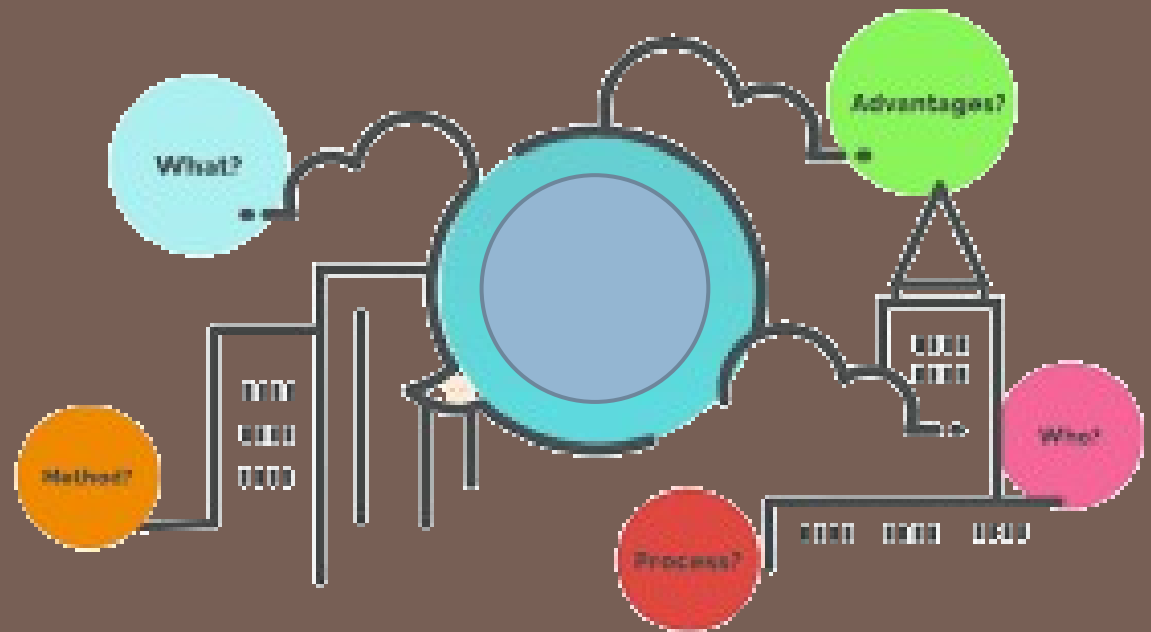


SUCCESSION PLANNING_07



introduction

Survival, growth and efficient continuous existence of an organization requires a succession of people to fill various important jobs. **The purpose of succession planning is to identify, develop and make the people ready to occupy higher level jobs as and when they fall vacant.** Higher level jobs fall vacant due to various reasons like retirement, resignation, promotion, death, creation of new position and new assignments.

SUCCESSION

Succession may be from internal employees or external people. Succession from internal employees is advantageous to the organization as well as to the internal employees. Organization can buy the employees loyalty and commitment, belongingness, shared feeling of development along with the organization by promoting the internal employees. Employees get the benefits of growth in the

Purpose of succession planning

PURPOSE OF SUCCESSION PLANNING is to identify and develop people to replace current jobholders in key positions. Through Succession Planning, companies assure a steady flow of internal talent to fill important vacancies. Succession Planning encourages '*hiring from within*' and creates a healthy environment where employees have careers and not merely jobs. It helps in identifying human resources shortages and skill shortages before openings occur. Thereafter, it becomes easy to groom qualified candidates for future vacancies. The organization is thus assured of continuity of operations and better qualified incumbents.

Replacement charts

A Succession Plan is a plan for identifying who is currently in post and who is available and qualified to take over in the event of retirement, voluntary retirement, dismissal or sickness. A typical Succession Chart shows details of key positions of executives and brief references to their possible successors. The replacement chart is a visual representation of who will replace whom if there is a job opening.

Time frame

Right person for the right job, at the right place and right time implies the time frame of succession planning. Time frame is applied for mentoring, training and job rotation. As the process of succession planning is to find right person within the internal framework, there are possibilities when no internal candidate is available, so here the management uses succession planning to recruit a person from outside. Within the organization the top level authorities keep supervising and training their subordinates for promoting them to higher post applying succession planning effectively.

ELEMENTS OF SUCCESSION PLANNING



- **Management Succession Planning**
- **Business Succession Planning**

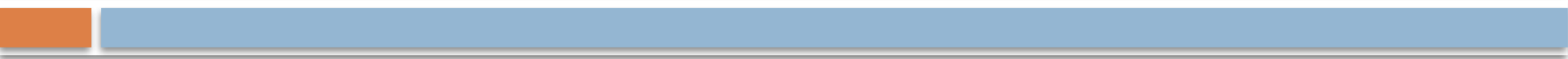
ISSUES IN SUCCESSION PLANNING AND SOLUTIONS

1. There is a compelling argument that gifting family businesses to the next generation destroys businesses and family relationships. When family members purchase shares in a family business they are required to assess their own skills and ability to generate wealth from the business. Families that skip this step, families that gift ownership encourage children to work in and often lead family businesses for all the wrong reasons.

ISSUES IN SUCCESSION PLANNING AND SOLUTIONS

2. If the employees retire or exit for other reasons, the ethos and dynamics of the business will inevitably change. If the value of the business is to be maintained or enhanced, it is imperative that these changes are carefully controlled.

The first step is to formally decide precisely what difference their departure will make. If the retiring directors/managers were responsible for sales dynamism, strict financial control, key account customer loyalty or engineering innovation, for example, these are the critical skill gaps which will need to be seamlessly filled.



3. The assumption is companies will need to recruit externally to fill operational gaps arising as they undergo change. This is not necessarily the case.

4. External HR professionals can be brought in to work as change managers. They can identify current or anticipated gaps in managers' range of skills and employees' competencies and then develop the most cost efficient ways to fill these gaps.

!!!Finally

- Succession Planning is concerned with the preparing people to fill up successive jobs. The purpose of succession planning is to develop people to replace current incumbents in key positions for a variety of such reasons as : superannuation, resignation, promotion, growth, diversification, creation of new positions, etc.

Succession Planning

- Succession Planning focuses on preparing people to fill execution positions. Succession planning is concerned with the examining development needs of a firm's strategic plans. Informally, it means high-level managers indentifying and developing their own replacements. The employees having managerial attitude and potential may be considered for development programme that will help prepare them for the executive jobs.