

## **A STUDY ON SUCCESSION PLANNING AND ITS IMPACT ON ORGANIZATIONAL PERFORMANCE IN THE IT SECTOR**

*Neetha Mary Avanes,sh,*

Assistant Professor,  
Department of Management Studies,  
New Horizon College of Engineering,  
Marathahalli, India.

### **ABSTRACT**

The present study aimed at measuring the practice of Succession Planning and its impact on Organizational Performance in IT companies based in Bangalore. This study falls under descriptive study mainly aimed at fact finding. The method adopted to collect data is questionnaire method. The study found that the mean percentage of Succession Planning and Organizational Performance in IT consultancy firms is found to be higher than that of IT Product/Research firms and the relationship between Succession Planning and Organizational Performance is found to be positive.

**Keywords:** Succession Planning (SP), Organizational Performance (OP), Information Technology (IT)

*“Good succession planning is not just looking at who is next in line for a slot, but looking at people early in their careers and determining what kind of training they need to become leaders.”*

There was a time when organizations had many managerial levels, and the abundant leaders spent a substantial amount of time in strategic activities such as process improvement, training and mentoring. Employees had expectations of staying with an employer for decades and hoped that after a few years of distinguished service they might be invited to join the ranks of management trainees. With the luxury of time, supervisors had the opportunity to observe direct reports across many situations and guide employees with high potential toward future career opportunities. In short, it was every supervisor’s responsibility to develop the next generation of leaders. This focus on future talent lasted into the ’70s for some organizations and into the ’80s for others. The executives who rose through the ranks during this period are now retiring. It has been said that 1 in every 5 senior executives of the Fortune 500 are eligible to retire, and more than 50% of all senior government executives in the US are also eligible to retire (Rothwell, 2002a). US is not an exception, similar effects of aging workforces can be seen throughout the developed world. Another issue that needs to be addressed is the recognized need for prudent risk management in anticipation of possible terrorist attack – an issue dramatized by the tragic loss of 172 Corporate Vice-Presidents when the World Trade Center collapsed. The loss of talent in the industrialized nations as a direct consequence of aging workforces also adds to the list.

An ASSOCHAM Business Barometer (ABB) Survey has revealed that India Inc. has a long way to go for putting in place its succession plan at top level. The ABB Survey of 275 leading management consultants, corporate, academicians and professionals on ‘Missing Link in Succession Plan’ found that only a few companies in India formulate and effectively implement succession plan for the key positions in their organization structure. This was confirmed by 75 per cent of the ABB respondents. They rated Indian companies 4 on a scale of 10 in terms of long term planning and grooming of the successor to the head of a firm. Almost half of the Indian top 100 organizations are family run businesses. Though astute in business, when it comes to sorting out matters of succession some of India’s oldest business families may still need to do their homework. Be it the Ambanis of Reliance Industries, the Bajajs of Bajaj Auto, the Nandas of Escorts, or the Modis of Modi Rubber - each family has, in the recent past, faced succession and ownership issues and found them tough to resolve. Except for a handful of companies like Infosys, where the passing of baton from N.R. Narayana Murthy to Nandan Nilekani to Kris Gopalakrishnan to S. D. Shibulal, happened without a hitch, the issue of corporate governance isn’t addressed with the seriousness it deserves.

While concerns about succession are as old as the human race, professional research on succession planning and management began in earnest in the 1950s (Zaich, 1986). The chief focus of that research was on CEO succession until the 1980’s (Kesner & Sebor, 1994). At that time, due to the growing interest in human resource planning, still a topic of interest today (Rothwell and Kazanas, 2003) – research began to take on a broader focus that encompassed more than CEO’s. The National Academy of Public Administration (NAPA) defines succession management as *a deliberate and systematic effort to project leadership requirements, identify a pool of high potential candidates, develop leadership competencies in those candidates through intentional learning experiences, and select leaders from among the pool of potential leaders.*

#### **NEED FOR THE STUDY:**

The robust growth of the Indian economy can be attributed to the meteoritic success of ' Indian IT Industry '. The Indian Software Industry has grown from a mere US \$ 150 million in 1991-92 to US \$ 5.7 billion in 1999-2000 to a staggering US \$ 47.3 billion in 2008-2009. Poised to become a US\$ 225 billion industry by 2020, the Indian information technology (IT) industry has played a key role in putting India on the global map. The sector is estimated to have grown by 19 per cent in 2011, clocking revenue of almost US\$ 76 billion.

