Hemant Chauhan

Role of Succession Planning in Employee Satisfaction: An Empirical Study of Middle Level Employees of IT Companies in India

# Role of Succession Planning in Employee Satisfaction: An Empirical Study of Middle Level Employees of IT Companies in India

## Hemant Chauhan

Associate Professor, School of Management, Graphic Era Hill University, Dehradun Uttarakhand India

**Abstract**

Succession planning has been considered, to promote big-picture growth and enables, an employer to shape the mind-set that's key for continuity. During the long run, the succession planning amongst the middle level employees in an IT industry, strengthens the overall functionality of the employer through, identifying their vital positions and thus, also highlighting vacancies; by helping them select key competencies as well as, capabilities which are therefore, necessary for a company's continuity. It plays an immensely, important role because succession planning is very strategic and measurable to acquire the desires and initiatives. Through this discussion, it is also going to help us understand that succession planning is a great way for IT companies that certainly make, organisations fully organised to promote and improve all employees especially middle-level employees- not just those individuals who, are at the management or government levels. Succession making plans is utilised, by groups to streamline the technique regarding an exchange of management or ownership. This research work will also let us understand how, succession planning is a business approach towards middle level employee satisfaction for passing management role on to several other employees in IT companies of India. The results also suggested that, to enhance succession planning strategic innovation are being developed to train and develop employees in IT industries of India. Sample of 213 people from different IT companies to the role of succession planning in employee satisfaction among middle level employees of IT companies in India and found that successful planning helps an organisation to identify and develop high-performers and brings huge change in organisational culture and management.

**KeyWords:** Succession Planning, Overall functionality, Middle-level employees, Business approach, Employee satisfaction.

## Introduction

During the recent years, in most of the IT industries of India employees leaving and new employees joining and becoming a member of an IT organisation is a common occurrence in today's corporate world. But human resources are one of the dynamic factors of an organisation

Hemant Chauhan
Role of Succession Planning in Employee Satisfaction: An Empirical Study of Middle Level Employees of IT Companies in India

(Das & Baruah, 2013). Here, to ensure that the right employee is employed and promoted for the vacated positions is very essential for IT companies for its continuity and fulfilment. In such circumstances, succession planning plays a very important role for an organisation, to identify critical roles and help in finding, the right talent both from outside and internally (Rothwell, 2011). Thus, succession planning in many IT companies of India can be defined as a mechanism in which inheritance of leadership and management in several organisations can be preserved and managed very efficiently (Budhwar & Varma, 2011). It is a key within the present-day scenario, which is of tight talent markets and aggressive times. Therefore, such planning is very important towards employee satisfaction so, that the vacant positions are filled as quickly as they, turn out to be empty in order that IT companies doesn't suffer any losses. The above-mentioned evaluation is going to be very useful for employer managers to choose and tailor succession making plans procedures which finely, fit the IT companies of India. Succession planning is being considered as; one of the suitable efforts in this regard (McDonnell, et.al, 2010). In a general definition, succession planning is an essential structure that takes into consideration the company's assets and resources for the protection as well as development of high potential employees. Many other definitions have also cited such planning's as a strategic, systematic, and deliberate activity to fill vacancies without patronage or favouritism. It guarantees an IT organisation, that the right employees are within the proper job roles on the right time. Succession planning additionally plays an important role towards providing an opportunity to train and encourage the chosen middle level employees on exceptional elements of the organisation and permits them the time to build leadership potential. Helps to minimise miscommunication and chaos amongst the employees of IT organisation thereby, allowing them to work effectively and make certain that the organisation's subculture as well as surroundings aren't adversely impacted due to an alteration in management. Through this research work, it will lead us to better understand several vulnerabilities. But, most crucially succession planning in IT companies of India helped its less ambitious, much less-skilled employees of their organisation realise that their hard work and competencies are being noticed, and liked enough to be considered for development. Therefore, the main objective of succession planning will be described below with most appropriate avenues as globally, the Information and Technology is becoming very competitive, so it is very necessary that effective mentoring is provided to train middle-level employees before are vacancies are created. Succession planning is a tool to motivate and retain employees thus, identifying areas of weaknesses in middle-level employees (Agarwal, 2018). The present research work will also let us guide, towards right approach and identify key employees of IT companies with the best abilities so, that they perform well in top roles. Better, succession planning will eventually protect the IT organisations of India, and they might not be able to face any negative impact.

