

ASSESSMENT OF SUCCESSION PLANNING IN INDIA DURING POST-COVID SCENARIO

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ABSTRACT

Succession planning is a process which involve identifying the appropriate employee or person who shall be probable successor to key or senior level position in an enterprise whenever such post shall be vacant. Succession planning simply means process of passing or transferring the control, i.e. ownership and management to the successor. An important and strategic activity in family business is the transfer of business to the next generation. Succession planning is concerned with filling up the important post in organisation immediately when vacancy takes place. It aim towards recognizing the vacant positions and find out suitable successor. Succession planning helps to connect careers of individuals within the enterprise possessing appropriate skills, potentials, experiences, attitudes and capabilities. Research is based on secondary data collected from research papers and articles published mainly after COVID pandemic. Research used literature survey method to review previous studies on succession planning in Indian context.

Keywords: Succession Planning, Assessment, India, COVID, Literature

I) INTRODUCTION

An important feature of business organisation is it has perpetual succession, i.e. continuous to function and operate for longer duration. However, top management including managers, executives, officer or whatever name called; holding managerial and / or administrative positions leave the firm due to various reasons like death, age of retirement, better opportunities, etc. Succession planning is a process which involve identifying the appropriate employee or person who shall be probable successor to key or senior level position in an enterprise whenever such post shall be vacant. Succession planning simply means process of passing or transferring the control, i.e. ownership and management to the successor.

An important and strategic activity in family business is the transfer of business to the next generation. Absence of suitable and effective succession results in nuisance in day to day operations and big hurdle in the way of prosperity, continuity and fortune of family business. Succession planning is concerned with filling up the important post in organisation immediately when vacancy takes place. It aim towards recognizing the vacant positions and find out suitable successor. Succession planning helps to connect careers of individuals within the enterprise possessing appropriate skills, potentials, experiences, attitudes and capabilities. Such individuals are keen to train and develop themselves to promote for higher positions.

II) RESEARCH DESIGN

- Descriptive design has been used.
- Research is based on secondary data collected from research papers and articles published mainly after COVID pandemic.
- Research used literature survey method to review previous studies on succession planning in Indian context.

III) LITERATURE SURVEY

- 1) Renuka V. and Maratha Bhasi (2021) discussed intervening role of management succession planning in India. Family businesses generally had higher informal structure and governance system. Hence, it had informal and unplanned approach towards deciding successors of family business. Research analyzed impact of Governance Structure (GS) on success of succession process in Indian family businesses. Researcher developed mediation research framework to examine role of management succession planning as essential factor in attaining success of succession process. Research showed GS had strong and affirmative impact on success of succession process and positive impact on management succession planning. Family business consultants and different stakeholders showed array of aspects related to GS and management succession planning. Study provided guidelines on effective management for successful transition among generations. Family owners recognize importance of management succession planning, they hardly planned and prepared for the same. Such owners were given tasks of preparing succession plans and implementing good Governance Structure. Successors were expected to be capable and well-trained to boost business to next level of growth.
- 2) Jindal Poonam and Shaikh Mohsin (2021) studied talent retention as medium of relation between talent management strategies and succession planning in Indian pharmaceutical companies. Succession planning was emerging as important aspect in Indian pharmaceutical companies as very few businesses were prepared with successors to fill-up position as and when needed. Study emphasized on relationship between talent identification (TID), talent development (TD), talent retention (TR) and succession planning. Study indicated TR played mediating role in relation with TID, TD and succession planning in pharmaceutical companies. Study developed empirical relation between TID, TD and succession planning with mediating impact of TR. Study showed conceptual importance of ILM theory. Pharma companies should be prepared for succession planning process through using regular talent management strategies. Study suggested employee perceptions regarding talent development activities had relationship with perceptions about opportunities for promotion and career growth.
- 3) Fernando Claudio and Santoshkumar N. (2022) studied effectiveness of training & development in context to succession planning in automobile industry in India. Organisations required offering training and development programmes to improve employee performance. Hence, businesses required to include most effective techniques of training and development. Study emphasized on constant process of developing career objectives and proficiency of key leaders through training and development for succession planning in automobile sector. Succession planning aimed to foster and recognize future leaders within the organisation to combat competition. Recognizing prospective alternative manpower in-house and offering career development programmes for enhancing skills and backup personnel for important positions was primary step in succession planning. Mentoring and regular assessment were essential aspects to boost confidence. Study covered numerous aspects such as training and development, mentoring, on-the-job training, communication and replacing resources time on time. Research provided insights to improve process of succession planning. Aspects to be given attention included rise of individuals for leadership positions, increase of organizational talent and decline in knowledge gaps. Succession planning had significant influence on bottom line particularly when associated with training and development. During human turnover, succession planning shall help to identify

