

TALENT MANAGEMENT

BBA Semester-V

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BBA: Talent Management

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FOREWORD

Since its establishment in 1976, Acharya Nagarjuna University has been forging ahead in the path of progress and dynamism, offering a variety of courses and research contributions. I am extremely happy that by gaining 'A' grade from the NAAC in the year 2016, Acharya Nagarjuna University is offering educational opportunities at the UG, PG levels apart from research degrees to students from over 443 affiliated colleges spread over the two districts of Guntur and Prakasam.

The University has also started the Centre for Distance Education in 2003-04 with the aim of taking higher education to the door step of all the sectors of the society. The centre will be a great help to those who cannot join in colleges, those who cannot afford the exorbitant fees as regular students, and even to housewives desirous of pursuing higher studies. Acharya Nagarjuna University has started offering B.A., and B.Com courses at the Degree level and M.A., M.Com., M.Sc., M.B.A., and L.L.M., courses at the PG level from the academic year 2003-2004 onwards.

To facilitate easier understanding by students studying through the distance mode, these self-instruction materials have been prepared by eminent and experienced teachers. The lessons have been drafted with great care and expertise in the stipulated time by these teachers. Constructive ideas and scholarly suggestions are welcome from students and teachers involved respectively. Such ideas will be incorporated for the greater efficacy of this distance mode of education. For clarification of doubts and feedback, weekly classes and contact classes will be arranged at the UG and PG levels respectively.

It is my aim that students getting higher education through the Centre for Distance Education should improve their qualification, have better employment opportunities and in turn be part of country's progress. It is my fond desire that in the years to come, the Centre for Distance Education will go from strength to strength in the form of new courses and by catering to larger number of people. My congratulations to all the Directors, Academic Coordinators, Editors and Lesson-writers of the Centre who have helped in these endeavors.

*Prof. Raja Sekhar Patteti
Vice-Chancellor
Acharya Nagarjuna University*

B.B.A -Semester – V
501BBE21-Talent Management

Unit-I:

Talent Management: Meaning and significance of talent management - attracting talent, retaining talent, right sizing the workforce, work life balance initiatives, providing HR leadership to business.

Unit-II:

Competency Mapping: Features of competency methods, approaches to mapping and case studies in competency mapping - Competency mapping procedures and steps- business strategies -methods of data collection for mapping - Developing competency models from raw data- data recording, analysing the data, content analysis of verbal expression, validating the competency models.

Unit-III:

Performance management and employee development: Personal Development plans, 360degree feedback as a developmental tool, performance management & reward systems: performance linked remuneration system, performance linked career planning & promotion policy.

Unit-IV:

Employee engagement- meaning and significance, constituents of engagement, conceptual framework of engagement, behaviours associated with engaged employees, engaged, not engaged, actively disengaged, parameters to measure employee engagement, Q 12 model of Gallup, employee satisfaction survey .

Unit-V:

Succession planning: Identifying managerial positions which are critical for the business -Identifying second line of leaders and developing their capabilities to occupy the critical positions in the event of the exit of current incumbents – Taking-up lateral hiring when there is discontinuity in the succession plans.

References:

1. Competence at work - I,yle M. Spencer, Signe M. Spencer, John Wiley 1993
2. Competency mapping, Assessment and Growth - Naik G.P, IHRM, 2010.
3. Performance Management - Herman Aguinis, Pearson Education, 2007.
4. Talent Management Hand Book - Lance A. Berger & Dorothy R. Berger, Tata McGraw Hill.
5. Appraising and Developing Managerial Performance- Rao T. V, Excel Books
6. Performance Management - Dixit Varsha, 1/e, Vrinda Publications Ltd
7. A Handbook of Competency Mapping – Seema Sangi, Response Books, 2004
8. The Talent Management Hand Book - Lance A. Berger & Dorothy R. Berger, TMH.

D. K. S. S.

(501BBE21)

MODEL QUESTION PAPER
B.B.A. DEGREE EXAMINATION,
Third Year – Fifth Semester
Part II
Paper VI – TALENT MANAGEMENT

Time: Three hours

Max. Marks: 70

SECTION A – (5 x 4 = 20 marks)

Answer any FIVE of the following.

Each question carries 4 marks.

1. Retaining Talent.
2. Business strategies.
3. Data recording.
4. 360 Degree feedback.
5. Promotion policy.
6. Significance of employee engagement.
7. Succession planning
8. Reward systems.

SECTION B – (5 x 10 = 50 marks)

Answer ALL questions.

Each question carries 10 marks.

9. (a) What is Talent management? Explain the significance of management.

Or

- (b) Explain work life balance initiatives.

10. (a) Explain the methods of data collection for mapping.

Or

(b) Discuss the features of competency methods.

11. (a) Explain about performance linked career planning and promotion policy.

Or

(b) Explain personal Development places.

12. (a) Discuss the conceptual Framework of employee Engagement.

Or

(b) Explain various parameters to measure employee engagement.

13. (a) Explain the identification of managerial position which are critical for business.

Or

(b) Explain about lateral hiring when there is discontinuity in the succession plans.

