

# An Exploratory study on the critical attributes for the succession planning

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**Abstract -** Succession Planning is a strategy for passing each key leadership role within a company to someone else in such a way that the company continues to operate after the incumbent leader is no longer in control. Succession planning ensures that businesses continue to run smoothly, hence the study intends to know the critical attributes considered in choosing the forthcoming Monitor to escalate the business in to next level.

**Key Words:** Succession Planning

## I. INTRODUCTION

Succession Planning is needed by any business that wants to be vibrant and a survivor in the current scenario of cut-throat competition, succession planning is the traditional name for the process that companies use to identify and develop one or more direct successors for management positions. Succession planning aids not only identifying qualified and motivated candidates for promotion to executive positions, but also developing their capabilities in a manner that will prepare them to perform effectively in leadership positions (Stinchcomb et al., 2010). Therefore, it is very vital to link succession planning to business strategy to obtain need kind of people with the needed set of skills for the future. However, this linkage has not been achieved in real world even in organizations with best succession planning (Karaevil and Hall, 2003). Management commitment like any other organizational wide program is critical for successful implementation of Succession Planning. Belagavi is a pioneer in the development of Foundry Industrial Sector in Karnataka by manufacturing Iron & Steel castings catering to the needs of General Engineering, Machine Tools, Automobiles, Tractor Components, Pumps & Motor Body Castings. Belagavi is having more than 160 foundries in the range from Micro, Small, Medium & large Scale Industries producing more than 1.6 lakhs tons of casting per annum which is valued about more than 700 crores per annum.

Therefore the Government of Karnataka has established the foundry cluster for Belagavi. And it is one of the biggest foundry cluster in India. However, competition, challenging consumer's expectation and economic condition are forcing the foundry industry to have a re-look at their HRD strategies. This is essential to know how they are preparing to manage the change. Considering importance of the foundry industry, it is quite necessary to concentrate upon its development and further growth for the development of the district, state and

ultimately that of the nation. The main obstacle as stated earlier in this industry is that of unavailability of skilled labour force. Therefore it is quite necessary to take corrective measure in this direction. This study will be useful to foundry industry particularly in Belagavi district in the form of its outcome.

## II. SCOPE OF THE STUDY

The research focused on succession planning in the foundry industry in Belagavi, Karnataka State. Generally, manufacturing companies are considered in controlling a relatively small share of their market place and is usually managed by owners or part owners in a personalized way, and not through the medium of an formalized management structure. The success of their management structure depends on proper succession planning and development of leadership. Succession planning aims at transferring information and knowledge from the founder to the successor of the business as the founder grows the successor on how to run the business as it results in the continuation of the business after the death or retirement of the founder whereas leadership development facilitates the managers of these foundry companies to prepare their skills for the development of the next generation of leader rather than how to lead. Therefore, succession planning and leadership development helps the organizations to decide how and when the management, ownership and control of the business will be transferred to subsequent owners those having proper expertise and creative ability in the related field.

## III. LITERATURE REVIEW

Nyoni, Thabani (2019), lack of proper succession planning is one of the major causes of SMEs closure or failure after the death or retirement of founder. Zimbabwean SMEs are not an exception. This study seeks to analyze factors affecting succession planning in SMEs in Zimbabwe. Employing the questionnaire as a data

collection instrument and relying on heterogeneous sampling, the study; whose recommendations are 4-fold, basically found out that there is need for proper succession planning if Zimbabwean SMEs are to circumvent the problem of discontinuity after death or retirement of founder. The contribution of SMEs to the economy is generally not questionable, especially in developing countries and Zimbabwe is not an exception. SMEs failure or closure after the death or retirement of the founder is quite common in Zimbabwe due to lack of proper succession planning. This study looked at factors affecting succession planning in Zimbabwean SMEs. The results of this endeavor are generally envisaged to help Zimbabwean small business owners in understanding the importance of succession planning in their businesses.

