

Effective Succession Planning: Panacea to Organisational Growth, Development and Continuity

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Abstract

This paper looks at effective succession planning in Nigeria organisations as a panacea to bringing about sustained growth and development to the continent. The economic growth and development in the country has over the years been given less attention by some organisation leaders in Nigeria, particularly in the area of social responsibilities. Over the past few years, there has been growing research interest in the competitive advantage associated with succession planning-a set of management policy and practice thought to endow employees with greater levels of skills, information, motivation and discretion. Future leaders, therefore must be identified, trained and prepared for the challenges of present-day competitive global markets. However, the literature suggests an effective and standardised succession plans for these leaders and senior leaders are often faced with the complex issue of how to develop and validate the competencies required for these leadership roles. In the absence of an effective succession plans, therefore, creating a leadership development programme, which provides a pipeline for new executive leaders, would alleviate this gap, and the motivating force is an effort to promote current talents and provide a higher level of competence. In analysing this succession trend, therefore, the researcher concludes that total synergy, teamwork and balanced approaches by management effective succession plans will enhance organisational growth, development and continuity in this 21st century competitive business world.

Keywords: Succession Planning: Panacea to organisational growth, development, and continuity.

Introduction

Every organisation operates on a Theory of the Business, that is, a set of assumptions as to what its business is, what its objectives are, how it defines results, who its customers are, what the customers value and pay for.

Peter F. Drucker

Think for a moment about the organisations to which you belong? You probably have many to name, such as the company where you work, a school, perhaps a volunteer organisation, or a reading group. You are undoubtedly influenced by many other organisations in your life, such as a health care organisation like a doctor's office or hospital, a church group, a child's school, a bank, or the local city council or state government. Using an expansive definition of organisation, you could name your own family or a group of friends as an organisation that you belong to as well. With just a few moments' reflection, you are likely to be able to name dozens of organisations that you belong to or that influence you.

Now consider an organisation that you currently do not belong to, but one that you were dissatisfied with at some point in the past—a case of electricity generation company in Nigeria. What was it about that organisation that made the experience dissatisfying? Perhaps, you left a job because you did not have the opportunity to contribute that you would have liked. Maybe it was a dissatisfying team atmosphere, or you were not appreciated or recognised for the time and energy that you dedicated to the job. It could have been a change to your responsibilities, the team, or the organisation's processes.

Some human resources report that they did not feel a larger sense of purpose at work, they did not have control or autonomy over their work, or they did not find an acceptable path to growth and career development. Perhaps, you have witnessed or been part of an organisation that has failed for some reasons. Perhaps, it went out of business or it disbanded because it could no longer reach its goals. You have likely had some excellent experiences in organisations, too. You may have had a job that was especially fulfilling or where you learned a great deal and co-workers became good friends.

Perhaps, the continuity of the organisation is hinged on its succession planning programme, or it is centred on its business development strategies. The 21st century organisations are becoming too competitive and the major competitive mechanism to successful landing is to continuously maintain succession planning. Succession planning is a conscious decision by an organisation to foster and promote the continual development of employees and ensure that key positions maintain some measure of stability, thus enabling an organisation to achieve business objectives. Succession planning is as old as mankind. There has been a long array of debates on who succeed who in any organisation—both formal and informal organisations. Traditionally, succession planning has sometimes taken a replacement approach, often focusing on executive-level positions. One or two successors might be identified and selected, probably based on the exclusive input of their immediate supervisor, and then placed on the fast-track into a senior position.

Succession planning is not an issue that many organisations address in any systematic way because many nonprofits making organisations are small and because they may be facing other organisational challenges; thinking about whom the next executive director might be or what would happen if the director of HR suddenly left is not high on their priority list. With careful planning and preparation, however, organisations can manage the changes that result from generational transfer of leadership as well as the ongoing changes that occur regularly when key employees leave the organisation. The identification and development of potential successors for key positions in an organisation in 21st century organisations is inevitable and which is done through a systematic evaluation process and training. Unlike replacement planning as argued by experts, succession planning is largely predictive in judging an individual for a position he or she might never have been in.