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3	DEVELOPING COMPETENCY MODELS	3.1 – 3.10
4	VALIDATING THE COMPETENCY MODELS	4.1 – 4.9
5	PERFORMANCE MANAGEMENT	5.1 – 5.11
6	EMPLOYEE ENGAGEMENT	6.1 – 6.10
7	CONCEPTUAL FRAMEWORK OF ENGAGEMENT	7.1 – 7.15
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Lesson -1

Introduction to Talent Management

Learning Objectives

- ✓ To Discuss the Scope and objectives of Talent Management
- ✓ To examine the Benefits of Talent Management for the organisation and employees
- ✓ To Discuss the Issues involved in the Talent Management

Structure

- 1.1 Introduction to Talent Management
- 1.2 Scope and Objectives of Talent Management
- 1.3 Talent Management Initiative
- 1.4 Benefits of Talent Management for The Organisation
- 1.5 Benefits of Talent Management for Employees
- 1.6 Attracting Talent
 - 1.6.1 Company culture
 - 1.6.2. Company reputation
 - 1.6.3. Personal relationships
 - 1.6.4. Personal fulfilment
 - 1.6.5. Career progression
- 1.7 Retaining Talent
- 1.8 Rightsizing the work force
- 1.9 Work life balance Initiatives
- 1.10 Summary
- 1.11 Key words
- 1.12 Self Assessment Questions
- 1.13 Suggested Readings

1.1 Introduction to Talent Management

Talent management refers to the anticipation of required human capital for an organization and the planning to meet those needs. Talent management is the science of using strategic human resource planning to improve business value and to make it possible for companies and organizations to reach their goals. Everything done to recruit, retain, develop, reward and make people perform forms a part of talent management as well as strategic workforce planning. A talent-management strategy should link to business strategy to function more appropriately.

Talent management is an organization's commitment to recruit, hire, retain, and develop the most talented and superior employees available in the job market. So, talent management is a useful term when it describes an organization's commitment to hire, manage, develop, and retain talented employees.

Talent management is a key succession planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization which is required for long term planning.

Talent management is the procedure to manage the ability, Competency, and power of employees within an organization. It's the role of HR to implement the strategic talent management process in an organization. HR really plays an advisory and support role in the company.

Definitions:

Talent management is the systematic process of identifying the vacant position, hiring the suitable person, developing the skills and expertise of the person to match the position and retaining him to achieve long-term business objectives.

1.2 Scope And Objectives of Talent Management

Talent management is the full scope of HR processes to attract, develop, motivate and retain high-performing employees. This definition has three components: Talent management is aimed at motivating, engaging, and retaining employees to make them perform better. This is why talent management is important.

Talent management is a key succession planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization which is required for long term planning.

Reasons why company needs Talent Management

1. Attract Skilled Employees
2. Improve Retention Rates
3. Boost Performance
4. Increase Customer Satisfaction
5. Motivate Employees
6. Develop Employees' Potential
7. Ease Transition Periods

1.3 Talent Management Initiative

The managers and the higher authorities need to take the initiative to pave the way for the personal development and long-term association with the organization. Some of the ways in which a manager can motivate and retain employees are as follows:



Recognition: Recognizing employees' contribution and their work on individual grounds, boost up self-confidence in them.

Remuneration and Reward: Increasing pay and remuneration of the employees as a reward for their better performance.

Providing Opportunities: Giving the charge of challenging projects to the employees along with the authority and responsibility of the same, makes them more confident.

Role Design: The role of employees in the organisation must be designed to keep them occupied and committed, it must be flexible enough to inculcate and adapt to the employee's talent and knowledge.

Job Rotation: Employees lack enthusiasm if they perform the same kind of work daily. Thus, job rotation or temporary shifting of employees from one job to another within the organisation is essential to keep them engaged and motivated.

Training and Development: On the job training, e-learning programmes, work-related tutorials, educational courses, internship, etc. are essential to enhance the competencies, skills and knowledge of the employees.

Succession Planning: Internal promotions helps identify and develop an individual who can be the successor to senior positions in the organisation.

Flexibility: Providing a flexible work environment to the employees makes them more adaptable to the organisation and brings out their creativity.

Relationship Management: Maintaining a positive workplace where employees are free to express their ideas, take part in the decision-making process, encourage employees to achieve goals and are rewarded for better performance leads to employee retention.

Self-motivation: Nothing can be effective if the employee is not self-determined and motivated to work.

1.4 Benefits of Talent Management For The Organisation



Strategic talent management results in the accomplishment of organisational vision.

1. Filtration of talented employees and retaining of the finest ones is possible.
2. Talent management strengthens the organisational structure by building strong human capital.
3. It helps the organisation to succeed over its competitors and establish a strong presence in the market.
4. It builds up a good reputation of the company among the job seekers
5. It leads to improved participative decision making by the management.
6. It directs continuous improvement in organisational performance making it more efficient and effective

1.5 Benefits Of Talent Management For Employees



1. Talent management initiates a positive environment in the organisation where employees experience job satisfaction.
2. Employees get a chance of learning and improving themselves which motivates them to perform better.
3. The training and development programmes help the employees to learn something new, enhancing their personal skills and knowledge.
4. The organisation focuses on an individual's growth and betterment hence employees develop a feeling of being cared for and belongingness for the organisation.
5. The employees remain associated with the organisation for a long-term period.
6. Recognition and rewards lift up the employee's confidence level.
7. The rigorous learning, adds on to the experience of the employees.

1.6 Attracting Talent

Talent attraction is a term used in the Human Resources and Talent Acquisition field to describe luring the most desirable of passive candidates to a specific employer and incentivizing them to apply for work with implied and envisioned benefits. The means and strategies of talent attraction vary and include, but are not limited to, employer branding, recruitment marketing, organizational culture, compensation and benefits.

From fostering a diverse and inclusive culture to offering tailored development training packages, there are plenty of non-financial ways to attract the best candidates.

They say money makes the world go round, but for many candidates salary isn't the only factor considered when accepting a job offer. While incentives used to be limited to popular perks such as stock options and mortgage allowances, candidates are now looking for a wider range of benefits. We asked two of our experts for their advice on how you can ensure your hiring processes are meeting expectations.

1.6.1 Company culture

“Having the right company culture in a workplace can make all the difference when it comes to making a position more marketable for potential employees,” says Thomas Mullin, Director at Robert Walters UK. He explains that having the right culture for the right talent could include fostering an inclusive and diverse environment, providing opportunities for flexible working, giving a suitable level of autonomy to employees or even hosting a team lunch on a daily or weekly basis.

