand how better insiders are suitable as successors for Indian organizations.

RESEARCH METHODOLOGY

For the present study secondary data has been used which has been collected through books, journals, magazines and websites.

LITERATURE REVIEW

Suruchi Pandey and Deepesh Sharma(2014) through their study have stated that organizations should follow a pro-active approach to succession planning and they should focus on creating a talent pool right from middle level management itself so that they can be groomed further based on their performance and potential.

Ram Charan (2011) has opined on the need for good leaders to be grown out of a company itself rather than hiring from outside. Dale Carnegie (2009) institute states that succession planning is a systematic way to ensure that employees in a

*Corresponding author: Samatha Yamburi

David Memorial Institute of Management Secunderabad, Telangana State

particular organisation are competent enough to develop and then replace strategic roles in the organizational hierarchy.

Richard W Redman (2006) has stated that Leadership succession planning is a key business strategy to help organizational leaders deal effectively with the future. According to Rothwell (2005), a succession planning program should be organized around a roadmap that integrates all its components and emphasizes the internal development of existing employees in the organisation.

Byham (2002) suggested that organisations should go for acceleration pools when large percentages of retirements or other long-term talent losses are expected in strategically critical work groups. An acceleration pool is also like a talent pool. It's a group of employees being developed on a faster than normal basis for higher level responsibilities.

Why Succession planning?

The continued sustainance of organizations can be assured if organizations indulge in succession planning overtime aligning people with key positions. The purpose of succession planning is to identify and groom prospect candidates to replace current incumbants in key positions.

The various key reasons for organizations going for succession planning are:

Superannuation: Employees retiring because they reach a certain age

Resignation: Employees leaving their present job to join a new job

Promotion: Employees moving upward in the hierarchy.

Diversification: When firms enter into new businesses.

The above mentioned reasons stimulate an organisation to go for effective succession planning programs. Studies suggest that organizations have to be pro active when it comes to succession planning and should develop a talent pool from the next level managers so that that bench containing the potential contenders can immediately fulfill the gap arising at strategic level due to any vacancies . If they are groomed gradually over a period of time, then they would be ready to receive the baton and that transition can be as smooth as possible for them and for the organisation.

Employees who are perceived as the prospect candidates with the needed skills, knowledge base, traits, experience and passion can be groomed to climb up the ladder to fill the key, strategic positions. For this purpose to be accomplished successfully, organizations should:

- Ascertain and assess the present and future needs of the organisation with regard to the objectives, accomplishments and commitments.
- Match these outcomes to the capabilities of the existing workforce.
- Identify the suitable talent pool from them and groom them gradually.
- Develop a plan of action to manage the gaps that can arise when individuals in key positions move either because of retirement or because of any other cause.

The benefits of good succession planning are

- It provides for smooth transition and ensures that the disturbance due to leadership change or key positions filling is very minimum.
- It ensures continuous sustainance of the organisation, addressing the challenges posed by changing times.
- It aligns the organisation's vision with its strategic plans
- It emphasizes on staying committed to the organisation and growing along with the organisation
- It increases employee morale
- It conveys a message that talent will be recognized and groomed by the organisation.

Challenges to succession planning

- Deciding the constitution of the talent pool through which the suitable candidates can be selected.
- Managing the existing environment in the organisation and predicting the future.
- Assessing the changes that future can bring in in terms of operations and processes
- Aligning the career goals of the high potential individuals with those of organisations.
- Knowing the key positions which require immediate replacements.
- Ensuring that objective parameters are followed for succession planning and also conveying a message to all the employees that the organisation rewards talented individuals by making them realize their potential.

Succession planning in Indian Companies

Here are the details related to some Indian companies successors who are either heirs or have been long standing employees and their influence on their respective businesses. Tata group has named Mr. N. Chandra Sekharan as the Chairman of Tata Sons in January 2017. His appointment as Chairman to the group followed a 30 year business career at TCS, under his leadership TCS became the largest private sector employer in India and the country's most valuable company. TCS has been placed among the Big 4 most valuable IT services brands worldwide. He has embedded a culture of customer focus and innovation at TCS.