Succession planning defined

Succession planning indeed is a process for identifying and developing new leaders, who can replace old leaders when they leave, retire or die. In dictatorship, it aims for continuity

of leadership, preventing a chaotic power vacuum. In our traditional or monarchies, for example, it is usually settled by the order of succession, and in business, it entails developing internal people with the potential to fill key business leadership positions in the organisation-this is a process whereby an organisation ensures that employees are recruited and developed to fill each key role within the organisation.

With this in mind, how does the organisation then teach, coach, mentor, and evaluate the leader's competencies and ability to perform effectively and efficiently in the higher level leadership positions? What systems do the organisations put in place to ensure that newly employed human resources are successful? The challenge in any practice of succession planning includes establishing a programme that can engage the right talent, training, monitor and mentor their progress, and be confident they will be successful as leaders in the acute and ambulatory care settings.

Succession management on its own is principally about knowing the needs of the organisation and its employees and developing the capacity to address emerging issues that can or will affect business continuity. An effective succession or talent-pool management concerns itself with building a series of feeder groups up and down the entire leadership pipeline or progression. Replacement planning on the other hand is focused narrowly on identifying specific backup candidates for given senior management positions, and for the most part, position-driven replacement planning is a forecast, which research indicates does not have substantial impact on outcomes. There are many reasons why organisations need to be thinking about succession planning- the most important reason, of course, is that we rely on staff to carry out our missions, provide services and meet our organisation's goals. Managers need to think about what would happen to those services or our ability to fulfil our mission if a key staff member leaves the organisation. Another reason for succession planning is the changing realities of workplaces. The impending retirement of the baby boomers is expected to have a major impact on workforce's capacity. However, succession planning has evolved into a process that can be used to:

- Replenish an organisation's human resources at a broad or specific level;
- Identify, assess and develop employee knowledge, skills and abilities to meet the current and future staffing needs of the organisation; and
- Ensure a continuous supply of talents by helping employees develop their potentials as successors for key departmental positions.

Organisational growth and development

Organisations have been described as a social arrangement for the controlled performance of collective goals (Stewart, 1973). They exist basically for two reasons: to maximise profit or shareholder's value (Huczynski and Buchanan, 1991). The present day global competitive business trends in management, however, encourages the integration of the needs of employees with that of organisations. Maximising profit through growth, expansion and increased share value, career advancement, etc. should be to adequately maintained organisations. Investment in people should be at the fore of business strategy and in

developing human resources which invariably benefits the respective organisations. The argument behind high-performance management is that competitive markets now demand that firms emphasize quality and are able to adapt rapidly to changing conditions, which in turn means that they must increasingly rely upon the creativity, ingenuity and problem-solving ability of their workers (Wood & Wall, 2007, p. 1339). High performance organisations seek to ensure that their employees are equipped to make devolved decision, have the necessary information, skills, and incentives and are responsible for decisions essential for innovation, improvement and rapid response to change, bringing this approach of management sufficiently close to that of high-commitment and high involvement approaches. In this sense, therefore, the role and effective use and management of human resources in enhancing organisational performance cannot be over-emphasised.

Organisation, however, is a social unit of people that is structured and managed to meet a need or to pursue collective goals. It is concerned with the building, developing and maintaining of a structure of working relationships in order to accomplish the objectives of the enterprise. Organisation means the determination and assignment of duties to people, and also the establishment and the maintenance of authority relationships amongst these grouped activities.

All organisations have a management structure that determines relationships between the different activities, and the members, and sub-divide, and assign roles, responsibilities, and authority to carry out different tasks. Organisations are open systems-they affect and are affected by their environment. Sound organisation contributes greatly to the continuity and success of an organisation. The distinguished industrialist of America, Andrew Carnegie has shown his confidence in organisation by stating thus; "take away our factories, take away our trade, our avenues of transportation, our money, leave nothing but our organisation, and in four years, we shall have re-established ourselves". The above is a clear manifestation of the managerial skills enshrined in organisations. However, good structure does not by itself produce good performance, but a poor organisation structure makes good performance impossible no matter how good the individual may be.