**Paul Cantor (2005)**, Competency models help in establishing the link between succession planning and leadership development. Competency gap analysis followed by competency based development offers the complete suite of development needs and interventions. Competencies are geared to the organization's requirements in the present and the future they could be core competencies (aligned to the organization's mission and values), functional competencies (aligned to core nature of work) and leadership competencies (aligned to leadership requirements of the organization).

**Basavaraj S Tigadi, Shivashnakar.K (2019)**, Succession planning is one such process which cannot be ignored keeping in mind the competitive industries. Strengthening this process directly impacts the organization as it is the nourishment of talent. Succession planning is a key in the current scenario of tight talent markets and competitive times. Strengthening talent has a direct impact on bottom line results and contributes to organizational growth. Hence development at talent level is a must for overall organizational development.

**Basavaraj S Tigadi, Shivashnakar.K (2019)**, the study revealed that the various factors influencing the succession planning in Indian foundry industry with reference to Belagavi region of Karnataka. The findings show that the business size has a positive influence on business succession planning, the bigger business being given the first priority. In contrary, increase in involvement of family members in industry has no influence on succession planning. It further concludes that gender has an effect on succession planning and that the owners who have low level of education die with their businesses because they rarely prepare the successors. The study recommends that the owners of foundries should prepare the right business successors in time to make their businesses remain sustainably.

**Sharon. M. Ashanda, (2015)**, in the study entitled Factors Influencing Strategic Succession Planning for Small & Medium Family Enterprises the author identify the factors which determine successive strategic

succession plans for family SME businesses in Nairobi Central Business District. In this paper the author has used descriptive survey design to ascertain and describe the characteristics of the variable of interest in this situation.

**Maphisa, S. M., Zwane, B. K., & Nyide, C. J. (2017)**, this research sought to explore managements' perceptions of succession planning and the impact it has on retention at a Sugar Manufacturing Company. It can be concluded that despite the existence of succession planning policies and training and development programmes at the investigated company, there is still lack of effective implementation of such practices within the company. Contributing to the lack of successful implementation of these programmes are several factors which the study found to be limiting factors. It is recommended that top management be seen as drivers of succession planning by actively providing platforms that encourage these practices. Top managements' participation will facilitate in providing leadership and direction regarding the implementation of succession planning. It is recommended that the company develop an internal talent search system. This will help channel the succession planning resources efficiently.

**Chacha Magasi (2016)**, the study intended to investigate factors influencing business succession planning among Small and Medium Enterprises (SMEs). It assessed how demographic characteristics, business size, and family related factors influence business succession planning. The study concludes that SMEs owners don't prepare the business successors while still energetic. It further concludes that gender has an effect on business succession planning and that the owners who have low level of education die with their businesses because they rarely prepare the successors. The study recommends that the owners of SMEs should prepare the right business successors in time to make their businesses remain sustainably.

#### IV. MATERIALS AND METHODS

Descriptive research design was adopted for the study considering the nature and scope of the study. Emphasis was given on studying the Critical Attributes for Succession planning in foundry Industry in Belagavi District of Karnataka. Primary data was collected by taking response of different Categories of Employees working in the Foundries of the study area with help of pre validated structured questionnaire. Secondary data was elicited from different websites and Records/Documents available with industries and line department for the study. And the data was collected from totally 86 industries and collected data was analyzed by using the appropriate statistical tools like Frequencies and percentage which aids in arriving meaningful inferences for the study.

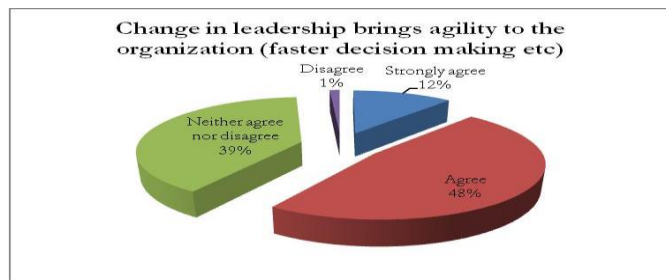
#### Results and Discussion

#### Important attributes that lead for change in leadership (Succession Planning)

**Table 1: Agility to the organization (faster decision making etc)**

Sl. No	Particulars	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
a	Change in leadership brings agility to the organization (faster decision making etc)	10	41	34	1	0