1.6.2. Company reputation

“To attract the best talent on the market, it's essential companies create a reputation as somewhere candidates want to work,” says Julia Zhu, associate director at Robert Walters China. As she explains, companies well known for their products and working practices will be able to attract the strongest candidates simply on their reputation within a particular sector or industry. “When it comes to the actual hiring procedure, invest time and effort on creating an efficient recruitment process that promotes and reflects this reputation,” she adds. “Everything from a well-crafted job description to the way the successful candidate is offered the position should reflect the company in a positive light.”

1.6.3. Personal relationships

Line managers should view interviews as opportunities to develop good interpersonal relationships with candidates,” suggests Julia. She argues that relationships formed through the interview process can often make the difference as to whether a candidate accepts an offer or not, as it provides them with an idea of what working relationships they can expect within the role. “Provide relevant training for line managers before the interview process to ensure they can successfully present both themselves and the company to candidates,” she says.

1.6.4. Personal fulfilment

“Employees don't want to feel like they're simply a cog in a large machine, they want to know that they matter and that their work is making an impact,” explains Phill. He notes that this sense of fulfilment is increasingly important when it comes to attracting the best talent. “These

candidates will want to make a tangible difference and be able to see how their particular work affects their department, their company, and even wider society.”

One way companies can make this sense of fulfilment central to the recruitment process is by setting out how candidates can interact with the decision-making process in the role. “Candidates will want to know their overall decision-making capacity and that their ideas matter.”

1.6.5. Career progression

“The prospect of career progression is often fundamental in a candidate’s decision to accept a job offer, so it’s essential companies look to signpost all available opportunities for professional development,” advises Julia. As she explains, establishing training schemes that focus on increasing the hard and soft skillsets of employees is a great way to attract those candidates thinking about longer-term career development.

1.7 Retaining Talent

Retaining talent is a sign of success for an organization. Companies whose employees stay with them long term save both time and money. Understanding the importance of retaining talent and strategies to use can help your business enhance its productivity with more expert employees.

Retaining talent, or employee retention, means the ability an organization has to keep its employees. This is when employees choose to stay with their current company, rather than look for opportunities elsewhere. When seeing if they're retaining talent, a business looks at the percentage of employees who stayed with them during a fixed period.

Why is retaining talent important?

Retaining talent in an organization is important because it creates a secure environment and helps reduce turnover rates. When companies experience turnover, they have to reassign job responsibilities to other employees and spend time looking for new candidates. The cost of replacing an employee can also be expensive because of the exit interview and loss of productivity during training. Another factor in retaining talent is a team atmosphere. If employees continuously leave, it can be challenging for others to build relationships. Those who leave may also go to work for a competitor, giving them an advantage over you.

What are the benefits of retaining talent?

In addition to avoiding problems caused by high turnover rates, organizations that retain talent experience several advantages. They enhance company performance by developing experienced employees and company experts. Some of the benefits of retaining talent include:

- Improving the company culture
- Leading to better customer experience
- Enhancing employee engagement and satisfaction
- Building a positive company reputation

HR Leadership to Business

What encourages employees to stay with an organization?

1.8 Rightsizing the work force

Organizations that have positive experiences and provide opportunities to use personal skills can lead to a more engaged workforce. Employees tend to stay in organizations where they feel the following characteristics:

Appreciated: Employees rewarded for their actions are more likely to stay with their employer since they feel valued.

Belonging: Those who develop connections with their team members and feel part of the company's culture create a strong connection with their organization.

Growth: Work environments that allow for learning and opportunities to advance in the organization can be appealing to employees looking to develop in their careers.

Happiness: Feeling fulfilled in the work they do and in the work environment they are in can help employees enjoy their employer and have a desire to stay long term.

Purpose: Employees who feel a sense of meaning in their work and support their company's mission become committed to their organization.

1.9 Work life balance Initiatives

In an increasingly competitive business world, top talent is in high demand. If you aren't making your top workers happy, another company may come along to steal them away. Here are ten tips that will help you make sure your employees are around for many years.

Create the Right Culture

Finding employees who will feel a strong bond with your company starts with creating an environment that attracts those employees. Your company culture should match the type of employee you want to employ, whether you opt for a by-the-book, strict workplace or a more casual, laid-back atmosphere.

Hire the Right Employees

As you're screening candidates, pay close attention to signs that you may have a job-hopper.

While there's nothing wrong with someone switching jobs if it provides career advancement, look for someone who is interested in growing with your company rather than getting experience to take somewhere else.

Offer Training

Businesses expect their professionals to arrive fully trained and certified. Yet too many aren't willing to invest in helping them maintain those credentials. Whether you send employees to a learning center or you provide membership to one of the many e-learning sites available, when

you take your employees' education seriously, they see it as an investment in their career.

Provide Guidance

The employees should be fully aware of their job duties and how they're doing in performing them. You can accomplish this by first having a job plan in place and providing regular feedback non an employee's performance. If an employee feels confused about his role in your organization, the's more likely to feel disgruntled and begin searching for something else.

Pay Well

As difficult as it is to pay competitive salaries when funds are low and budgets are tight, calculate the cost to replace employees. It can cost as much as 30 percent to 50 percent of an

entry-level employee's annual salary just to replace him. Employees often find they can enjoy a 10 to 20 percent salary increase by simply moving from one company to the next, which makes jumping ship attractive.

Don't Punish Competence

Managers often spend much of their time on employees who are struggling, leaving the talented ones completely neglected. Over time, this can lead to resentment as star employees start to feel unnoticed and unsupported. Managers must make an effort to let top performers know their hard work isn't going unnoticed.

Be More Flexible

Workers have expressed a preference for flexible working conditions. If you expect your best employee to answer his phone when a client calls at seven o'clock on a Friday night, you should also understand when that employee comes in late one morning or needs to take off early.

Offer Benefits

Small businesses often struggle to compete with larger corporations in providing benefits. While you don't have to beat big business in the healthcare options you offer, you can offer things they won't get elsewhere, such as the ability to work from home, more flexible vacation offerings, and performance bonuses.

