

Succession planning and diversity relationship

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Abstract

Leadership has become important issues in the changing scenario of India. No company can ignore it if they do they cannot stay in the market for a long period of time. It's CEO duty that he should be ready with the next generation leader. Every company should have their specific succession plan. As some of the top companies keep prepared their succession plan and they keep inform their employees regarding the succession plan strategies like Tata group, P&G, Microsoft, General electrical etc. Diversity is a new challenge for CEO/ Manager and it is related with succession plan has synergy relationship with diversity. And diversity include change it can be regarding Behaviour, needs, ethics, values, education or generation change in the company workforce. If Manager skip diversity vital the generation diversity then there succession plan would not work effectively. I have taken up generation diversity but there are other diversity factors like Gender, Generation, Culture etc are necessary to absorb before succession plan

Keywords: Succession planning, Diversity, Generation diversity

Introduction

'Make in India' has change the Indian economy scenario. It brings the new diversity in the economy production will increase; demand for labour will be there. As this shows that economy will grow faster. Babyboomer are going to be retired so the companies must have some advantages from their retirement they can act like a trainer or mentor to the next generation.

Leadership development is has change the scenario of Indian economy and it increases the demand of the executive. Now most of the Indian companies has to make a pool of talented executives while recruitment and select the best among them and prepare him/here for the future leadership role.

According to the hay group of Indian had a survey of nine year and found out some of the top Indian companies how they are performing succession process and preparing the next generation leader. Together with Chief Executive magazine, Hay Group has recognised since 2005 that there will be a major leadership shortage in the next five to ten years. This is because rapid growth in emerging markets is coinciding with the retirement of the baby boomer generation

New Delhi/ Mumbai, September 19, 2013 Global management consultancy, Hay Group, today released its eighth annual Best Companies for Leadership Study and Top 20 list. The study ranks the best companies for leadership around the globe and examines how those companies nurture talent and foster innovation in their ranks. This year, Procter & Gamble topped the list, followed by Microsoft, General Electric and Coca-Cola, in the global ranking. In the Asia list of the Best Companies for Leadership, Samsung has topped the charts, followed by Toyota, Unilever, and Indian giant Tata rounding off the top four

As many Indian companies are wishing to become a global they have to develop a kind of leader who can manage with cross culture management and diversity easily. Diversity has a positive as well negative impact on succession planning. It has change Indian company scenario now all the organization are looking for multiskills employees who can easily adapt the change.

Succession planning: It is the retention strategy of selection the best employee within the organization and prepared him/her for future leadership role .

“Succession planning is a career development of skilled employees in the organization to retain them for a long period of time so that they can become a next generation leader”

Succession planning is similar to the career development where a organization guide the employees about their career in the organization so that they stay for a long period of the with the organization and performed well.

The only difference lies that career development is done for everyone who are working for the organization within the organization .where as succession planning is done for one particular vital person within or out of the organization who can become next generation leader.

Diversity: It is a change that cannot be ignored by any organization they have to deal with it at a proper time with proper structured strategy. If ignored than organization have to faces may losses and cannot stay in the market for a long period of time in the market. Types of diversity are