(Source: Primary data from field survey)



**Graph 1. : Agility to the organization (faster decision making etc)**

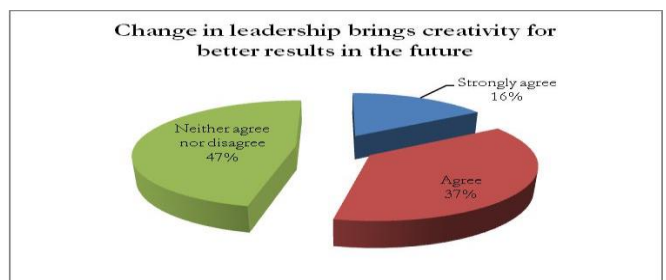
**Interpretation**

The study describes about 60% of the firms agree that leadership change bring agility i.e. Faster decision making in the organization.

**Table 2. : Creativity for better results in the future**

Sl. No	Particulars	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
b	Change in leadership brings creativity for better results in the future	14	32	40	0	0

(Source: Primary data from field survey)



**Graph 2. : Creativity for better results in the future**

**Interpretation**

The study research reveals that the 47% of the firms don't have any opinion about possibility of creativity infusion in the organization for better results due to change in leadership.

**Table 3. : Enhances vision / sustainability of the organization**

Sl. No	Particulars	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
c	Change in leadership enhances vision / sustainability of the organization	15	33	38	0	0

(Source: Primary data from field survey)



**Graph 3. : Enhances vision / sustainability of the organization**

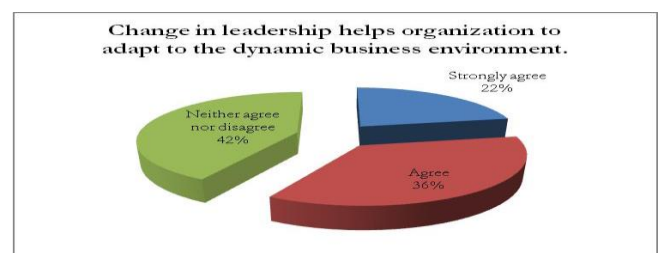
**Interpretation**

The research study reveals that the, 56% of the firms believe that change in leadership enhances vision of the organization where as 44% expressed no opinion on the same.

**Table 4. : Adaption of dynamic business environment**

Sl. No	Particulars	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
d	Change in leadership helps organization to adapt to the Dynamic business environment.	19	31	36	0	0

(Source: Primary data from field survey)



**Graph 4. : Adaption of dynamic business environment**

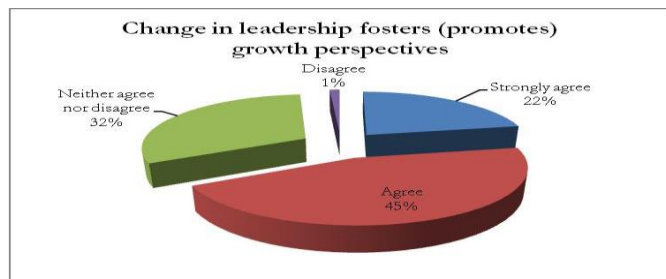
**Interpretation**

The study survey reveals that the 58% of the firms believe that change in leadership helps organizations prepare better for the dynamic business environment.

**Table 5: Promotion of growth perspectives**

Sl. No	Particulars	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
1	Change in leadership fosters (promotes) growth perspectives	19	39	27	1	0

(Source: Primary data from field survey)



**Graph 5: Promotion of growth perspectives**

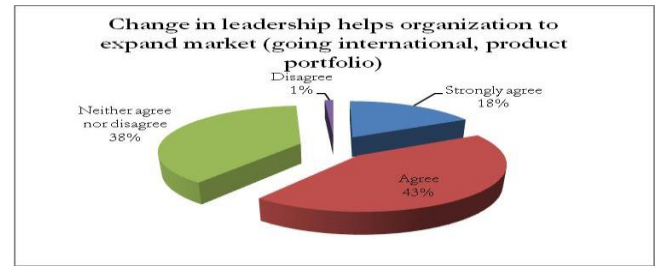
**Interpretation**

The collected data provides information that the Majority (67%) of the firms believe that change in leadership foster growth prospects of the firm.