Provide Unique Perks

Another way businesses can compete without breaking the budget is through offering perks they can't get elsewhere. Silicon Valley has become notorious for its free meals and nap pods, but you can increase retention by coming up with creative perks. Use your connections to get free VIP tickets to special events or special discounts at local retailers.

Don't Take Yourself Too Seriously

As much work as you try make your company attractive to talented people, the truth is employees might be leaving because of their bosses. In fact, research has shown people tend to quit their bosses, not companies. If you can cultivate an environment where employees feel rewarded and gratified, you'll already be ahead of a great deal of other bosses out there. Improving retention rates doesn't have to be difficult. By being a positive role model and directly connecting with your employees, you'll be more likely to understand what they need to continue to help your business thrive.

1.10 Summary

For organizations with an international presence, talent management could seem complicated. Managers and HR teams may need to adjust their processes based on the cultural and behavioral norms in a particular country.

As a result, companies may opt for different levels of autonomy to balance global and local needs. A U.S. company may provide a greater degree of autonomy for talent departments in South Korea or Japan because of the vast differences in work culture. Similarly, companies such as Starbucks and McDonald's have staple items like frappuccinos or chicken—but they also introduce products tailored to local tastes.

1.11 Key words

Talent Management- Talent management is the science of using strategic human resource planning to improve business value and to make it possible for companies and organizations to reach their goals

Job Rotation- Employees lack enthusiasm if they perform the same kind of work daily. Thus, job rotation or temporary shifting of employees from one job to another within the organisation is essential to keep them engaged and motivated

Attracting Talent- Talent attraction is a term used in the Human Resources and Talent Acquisition field to describe luring the most desirable of passive candidates to a specific employer and incentivizing them to apply for work with implied and envisioned benefits

Succession Planning- Internal promotions helps identify and develop an individual who can be the successor to senior positions in the organisation.

Company reputation- To attract the best talent on the market, it's essential companies create a reputation as somewhere candidates want to work

Company culture- Having the right company culture in a workplace can make all the difference when it comes to making a position more marketable for potential employees.

1.12 Self Assessment Questions

1. Briefly Discuss the Scope and objectives of Talent Management
2. Describe and examine the Benefits of Talent Management for the organisation and employees
3. Discuss the Issues involved in the Talent Management

1.13 Suggested Readings

1. Global Talent Management (Global HRM) David G. Collings , Hugh Scullion , Paula M. Caligiuri 2nd Edition Routledge Publications 2023.
2. Talent Acquisition Excellence: Using Digital Capabilities and Analytics to Improve Recruitment Kevin Wheeler, Bas van de Haterd Kogaan page Publications, February 27, 2024
3. The Talent Management Handbook, Second Edition: Creating a Sustainable Competitive Advantage by Selecting, Developing, and Promoting the Best People, Lance Berger, Dorothy Berger , 2nd Edition , McGraw Hill Education 2023.
4. Human Resource Management - S. P. S. BediI Bharati Publications 2021

Dr. NAGA RAJU BATTU

Lesson -2

COMPETENCY MAPPING

Learning Objectives

- ✓ To Discuss the Features of Competency Mapping
- ✓ To Examine the Procedure in Competency Mapping
- ✓ To Describe the Process of Competency Mapping
- ✓ To Study the Steps in the Competency Mapping
- ✓ To Identify the Approaches and Methods of Competency Mapping

Structure

- 2.1 Introduction to Competency Mapping
- 2.2 Features of Competency Mapping
 - 2.2.1. Shared data
 - 2.2.2. Better hiring
 - 2.2.3. Retaining top talent
 - 2.2.4. Improved employee experience
 - 2.2.5. Modern Employee Development
- 2.3 Procedures in Competency Mapping
- 2.4 Competency Mapping Process
- 2.5 Steps in Competency Mapping
 - 2.5.1 Step I – Development of Core Competencies
 - 2.5.2 Step 2 – Assessing Competency Levels Required Across Positions
 - 2.5.3 Step 3 – Developing Competency-Based Job Descriptions
 - 2.5.4 Step 4 – Competency-Based Matrix
 - 2.5.5 Step 5 – Individual Development Planning
- 2.6 Methods of Competency Mapping
 - 2.6.1 Assessment Centre
 - 2.6.2 Critical Incidents technique
 - 2.6.3 Interview Techniques Competency Mapping
 - 2.6.4 Questionnaire
- 2.7 Approaches of Competency Mapping
 - 2.7.1. Workforce Skill Analysis
 - 2.7.2. Job Analysis
 - 2.7.3. Supply and Demand Analysis
 - 2.7.4. Gap Analysis
 - 2.7.5. Solution Analysis
- 2.8 Summary
- 2.9 Key words
- 2.10 Self Assessment Questions
- 2.11 Suggested Readings

2.1 Introduction to Competency Mapping

Competency Mapping talent management system, or TMS, is an integrated software platform that supports core talent management processes, including recruitment, employee onboarding, performance management, learning and professional development, compensation

management, and succession planning. These processes, and the technical capabilities that support them, are typically delivered via software modules. So, businesses can start with what they need and add additional functionality as they grow.

Most importantly, with a TMS, an organization can link human resource planning to its business strategy. This ensures proactive measures are in place to provide the necessary talent that will support the current and future goals of the business.

Talent management definition: the practice of supporting the entire employee lifecycle, from initial candidate acquisition right through to succession planning.

How does a talent management system work?

A TMS integrates all of the HR modules needed to attract, hire, and develop employees. Although it is common for individual modules – such as recruitment or performance management – to be referred to as talent management systems, standalone modules lack the multi-faceted capabilities of a truly integrated system, which supports the entire talent lifecycle and its processes, from initial candidate acquisition right through to succession planning.