Literature Of Review

Hemant Chauhan

Role of Succession Planning in Employee Satisfaction: An Empirical Study of Middle Level Employees of IT Companies in India

Before going further, in simple words the term succession planning can be described as a business strategy needed by any organisation, to use it to pass leadership roles down to some other employee whether, middle-level or group of personnel. It also guarantees an organisation that, they maintain to run smoothly and without interruptions, after employees of companies move on to new opportunities, retire or pass away. Succession planning is a superb way for the IT companies of India to ensure that, they remain completely organised to promote and develop all middle level employees thus, not only those who are at the management but also in executive levels (Van Zyl, et.al, 2017). The succession making plans in majority of the IT companies to expand their employees' talents entails cross-training among middle-level employees which ensures employee satisfaction, help them develop skills, knowledge and understanding of the business organisation (Wadhwa & Tripathi, 2018). Succession planning is not a one-time event as it, tend to evaluate each one of the leader's skills by identifying potential replacement amongst the employees of organisation in case of internal replacements. Despite, in addition so many advantages in employee's satisfaction the process of succession planning often, takes a lot of time and effort. Many middle-level employees also recognise that there remains a chance for development and possibly ownership, which could lead to more empowerment and higher satisfaction levels (Antony, 2018). Indian forums have also started to realise that succession planning is one of the critical issues and many IT companies located in India also begun to increase their focus on such matters. Organisations of India have approached the succession planning in numerous ways and their experience have proven that few do have constructed techniques that encompass the three crucial facets of the exercising: board succession, CEO succession and building a leadership pipeline. Inclusion of succession planning is very crucial as, it can have a positive impact on their company's performances and may, even result in huge business success (Joyce, W. F., & Slocum, J. W. (2012). Hence, succession making plans has performed a key function in corporate governance episodes which include Tata Sons and Infosys, thereby highlighting the significance of the concept. According to a survey, it resulted that in most of the IT companies a large proportion of higher management are nearing retirement age, which calls for replacements inside the close to future. Succession planning is very important to the continuity of the management and thus, helps to identify and develop new leaders who may replace the old leaders when they leave, retire, or die. In country like India, succession planning is assumed to be not a new phenomenon despite; it has been present since the olden days of kingdoms and monarchies. Kings and leaders of any kingdom used to perceive in advance approximately who will tend to succeed them in future, furthermore, ensuring continuity of management at the very best and key positions. Succession making plans helps most of the IT organisation in all levels of employees to create a pool of talented middle-level employees for every key function. Rise of IT companies India have resulted that succession planning is a much-needed process for them to make sure, that no key position inside the organisation, ever remain open in absence of availability of right expertise (Agrawal, et.al, 2012). This process may make

Hemant Chauhan
Role of Succession Planning in Employee Satisfaction: An Empirical Study of Middle Level
Employees of IT Companies in India

certain transparency, reassure employees of equity, and motivate recognised successors to continuously up their game to keep their status.

There are many roles that, work towards employee's satisfaction which are:

**SKILL DEVELOPMENT AND PLANNING:** Successful planning helps an organisation to identify and develop high-performers among middle-level employees in the IT companies of India (Gunaseelan & Bagiyam, 2013). The present technique offers a company the next era the possibility to broaden the essential capabilities within their employees of organisation, knowledge, and experience to be good business leaders. Gradually, it allows them to take on extra responsibilities and prepares them for future leadership. Succession planning brings a huge change in organisational culture and management that may occur during a leadership change.

**EMPLOYEE MORALE:** It results to elevate employee morale and productivity, and most of the employees are more likely to be felt satisfied, motivated, and productive towards their work because employees tend to get realised that there is a plan for the future.

**BUILD TRUST:** Succession planning helps to build trust and such trust and confidence among them is very crucial for the company to maintain business relationships and attract outside support. It builds trust among all stakeholders, investors, suppliers including all members of management which reassures a sense of stability and clarity regarding the direction of organisation. Lenders and investors inside the Indian market remain interested to spend more money to a business that have a clear succession plan in place (Malik, 2018).