suitable person in-house with specified talents rather than searching people outside the organization. Study concluded promoting employees internally was cost effective and save resources compared to recruiting the same externally.

- 4) Praveen Kumar K., et. al. (2022) assessed significance of succession planning in Indian IT companies. Changing business situations resulted in worry among top management compelling to reconsider and revise their policies for sustainable leadership and long term survival of business. Study discussed theoretical understanding on succession planning practices in IT firms. Market dynamics and products were highly complicated. Study indicated enforcing talent management had strong effect on profitability and growth of business. Study emphasized need for companies to plan future necessities and design programs to make available right person doing right work at right time and right place. Study suggested IT firms to sustain leadership on regular basis to ensure business growth. Succession planning particularly for Chief Executive Officers and Heads of Human Resource department should be studied as these were key stakeholders in the organizations.
- 5) Rana Pritesh (2023) conducted literature survey using secondary data to discuss various case studies and evidences indicating essence of succession planning in Indian organizations. Preparation for succession was crucial aspect of business administration. Effective succession planning guaranteed sound changeover in leadership which ultimately resulted in long term survival of businesses. Importance of succession planning and its impact on performance of companies were examined. Study analyzed benefits, challenges and best practices related to succession planning. Study showed succession planning carried out in systematic way helped reducing leadership gaps, improved organizational continuity, boosted employee engagement, recognized best candidate and fostered innovations. However, resistance to change resulted in lack of resources and issues with talent identification which caused difficulties in executing succession planning. Organizations implemented numerous strategies such as empowered senior leadership, built pipeline of talent, encouraged learning and development culture, technology for skills evaluation and assessed performance of succession planning for overcoming such difficulties. Study contributed body of knowledge by showing significance of succession planning and offering useful advice to businesses about developing and putting into practice effective strategies of succession planning. Through effectively nurturing the talent and developing next generation of leaders, organizations shall ensure smooth transfer of leadership, maintain stability and promote continued progress in competitive business environment.
- 6) Shaik Shahzadi (2023) conducted theoretical analysis on strategies and implications of succession planning in Indian business organizations. Study mentioned business enterprises played fundamental role in directing the Indian economy. Research investigated the viewpoints and implication of succession planning, challenges in Indian companies scenario and strategies for effective implementation. After globalization and abolishing the trade barriers, Indian organizations were experiencing severe challenge mainly in the process of leadership succession. To enhance competitiveness in globalized environment, business enterprises were required to understand, identify and develop inherent talent for leadership duty. Such transformation was inseparable aspect of succession planning. Effective succession planning became extremely critical and unavoidable process for protecting the broad interests of firms and economy. Business performance shall sustain and continue in future only if organizations were handed to proficient, skilled and talented people. Succession planning process involved individual

interests in business enterprise and its important bearing on development of economic health of nation at large. As companies passed through different stages of life cycle, difficulties of leadership and succession became essential. Although companies differed in nature and operations, succession strategy ensuring certainty, continuity and effective leadership were to be adopted essentially.

IV) CONCLUSION

Prior to COVID 19 pandemic, succession planning has not got required attention as there was limited awareness and concern among the people and business community. Succession planning has started gaining attention especially during the post COIVD scenario. Individuals, business houses and enterprises have realized its importance and started preparations for the same. However, succession planning is still in preliminary phase and significant amount of studies and researches are needed in this area.

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