It is estimated that by the year 2010, most global organizations will lose 40 percent of their top executives, leaving a vacuum that has to be filled by the rising stars in the company. In an era of stiff competition for seasoned professionals, it has become necessary to identify and develop leaders from within the organization

(from succession lists) and empower them with additional responsibility to assume increasing levels of leadership. Currently, there seems to be more emphasis on succession planning and leadership development of the Senior Executive rather than midlevel managers. Hence the need to develop succession planning and leadership development strategies for midlevel managers is critical.

In most global organizations, leadership development initiatives are considered an integral part of the corporate strategy. Global human resources consulting firm Hewitt Associates had conducted a leadership study earlier this year which revealed that 91 percent of the top 20 companies have a process for early identification of leaders compared with 61 percent of the rest; also, 82 percent of the top organizations have formal mentoring programs in comparison to half of the others. IBM, which led the list, has 11 leadership competencies for all management levels. Potential leaders from within the organization are assessed on the basis of these competencies and are included in the succession planning process. Microsoft, which ranked second, is known to attract rare talent, and it is right at the hiring stage that the potential stars are identified to be aggressively groomed later. The leading Indian IT companies like Infosys, TCS, and Wipro have leadership strategies in place, with the top management focused on creating the next line of successors. According to a report by US-based business research firm Cutting Edge, while many companies have succession plans, very few follow through with the rigorous implementation required. In fact, 70 percent of succession plans fail due to bad execution.

Therefore, in this study an effort is made to measure the process of succession planning and its impact on organizational performance in Indian IT sector and specific recommendations are made for improving the quality of succession planning and organizational performance. This study is based on the statistical analysis of data collected from IT companies situated in and around Bangalore. An attempt was made to review the related literature in respect of the succession planning and its impact on organizational performance. The end result of this review is to formulate conceptual frame work regarding the selected topic of research.

***The overview of the related literature is enunciated below:***

- **Anand Adhikari (2006)**, in his article “*Who’s next?*”, he conveys that succession planning is the biggest challenge the companies in India are facing. Further, At the Tata group, the challenge is even more daunting. Not only does the board need to find and groom a successor to Chairman Ratan Tata, who retires in 2012, but also the CEOs of Tata Steel and Tata Motors, the two biggest companies by revenue. At Wipro, Chairman Azim Premji, 61 needs to get a successor in place too, although Wipro has no retirement age for the chairman. It would be unfortunate if India’s CEOs needed to stay on their jobs not because they wanted to, but because they were forced to. At this point, that’s the sort of leadership crisis India Inc. seems to be staring at.
- **M. Dami Baldwin (2005)**, in his article “*The Strategy of Succession Planning*” he states that succession planning plays a major role in the companies’ strategic planning. Succession planning is not only for CEOs but also for all key positions. It further illustrates the advantages and disadvantages associated with succession planning. The process of developing succession planning requires a long-term strategy for the company involving the key area that requires continuity and development and the key people that the organization wishes to develop.
- **Jeff Weekley (2005)**, in his study “*Succession Planning: Issues and Answers*”, he states that the HR professionals develop the succession planning with a mandate received from the CEO. However, the application of the process is not sure. To put the plan in the process, the organizations should follow a few techniques. That is the CEO must be an avid supporter and an active participant, the line management must own the process with HR playing a supportive role, gaps between the current and future skill requirements are to be identified, succession planning must be consistent with other programs, employees are to be held accountable for their own planning and should focus on the selection process, the planning process has to be reviewed quite often.
- **Steven Jones (2004)**, in his study on “*Leadership Succession Planning:*

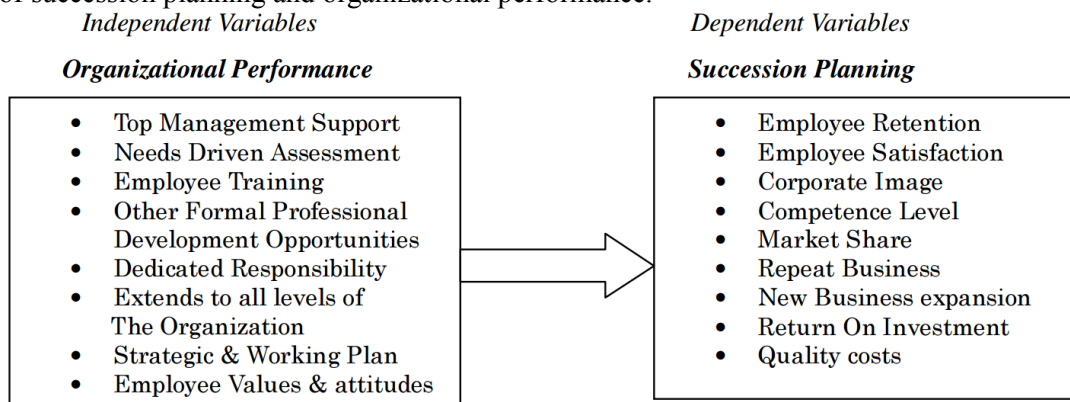
***A Focus on Midlevel Managers” highlights the following issues:***

1. Many organizations have indicated that they have a formal succession plan. However the depth of these plans has yet to be determined.
2. Organizations continue to select the leaders through crisis management.

