

# REVIEW OF EXISTING PLANS, MODELS STRATEGIES OF SUCCESSION PLANNING

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## ABSTRACT

*Every business has a life cycle. It talks of initiation, growth, maturity, sustaining, decline and decay. Sustaining the business leads to the conception of organisational survival and organisational survival is argued to be the primary objective of any organisation other than making continuous profits. Succession planning focuses on manpower planning activities involving identifying and developing people to take up key positions when the positions become available. Also there is no rule book existing for succession planning, yet there are models and strategies, of which one or more, if followed can be the succession plan for any organisation. This paper discusses the various models, plans and strategies for succession planning as well as encompasses the benefits of the same.*

**Keywords:** Succession Planning, Common Practices in Succession Planning, Models and Strategies of Succession Planning, Benefits of Succession Planning

## 1. INTRODUCTION

If a top executive is wooed away by another firm or he/she is about to retire, it will mean any job position can get vacant predictably or unpredictably. Today change is constant and organizational leaders who anticipate change and react rapidly with responsibility are victorious. So any organisation has to be either ready with people who, as soon as needed, may step into those shoes or end up with under qualified or under experienced people at key roles. Succession planning is identifying the need of this change and transition in leadership by systematically and deliberately choosing and grooming suitable candidates, planning for their development, placing them at the key positions as and when the position is vacant and enabling a smooth transition.

## 2. SUCCESSION PLANNING

Today, the challenge for any business is continuity as one generation plans for retirement or it may come as a surprise resignation from a key employee or an employee is lost due to death or long term disability. Also, development of candidates to take on vacant positions takes time, preparation and planning and in turn delays the transition as well as smoothens the whole phase.

It builds a management within the organisation that helps systematically replace employees that will retire or leave.

“Thinking About Tomorrow Today”

Succession planning is outlined by Wolfe (1996) as a defined program that an organization systemizes to ensure leadership continuity for all key positions by developing activities that will build personnel talent from within. Today’s definition of succession planning includes the organisations attempt to prepare for transition of all management positions (Rothwell, 2010).

The typical succession plan includes four phases (Sobol, et al, 2003):

- 1) Understand the vision of the company’s future and needs
- 2) Analyze and select the best nominee
- 3) Prepare a development plan for the candidate
- 4) Changeover of individuals into new position

The progression involves the organisation into identifying, assessing and developing their staff to ensure that they are capable of assuming key roles in the organization for present and future opportunities. Succession planning also ensures that they are involved and committed to stay for a long period.

## 3. PLANNING FOR SUCCESSION

In planning for succession, the most widespread practice any organisation follows is as given below:

- ❖ Identify Potential Candidates
- ❖ Define competencies
- ❖ Train the Candidates
- ❖ Communicate
- ❖ Go Deep into the Organization
- ❖ Hold People Accountable

The above mentioned points can be elaborated and can be encompassed into the most comprehensive and widely used plan as follows:

- 3.1 Preparing a plan: It involves sketching out the requisites of identifying key positions, competent candidates, training methods and the transition.
- 3.2 Analyse and select quality candidates: It is important to select appropriate candidates. This stage involves evaluation interviews with internal candidates as well as scanning the market for external candidates.
- 3.3 Preparing a plan for development: Planning of development programs like workshops, special projects, coaching, mentoring, assessments, tests, etc.
- 3.4 Talent Management: Motivating employees into developing their abilities not only fulfil their career development goals but also increases employee engagement and loyalty and helps in retention.
- 3.5 Communication: High level of communication be ensured not only between the organisation's team ensuring smooth transitions and identified employees but also between predecessor and successor.
- 3.6 Measure of performance: Performance metrics should be available to assist selection of potential candidates. It is also important that the performance of the selected candidate for succession be measured for the next certain span of time post transition.

#### **4. MODELS AND STRATEGIES OF SUCCESSION PLANNING:**

1. Short Term Planning or Emergency Replacements
2. Long Term or Managing Talent
3. Combination of above two plans
4. Relay Succession Planning
5. Scharmer's Theory U-Model

**The above mentioned models can be explained as follows:**

##### **1. Short Term Planning or Emergency Replacements:**

Any work role can become vacant at any time for planned or unplanned reasons. Succession planning as in emergency replacements reduce the problems if the vacancy is unexpected. In emergency replacements the replacement candidate must possess the level of performance and set of competencies that will be needed to ensure normal continuation of the work process.

A replacement plan is different than a succession plan and it should never substitute for a proper succession plan. A replacement plan identifies few individuals who are able and ready to replace someone on short notice, sometimes in an emergency. Typically, this replacement is provisional. As such, a replacement plan is tactical and should be seen as a stop gap measure, not a long term solution.

Succession planning looks beyond the immediate situation and is more strategic. When a need arises to either replace someone in a key role or staff a new position, one can recruit from the existing talent pools. Identification of emergency step-in candidates and their placements at key vacant positions need not be permanent always and may be temporary and includes a person capable of basic short term tasks for the time being.

##### **2. Short term and long term replacement**

**A typical replacement plan should consider both short term and long term needs.**

###### **2.1 Short Term:**

Short term replacement planning addresses the problem of how to keep the work flowing and identifies one or two individuals who can step into the shoes of a decision maker or occupy a key position when they are absent because of illness, vacation, business travel, short term leave, emergency, etc.

A short term replacement is essentially a back up planning. The replaced candidates will make decision on behalf of the person they are replacing. Typically, they assume these responsibilities in addition to their current role, and return to their own role once the person they are replacing returns or once a new appointment is made.