- Generation
- Gender
- Culture
- Education
- Ethics
- Values
- Norms

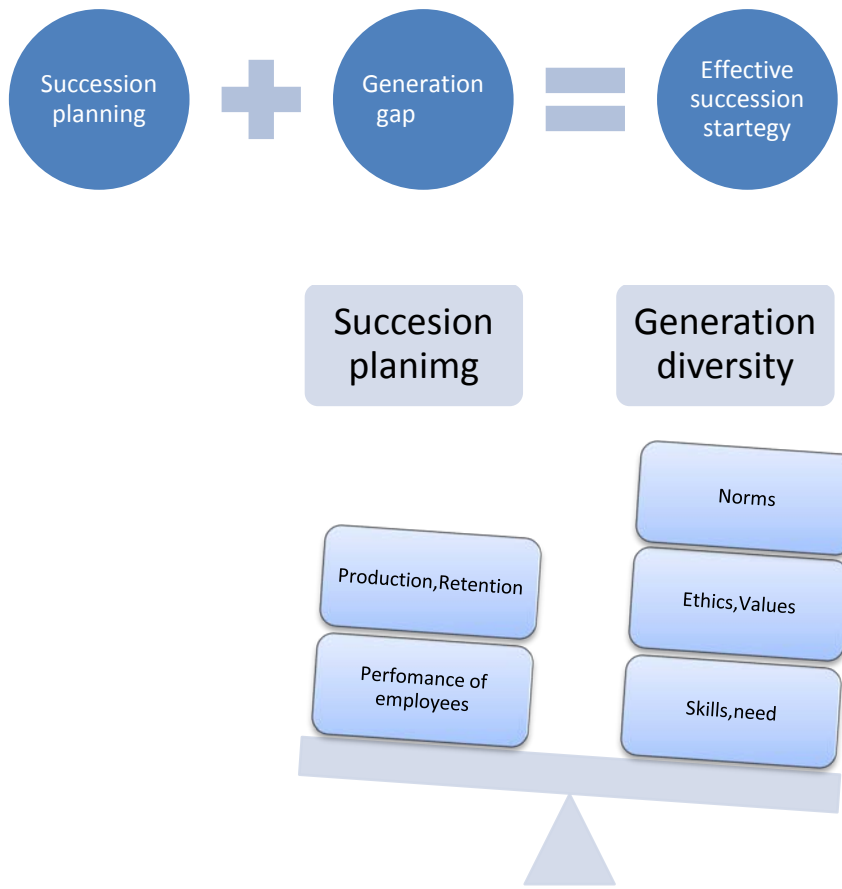


These are the vital factors a leader/manager cannot ignore it because if a manager wants to have a perfect succession planning then he has to consider all these changes while planning the succession strategy.

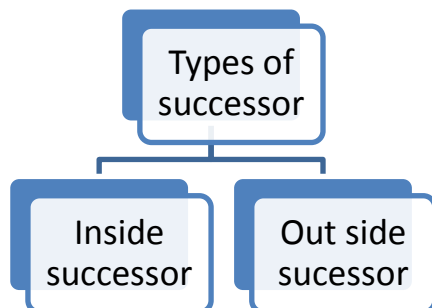
Now days there are three generations working in the organization and all these have different values, ethics, norms and needs. And this is the challenge for the manager how to get the work done by all these three generations under the one roof. And this is the change in the economy that cannot be ignored by any manager of the organization because an employee is the vital part of any organization if he is ignored or not satisfied from his job then he will leave the job or will not perform effectively.

- **Babyboomer:** this generation is nearly going to be retired .but it is hard working, loyal to their work because after world war two they have to face lots of troubles. They had to work hard for everything and they are not connected to the technology and computer much
- **Generation x:** Technology was introduced in this era. Their primary goal at work is to get the job done and leave as early as they can. They work to live and they do not have many values for others. They have excellent multitasking skills and enjoy the technology .they can be motivated and can easily adapt the change
- **Generation y:** Fast going generation love to work side by side and as soon as possible. Expected freedom. Ready for challenges. Expecting rewards, reorganization from the organization for their work. Do not stop until their voice is heard if ignored then they will leave the organization.

Relationships between succession planning and generation diversity: There is a reverse relationship between both. It creates the synergy effect $2+2=5$.there is positive relationship between both. If one is ignored then the succession strategy will not result as you perceived. Some of Indian company does not give importance to the succession planning as they pay attention to their main objectives. But they forget that if you don't have a multiskills staff then it is impossible to accomplish the mission according to the ninth survey of hay group of India they have a report that Asian top 10 countries have a proper succession process and they have some strategies to tackle with this diversity that's why they stay for a long period of time in the market and easily compete with their competitor.



Types of successor: There are two types of successor one from inside the organization and the other is from the outside of the organization. And it depend on the generation diversity what kind of generation is working in the organization and what kind of process an organization should have to prepare them as a success leader. As a Babybomber are going to be retired so the Indian organization must arrange some mentoring classes for the next generation to prepare them for the future leader and exchange their views with each other so that what mistake the Babybomber has made in their career they should not made that mistake again and share and exchange their views with each other and learn from each other.

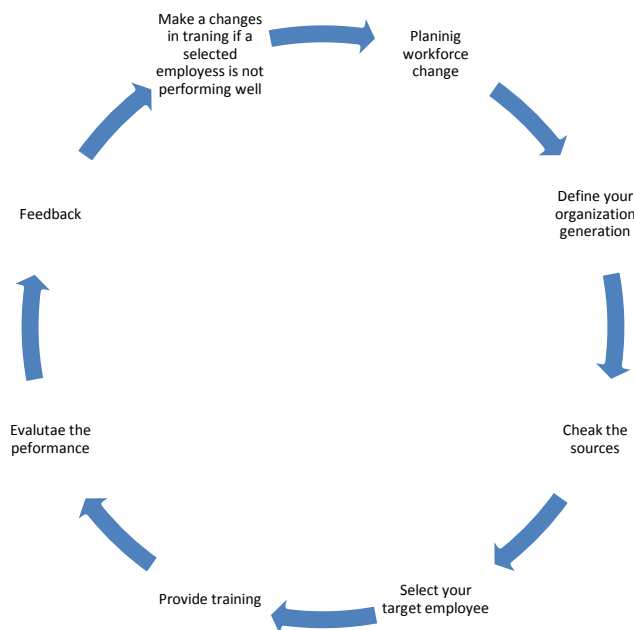


IN-SIDE Successor: If an organization found the successor from inside the organization then organization should prepare him/her for future leadership as it will not cost much to the organization and he can easily understand the environment of the organization

