SUCCESSION PLANNING

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Succession planning is a systematic approach to:

- Building a leadership pipeline/talent pool to ensure leadership continuity
- Developing potential successors in ways that best fit their strengths
- Identifying the best candidates for categories of positions
- Concentrating resources on the talent development process yielding a greater return on investment.

Succession planning recognizes that some jobs are the lifeblood of the organization and too critical to be left vacant or filled by any but the best qualified persons. Effectively done, succession planning is critical to mission success and creates an effective process for recognizing, developing, and retaining top leadership talent.

Succession Planning Process:

STEP I: Identification of Organizational goals and structure.

STEP II: Identification of strategically essential posts depending upon the organization's goals and structure.

STEP III: Defining skills to be possessed by employee holding those posts.

STEP IV: Assessing these skills in the employees.

STEP V: Making a pool of talented people and conducting training sessions in order to harness their talents.

STEP VI: Depending upon the training results deciding on not only the best but the perfect fit.

Need For Succession Planning:

- Retention of talented manpower
- Increase the pool of talented employees to fill key positions
- Add value to the organization's strategic plan and contribute to ongoing business strategies
- Fully access the intellectual capital of employees
- Improve employee morale and commitment to the organization
- Reducing organization uncertainty
- Design appropriate training and employee development programs

  Succession planning is achieved primarily with the help of assessment centers. Assessment centre is a process through which we judge various competencies and skills of the employees in our organization.

  Hence succession planning can be achieved though assessment centers. We try to find the best fit for the vacant position by analyzing the potential and performance of our Employees.

Assessment Centers:

What is it?

An Assessment Centre consists of a standardized evaluation of behaviour based on multiple inputs. Several trained observers and techniques are used. Judgements about behaviour are made, in major part, from specifically developed assessment simulations. These judgements are pooled in a meeting among the assessors or by statistical integration process. In an integration discussion, comprehensive accounts of behaviour, and often ratting of it, are pooled. The discussion, results in evaluation of performance of the assessees' on the dimensions/competencies or other variables that the assessment centre is designed to measure. Statistical combination methods should be validated in accordance with professionally accepted

standards. - 'Guidelines and ethical considerations for assessment centre operations.' - 28th International Congress on Assessment Centre Methods.

Assessment Centres Usage:

1. Selection – ACs help organizations in getting the right people in.

2. Career development – The identification of the competencies possessed by the individual helps organization decide his career plans.

3. Potential appraisal – ACs help organizations identify if the person can handle the challenges offered in the next higher position.

4. Identification of high potential managers – This creates a pool of managerial talents & multifunctional managers that would be available across the business group etc.

5. Succession planning – Identifying the right individual for critical positions such as CEO, CFO etc is very important for the success of the organization. ACs reduces the risk of such wrong identification.

6. Allocations of challenging assignments – ACs provide the organization with the strengths and weaknesses of every participant. This helps the organization in deciding the candidates who would have the necessary abilities to undertake the proposed challenging assignments

7. Management development – ACs provide ample opportunity to its participants to reflect on one's capabilities and to improve by observing others perform in the AC.

8. Identification of training needs – Assessment centres provide candidates and organization with concrete data on the improvement areas, which can be utilized, for training.

9. Identification of a global pool of talented managers -

Adjusting oneself in the global scenario is a critical requirement of some positions in the organization. ACs help organizations to identify such managers.

Essential Elements of An Assessment Centre:

1. Job Analysis – To understand job challenges and the competencies required for successful execution of the job.

2. **Predefine competencies** - Modelling the competencies, which will be tested during the process.

3. **Behavioural classification** - Behaviours displayed by participants must be classified into meaningful and relevant categories such as dimensions, attributes, characteristics, aptitudes, qualities, skills, abilities, competencies, and knowledge

4. **Assessment techniques** – These include a number of exercises to test the assesses' of their potentials. Each competency is tested through at least 2 exercises for gathering adequate evidence for the presence of particular competence.

5. **Simulations** – The exercises should simulate the job responsibilities as closely as possible to eliminate potential errors in selection.

6. **Observations** – Accurate and unbiased observation is the most critical aspect of an AC.

7. **Observers** – Multiple observers are used to eliminate subjectivity and biases from the process. They are given thorough training in the process prior to participating in the AC.

8. **Recording Behaviour** – A systematic procedure of recording must be used by the assessors for future reference. The recording could be in the form of hand written note, behavioural checklist, audio-video recording etc.

9. **Reports** – Each observer must make a detailed report of his observation before going for the discussion of integration of scores.

10. **Data Integration** – The pooling of information from different assessors is done through statistical techniques.

Exercises in Assessment Centres

Following are the most widely used exercises in ACs. Every exercise unveils presence/absence of certain competency in the participant . some of these exercises are:

Tool: Fact-finding exercise

What is it:
1.research and retrieval of information
2.interaction with the interviewer to obtain further information from them

Competencies:

1.Communication skills

2. Professional interaction

Tool : Case Study
        Interview

What is it:

1.Candidates read a large set of information

2.answer questions

Competency:

1.Analytical skills

2.Assimilation of information

3.Prioritization of information

4.Time-management

 5.Working under pressure

Tool: In-tray Test

What is it:
1. Prioritizing documents
2. Drafting replies to letters
3. Delegating important tasks

Competency:

1. Time-management

2. Analytical skills

3. business acumen

Tool: Group exercise

What is it:
problem solving within a
committee or team

Competencies:

1. Personal assertiveness,

2. Teamwork

3. Interpersonal effectiveness

4. Drive for result

Disadvantages of Assessment Centers:

1. ACs are very costly and time consuming.

2. ACs requires highly skilled observers as the observers may bring in their own perceptions and biases while evaluating.