## 2.2 Long term:

Long term replacement planning identifies individuals who can replace a decision maker or occupy a key position in the event of an unforeseen, sudden and permanent loss like death, severe illness, sudden/surprise resignation, long term disability etc.).

A long term replacement undertakes the role until a official replacement candidate is identified and placed. In long term replacement the candidate may be relieved of his/her current duties while he/she is working at the vacant position. Though he/she will serve the role for a longer time yet he/she may or may not permanently assume the role. You should have replacement candidates for all managers and leaders, but also for other key roles in the organization.

### Creating a Replacement Plan:

1. Identifying key roles where an absence of a few days or more could cause disruption of work.
2. Identifying the incumbent in each of these roles.
3. Identifying candidates for short or long term replacements, in certain cases the candidates may be picked from external sources i.e. retired employees, consultants, contractors.
4. Considering the knowledge, skills i.e. competencies and experience required for the roles to be filled and the proficiency of the replacement candidate.
5. Ranking and rating each candidate in terms of them being ready to take on the role.

## 3. Long Term Planning i.e. Managing Talent

It employs a set of integrated organisational Human Resource Processes that are specifically designed to attract talented individual through recruitment and selection practices, developing the selected candidates, developing and training the candidates, motivating and retaining the top talent in the organisation.

It suffices for the goal to create a high performance work force ready to step into more important roles in the organisation as and when required, sustainable organisation that meets strategic and operational goals and objectives.

## 4. Combination of above two plans

Here, the above mentioned both the methods are utilised together to select a successor for the vacant position. The candidates with high performances are managed so as they are allowed to fulfil their career development goals and also are imparted with the required competencies through mentoring and training implying that they would be loyal to the organisation and will be retained. And as a emergency replacement or for long term replacements one of these candidates can be put forth for the smooth transition.

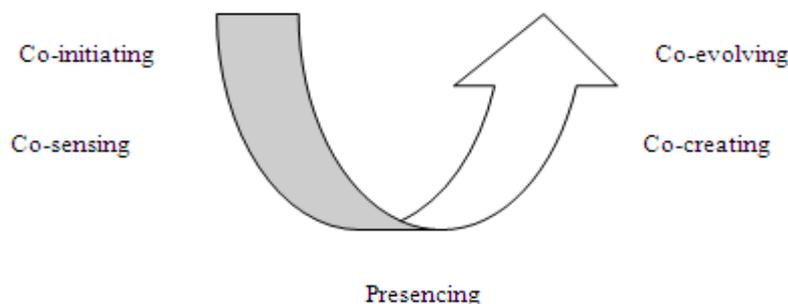
## 5. Relay Succession Planning Model by Santorin (2004)

This model says that the responsibility of the designation that is about to be vacant should be passed to the successor over a long period of time. The successor will be exposed to the corporate challenges in the pre-succession phase under the guidance of the person who is designated at the soon to be vacant position and hence he/she is tested at the period of his/her training under the predecessor.

Relay Succession Planning Model allows the organisation to have time for selection, training, assessment, grooming of the successor and hence helps in creating a transition timetable because an heir who is apparent is selected a few years before the person at the key position is about to retire. The successor then works with the soon to be predecessor. And therefore the successor performs better because he/she is already tried in decisiveness and crisis management.

## 6. Scharmer's Theory U-Model

The model can be depicted as



According to Scharmer (2007), to enact succession, the Top Management Team must first embrace change, and then must act in order to make it happen. Scharmer's Theory U views succession planning as leading from the immediate future and supports a premise of a U process of five movements that can make change possible (Scharmer, 2007). These movements; co-initiating, co-sensing, presencing, co-creating and co-evolving can help an organization to embrace

change and implement succession planning strategies and practices in the organisation for an emerging future. The stages can be explained as follows:

1. Co-initiating: The organization establishes a common purpose with all stakeholders about a future event, in this case about planning for succession.
2. Co-sensing: The organisation tries to gather new ideas through collective input, regarding the possible models and strategies to suit the organisational structure.
3. Presencing: The versioned future starts emerging as a possible reality. Failure to "presence" is one of the reasons why most organizations lulled into a false sense of security that ignores the possibility of facing challenges of vacant key positions without groomed successors.
4. Co-creating: The organisation's top management involved in succession planning process groom potential candidates for key positions before the predecessor may retire. At the co-creating stage, a group of change agents make the future possible.
5. Co-evolving: The leadership evaluates, out of many, which prototypes are practical and beneficial and then the innovation is truly embraced as a strategy for the organisation.

Scharmer's principles are applicable to the succession planning process. Companies that have adopted "Scharmer's U" process have scaled to the next level and have seen lasting results.

## **5. CONCLUSION**

As we encompassed the most commonly used models, practices and strategies followed by organisations for Succession Planning, sometimes an organisation may not believe in choosing an internal candidate and end up getting an outsider just to infuse and inject fresh ideas and vision so as to bring a positive change in the organisation. Succession Planning is not an individual activity but a process that demands continuous planning, co-ordination and monitoring for desired development. Also there is no right or wrong way of developing a Succession Plan as it is often customised according to suit the need of an organisation. And hence an organisation may plan succession of human resource with a single method/model or incorporate two or more practices agreed upon by the team responsible to look over the process. Succession Planning is essential to the legacy of any organisation and failing to plan for continuity and transition lead to crippling effects on the organisation and in most terrible case scenario may cause a company to dissolve or lead to business exit planning.

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