**PROVIDES OPPURTUNITY TO IDENTIFY POTENTIAL LEADERS:** Proper succession planning therefore, also an organisation and management to identify and help them understand their employee weaknesses, strengths and provides them the time to build leadership ability. Succession planning is very necessary in IT companies of India among the middle-level employees and also ensures to identify potential candidates easily as well as eliminate bias (Ali & Babu, 2015). In today's scenario most of the employees of IT industries are getting promoted daily, moving from one company to another as well as getting retired every day. So, that's why IT companies of India must enable to have a solid plan in place to ensure such that vacant positions are filled by people equipped to do job. Therefore, succession planning will offer high-capacity and high-performing employees a clean clear route to the company. It facilitates an organisation to intend and get prepared for the future based on extraordinary scenarios. Middle-level employees of an organisation are advocated to broaden nearer connections with their companies' leaders, as this may cause them to be more effective in their future roles. A successful organisational culture is developed at all strategic levels of the IT companies that help to identify potential candidates that can replace aging and quitting leaders. Such methods must be consequently easy, concise, bendy, and possibly taken into focus of the environmental variables which do impact at the corporate making plans. Most of the IT companies are realising that

Hemant Chauhan
Role of Succession Planning in Employee Satisfaction: An Empirical Study of Middle Level
Employees of IT Companies in India

current and future success of an organisation is totally dependent on having right leaders at the right time (Li, et.al, 2016). Middle level employees also stated that, it helped to enhance their career opportunities and act in ways that also, enable an organisation to achieve this balance.

**OBJECTIVE:** To know the role of succession planning in employee satisfaction among middle level employees of IT companies in India.

**METHODOLOGY:** Sample of 213 people from different IT companies to the role of succession planning in employee satisfaction among middle level employees of IT companies in India. A checklist question was used to analyse and interpret the data. In a checklist question respondents choose "Yes" or "No" for all the questions.

**Data analysis and interpretation**

### Table 1 Role of succession planning in employee satisfaction

| S. No. | Statements | Yes | % Yes | No | % No | Total |
|---|---|---|---|---|---|---|
| 1 | Successful planning helps an organisation to identify and develop high performers | 152 | 71.4 | 61 | 28.6 | 213 |
| 2 | Brings huge change in organisational culture and management | 147 | 69.0 | 66 | 31.0 | 213 |
| 3 | Help to elevate employee morale and productivity | 154 | 72.3 | 59 | 27.7 | 213 |
| 4 | Succession planning helps to build trust and confidence | 160 | 75.1 | 53 | 24.9 | 213 |
| 5 | Help to understand employee's weaknesses, strengths and help to build leadership ability | 155 | 72.8 | 58 | 27.2 | 213 |
| 6 | Attract, motivate, and retain good quality employees and satisfying their career needs | 163 | 76.5 | 50 | 23.5 | 213 |

Role of Succession Planning in Employee Satisfaction: An Empirical Study of Middle Level Employees of IT Companies in India
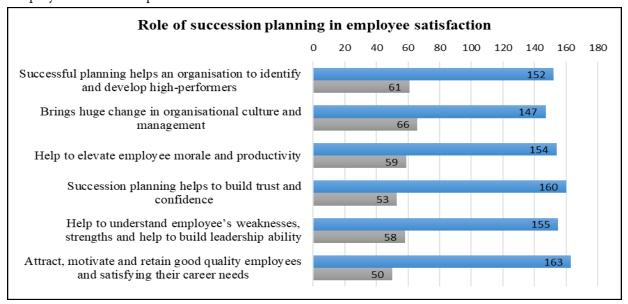


Table and Figure 1 show role of succession planning in employee satisfaction. It is found that around 71.4% of the respondent accept that Successful planning helps an organisation to identify and develop high-performers followed by Brings huge change in organisational culture and management (69.0%), Help to elevate employee morale and productivity (72.3%), Succession planning helps to build trust and confidence (75.1%), Help to understand employee's weaknesses, strengths and help to build leadership ability (72.8%), Attract, motivate and retain good quality employees and satisfying their career needs (76.5%).