3. Many organizations are reluctant to have formal succession planning and do not have resources to invest in succession planning implementation.
4. Succession planning and leadership development has inadequate focus on midlevel managers. Therefore, there is an urgent need for succession planning and leadership development strategies in many of the organizations-with specific emphasis on midlevel managers.

**CONCEPTUAL MODEL:**

Based on the review of literature a conceptual model has been developed to explain the relationship between practice of succession planning and organizational performance.



Conceptual Model showing the relationship between Practice of succession planning and organizational performance

**STATEMENT OF THE PROBLEM:**

Though succession planning is not a new concept to Indian corporate world, we still have many problems to overcome. In order to have a deeper understanding of the problems faced by the corporate sectors in India and subsequently develop solutions, a systematic and comprehensive study has been made by the researcher. The main objective of this study is to measure the practice of succession planning and its impact on organizational performance in select group of companies based in Bangalore and to recommend suggestions based on the findings.

**OBJECTIVES OF THE STUDY:**

1. To study the Socio-Economic Characteristics of the respondents.
2. To study the Practice of Succession Planning in respondent units.
3. To study the Organizational Performance of respondent units.
4. To study the Relationship between Practice of Succession Planning and Organizational Performance.
5. To study the Association between practice of Succession Planning and Organizational Performance with selected Socio- Economic Characteristics.

**SCOPE OF THE STUDY:**

This is the study on the succession planning and its impact on organizational performance of the companies, which are based in and around Bangalore. As such, it is presumed that the results of the present study will be of great value to the companies involved in implementing succession planning. Further, the outcome of the study would help companies to formulate suitable programs and use appropriate methods to improve the organizational performance through the practice of succession planning.

**HYPOTHESIS:**

*Based on the objectives of the study, the following hypotheses were formulated for testing:*

**H1:** The practice of succession planning found to be better in IT Consultancy firms compared to that of IT Product/ IT Research companies

**H2:** The level organizational performance of companies found to be better in IT Consultancy firms compared to that of IT Product/ IT Research companies

**H3:** Succession planning and organizational performance are significantly related

**H4:** Association between practice of Succession Planning and Organizational Performance with selected Socio- Economic Characteristics found to be significant

**METHODOLOGY:**

This study falls under descriptive study mainly aimed at fact finding. The method adopted to collect data is questionnaire method.

**SOURCES OF DATA:**

Both primary and secondary data were collected.

**Primary Data:**

The primary data for this study has been collected through administering questionnaire to the Project Leaders of the respondent units.

**Secondary Data:**

Secondary data for this study has been collected from company literature, books, journals, magazines, newspapers, previous research works and the internet.

**SAMPLING DESIGN:**

The researcher through discussion with the management consultants identified a sample of ten IT companies, which are practicing succession planning for the last five years and are based in and around Bangalore. Among ten companies, five were IT consultancy companies and the remaining were IT product/research companies. From each of the companies identified, five project managers were selected randomly, thus making the total number of the respondents to 50 for the study. They are:

IT CONSULTANCY COMPANIES	IT PRODUCT/ RESEARCH COMPANIES
HCL Technologies Ltd.	Hewlett Packard
Tata Consultancy Services	Oracle
Cognizant Technologies	IBM
Accenture	Logica
Infosys Technologies	Lucent

**DATA COLLECTION INSTRUMENTS:**

The method adopted to collect data was questionnaire method. The researcher administered questionnaire to each of the ten companies selected for the study.

**PLAN OF ANALYSIS:**

The data obtained was analyzed and interpreted based on number and percentage for the socio-economic characteristics.

- Mean and standard deviation were computed for the interpretation of succession planning performance and organizational performance.
- For comparison student's - 't' test is employed and tested for the significance.
- Relationship between Succession planning performance and organizational performance of study groups measured through correlation coefficient.
- Association between Succession planning performance and organizational performance with selected socio-economic characteristics assessed through the application of Chi-square test.