Organisation performance refers to the ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action (Koontz and Donnell, 1993). Organisational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other organisations in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organisation. Growth, according to Encyclopedia Britannica, is an increase in the size or the amount of an entity whereas development encompasses change not only in size but also in the function. Growth is generally associated with a quantitative external change, hence it's easy to observe and measure. Development however, is qualitative and internal in nature so it is difficult if not impossible to measure directly. Other definitions portray development

as a process of transformation in which diversity, complexity and excellence of a system increase.

Organisational growth is manifested through increase in the number of employees, income, profit, or market share. This invariably, is the measures of externally visible quantifiable changes of the organisation. Business development is more difficult to define; it is associated with the process of organisational learning and transformation which are qualitative in nature. To grow is to increase in size or number. To develop is to increase one's ability and desire to satisfy one's own needs and legitimate desires and those of others. A legitimate desire is one that, when satisfied, does not impede the development of anyone else. Development of individuals and corporations is more a matter of learning than earning (Ackoff, 1999).

Organisation development (OD), according to Heinz Weihrich et al (2010) is a systematic, integrated, and planned approach to improving enterprise effectiveness. Organisation development is a critical and science-based process that helps organisations build their capacity to change and achieve greater effectiveness by developing, improving, and reinforcing strategies, structures, and processes. It is designed to solve problems that decrease operating efficiency at all levels and such problems may include lack of cooperation, excessive decentralisation, and poor communication.

The fundamental principles to succession management process, therefore, are an underlying philosophy that argues that top talents in the organisation must be managed for the greater good of the enterprise. According to Merck, 'talent mindset' must be part of the leadership culture for these practices to be effective. And, as part of the bargain, succession planning is a process whereby an organisation ensures that employees are recruited and developed to fill each key role or positions within the establishment. Through succession planning, leaders or managers recruit high-profile employees, develop their knowledge, skills, and abilities, and prepare them for advancement or promotion into more challenging positions. In this paradigm, therefore, the issue of succession planning needs to be carefully scrutinised before this programme is implemented by functional managers, thus, analysts are of the opinion that as the organisation expands, loses key employees (professionals), provides promotional opportunities, and increased sales, the succession planning ensures that employees are well prepared to step into new or challenging positions.

According to the Canadian Federation of Independent Business, one-third of private business owners plan to exit their businesses within the next five years and within the next ten years, two-thirds of owners plan to exit their businesses. The survey also found that small and medium-sized enterprises are not adequately prepared for their business succession: only ten percent of the owners have a formal, written succession plan; thirty-eight percent have an informal, unwritten plan, and the remaining fifty-two percent do not have any succession plan at all. Further researches into this indicate that many succession planning initiatives fall short of their intents (Corporate Leadership Council, 1998).

Ineffective succession planning remains a stubborn problem in most companies in Nigeria today. According to this report, the greatest gain from succession planning features high

ownership by the CEO and high degrees of engagement amongst the larger leadership team. To ensure effectiveness in succession planning, the organisation need clear objectives, which is critical to establishing effective succession planning. Hence, these objectives tend to be core to many or most companies that have well-established practices:

- identify those with the potential to assume greater responsibility in the organisation;
- provide critical development experiences to those that can move into key positions;
- engage the management in supporting the development of high-potential leaders;
- build a data base that can be used to make better staffing decisions for key jobs;
- define competencies and motivational profile required to undertake those roles;
- assess people against these criteria with a future orientation;
- identify pools of talents that could potentially fill and perform highly in key positions;
- develop employees to be ready for advancement into key roles-primarily through the right set of experiences.

In other companies, these additional objectives may be embedded in the succession process:

- improve employee commitment and retention;
- meet the career development expectations of existing employees;
- counter the increasing difficulty and costs of recruiting employees externally.