**Table 6: Expansion of market (going international, product portfolio)**

Sl. No	Particulars	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
1	Change in leadership helps organization to expand market (going international, product portfolio)	15	37	33	1	0

(Source: Primary data from field survey)



**Graph 6: Expansion of market (going international, product portfolio)**

**Interpretation**

The collected data provides information that the over 61% of the firms are of the opinion that the change in leadership helps organization to expand market especially in case of going international.

**Table 7: Generation of new & futuristic ideas and processes**

Sl. No	Particulars	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
1	Change in leadership brings new & futuristic ideas and processes	27	48	7	4	0

(Source: Primary data from field survey)

**Interpretation**

The study reveals that the large majority (87%) of the firms agree that change in leadership brings fresh ideas and processes for growth and development of organization.

**Table 8: Resolving crisis in the organization**

Sl. No	Particulars	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
1	Change in leadership helps in resolving crisis in the organization	19	52	14	1	0

(Source: Primary data from field survey)

**Interpretation**

The research describes 83% of the firms believe that change in leadership helps in resolving crisis in the organizations.

**Table 9 : Ranking by Mean by importance of the personnel in succession planning**

Sl. No.	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
a	The Proprietor / Board of Directors /Partners	4.84	0.16	0.40	1
b	The CEO/MD/COO/CFO/GM	4.48	0.63	0.79	2
c	The Managerial Level	3.59	0.62	0.79	3

(Source: Primary data from field survey)

### Interpretation

The study describes that, it is quite evident that the highest decision making body is primarily responsible for decision related to succession planning, implementation and leadership change.

**Table 10: Ranking by Mean by the Reasons for change in leadership (Succession Planning) in terms of importance.**

Sl. No	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
a	Age factor of the existing leadership	3.61	0.45	0.67	3
b	Company policy of retirement	3.48	0.59	0.77	6
c	Change in vision of the firm	3.61	0.58	0.76	4
d	Change in macro environment (Technology, Legal, Social & Political)	3.32	0.56	0.75	7
e	Need for change in growth(development) objective	3.52	0.46	0.68	5
f	Globalization and Expansion planning for the future	3.29	0.61	0.78	8
g	Mergers & Acquisition / Change in ownership	4.00	0.73	0.86	1
h	Crisis in organization	3.90	0.89	0.94	2

### Interpretation

The data analysis show that, change in ownership is considered as major reason for the change in leadership followed by crisis in the organization and need for organizational growth. Globalization and Expansion planning for the future factor is a least important parameter for change in the leadership.

**Table 11: Ranking by Mean by the Personal attributes of the successor in terms of its Importance**

Sl. No	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
<b>A PERSONAL ATTRIBUTES</b>					
i	Experience in related field	4.55	0.26	0.51	1
ii	Relevant Education Qualification	3.87	0.45	0.67	9
iii	Self-confidence	4.16	0.81	0.90	6
iv	Business know-how (Knowledge)	4.26	1.07	1.03	3
v	Loyalty (trustworthiness) to organization	4.10	1.36	1.17	7
vi	Positive Attitude (Approach)	4.39	0.51	0.72	2
vii	Patience (Tolerance)	3.77	0.78	0.88	10
viii	Ability to accept the challenges	4.23	0.91	0.96	5
ix	Adaptability ( Flexibility)	3.74	1.07	1.03	11
x	Democratic (self-governing) nature	4.07	0.80	0.89	8
xi	Ability to take tough decisions when needed	4.23	0.71	0.85	4

(Source: Primary data from field survey)

**Interpretation**

The data analysis shows that, the experience in the relevant field, positive attitude/approach and Business know-how (Knowledge) are considered as most important elements of personal attributes of the leadership.