Talent management systems typically run in the cloud. A cloud platform provides a range of benefits, including larger data storage capacities, more robust security, and easier integration with complementary applications such as payroll, training programs, career planning, and other systems, as well as the secure storage of employee data (such as personal information, demographics, and compensation). actors to create Talent Management System

2.2 Features of Competency Mapping

2.2.1. Shared data

Let's start with the data part since everything else stems from it. While data collection becomes more and more mainstream, it's the storage and accessibility of said data that often remains messy. It's not uncommon for data to be stored in silos making it difficult to access and analyze. An integrated talent management system, however, enables organizations to align all core HR processes from recruitment to ongoing performance assessments, benefits management, etc. It facilitates data sharing and connecting across the organization hence giving HR a full picture of employee information.

2.2.2. Better hiring

What a talent management system does for your talent management as a whole, its various modules do for each stage of the HR lifecycle. This means that the recruitment module of a Talent Management System will help you automate and optimize your selection process. Among other things, this entails:

Less time spent on tedious tasks. Think for instance of interview scheduling, answering candidate questions and confirming appointments, but also of posting job adverts, tracking applicants and managing job offers.

A better candidate experience. Less time spent on tedious tasks means recruiters and hiring managers have more time to focus on what really matters: the candidate and building a relationship with them.

2.2.3. Retaining top talent

While we focus a lot on recruitment and getting that top talent through your front door, it's just as important (if not more so) to make sure you keep your current people with you. After all, why invest heaps of time, money and energy to recruit talent if they feel abandoned as soon as they're on board?

Since a talent management system covers every aspect of an employee's situation in the company – their performance, goals, training, skills, future aspirations, compensation, etc. – it gives you all the information you need to make sure they stay happy and engaged.

2.2.4. Improved employee experience

Using a talent management system not only makes the lives of HR professionals easier, it's also meant to dramatically improve the employee experience.

A Talent Management System can be a useful tool for employees where they have access to all the information regarding their history, performance and future career. Instead of having to search in various systems to find what they are looking for, employees can just go to a unique place.

Employees can get familiar with your company's talent management system from the very first day they start working at your organization since you can also use the system for their onboarding.

There are lots of different options when it comes to employee onboarding, including welcome videos, a virtual tour of the workplace, an overview of their (mandatory) training, and even the possibility to choose their work phone and other equipment.

Using your talent management system for employee onboarding – for example by giving new hires the option to scan a QR code with their phone to get a virtual tour of the workplace like in this image – allows them to get familiar with the system right from the start.

2.2.5. Modern Employee Development

Employee learning and development is an essential part of the talent management system. And it should be an essential part of what every organization is offering its employees.

In fact, most workers attach more value to learning and development than to salary, with 80% of them wanting to keep learning and challenging themselves at work.

Any good talent management enables employees to follow courses and develop their skills. Thanks to technological developments (in AI) some systems even suggest courses to employees based on collected data and for instance on courses colleagues with similar profiles have taken.

Benefits of talent management solutions

From a business perspective, a talent management system provides a range of benefits that include:

An integrated and centralized data model for all talent management activities

Recruitment strategies that align with the objectives of the business

Improved employee onboarding, retention, and development

Better engagement between managers and employees, including processes for compensation, reviews, and rewards

Specific user-based benefits include:

Recruiters: Better manage end-to-end, using career websites, job postings, applications, candidate screening, and employment offers. Applicants can access and explore career Web sites, apply for roles of interest, and engage within a dedicated candidate portal for interviews and employment offers.

Applicants: Easily find postings through career Web sites, apply for roles of interest, and engage within a dedicated candidate portal for interviews and employment offers.

Human resources: Seamlessly coordinate all talent management tasks. Use powerful data analytics to inform business decisions. Generate detailed reports to share statuses and results.

Create compensation plans and easily prove compliance with government and industry regulations.

Managers: Work collaboratively with recruiters for greater efficiency. Welcome new hires and help them ramp quickly. Manage compensation across entire teams. Use streamlined processes to help track activities, performance, and ongoing feedback for all assigned employees. Align individual performance goals with business objectives. Use reward and recognition tools to optimize employee engagement.

Employees: Easily access information and tasks, including goals, rewards, performance reviews, compensation and benefits information, and learning paths tied to individual career goals. Recognize peers and redeem rewards and other benefits related to exceptional performance and results.

Building blocks of Talent management system

The building blocks of Talent management system like competency evaluation, performance appraisals, and potential assessment that incorporates building blocks into talent management implementation programs (positioning, enhancement, mobility, and compensation).

Poor Hiring Strategies

The start of the talent management framework starts with the filling of a vacant situation with a skilled expert. To satisfy such an undertaking it is fundamental for the organization to have a solid staffing management plan. An absence of good management and plan may bring about a couple of challenges that influence further talent recruitment and hiring process.

The organizations frequently face trouble in drawing in talent and affecting them to acknowledge their bid for employment. The significant purpose for this is the too-long hiring and recruiting plan. Such incapable employing techniques make it hard for the organization to source the top talent and to pull in them to join the firm.

Empowering Passion

The talented proficient loves to be important for the firm whose company's culture and environment suit their qualities, disposition, and assumptions. Great salaries and the hike isn't just their essential evenhanded and the justification is important for the organization. The genuine talent really cares for the firm that really focuses on their talent consequently. They like the firm that connects with them on a commendable errand. A large portion of the employers don't think about such requirements and neglects to utilize capable experts in their company.

The naiveté of Technology

Since the present world is innovation-driven hence it gets fundamental to remain updated. It is vital for the HR division and different workers to effectively partake in learning new technologies and various software presented in the organization. The talent management framework utilizes an applicant tracking system that helps the recruiting group to post positions, send messages and emails to numerous individuals, and organize the competitor's resume. The absence of information about novel technologies and programming brings about winding up the talent management and set a limit on organizations processes.

Inadequate Leadership

Good leadership quality is the leading foundation of talent management. The director and top workers assume a viable part in recruiting and holding expected applicants. An insufficient initiative among the overseeing office brings about conveying inappropriate direction in creating talent and shortcoming in carrying out talent management.

Giving important and engaging work

Skilled people will not endure an exhausting position for extremely long, if by any stretch of the imagination. Numerous senior staff as far as I can tell take the mentality that 'I needed to satisfy my responsibility thus do they, and in this manner anticipate that talented recruits should 'get familiar with everything'. Terrible news: they will not.