## Conclusion

The paper shows that, after going through several studies still there are many IT companies where there is lack of a systematic approach and willingness to recruit, nurture, groom and retain potential leaders in most of the organisations of India. Despite, the fact that succession planning is important and useful to all types of companies in India, many IT organisation do lack a well thought succession plan among their employees. Leaders and management of all companies should also periodically reassess, and measure leadership succession plans for their effectiveness amongst their middle-level employees in their organisation (Aggarwal, et.al, 2019). The major objective of this recent work was, to gain a better understanding of the construct of succession planning and the outcomes it produces in an IT organisation. Nevertheless, it also acknowledged that many IT organisations are getting encouraged to consider, the importance of adopting contexts related to succession planning into an appropriate conceptual framework (Thunnissen, 2013). It also clarified the role of succession planning and how, it significantly predicts employee retention. The results of this, research work conducted also concluded that succession plan have a major mechanism for attracting, motivating and retaining good quality employees satisfying the career progression needs of the employees.

Hemant Chauhan

Role of Succession Planning in Employee Satisfaction: An Empirical Study of Middle Level Employees of IT Companies in India

The study was conducted to know the role of succession planning in employee satisfaction among middle level employees of IT companies in India where maximum people says that Successful planning helps Attract, motivate, and retain good quality employees and satisfying their career needs, helps to build trust and confidence and help to understand employee's weaknesses, strengths and help to build leadership ability.

## References

[1]     Agarwal, T. (2018). Effect of talent management practices and organisational performance on employee retention: Evidence from Indian IT Firms. Journal of Internet Banking and Commerce, 23(1), 1-16.

[2]     Aggarwal, A., Mittal, A., & Rasheed, M. A. (2019). A thematic analysis of employee competencies in an uncertain business environment: a study on the indian infrastructure sector. J. Adv. Res. Dyn. Control Syst, 11, 1289-130.

[3]     Agrawal, N. M., Khatri, N., & Srinivasan, R. (2012). Managing growth: Human resource management challenges facing the Indian software industry. Journal of World Business, 47(2), 159-166.

[4]     Ali, A. M., & Babu, P. P. (2015). Succession Planning and Leadership Development in Software Organizations (With Reference to Select Leading Information Technology Companies in Bangalore). European Journal of Business and Management, 7(1), 311-320.

[5]     Antony, M. R. (2018). Paradigm shift in employee engagement–A critical analysis on the drivers of employee engagement. International Journal of Information, Business and Management, 10(2), 32-46.

[6]     Budhwar, P. S., & Varma, A. (2011). Emerging HR management trends in India and the way forward. Organizational Dynamics, 40(4), 317-325.

[7]     Das, B. L., & Baruah, M. (2013). Employee retention: A review of literature. Journal of business and management, 14(2), 8-16.

[8]     Gunaseelan, R., & Bagiyam, S. D. (2013). Analysis of factors influencing employee turnover for effective succession planning. JIMS8M: The Journal of Indian Management & Strategy, 18(3), 25-30.

[9]     Joyce, W. F., & Slocum, J. W. (2012). Top management talent, strategic capabilities, and firm performance. Organizational Dynamics, 41(3), 183-193.

[10]    Li, W., Liu, K., Belitski, M., Ghobadian, A., & O'Regan, N. (2016). e-Leadership through strategic alignment: An empirical study of small-and medium-sized enterprises in the digital age. Journal of Information Technology, 31(2), 185-206.

[11]    Malik, A. (2018). Challenges of Family-Owned Business in India: A Survey Based Analysis of Family Business Owners. information technology in industry, 6(3).

Hemant Chauhan

Role of Succession Planning in Employee Satisfaction: An Empirical Study of Middle Level
Employees of IT Companies in India

[12] McDonnell, A., Lamare, R., Gunnigle, P., & Lavelle, J. (2010). Developing tomorrow's leaders—Evidence of global talent management in multinational enterprises. Journal of world business, 45(2), 150-160.

[13] Rothwell, W. J. (2011). Replacement planning: A starting point for succession planning and talent management. International Journal of Training and Development, 15(1), 87-99.

[14] Thunnissen, M., Boselie, P., & Fruytier, B. (2013). Talent management and the relevance of context: Towards a pluralistic approach. Human resource management review, 23(4), 326-336.

[15] Van Zyl, E. S., Mathafena, R. B., & Ras, J. (2017). The development of a talent management framework for the private sector. SA Journal of Human Resource Management, 15(1), 1-19.

[16] Wadhwa, S., & Tripathi, R. (2018). Driving employee performance through talent management. International Journal of Environment, Workplace and Employment, 4(4), 288-313.