**LIMITATIONS OF THE STUDY:**



The present study had the normal limitations of time, funds and other facilities commonly faced by single student researcher. These limitations led to the purposive selection of only ten companies situated in and around Bangalore as the locale of the study.

## RESULTS:

The present study aimed at measuring the practice Succession Planning and its impact on Organizational Performance in IT companies based in Bangalore revealed the following findings:

- It is interesting to note that among the study group majority were male, belongs to the age group of 31-35 years, with experience between 8-12 years and family income ranging from Rs. 80,000 – 1, 40,000 per month.
- It is evident from the findings that the higher mean percentage with regard to practice of Succession Planning is observed with the aspect of Top management support in the IT Consultancy firms (76.2%) when compared to IT Product/ Research firms (73.0). Needs driven assessment is found to be better in IT Product/ Research firms (67.4%) than that of IT Consultancy firms (65.3%). Employee training found to be good in the case of IT Consultancy firms (77.1%), when compared to IT Product/Research firms (75.5%).
- Development opportunities are higher for IT Consultancy firms (72.8%) when compared to IT Product/Research firms (68.1%). Dedicated responsibility is higher in the case of IT Product/ Research firms (67.2%) when compared to that of IT Consultancy firms (57.2%). Levels of organization found to be better in the case of IT Consultancy firms (67.0%) when compared to IT Product/Research firms (62.2%). Strategic and working plan found to be higher in the case of IT Consultancy firms (73.2%) when compared to IT Product/Research firms (67.2%). Employee values and attitudes are better in the case of IT Consultancy firms (76.4%) when compared to IT Product/Research firms (74.6%).
- It is clear from the findings that the higher mean percentage with regard to Organizational Performance is observed with the aspect of Employee retention in IT Consultancy firms (84.0%), when compared to that of IT Product/ Research firms (42.4%). Employee satisfaction found to be higher in the case of IT Consultancy firms (84.0 %), when compared to that of IT Product/ Research firms (76.8%). Corporate image found to be better in the case of IT Consultancy firms (82.4%), when compared to IT Product/Research firms (80.8%). Quality of service is higher for IT Product/ Research firms (76.0%) when compared to that of IT Consultancy firms (73.6%). Market share remains the same for both IT Consultancy firms (75.2%) and IT Product/Research firms (75.2%). Repeat business is higher in the case of IT Consultancy firms (76.0%) when compared to IT Product/Research firms (75.2%). New business expansion is higher in the case of IT Product/Research firms (77.6%) when compared to IT Consultancy firms (76.8%). Return on investment is higher in the case of IT Consultancy firms (82.4%) when compared to IT Product/Research firms (71.2%). Quality costs are higher in the case of IT Consultancy firms (82.4%) when compared to IT Product/Research firms (75.2%).
- The study found that the overall mean percentage of Succession Planning Performance of IT Consultancy firms (72.4%) is found to be higher than that of IT Product/ Research firms (70.4%). Further the mean Organizational Performance of IT Consultancy firms (79.6%) are higher than that of the IT Product/ Research firms (76.7%).
- The relationship between Practice of Succession Planning and Organizational Performance found to be positive in IT Consultancy Groups and IT Product/Research Groups.
- There exists a significant difference in the Practice of succession planning between male and female respondents.
- It is evident from the research findings that the younger group respondents had high succession planning performance compared to older age group respondents. However, statistically the difference in the succession planning performance found to be non-significant between age groups.
- The research findings showed that higher the experience of the respondents higher is the succession planning performance level. The statistical results establish significant difference in the succession planning performance between different experience categories of respondents.
- 47.1% of the respondents in the income level of Rs.40,000-80,000 per month possess a high level of Succession Planning Performance and 81.8% of the respondents in the income level of Rs.80,000-1,40,000 per month possess a moderate level of Succession Planning Performance. However the association between

Experience and Succession Planning Performance is found to be significant ( $X^2 = 4.64^*$ )

- It can be considered that performance male respondents to organizational performance found to be slightly higher than that of female respondents. However, the difference in the level of organizational performance between males and females found to be non-significant.
- The result indicates that younger age group of respondents possesses high level of Organizational performance compared to later counterpart of age group respondents. The difference in the level of organizational performance between study age groups found to be statistically non-significant.
- It can be concluded that higher the experience of the respondents better is the organizational performance level. Further, statistical findings indicate that the difference in the experience among respondents on level of organizational performance found to be non-significant.
- It can be inferred that higher the income level of respondents better is the level of Organizational performance. The findings of statistical outcome depicts that the income level found to be non-significant with organizational performance.