The world has changed since you left school or college, Mr or Mrs. CEO. We face a daily reality such that everything can be found in 5 keystrokes, and most functions should be possible with an application. There is no craving for drudgery and a limited capacity to focus, so if you need to pull in and hold the young talent, you need to configuration intriguing and testing occupations that connect with individuals and are charming.

Worker Turnover

The significant goal of talent management is to zero in on the development of a representative. Appropriate development of a worker regarding information and abilities assist them with feeling esteemed, tested, and happy with their positions. Assuming the talent management isn't carried out correctly, an employer could encounter high representative turnover rates, this may bring about worker acquiescence that builds the employer's needs and urge them to begin once again their talent management cycle. This would be profoundly difficult if the rundown of workers leaving the organization incorporates directors and undeniable level representatives. In such cases, there is an expanding hazard of disappointment in the talent management interaction.

Competency Mapping

Competency Mapping is defined as the process of identifying the key competencies, which have the ability to do something efficiently & achieve the goals of the organization & make the organization successful.

Competency is defined as a skill/quality that helps the organization in job evaluation, training and recruitment.

2.3 Procedures in Competency Mapping

1. Identifying the key success factors
2. Pinpointing triggers for each role
3. Laying direction for superior performance
- Setting defined expectations from employees
5. Serving means for communicating performance expectations
6. Ensuring that the employees obtain greater transparency about their roles

2.4 Competency Mapping Process

The competency mapping process consists of the following stages:

Stage 1: Designing the questionnaire for data collection.

While designing the questionnaire following factors are to be taken into consideration:

- a. Knowing the Purpose of the job
- b. Identifying the Critical Success Factors
- c. Identifying the Key Result Areas
- d. Breaking KRAs into Key Activities

Stage 2: Data Collection:

- a. Clarity of Organization Direction
- b. Clarity of Organization Structure.
- c. Interview Job Holder.

- d. Interview Job Holder's Reporting Officer.
- e. Discuss with the Focus Group if the job are of the same family.

Stage 3: This Stage Involves:

- a. Rank Order of the list of competencies (Guided/Unguided)
- b. Comparing good performer and average performer with selected list of competencies.
- c. Use research data and assign competencies to positions.

Stage 4: Finalize Role Descriptions and Competencies-Job Wise.

2.5 Steps in Competency Mapping

2.5.1 Step I – Development of Core Competencies

In this step, the leadership of the organization meets to brainstorm which core competencies the organization requires in order to achieve its objectives, goals, and vision. Examples of core competencies that are usually essential in organizations are problem-solving, teambuilding, decision-making, and communication skills.

2.5.2 Step 2 – Assessing Competency Levels Required Across Positions

After the leadership decides which competencies are essential, it is necessary to determine the degree to which, and manner in which, these competencies are required in each type of position (i.e., Sales Manager, Receptionist, and CEO). This assessment can be made through interviews with incumbents of sample positions, using a Position Information Questionnaire (PIQ).

2.5.3 Step 3 – Developing Competency-Based Job Descriptions

Following the interview process, job descriptions can be developed that include not only duties and reporting relationships but the core competency descriptions that are tailored to each position. The same competencies are included in each employee's performance appraisal instrument so that he/she is evaluated on the same criteria that are specified in the job description.

2.5.4 Step 4 – Competency-Based Matrix

For career development purposes, new employees (or potential employees) will be interested in career progression options available once they master different competency levels. As career options become more complex and sophisticated, the core competencies are elevated in terms of sophistication as well.

2.5.5 Step 5 – Individual Development Planning

Using the job-descriptions and the performance appraisal process as a foundation, Human Resources can provide coaching for individuals based on their unique developmental needs. For example- if a sales representative is interested in a position as Sales Manager, Human Resources professional can counsel this person about current strengths and areas for improvement and point out the competency levels required for the higher level position. Then the employee and the HR person can jointly map out a plan for the employee's development (courses, workshops, mentoring, etc.)

2.6 Methods of Competency Mapping

There are various methods of competency mapping are:

1. Assessment Centre
2. Critical Incidents technique
3. Interview Techniques Competency Mapping
4. Questionnaire

5. Psychometric Tests

2.6.1 Assessment Centre

It is a certain function of identifying the skill & the potential for growth. It uses a few methods to evaluate employees for human resource and manpower purpose & decisions

2.6.2 Critical Incidents technique

A process of systematically identifying the behaviours that contribute to the success or failure of the competencies in specific situations.

2.6.3 Interview Techniques Competency Mapping

Every organization has different techniques of interviewing the competencies as a part of competency mapping.

2.6.4 Questionnaire

A certain technique that is followed by the organization that prepares a list of questions that the users would fill in a return.

2.6.5 Psychometric Tests

The sole focus of psychometric assessment is that many organizations use as this part of the selection process, where there's a natural wariness about the unknown.

Examples of Competency Mapping

1. Job Evaluation
2. Project Planning
3. Performance Appraisal
4. Success Planning
5. Recruitment

2.7 Approaches of Competency Mapping

To describe the skills required for any job, competency mapping is conducted using various methods. The techniques that can be used to analyze the competency mapping are as follows:

2.7.1. Workforce Skill Analysis

In this method employees and managers are consulted and asked to specify the skills required to perform. Questionnaires, opinion surveys, interviews, and performance standards of other similar organizations, are some ways by which the assessment can be carried out. Besides this, it also keeps into account the changes that may occur in the organization while analyzing workforce skills.

2.7.2. Job Analysis

This method is used when the requirement for good job performance is to be determined. What qualifications an individual must possess, how much experience he should have, what type of training he has gone through, what tasks he can perform effectively, etc., need to be identified before selecting any person for a responsible job.

This method is more suitable for those organizations that make use of technology and machines to a larger extent.

