REVIEW ON SUCCESSION PLANNING FOR SUSTAINABILITY OF AN ORGANIZATION

[1]Dr. Nivedita Ekbote and [2]Shriram Inamdar

[2]C Associate Professor PES`s Modern Institute of Business Management, Shivajinagar, Pune.
Email- niveditae@gmail.com

[1]Research Scholar, PES`s Modern Institute of Business Management, Shivajinagar, Pune.
Email- raam.inamdar@gmail.com

ABSTRACT

This paper reviews the literature regarding succession planning in different sectors, such as Hindu family businesses, SMEs, faith-based organizations, the public sector, etc.

The authors have mentioned some models and procedures to develop successors in the organizations. These findings will help further study succession planning for NGOs in Maharashtra.

Keywords :- *Organization, NGO,*

Introduction

Succession planning is the process of identifying and developing new leaders who can replace current leaders when they retire, leave the organization, or are otherwise unable to continue in their roles. This process helps to ensure that the organization has a pipeline of talent ready to take on leadership roles and that there is continuity in leadership and decision-making.

An NGO (non-governmental organization) is a nonprofit organization that operates independently of the government. NGOs are typically focused on social, cultural, economic, or environmental issues and work to address these issues through programs, advocacy, and other forms of outreach. NGO's can be small, local organizations or large, international organizations, and they may receive funding from a variety of sources, including individuals, foundations, corporations, and governments.

While studying these terms, the researcher has gone through various books and research articles; the ones mentioned below are findings from that study.

Relevance of Leadership Skills and Succession Planning

Leadership skills are essential for successful succession planning because they help to ensure that new leaders are prepared to take on their roles and responsibilities effectively. Leadership skills can include a wide range of abilities, such as communication, decision-making, problem-solving, conflict resolution, and the ability to motivate and inspire others.

In the succession planning process, it is important to assess the leadership skills of potential successors and identify any areas where they may need additional development. This may involve providing training or

mentorship opportunities to help them build their skills and confidence.

Leadership skills are also important in the transition process itself, as new leaders must be able to effectively communicate and work with others to ensure a smooth transition of power. This may involve working with current leaders to understand their roles and responsibilities, as well as building relationships with key stakeholders, such as employees, customers, and partners.

➢ Succession Planning in various sectors

Succession planning is a topic that has been widely studied in a variety of countries and contexts. Here are a few examples of research studies on succession planning that have been conducted in other countries:
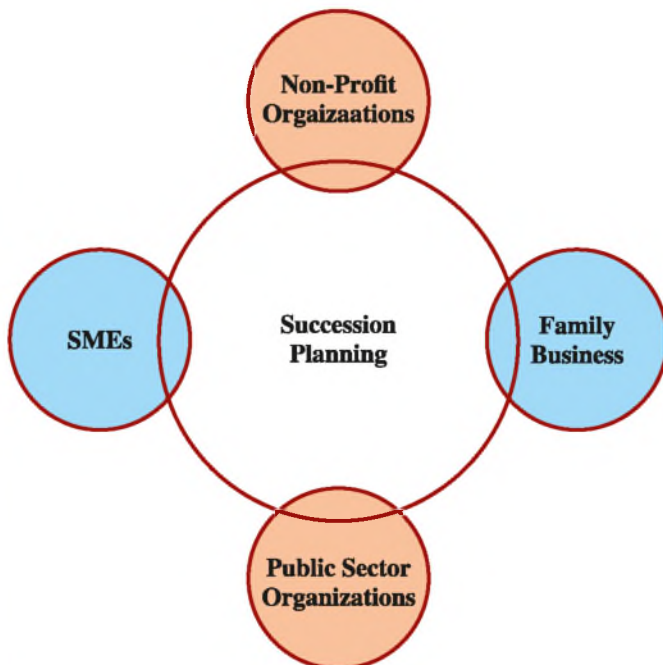
♦ Koopman & Koopman (2013) reviewed various studies on succession planning in Non-Profit Organizations and identified key themes and best practices.

♦ Reiter & Bosch (2015) analysed the existing literature on succession planning in the non-profit sector, including NGOs, and identified key challenges and success factors.

♦ E. Villalonga-Olives and G. López-Gracia(2010) conducted a systematic review of the literature on succession planning in family businesses, including both for-profit and non-profit organizations, and identified key themes and best practices.

♦ M. Tambouris and A. Tarabanis (2015)analysed the existing literature on succession planning in the public sector, including government agencies and other public organizations, and identified key challenges and success factors.

♦ J. David Hunger and Nicole C. Morris (2006) conducted reviews of the existing literature on succession planning in small and medium-sized enterprises (SMEs) and identifies several key themes and research gaps. The authors suggest that future research should focus on the processes and practices that are most effective in SMEs, as well as the impact of succession planning on organizational performance.

♦ J. David Hunger and Nicole C. Morris (2007) reviewed the existing literature on succession planning in the public sector and identifies several key themes and research gaps. The authors suggest that future research should focus on the processes and practices that are most

effective in the public sector, as well as the impact of succession planning on organizational performance.