### **RECOMMENDATIONS:**

The following suggestions are made to make the practice of succession planning culture more meaningful and effective in the respondent companies and thereby enhance organizational effectiveness:

#### **TOP MANAGEMENT PARTICIPATION AND SUPPORT:**

- CEO should hold the line management accountable for developing future leaders and simultaneously model the process him or herself.
- Allocate sufficient resources & management attention to sustain the program
- To successfully implement the process, plans for implementation will need to be disseminated to all program executives within the organization.
- There should be regular reviews to evaluate the succession planning results.

#### **NEEDS - DRIVEN ASSESSMENT:**

- A needs driven assessment was done, in which positions in need of a succession plan were identified. This list of positions should be referenced and specifically addressed when implementing succession plan. Create a competency matrix
- Close networking with the HR department on competencies is necessary. Identify the 'high fliers' in the organization
- Be more systematic in selection
- Reinvent exit interviews as a tool for succession planning

#### **TRAINING:**

Organizations currently provide employees with the opportunity for professional development through training and job shadowing/rotation for some positions; however, the organization should ensure that this opportunity is implemented for all positions identified through the needs driven assessment.

#### **OTHER FORMAL PROFESSIONAL DEVELOPMENT OPPORTUNITIES:**

Encourage leadership development through varied job assignments, education / training & self-development. Encourage senior level feedback.

Focus on 'action learning'.

Establish an effective knowledge management system.

Career planning workshops need to be organized across all organizations Career counseling should be given priority

Employees in respondent organizations are currently able to express their career goals with management through the employee evaluation process. Employees are also encouraged to make training choices, as current training opportunities are emailed to all employees when available. To further enhance focus on individual attention in succession planning, management should be more proactive in communicating with employees on their career goals when determining criteria for the annual employee performance evaluation process.

**DEDICATED RESPONSIBILITY:**

Each organization should identify a single employee who will be responsible for monitoring and evaluating succession planning at the agency. Additionally, an employee will be designated from each program area as a liaison who will monitor succession planning within their program area, and report findings on a regular basis to the organization's succession planning coordinator.

There should be dedicated funds set apart for the same.

**EXTENDS TO ALL LEVELS OF THE ORGANIZATION:**

The directors should design detailed criteria for successors at senior level. For the middle & lower level, the managers can spend a few hours building a talent profile for each direct report.

Definition & articulation of steps the employees in the lower grades can take to develop their competencies.

The succession plan should be communicated throughout the organization. Currently organizations are practicing succession planning at the senior level, but for the plan to truly be successful, it must be organized at middle & lower levels, which will ensure accountability for participation.

**EMPLOYEE VALUES AND ATTITUDES:**

- Create a culture for effective succession planning and leadership development.
- Increasing diversity as a part of their strategic plan.
- To boost the morale of employees, ensure that succession planning initiatives are included as one of the attributes in performance appraisal which in turn is linked to the variable pay.

**OTHER ASPECTS:**

- It should be made a part of the Strategic and Workforce Plan. Ensure employee names are not listed on succession planning documentation, only position titles should be used. Write a policy & procedure to guide the program.
- Use web based products which facilitates the collection, organization & use of succession planning information. Benchmark SP & management practices in other organizations.
- Add disclaimers to all succession planning documentation stating that the plan is not a guarantee of promotion, but simply a framework.

**CONCLUSION:**

For any industry that thrives on the dynamics of constant change, success comes to those who have the foresight and the ability to counter unexpected challenges. The whole process of training these future leaders is evidently time-consuming and requires a lot of additional resources, but in the long run it is a worthwhile investment that is essential for the survival of any organization. In the words of Rashmi Barbhaiya, the President of R&D at Ranbaxy Laboratories India, grooming leaders should be one of the ways of self-assessment. "When I am ready to retire, there must be at least three outstanding candidates ready to take over." After all, it is more than just the passing of power and responsibility—it is about survival and continuity.....the true challenge for doing business in India!

**ACKNOWLEDGEMENT:**

The researcher expresses her heartfelt gratitude to Dr.V.Prabhu Dev, Director, Surana College Centre for Post Graduate Studies, Bangalore, Dr. Usha Devi. N, Faculty, Dept. of Commerce, Malleswaram Ladies' Association First Grade College for Women, Bangalore and to all the Senior Managers in the sample organizations who have given their invaluable guidance and relentless support.

**REFERENCES:**

- [1] Ramani V. V., Succession Planning Insights and Experiences, 1<sup>st</sup>ed. ICFAI University Press, Hyderabad, 2005.