Mr.Y.C. Deveshwar joined ITC in 1968.Became Chief Executive and Chairman in 1996. He has led ITC's strategic thrust to create multiple drivers of growth that would make a significant and growing contribution to Indian economy. Under his leadership ITC has forayed into different industries like FMCG, Agri business, Information technology etc.

Mr. A.M. Naik joined L&T in 1965. He became Chairman in 2003. With the objective of transforming L& T into a world-class conglomerate, led a transformational process that boosted shareholder value. His leadership has seen a remarkable increase across all parameters of business performance- market capitalization, consolidated turnover and net worth. He also drove the re-structuring of the conglomerate to facilitate aggressive growth across a large revenue base.

Mr. Pawan Munjal joined the company Hero Motors in the early 1980. He became company's chairman in 2015. He is responsible for growth and strategic planning for the entire

group. He has been instrumental in bringing about technological and managerial excellence in company's operations.

At the 120 year old Godrej group, the Chairman Mr. Adi Godrej's three children Ms. Tanya Godrej, Ms. Nisa Godrej and Mr. Pirojsha Godrej are spearheading various businesses successfully. At Reliance group which is one of the largest conglomerates of India, the infusion of heirs to the businesses has happened recently which led to launch of Jio mobile service. Jio has changed the market scenario in the tele communications industry. In this Akash Ambani and Isha Ambani have been instrumental as the directors of Jio. These are only to name a few. There are many more organizations which have flourished by filling key positions either with long standing employees or with heirs.

CONCLUSION

The Indian corporates in the form of Family owned ones or managed through professional managers have become extremely successful with the implementation of economic reforms. They have scaled great heights with the advent of globalization. It has propelled organisations to explore various opportunities that the booming economy provided them with. In this, successors to various key leadership positions in the organizations have contributed magnificently. The advantages of going with insiders to man key vacant positions at the strategic level are: they have the know-how related to the business, processes undertaken, have complete picture of the changing market trends and competition, understand the company's value system, its organizational culture and they immediately start proving themselves with these advantages. With an appropriate succession planning mechanism in place, organisations can stay competitive by filling the vacant key positions with competent longstanding professionals or through heirs.

References

- Byham, W. (2002). *A new look at succession management*. Ivey Business Journal, 66(5)
- Ram Charan, S. D. (2011). *The leadership Pipeline*, How to build leadership powered company.
- Richard W Redman(2006), *Leadership succession planning: An evidence based approach for managing the future: Journal of Nursing Administration*: June 2006- Volume 36- Issue-6
- Rothwell, W. (2005). *Effective succession planning: Ensuring leadership continuity and building talent from within*. 3rd ed. New York: Amacom.
- Suruchi Pandey and Deepesh Sharma / *Procedia Economics and Finance* 11 (2014)
- hrcouncil.ca › Resource Centre › HR Toolkit › HR Planning
[https://www.linkedin.com/.../succession-planning-different-challenges-small-large-](https://www.linkedin.com/.../succession-planning-different-challenges-small-large)
<http://www.livemint.com/Companies/M4IEWEGmFelQIu3UJ8s1XN/The-m>
- <http://www.itcportal.com/about-itc/leadership/board-of-directors.aspx>
- <http://www.larsentoubro.com/corporate/about-It-group/leadership/a-m-naik/>
- www.livemint.com › Companies › People
<https://www.celebfamily.com/business/adi-godrej-family.html>
[www.sciencedirect.com/science/article/pii/S2212567114001853/pdf?md5...pid.](http://www.sciencedirect.com/science/article/pii/S2212567114001853/pdf?md5...pid)

How to cite this article:

Samatha Yamburi.2017, Succession Planning In Indian Organisations. *Int J Recent Sci Res.* 8(11), pp. 21621-21623.
DOI: <http://dx.doi.org/10.24327/ijrsr.2017.0811.1109>