- Kathleen M. Rospenda and Carl G. Leukefeld (2002) provides a review of the literature on succession planning in the public sector, including best practices and challenges.

- Zaidi Mohd Ripin and R. Badlishah Ahmad (2012) explores the practices and challenges of succession planning in public sector organizations in Malaysia.

- David S. Knight and Kelly S. Knight (2012) went through the case study looks at the succession planning practices of a large public sector organization in the United States, and identifies key challenges and best practices.

- Viviane E. Forbes and Andrew Kakabadse (2006) focused on the literature of succession planning in the public sector identifies key challenges and discusses the benefits of effective succession planning.

- J. David Hunger and Nicole C. Morris (2008) reviewed the existing literature on succession planning in multinational corporations (MNCs) and identifies several key themes and research gaps. The authors suggest that future research should focus on the processes and practices that are most effective in MNCs, as well as the impact of succession planning on organizational performance.

Few examples of research studies that have examined succession planning in the Indian context:

- S.K. Singh and A.K. Mishra (2016) examined the factors that influence succession planning in small and medium-sized enterprises (SMEs) in India, including the role of family dynamics and the impact of external factors such as economic conditions.

- A.K. Jha and P.K. Sahu (2017) analysed the succession planning practices of SMEs in India, examining factors such as the level of planning, the use of external advisors, and the impact of succession planning on business performance.

- A.K. Jha (2018) reviewed the existing literature on succession planning in Indian family businesses, including both for-profit and non-profit organizations, and identified key themes and best practices.

- Shailendra Singh and Anil K. Verma (2008) surveyed a sample of organizations in India to examine the prevalence and characteristics of succession planning in this context. They found that most organizations did not have formal policies or procedures in place to facilitate succession planning.

- Anil K. Verma and KalyanChakravarty (2009) surveyed a sample of family businesses in India to examine the prevalence and characteristics of succession planning in this context. The authors found that succession planning

was more common in larger and more established family businesses, and that businesses with a higher level of professionalization were more likely to have formal succession plans in place.

- Anil K. Verma and KalyanChakravarty (2010) reviewed the existing literature on succession planning in Indian family businesses, discussing the challenges and benefits of succession planning in this context, as well as the factors that influence the likelihood of succession planning being implemented in family businesses.

There are some benefits of succession planning mentioned by different authors,

- Ensuring the long-term sustainability of the organization: "Succession planning helps to ensure the long-term sustainability of NGOs in India by identifying and developing the next generation of leaders who will be able to take over when current leaders retire or leave the organization" (Chopra &Meindl, 2012).

- Improving organizational performance and effectiveness: "Effective succession planning can also improve the performance and effectiveness of NGOs in India by ensuring that there is a smooth transition of leadership, which can minimize disruption and maintain continuity" (Singh &Verma, 2009).

- Maintaining continuity and stability during leadership transitions: "Succession planning can help to maintain continuity and stability within NGOs.

- While studying different models there are different challenges face by leader to train the successor, Lack of qualified candidates: "One of the main challenges of succession planning in NGOs in India is the lack of qualified candidates who are ready to take on leadership roles. This is often due to a lack of leadership development programs and opportunities within the organization, as well as a lack of experience and training among potential successors" (Singh &Verma, 2009).

- Difficulty in developing effective leadership development programs: "Another challenge of succession planning in NGOs in India is the difficulty of developing effective leadership development programs that can prepare potential successors for leadership roles. This is often due to limited resources and a lack of expertise in this area" (Chakravarty&Verma, 2010).

- Political dynamics that can make it difficult to implement succession plans: "Political dynamics within NGOs in India can also make it difficult to implement succession plans. For example, factions within the organization may resist changes in leadership or try to undermine the chosen successor, leading to conflict and uncertainty within the organization" (Chopra &Meindl, 2012).

Here are a few examples of succession planning models that may be particularly relevant for Indian NGOs:

Name	Brief Description	Advantages of the Model	Limitations of the Model
Talent review and development	This model involves regularly reviewing the skills and potential of all employees within the organization, identifying those with the potential to step into leadership roles, and providing them with the necessary development and support to prepare for those roles.	By regularly reviewing the skills and potential of employees,organizationsan identify those with the potential to step into leadership roles and provide them with the development and support they need to prepare for those roles	This may lead to a limited pool of candidates for leadership positions, which could potentially limit the diversity and inclusivity of the organization's leadership team.
Succession planning committees	This model involves establishing a committee or task force responsible for identifying and developing internal candidates for key leadership roles within the organization. The committee may include HR professionals, managers, and other stakeholders, and may use various assessment tools and development programs to identify and groom internal candidates.	Establishing a succession planning committee can help to increase transparency within the organization, as employees are aware of the process and criteria used to identify and develop internal candidates for leadership roles.	Assessing employee potential can be subjective, as it involves evaluating qualities such as leadership skills and potential for growth
Executive coaching and mentoring	This model involves providing targeted coaching and mentoring to employees who are identified as having the potential to step into leadership roles in the future. This can include one-on-one coaching, leadership development programs, and other types of support to help employees gain the necessary skills and experience.	It can help employees develop a range of leadership skills, such as communication, decision-making, and problem-solving. This can help employees to be more effective leaders and contribute to the success of the organization.	Executive coaching and mentoring can be time-consuming and require significant resources, including the time and effort of coaches and mentors, as well as the time of employees participating in the program.