- [2] Dubois D. and Rothwell W., Competency-based human resource management,
- [3] Davis- Black Publishing, CA, 2004. Rothwell W., Effective succession management: Building winning systems for identifying and developing key talent. 2<sup>nd</sup> ed., The Center for Organizational Research, 2004.
- [4] Rothwell W., Effective succession planning: Ensuring leadership continuity and building talent from within. 2<sup>nd</sup> ed. Amacom, New York, 2001.
- [5] Gopal V. V., CEO Succession Planning, Concepts and Cases, 1<sup>st</sup> ed. ICFAI University Press, Hyderabad, 2004.
- [6] Carey D and Ogden D., “CEO Succession: A window on how boards can get it right when choosing a new chief executive”, Oxford University Press, New York 2000.
- [7] Krishnaswami. O.R and Ranganatham. M, Methodology of Research in Social Sciences, 2<sup>nd</sup> edition, Himalaya Publishing House, Mumbai, 2006.
- [8] Leadership Succession Planning: A focus on midlevel managers, The Council for Excellence in Government, September 2004.
- [9] Georgia’s Flexible Succession Planning Model, Georgia Merit System, 2005.
- [10] Whitmore, Melissa A., Success through Succession Planning: Implementing Succession Planning at Texas Department of Insurance, Texas State University, 2006.
- [11] Family Business Feuds and Succession Planning in India, *HRM Review*, June 2008.
- [12] Succession Planning-A Resurrection, *HRM Review*, June 2008.
- [13] Succession Management – Lead the Tomorrow’s Leaders, *HRM Review*, April 2008.
- [14] Top 5 CEO Challenges: 2008, *4 Ps Business and Marketing*, 4 January-17 January, 2008.
- [15] Benchmarking Organizational Leadership, *Effective Executive*, October 2006.
- [16] Social Entrepreneurship, Leadership and Succession planning, *Effective Executive*, October 2006.
- [17] Succession Planning, *HRM Review*, December 2006.
- [18] GenNext Leaders, *Business Today*, December 17, 2006
- [19] Succession Planning Insights from History, *Effective Executive*, December 2005
- [20] Sandy Weill’s Legacy, *Business Week*, July 28, 2003, Issue 3843.
- [21] The Worst Managers, *Business Week*, January 13, 2003, Issue 3815.
- [22] The Right Fit, *Fortune*(Europe), April 17, 2000, Vol.141, Issue 8.
- [23] The Successors Dilemma, *Harvard Business Review*, Nov-Dec. 1999, Vol. 77, Issue.
- [24] <http://gauteg.blogspot.com>
- [25] <http://curiouscat.com>
- [26] <http://www.amazon.com>
- [27] <http://humanresources.about.com>
- [28] <http://www.itpeopleindia.com>
- [29] <http://www.expresscomputeronline.com>
- [30] <http://sify.com>
- [31] <http://www.itpeopleindia.com/20020916/cover.shtml>
- [32] <http://www.assocam.org/prels/shownews.php?id=1103>
- [33] <http://www.businessweek.com/adsections/indian/infotech/2001/sites.html>
- [34] <http://www.economywatch.com/business-and-economy/software-industry.html>
- [35] [http://www.indianembassy.org/indiainfo/india\\_it.htm](http://www.indianembassy.org/indiainfo/india_it.htm)
- [36] <http://www.nasscom.in/>
- [37] [www.hr-guide.com](http://www.hr-guide.com)
- [38] [www.workforceonline.com](http://www.workforceonline.com)
- [39] [www.personnelmanagement.htm](http://www.personnelmanagement.htm)
- [40] [www.lessonsineexcellence.com](http://www.lessonsineexcellence.com)

**APPENDIX**

**Table 1: Respondents by Sex, Age, Experience and Income**

Characteristics	Category	Respondents	
		Number	Percent
Sex	Male	32	64.0
	Female	18	36.0
Age Group	26-30 years	15	30.0
	31-35 years	35	70.0
Experience	3-7 years	19	38.0
	8-12 years	31	62.0
Income/month	Rs.40,000-80,000	17	34.0
	Rs.80,000-1,40,000	33	66.0
<b>Total</b>		<b>50</b>	<b>100.0</b>