1. He is the one who can easily understand the company environment.
2. It will motivate the other employees and they will perform better
3. It will increase the moral of other employees
4. Organization does not need to pay any other concession as paid to the out sider successor
5. It will save lot of time and money of recruiting

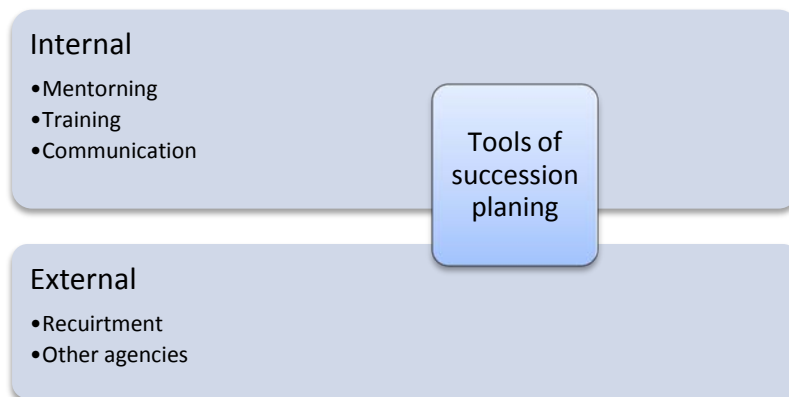
OUT-SIDE Successor: It has many demerits if an organization select a successor from the outside the organization

1. He need some potential training before performing for the company
2. It will consume lots of time and money as well in recruiting
3. Company need to pay him /here higher and some other concession
4. It will de motivate the other inside employees
5. Performance of inside employees will be decrease and it will create a negative environment in the organization



Process of Succession planning

- Planning a work force change : As a change is introduced in the economy a corporate world cannot ignore it .than its leader duty to identify the where the change has to be implemented and how to implemented
- Define your generation: As it is important to know your working generation to which generation your organization belongs and which can be prepared as future leader.
- Check the internal sources /external sources: It all depend on the time period if an organization has enough of time than he can plan it while relax or if shortage of time then a manger has to look for external sources if there is not a enough of employee which are ready to accept that change.
- Select your target employee: This is vital part where the next generation leader has to be selected carefully. You need to check all his skills, education , experiences etc which are necessary and then select your target employee
- Provide Tanning : Now it's time for the selected employees how he learn and develop the skill as soon as possible so that in future he will lead the company smoothly
- Evaluate Effectiveness: now give that role to the skilled employee and keep an eye on his work how he is performing the work. To ensure that the department or agency's succession planning efforts are successful, it is important to systematically monitor workforce data, evaluate activities and make necessary adjustments.
- Feedback: CEO/Manager must check whether the purpose of the training is accomplished or not if not then where is the lacking lies.



Tools of succession planning

1. Mentoring: Babybomber is the best tool for mentoring as they are going to be retired and they can be the best teachers for the next generation because they have lots of experience and they can use that by sharing it with the next generation working in the organization

2. Communication: As a CEO/manger is looking for future leader he has to keep on communicate either all his subordinate and should inform them regarding the succession plan of the organization
3. Training: It all depends on what kind of training is required by the trainer.

Recommendations

- CEO/ Manager must know about their generation gap within the organization .He should also be clear about their ethics, values, Education, Experiences & Needs
- Succession planning should be done according to the generation gap in the organization. It is important for the organization to define the generation working in the organization only then they should move forward
- CEO//Manager should communicate with all his subordinates' succession plan so that they get motivated and prepare them self for future opportunities
- CEO/ Manager should try to recruit multiskilling employees who can easily adopt the change in future challanges
- Mentoring should be there of every generation so that they can exchange their views with each other
- Company should have succession plan ready with them so that they can have a solution with them. If they do not perform this strategy they can face lots of problems like Infosys, ICIC banks are facing a problem related the next generation leader
- Babyboomer are getting retired as soon so the CEO should use them as a mentor and ask them to share their views with the next generation so that they can learn from their experience

Conclusion

According to the Haya Group has examine global the leadership practise being performed by all that companies are performing the leadership practise like Coca-cola, Microsoft, P&G, General Electric and they are ready to face new challanges in the economy. So it's better to for every company CEO /Manager that they should keep ready their succession plan so that they can easily adapt the change and can stay for a long period of time in the market with the competitor. Diversity is the vital part it effects the organization in all aspect as like in succession plan. So better for CEO not to avoid it while planning succession plan .It's leader development strategy need to be plan carefully implemented carefully and evaluated carefully.

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