Name	Brief Description	Advantages of the Model	Limitations of the Model
Cross-functional rotations	This model involves assigning employees to different roles or departments within the organization in order to provide them with a broad range of skills and experience. This can be an effective way to identify and develop internal candidates for leadership roles, as it allows employees to gain a deeper understanding of the organization and its operations.	Cross-functional rotations can be a motivating and rewarding experience for employees, leading to increased engagement and potentially higher retention rates. Also it can encourage the sharing of ideas and approaches, leading to increased innovation and creativity.	Some employees may be resistant to change and may not want to leave their current roles or departments, leading to potential conflicts or negative impacts on team dynamics.
Talent pipeline management	This model involves actively identifying and recruiting external candidates with the necessary skills and potential to fill key leadership roles in the future. This can involve partnering with universities and other organizations to identify and develop talent, as well as using traditional recruitment methods such as job postings and networking.	Identifying and developing the leadership potential of employees, organizations can build a team of leaders who are capable of driving the organization forward and achieving its goals. This can lead to improved organizational performance and success.	Talent pipeline management can potentially be subject to biases, including those related to gender, race, and other diversity factors. It is important for organizations to be aware of and address these biases to ensure fairness and transparency in the process.

Leader can use following process to train his successor with the help of above models -

Identify key roles

- Identify the roles within the organization that are critical to its success, and consider the skills and experience that will be necessary for someone to effectively fill those roles.

Assess current talent

- Consider the current talent within the organization and identify individuals who have the potential to take on leadership roles in the future.

Develop a talent pipeline

- Identify opportunities for employees to gain the skills and experience they will need to be successful in leadership roles. This could include training and development programs, mentorship opportunities, or rotational assignments.

Create a plan

- Develop a clear plan for succession that outlines the steps that will be taken to identify and develop successors for key roles.

Communicate and implement the plan

- Make sure that the succession plan is communicated clearly to all relevant stakeholders, and take steps to implement it effectively.

It's important to note that succession planning is a dynamic process that should be regularly reviewed and updated to reflect the changing needs of the organization and the evolving capabilities of its employees.

➢ **Succession Planning for NGO in India**

Here is a summary of the main findings and conclusions of the study on Hindu family businesses and succession planning.

R. S. Desai, Jyoti G. Pathak, and R. M. Patel (2009)study found that Hindu family businesses in Rajkot, India, use a variety of succession planning strategies, including training and development programs, mentorship, and the creation of advisory boards. These businesses also place a strong emphasis on the importance of maintaining family unity and adhering to traditional gender roles in succession planning. The study identified several challenges faced by these businesses in the succession planning process, including difficulties in identifying and grooming potential successors, conflicts among family members, and a lack of transparency in decision-making.

Overall, these studies suggest that Hindu

family businesses in India place a strong emphasis on cultural and religious values in their succession planning practices.

Here is a summary of the main findings and conclusions of the study on faith-based organizations and succession planning.

R. Paul Singh and Arvinder Kaur, (2013) discusses the challenges and opportunities of leadership development in faith-based organizations in India, and provides recommendations for best practices.

Below are recommendations provided by above authors?

1. Build a strong foundation: It is important to establish a clear vision, mission, and values for the organization, and to ensure that all leaders are aligned with these principles.

2. Develop a culture of leadership: Organizations should create a culture that values and supports leadership development, and provides opportunities for staff and volunteers to grow and develop their skills.

3. Foster relationships: Building strong relationships with key stakeholders, such as donors, volunteers, and community leaders, can help to support leadership development efforts.

4. Provide training and development opportunities: Faith-based organizations should invest in training and development programs for their leaders, including courses, workshops, and mentorship programs.

5. Establish clear leadership roles and responsibilities: It is important to clearly define the roles and responsibilities of leaders within the organization, and to provide ongoing support and guidance to help them succeed in their roles.

6. Encourage networking and collaboration: Networking and collaboration with other faith-based organizations can help to foster the exchange of ideas and best practices, and can provide additional opportunities for leadership development.

➢ **Conclusion**

Succession planning is a crucial process that helps organizations identify and develop internal candidates for leadership roles, particularly in Hindu family businesses in India where cultural and religious values play a significant role. Effective succession planning strategies may include talent review and development, succession planning committees, executive coaching and mentoring, cross-functional rotations, and leadership development programs. However, succession planning in Hindu family businesses in India can also be challenging due to difficulties in identifying and grooming potential successors, conflicts among family members, and a lack of transparency in decision-making. To address these challenges, organizations should focus on building a strong foundation with a clear vision, mission, and values; developing a culture of leadership; fostering relationships with key stakeholders; providing training and development opportunities; establishing

clear leadership roles and responsibilities; and encouraging networking and collaboration with other faith-based organizations. By regularly reviewing and updating their succession planning strategies, organizations can ensure that they have a strong leadership pipeline and can continue to be successful in the long term.

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