**Table 2: Practice of Succession Planning of IT Consultancy Group (N=25)**

No	Aspects of Succession	Statements	Max.	Practice of Succession Planning		
	Planning		Score	Mean	Mean (%)	SD (%)
1	Top management support	4	20	15.24	76.2	6.0
2	Needs driven assessment	5	25	16.32	65.3	8.7
3	Employee training	7	35	27.00	77.1	7.8
4	Development opportunities	9	45	32.76	72.8	7.9
5	Dedicated responsibility	2	10	5.72	57.2	14.0
6	Levels of organization	4	20	13.40	67.0	7.8
7	Strategic & working plan	2	10	7.32	73.2	10.3
8	Employee values & attitudes	8	40	30.56	76.4	5.4
	Combined	41	205	148.32	72.4	5.2

**Table 3: Practice of Succession Planning of IT Product/Research Group (N=25)**

No.	Aspects of Succession Planning	Statements	Max. Score	Succession Planning Performance		
				Mean	Mean (%)	SD (%)
1	Top management support	4	20	14.60	73.0	13.7
2	Needs driven assessment	5	25	16.84	67.4	9.8
3	Employee training	7	35	26.44	75.5	6.3
4	Development opportunities	9	45	30.64	68.1	8.5
5	Dedicated responsibility	2	10	6.72	67.2	12.6
6	Levels of organization	4	20	12.44	62.2	9.6
7	Strategic & working plan	2	10	6.72	67.2	13.1
8	Employee values & attitudes	8	40	29.84	74.6	9.2
	Combined	41	205	144.24	70.4	5.5

**Table 4: Practice of Succession Planning of IT Study Groups (Combined) N=50**

No	Aspects of Succession Planning	Succession Planning Performance (%) of IT company				t Value
		Consultancy (n=25)		Product/ Research (n=25)		
		Mean	SD	Mean	SD	
1	Top management support	76.2	6.0	73.0	13.7	1.07 NS
2	Needs driven assessment	65.3	8.7	67.4	9.8	0.79 <sup>NS</sup>
3	Employee training	77.1	7.8	75.5	6.3	0.79 <sup>NS</sup>
4	Development opportunities	72.8	7.9	68.1	8.5	2.03*
5	Dedicated responsibility	57.2	14.0	67.2	12.6	2.64*
6	Levels of organization	67.0	7.8	62.2	9.6	1.96*
7	Strategic & working plan	73.2	10.3	67.2	13.1	1.80 <sup>NS</sup>
8	Employee values & attitudes	76.4	5.4	74.6	9.2	0.84 <sup>NS</sup>
	Combined	72.4	5.2	70.4	5.5	1.11 <sup>NS</sup>

\* Significant at 5 % Level, NS: Non-Significant,  $t(0.05, 48df) = 1.96$

**Table 5: Overall Mean Succession Planning Performance of IT Study Groups**

IT Study Group Respondents	Sample (n)	Statements	Max. Score	Succession Planning Performance			t-Value
				Mean	Mean(%)	SD(%)	
Consultancy	25	41	205	148.32	72.4	5.2	1.11 <sup>NS</sup>
Product/Research	25	41	205	144.24	70.4	5.5	
Combined	50	41	205	146.28	71.4	5.4	

NS : Non-Significant,  $t(0.05, 48df) = 1.96$

**Table 6: Organizational Performance Of IT Study Groups**

No	Organizational performance	Organizational Performance		
		IT Consultancy	IT Product/Research	
		Mean	Mean	SD
1	Employee retention	84.0	82.4	10.5
2	Employee satisfaction	84.0	76.8	13.8
3	Corporate image	82.4		14.7
4	Quality of service	73.6	76.0	12.9
5	Market share	75.2	75.2	13.3
6	Repeat business	76.0	75.2	13.3
7	New business expansion	76.8	77.6	14.5
8	Return on investment	82.4	71.2	20.9
9	Quality costs	82.4	75.2	17.6
	Combined	79.6	76.7	9.4

**Table 7: Overall Mean Percentage of Organizational Performance of IT Study Groups**

IT Study Group Respondents	Sample (n)	Statements	Max. Score	Organizational Performance			t-Value
				Mean	Mean (%)	SD (%)	
Consultancy	25	9	45	35.84	79.6	9.3	1.31 <sup>NS</sup>
Product/Research	25	9	45	34.52	76.7	9.4	
Combined	50	9	45	35.18	78.2	9.4	

NS: Non-Significant,  $t(0.05, 48df) = 1.96$

**Table 8: Overall Mean Percentage of Succession Planning And Organizational Performance of Study Groups**

IT Study Group Respondents	Sample size(n)	Aspect Performance (%)			
		Succession Planning		Organizational Performance	
		Mean	SD	Mean	SD
Consultancy	25	72.4	5.2	79.6	9.3
Product/Research	25	70.4	5.5	76.7	9.4
Combined	50	71.4	5.4	78.2	9.4