2.7.3. Supply and Demand Analysis

Supply analysis focuses on the present employees working in a company and their competency level. It is done by assessing their grades, education, work experience, understanding viewpoint towards the current trends and competitions, time of retirement, physical wellness, etc., in order to determine the present competency status of the workforce.

Whereas, demand analysis focuses on the employees that may help the organization in achieving its goals, objectives, vision, and mission in the future.

2.7.4. Gap Analysis

Once the supply and demand analysis is conducted, it becomes easy to identify the difference between the present and future workforce. The gap analysis method is performed to assess this divergence so that organizations can plan and deal with & upcoming situations accordingly and effectively.

2.7.5. Solution Analysis

This method focuses on searching for ways to deal with the differences identified from the gap analysis and how the functions can be carried out smoothly. Solution analysis considers all the changes taking place in the workforce (unintended or intended). It also evaluates whether permanent or contract-based.

2.8 Summary

Various entities use competency mapping to achieve goals related to talent management, skill development, and performance improvement. Businesses of all sizes and industries use competency mapping to align the workforce with organizational strategy. Human resources often spearheads the initiative to identify and map competencies. Managers and supervisors can use the mapping to set expectations, provide feedback, and make informed decisions about promotions, transfers, and skill development initiatives.

The employees and job candidates also benefit from competency mapping by understanding the skills and behaviors needed for career advancement or to gain the role in the first place. Recruiting teams using competency mapping can help create more accurate job descriptions and job advertisements and better assess candidate suitability for specific roles.

2.9 Key words

Competency Mapping- Competency Mapping is defined as the process of identifying the key competencies, which have the ability to do something efficiently & achieve the goals of the organization & make the organization successful.

Worker Turnover-The significant goal of talent management is to zero in on the development of a representative. Appropriate development of a worker regarding information and abilities assist them with feeling esteemed, tested, and happy with their positions.

Assessment Centre-It is a certain function of identifying the skill & the potential for growth. It uses a few methods to evaluate employees for human resource and manpower purpose & decisions

Critical Incidents technique-A process of systematically identifying the behaviours that contribute to the success or failure of the competencies in specific situations

Job Analysis- This method is used when the requirement for good job performance is to be determined. What qualifications an individual must possess, how much experience he should have, what type of training he has gone through, what tasks he can perform effectively, etc., need to be identified before selecting any person for a responsible job.

2.10 Self Assessment Questions

1. Briefly Discuss the Features of Competency Mapping
2. Describe and Examine the Procedure in Competency Mapping
3. Describe the Process of Competency Mapping

4. Identify the Steps in the Competency Mapping
5. Explain the Approaches and Methods of Competency Mapping

2.11 Suggested Readings

1. Global Talent Management (Global HRM) David G. Collings , Hugh Scullion , Paula M. Caligiuri 2nd Edition Routledge Publications 2023.
2. Talent Acquisition Excellence: Using Digital Capabilities and Analytics to Improve Recruitment Kevin Wheeler, Bas van de Haterd Kogaan page Publications, February 27, 2024
3. The Talent Management Handbook, Second Edition: Creating a Sustainable Competitive Advantage by Selecting, Developing, and Promoting the Best People, Lance Berger, Dorothy Berger , 2nd Edition , McGraw Hill Education 2023.
4. Human Resource Management - S. P. S. BediI Bharati Publications 2021

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Lesson -3

DEVELOPING COMPETENCY MODELS

Learning Objectives

- ✓ To Discuss the Concept of Competency Mapping
- ✓ To study Objectives and Purpose of Competency Mapping
- ✓ To examine Developing competency Models
- ✓ To describe Key components of competency mapping
- ✓ To Elaborate the Methods of data collection for Mapping

Structure

- 3.1 Introduction
- 3.2 Concept of Competency Mapping
- 3.3 Objectives and Purpose of Competency Mapping
- 3.4 Developing competency Models
- 3.5 Key components of competency mapping are:
 - 3.5.1. Identification of Competencies
 - 3.5.2. Competency Models
 - 3.5.3. Employee Competency Assessment
 - 3.5.4. Competency Development
 - 3.5.5. Linking Competency Framework to Other HR Systems
- 3.6 Methods of data collection for Mapping
 - 3.6.1. Expert Opinion
 - 3.6.2. Structured Interviews
 - 3.6.3. Workshops
 - 3.6.4. Critical Incident Technique
 - 3.6.5. Repertory Grid
 - 3.6.6. Job Competency Assessment:
- 3.7 Competency Mapping Framework
- 3.8 Developing a Competency Framework
- 3.9 Summary
- 3.10 Key words
- 3.11 Self Assessment Questions
- 3.12 Suggested Readings

3.1 Introduction

Competency Mapping is a process of identifying key competencies for a company or institution and the jobs and functions within it. Competency mapping is important and is an essential exercise. Every well managed firm should – have well defined roles and list of competencies required to perform each role effectively. Such list should be used for recruitment, performance management, promotions, placement and training needs identification.

Competency mapping is a way of assessing the strengths and weaknesses of a worker or organization. It is about identifying a person's job skills and strengths in areas like teamwork, leadership and decision making. Thus, it is about identifying a person's job skills and strengths in the areas like teamwork, leadership and decision-making.

Many competency mapping models break down strengths into two major areas—functional and behavioral. Functional skills include practical knowledge that a person needs to perform a job. For e.g. functional requirements for a secretary might include familiarity with computer systems and office machinery as well as bookkeeping knowledge. These skills are generally easy to measure through skill tests and can define whether a worker is capable of carrying out his or her responsibilities.

Competency Mapping is a process of identifying key competencies for a company or institution and the jobs and functions within it. Competency mapping is important and is an essential exercise. Every well managed firm should – have well defined roles and list of competencies required to perform each role effectively. Such list should be used for recruitment, performance management, promotions, placement and training needs identification.

The competency framework serves as the bedrock for all HR applications. As a result of competency mapping, all the HR processes like talent induction, management development, appraisals and training yield much better results.