**Table 12: Ranking by Mean by the Attributes in respect of Values of the successor in terms of its importance.**

Sl. No	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
<b>B VALUES</b>					
i	Honesty (Truthfulness)	4.32	0.23	0.48	1
ii	Integrity (Reliability)	4.10	0.62	0.79	3
iii	Ambitious (Determined)	4.03	0.83	0.91	4
iv	Empathy (Sympathy)	3.74	0.53	0.73	5
v	Humility (Humbleness)	3.71	0.81	0.90	6

vi	Self respect	4.23	0.65	0.81	2
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(Source: Primary data from field survey)

**Interpretation**

The data analysis shows that, the firms expect leader to be honest and have self respect. Interestingly empathy and humility are considered less important attributes.

**Table 13: Ranking by Mean by the Attributes in respect of knowledge of the business of the successor in terms of its importance**

Sl. No	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
<b>C KNOWLEDGE OF THE BUSINESS</b>					
i	Experience	4.45	0.32	0.57	1
ii	Vision	4.42	0.52	0.72	3
iii	Commitment (Dedication) to organization Objectives	4.39	0.65	0.80	4
iv	Understanding of the business process	4.45	0.39	0.62	2

(Source: Primary data from field survey)

**Interpretation**

The data analysis shows that, having business experience and understanding business process are vital characteristics of a leader.

**Table 14: Ranking by Mean by the Attributes in respect of management skills of the successor in terms of its importance**

Sl. No	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
<b>D MANAGEMENT SKILLS</b>					
i	Decision making	4.55	0.32	0.57	1
ii	Risk management	4.32	0.56	0.75	4
iii	Stress management	3.97	0.83	0.91	11
iv	Delegation (Allocation) Skills	4.13	0.58	0.76	8
v	Planning and organizing	4.36	0.64	0.80	3

vi	Ethics (Principles)	4.29	0.48	0.69	5
vii	Interpersonal Skills (relationship with persons)	4.03	1.10	1.05	10
viii	Problem Solving Skills	4.39	0.38	0.62	2
ix	Creative thinking	4.10	1.16	1.08	9
x	Time Management	4.23	0.85	0.92	7
xi	Communication Skill	3.71	0.95	0.97	13
xii	Technical Skills	3.84	0.94	0.97	12
xiii	Team Work	4.26	0.67	0.82	6

(Source: Primary data from field survey)

**Interpretation**

The data analysis reveals that, the leader is expected to have higher decision making skills followed by problem solving and planning & organizing skills. Communication and Technical skills are considered relatively less important.

**Table 15: Ranking by Mean by the Attributes in respect of employee leadership of the successor in terms of its importance**

Sl. No	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
<b>EMPLOYEE LEADERSHIP</b>					
i	Trust of Employees	4.13	0.18	0.43	1
ii	Followership of Employees	3.84	0.47	0.69	5
iii	Respect of Employees	4.13	0.25	0.50	2
iv	Team building skill	3.87	0.52	0.72	3
v	Recognizing and acknowledging the work	3.87	0.58	0.76	4

(Source: Primary data from field survey)

**Interpretation**

The data analysis describes that, Trust of Employees and Respect of employees are vital for the successful leader.



**Table 16: Ranking by Mean by importance of the personnel in succession planning**

Sl. No.	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
a	The Proprietor / Board of Directors / Partners	4.81	0.16	0.40	1
b	The CEO/MD/COO/CFO/GM	4.48	0.33	0.57	2
c	The Managerial Level	3.45	0.39	0.62	3

(Source: Primary data from field survey)

**Interpretation**

The study describes that, it is quite evident that the highest decision making body is primarily responsible for decision related to succession planning, implementation and leadership change.