**Table 9: Relationship between Succession Planning Performance and Organizational Performance of Study Groups**

Group	IT Study Groups	Sample(n)	Correlation coefficient (r)
I	Consultancy	25	+ 0.300 *
II	Product/Research	25	+ 0.549 *
Combined		50	+ 0.445 *

\* Significant at 5 % Level

**Table 10: Association between Sex and Practice of Succession Planning**

Sex	Succession Planning Performance level						X <sup>2</sup> Value
	Moderate (51-75%)		High (> 75%)		Total		
	N	%	N	%	N	%	
Male	20	62.5	12	37.5	32	100.0	3.98*
Female	16	88.9	2	11.1	18	100.0	
Combined	36	72.0	14	28.0	50	100.0	

\* Significant at 5 % level,  $X^2 (0.05, 1df) = 3.841$

**Table 11: Association Between Age And Succession Planning Performance Level**

Age Group (years)	Succession Planning Performance level						X <sup>2</sup> Value
	Moderate (51-75%)		High (> 75%)		Total		
	N	%	N	%	N	%	
26-30	10	66.7	5	33.3	15	100.0	0.30 <sup>NS</sup>
31-35	26	74.3	9	25.7	35	100.0	
Combined	36	72.0	14	28.0	50	100.0	

NS: Non-significant,  $X^2 (0.05, 1df) = 3.841$

**Table 12: Association between Experience and Succession Planning Performance Level**

Experience(years)	Succession Planning Performance level						X <sup>2</sup> Value
	Moderate (51-75%)		High (> 75%)		Total		
	N	%	N	%	N	%	
3 -7	17	89.5	2	10.5	19	100.0	4.64*
8 -12	19	61.3	12	38.7	31	100.0	
Combined	36	72.0	14	28.0	50	100.0	

\* Significant at 5 % level,  $X^2 (0.05, 1df) = 3.841$

**Table 13: Association between Income and Succession Planning Performance Level**

Income/month	Succession Planning Performance level						X <sup>2</sup> Value
	Moderate (51-75%)		High (> 75%)		Total		
	N	%	N	%	N	%	
Rs.40,000-80,000	9	52.9	8	47.1	17	100.0	4.64*
Rs.80,000-1,40,000	27	81.8	6	18.2	33	100.0	
Combined	36	72.0	14	28.0	50	100.0	

\* Significant at 5 % level,  $X^2 (0.05,1df) = 3.841$

**Table 14: Association between Sex and Organizational Performance Level**

Sex	Organizational Performance level						x <sup>2</sup> Value
	Moderate (51-75%)		High (> 75%)		Total		
	N	%	N	%	N	%	
Male	8	25.0	24	75.0	32	100.0	1.06 <sup>NS</sup>
Female	7	38.9	11	61.1	18	100.0	
Combined	35	70.0	15	30.0	50	100.0	

NS: Non-significant,  $X^2 (0.05,1df) = 3.841$

**Table 15**

Age group (years)	Organizational Performance level						X <sup>2</sup> Value
	Moderate (51-75%)		High (> 75%)		Total		
	N	%	N	%	N	%	
26-30	3	20.0	12	80.0	15	100.0	1.02 <sup>NS</sup>
31-35	12	34.3	23	65.7	35	100.0	
Combined	35	70.0	15	30.0	50	100.0	

NS : Non-significant,  $X^2 (0.05,1df) = 3.841$

**Table 16: Association between Experience and Organizational Performance Level**

Experience (years)	Organizational Performance level						x <sup>2</sup> Value
	Moderate (51-75%)		High (> 75%)		Total		
	N	%	N	%	N	%	
3 -7 years	7	36.8	12	63.2	19	100.0	0.68 <sup>NS</sup>
8 -12 years	8	25.8	23	74.2	31	100.0	
Combined	35	70.0	15	30.0	50	100.0	

NS : Non-significant,  $X^2 (0.05,1df) = 3.841$

**Table 17: Association between Income and Organizational Performance Level**

Income/month	Organizational Performance level						X <sup>2</sup> Value
	Moderate (51-75%)		High (> 75%)		Total		
	N	%	N	%	N	%	
Rs.40,000-80,000	6	35.3	11	64.7	17	100.0	0.34 <sup>NS</sup>
Rs.80,000-1,40,000	9	27.3	24	72.7	33	100.0	
Combined	35	70.0	15	30.0	50	100.0	

Source: Primary data

NS: Non-significant,  $X^2 (0.05,1df) = 3.841$

----