3. Those who receive poor assessment might be demotivated and might lose confidence in their abilities.

4. Experts are called from outside the organization and may charge a lot of fee.

5. The process generally last for two days this leads to a lot of productivity losses.

Case Study:

Larsen and Toubro Assessment Centre

Larsen and Toubro limited use instruments that have been internationally validated besides taking the services of reputed members of academia and industry.

Their approach to leadership assessment is unique and unparalleled as a benchmark HR practice. L&T's leadership practices were ranked 6th in the study conducted by Hewitt associates on the top companies for leaders 2003 -- Asia pacific. Companies from seven markets in Asia pacific participated in the 2003 study.

As an organisation, they are sensitive to the aspirations of their employees. To address these needs, we have developed a unique leadership module. The module offers two sets of leadership role paths- one for the would-be managers (MLPs), and another for technologists (TLPs) who prefer to remain close to technology throughout their careers.
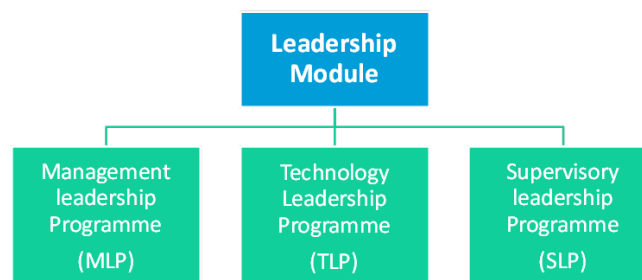
Management Leadership Programme:

Management Leadership Programme	
Tier 2 and 3 band	Tier 1 band
1.Assessment centre	1.Assessment centre
2. Business leader interview	2. Business leader interview

1. Assessment centre: In this process the prospective MLPs undergo a variety of tests such as the:

• Written tests

• Case study

• In tray tests

• Psychometric tests

2. Business Leader Interview with a senior panel:

The assessment centres are followed by 'Competency Based Interviews' with a senior panel. The interactions provide a basis to re-confirm the results so generated through the assessment process.

Various Qualities that are searched in prospective MLPs

1. Communication

Conveys information and ideas in a clear, structured, interesting and credible manner, both orally and in writing. Accurately interprets and simplifies business information. Extracts meaning and makes recommendations.

2. Customer Focus

Maintains frequent customer contact, understands customer requirements and defends their interests within L&T. Seeks to exceed customer expectations.

3. Problem Solving

Overcomes problems and obstacles through systematic analysis and balanced decision making. Seeks all relevant information, draws accurate conclusions and inferences and finds the optimal solution.

4. Functional Knowledge

Has a good grasp of his subject and related processes. Keeps abreast of changes and developments and can evaluate information for its practical application.

5. Interpersonal Skills

Involves others, interacts effectively and is a committed team member. Understands other people and is able to utilise them effectively. Shares information and ideas and seeks to resolve conflicts.

6. Creativity

Can think of innovative, multiple options, suggest new ideas for improvements

7. Networking:

Collects, interprets and shares information effectively. Interacts, liaises and builds relationships with a diverse range of parties both internal and external to the organisation.

Technology Leadership Programme:

TECHNOLOGY LEADERSHIP PROGRAMME	
Tier 2 and 3 band	Tier 1 band
1. Technology assessment centre	1. Technology assessment centre
2. Tech talk	2. Tech talk
3.Technology Business leader Interview	3.Technology Business leader Interview

1. Technology Assessment Centre:

This assessment centre focuses on evaluating the leadership competencies as applicable to the Technology Leader. The TLP assessment centre is similar to the MLP centre in terms of the tools used. The tools include group exercise, presentation, role-play and interview.

2. Tech Talk!

As a part of the assessment process, they have a technical presentation termed as 'Tech Talk', to assess the candidate's competencies related to Technology. Each candidate is asked to make a presentation on his/her role in the technology development in his/her department. This panel probes the candidate on specific competencies and assesses the depth and breadth of technical knowledge. It consists of senior persons from different ODs and also eminent personalities from academia and reputed institutes.

3. Technology Leadership Interviews:

The TLP assessment concludes with the Technology Leadership Interview by a two-member panel consisting of persons from a different Operating Division. The candidates at Tier 3 & 2 make a brief presentation to the panel focussing primarily on leveraging Technology for gaining competitive advantage

Supervisory Leadership Programme:

Supervisory Leadership Programme
Supervisory band 1.Written test 2. Psychometric test

Conclusion:

- Succession planning is one of the most essential elements of modern Human Resource Management.
- It ensures continuity of business
- It helps in retaining talented employees in the organization
- Improves the morale of the employees and ensures their personal growth.
- Given the competitive business environment it has become extremely essential to assess the employees, knowing their strengths and weaknesses and working on their weaknesses in order to turn them into a perfect fit for a relevant role
- Assessment centers play an important role in judging the skills of employees and thereby selecting a perfect fit to succeed .