**Table 17: Ranking by Mean by the Reasons for change in leadership (Succession Planning) in terms of importance.**

Sl. No	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
a	Age factor of the existing leadership	3.68	0.71	0.84	7
b	Company policy of retirement	3.74	0.75	0.86	5
c	Change in vision of the firm	3.62	0.67	0.82	8
d	Change in macro environment (Technology, Legal, Social & Political)	3.71	0.64	0.80	6
e	Need for change in growth (development) objective	3.79	0.65	0.81	4
f	Globalization and Expansion planning for the future	3.85	0.55	0.74	3
g	Mergers & Acquisition / Change in ownership	3.97	1.06	1.03	2
h	Crisis in organization	4.06	1.15	1.07	1

(Source: Primary data from field survey)

**Interpretation**

The data analysis show that, crisis in organization is considered as major reason for the change in leadership followed by Globalization and Expansion planning for the future for organizational growth. Globalization and Expansion planning for the future factor is a least important parameter for change in the leadership.

**Table 18: Ranking by Mean by the Personal attributes of the successor in terms of its importance**

Sl. No	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
<b>A PERSONAL ATTRIBUTES</b>					
i	Experience in related field	4.74	0.20	0.45	1
ii	Relevant Education Qualification	4.18	0.39	0.63	7
iii	Self-confidence	4.65	0.24	0.49	3
iv	Business know-how (Knowledge)	4.65	0.24	0.49	3
v	Loyalty (trustworthiness) to organization	4.59	0.31	0.56	5
vi	Positive Attitude (Approach)	4.65	0.24	0.49	3
vii	Patience (Tolerance)	4.09	0.51	0.71	9
viii	Ability to accept the challenges	4.62	0.24	0.49	4
ix	Adaptability ( Flexibility)	4.18	0.45	0.67	8
x	Democratic (self-governing) nature	4.21	0.41	0.64	6
xi	Ability to take tough decisions when needed	4.71	0.21	0.46	2

(Source: Primary data from field survey)

**Interpretation**

The data analysis shows that, the experience in the relevant field, Ability to take tough decisions when needed and positive attitude/approach are considered as most important elements of personal attributes of the leadership

**Table 19: Ranking by Mean by the Attributes in respect of Values of the successor in terms of its importance.**

Sl. No	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
<b>B</b>	<b>VALUES</b>				
i	Honesty (Truthfulness)	4.47	0.32	0.56	1
ii	Integrity (Reliability)	4.44	0.32	0.56	2
iii	Ambitious (Determined)	4.44	0.32	0.56	2
iv	Empathy (Sympathy)	3.82	0.45	0.67	5
v	Humility (Humbleness)	3.88	0.41	0.64	4
vi	Self respect	4.38	0.43	0.65	3

(Source: Primary data from field survey)

**Interpretation**

The data analysis shows that, the firms expect leader to be honest with integrity and ambitious. Interestingly empathy and humility are considered less important attributes.

**Table 20: Ranking by Mean by the Attributes in respect of knowledge of the business of the successor in terms of its importance**

Sl. No	Particulars	Mean	Variance	Std. Deviation	Ranking by Mean Score
<b>C</b>	<b>KNOWLEDGE OF THE BUSINESS</b>				
i	Experience	4.50	0.38	0.62	4
ii	Vision	4.71	0.21	0.46	1
iii	Commitment (Dedication) to organization Objectives	4.56	0.44	0.66	2
iv	Understanding of the business process	4.53	0.32	0.56	3

(Source: Primary data from field survey)

## Interpretation

The data analysis shows that, having vision for the company and understanding business process are vital characteristics of a leader.

## V. CONCLUSION

In this Disruptive Digital/Technological World. The Succession Planning is the key for the growth and development of the Organization. Actively pursuing succession planning ensures that employees are constantly developed to fill each needed role in your Organization. As the Organization expands, loses key employees, provides promotional job opportunities, and increases sales through out of the study it was found that only few industries are considering the views of the employees in succession planning process. Where in there are great chances of finding a failure. Hence, top management need to follow the participatory approach (i.e. by involving the representative of the employee) in selecting the future leader with high-potential key leadership roles within a Organization and developing/expanding the business to next horizon.

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