The benefits of good succession planning include:

The strategy for providing effective succession training becomes imperative if we are to achieve the goals in the 21st century organisations. The executive leadership competencies must match with the organisational imperatives and be quantified if they are to be successful. The American Hospital Association (2008) defines leadership succession planning as a deliberate process of selecting individuals from within the organisation to mentor, coach, and groom to fill the upcoming vacancies at the senior executive level. However, we discuss here some of the benefits of succession planning exercise in functional organisations;

- a means of ensuring the organisation is prepared with a plan to support service continuity when the executive director, senior managers or key people leaves.
- a continuing supply of qualified, motivated people who are prepared to take over when current senior staff and other key employees leave the organisation.
- an alignment between an organisation's vision and the human resources that demonstrates an understanding of the need to have appropriate staffing to achieve strategic plans.
- a commitment to developing career paths for employees which will facilitate the organisation's ability to recruit and retain top-performing employees and volunteers.
- it is a sort of external reputation as an employer that invests in its people and provides opportunities and support for advancement. Remember that organisations today owe its employees one of the most rewarding experiences in their lifetimes; a chance to realise their quest to grow, to achieve, and to make a difference in the world; nothing

more, nothing less (John Sculley). Basically, your staff is the foundation of your business successes, and to invest in their development is to invest in your future.

- a message to your employees that they are valuable. Employees are the most valuable asset of any organisation.

Factors affecting or challenging effective succession planning programme

From the foregoing, we understand succession planning as a process for identifying and developing new leaders, who can replace old ones when they leave, retire or die. But, this cannot be achieved due primarily to the following facets or challenges:

- the size of the organisation-some nonprofits organisations have so few positions that they may not have the ability to offer opportunities for advancement; employees with the potential and the desire to advance their careers may move to larger organisations as a result,
- lack of financial resources: employees may leave for better salaries and benefits offered in other organisations that can pay higher, particularly now that there no job security in Nigeria,
- the nature of funding: as more and more organisations depend on project funding as opposed to core funding; there are fewer core staff members available to organisations,
- in some cases, leaders or senior managers are staying on their positions, despite the fact that the skills needed for the job may have changed or they are no longer making meaningful and productive contribution to the organisation,
- project staff come and go, and may not be seen again to be part of the talent pool available to organisations. In the case of Nigeria, casualisation of workers is on the increase,
- indiscriminate inclusion of employees in the succession plan including those who are disintegrated, unmotivated or lacking the capacity to advance,
- inadequate training and development resulting in an employee who is not prepared for a promotion,
- a plan that does not promote people in a timely fashion, leading potential successors to leave the organisation to seek new opportunities,
- poor communication resulting in confusion and turmoil within the organisation as staff speculate about what the succession plan really is,
- potential candidates for promotion cannot be guaranteed that they will be promoted; a lot depends on timing and need of the organisation.

Summary and conclusion

As mentioned earlier, succession planning is a process for identifying and developing new leaders, who can replace old leaders when they leave, retire or die. It is a critical component of running a business and a major challenge for human resource management practice. Nothing can be more stressful than facing a situation when an important employee leaves

an organisation, and there is nobody immediately ready to fill the gap that he leaves behind. A wrong or even a delayed replacement for vacant managerial positions can cause stakeholder confidence to plummet, profits to drop, and may even cause the disintegration of a vital department of the business. A proper succession plan process should be harness sooner rather than later. Some of the reasons of succession planning is essential for an organisation are; disaster can strike at any time. Nobody can predict the future, just as nobody can plan for a potentially disastrous circumstance, such as a key employee leaving the company-the devastating experiences of global world economies and humanity during the unannounced siege of the covid-19 pandemic, etc.

With careful planning and preparation, however, organisations can manage the changes that result from generational transfer of leadership as well as the ongoing changes that occur regularly when key employees leave an organisation. The identification and development of potential successors for key position in an organisation in 21st century organisations is inevitable, and which is done through a systematic evaluation process and training. Unlike replacement planning as argued by experts, succession planning is largely predictive in judging an individual for a position he or she might never have been in.

The absence of a succession plan can undermine an organisation's effectiveness and its sustainability. Without a succession planning process, an organisation may not have a means of ensuring that the programmes and services are crucial to its operations are sustained beyond the tenure of the individual currently responsible for them.

It is also noted that this study on succession planning has great influence on the various aspects of work and the result that would be obtained in any work situation, and in the same vein, professional decency is at its highest ebb in most organisations. According to Abel K. Ubeku, —there is no doubt that a measure of strictness is necessary, indeed, essential in every leader who hopes to succeed. And judging from the responses of the respondents in this study, the succession planning and implementation in 21st century organisations could be said to be effective and has positively enhanced the organisational growth and development.

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