Behavioral assessment is more difficult to quantify and is the focus of most competency studies. It examines personal skills such as leadership, active listening, teamwork and morale. This type of testing is important for getting a complete picture of an individual's skill set.

The use of Competencies can include: assessment during recruitment through specific work-based exercises and relevant, validated, psychometric tests; assessment of further development; as a profile during assessment to guide future development needs; succession planning and promotion; organisational development analysis.

Techniques used to map Competencies include Critical Incident Analysis and Repertory Grid.

Competency mapping is an approach that has the objective of helping an organization align individual development with the strategic objectives of the company.

The term 'competency mapping' has gained a wider circulation and importance among academicians and businesses in recent times. In a competitive business scenario, organizations have felt the utmost need for procuring and retaining competent employees and developing distinct competencies. Most of the jobs contain some critical elements or parts.

To perform or fulfill these parts, it is important for the employees to have special competencies. It is also natural that some people perform a particular job more effectively than others. This difference exists because a particular individual may have certain competencies that other individuals might lack. This might help him/her to have an edge over the other in a particular job.

An organization examines every job to ascertain the component parts and the work environment in which it is performed. The process of examining a job is termed as job analysis. Job analysis comprises two functions, namely, job description and job specification. These are interrelated, interactive, and interdependent. Job description comprises job orientation, whereas job specification is oriented towards the jobholder.

In other words, job description is a broad statement, which consists of the purpose, duties, and responsibilities of a job, all taken together. Job specification, on the other hand, is also a broad statement, which specifies only the qualities required for a job holder.

It is evidenced that in earlier days, people in an organization were convinced that technical skills of the people in the research and development team was primarily responsible for the increased performance/ output. On further exploration and extended study, it was revealed

much to their surprise, that one of the most important differentiators between top performers and all others was their presentation skills.

The key to validate these competencies is to determine the competencies (technical or interpersonal skills) and differentiate the best from the rest. Otherwise, one ends up with a very subjective data.

Let us recall the saying, ‘Winners do not do different things, they do things differently’. Past experience shows that exceptional performers use a variety of approaches to get their job done. These approaches and behaviour chosen by these exceptional performers differ from those who perform at specified levels.

If one thinks about the teachers and doctors who are renowned in their fields, it can be observed that sound technical knowledge and skills are not the only basis of their distinctive competence. It is also their behaviour that has made them excellent, exceptional, and distinguished in their respective areas.

One definitely believes that a doctor who cured an ailing relative is ‘next to God’. Competencies provide a means of looking at the behaviour that differentiates the best from the rest, and a common language for talking about critical on-the-job behaviour.

In today’s business scenario, which is characterized by mergers, acquisitions, growing competition constant threats, and high degrees of uncertainties, most managers constantly face stressful situations. One must agree that a manager has to cope with all these challenges and yet, perform well. A complex combination of competencies comes into play to achieve success.

To some extent, competencies are also believed to be a result of academic training and experience. Learning and development takes place at three separate levels – knowledge, skill, and competency. Sanghi (2004) elucidates the conceptual difference among the three with the following example.

Knowledge comes through reading (a person understands the meaning of driving a car). Skill develops through practicing (the person is shown how to drive a car and is allowed to practice in a non-traffic area). Competence refers to applying the skill (the person exhibits the ability to drive in traffic).

3.2 Concept of Competency Mapping

Competency Mapping is processes of identifying key competencies for an organisation and/or a job and incorporating those competencies throughout the various processes (i.e., job evaluation, training, recruitment) of the organisation. It generally examines two areas – emotional intelligence or emotional quotient (EQ), and strengths of the individual in areas like team structure, leadership, and decision-making.

Large organisations frequently employ some form of competency mapping to understand how to most effectively employ the competencies of strengths of workers. Competency mapping can also be done for contract or freelance workers, or for those seeking employment to emphasise the specific skills which would make them valuable to a potential employer. These kinds of skills can be determined, when one is ready to do the work.

Boyatzis(1980) – “A capacity that exists in a person that leads to behaviour that meets the job demands within parameters of organisational environment, and that, in turn brings about desired results”.

Competency mapping consists of breaking a given role or job into constituent tasks or activities and identifying the competencies (technical, managerial, behavioural, conceptual knowledge, attitudes, skills, etc.) needed to perform the same successfully.

The entire process right from identifying competencies (different sets of competencies – for specific jobs as well as for entire organizations) to defining them, standardizing them on a rating scale along with behavioural indicators for measurement, selecting ways of measuring those competencies and linking it up to other HR systems such as training and performance management, is called competency management. Most companies develop competency models to capture the essence of their competency management framework.

Job-competency profiles, sometimes referred to as job-competency models, are created by identifying the competencies required for someone to be successful in a role and specifying the degree of proficiency required for each one. The number of competencies identified for a job-competency profile depends on a number of factors, but often a superior role performer sets the benchmarks.

Competency mapping places competencies as the pillar of talent management. Defining competencies in a standardized manner helps define the organization's talent management framework, because the competencies act as a common foundation. Standardizing a competency is crucial for organizational success as it implies that employees understand what is meant by a certain competency term.

3.3 Objectives and Purpose of Competency Mapping

The concept of competency mapping now exists in organizations with well-developed HR practices. HR directors and their top management have always paid attention to consider competencies and incorporated them in the appraisal forms in order to improve the performance management system. Companies such as Larsen & Toubro, National Dairy Development Board, Life Insurance Corporation of India, Hindustan Lever Ltd (presently Hindustan Unilever Ltd), NOCIL Ltd, Bharat Petroleum, and so on, have felt the utmost need for management of competencies and revised their performance appraisal systems.

Some of their objectives while performing their competency mapping are as follows:

1. Identifying the key success factors
2. Pinpointing triggers for each role
3. Laying direction for superior performance
4. Setting defined expectations from employees
5. Serving means for communicating performance expectations
6. Ensuring that the employees obtain greater transparency about their roles
7. Providing opportunities for development
8. Creating a more empowered workforce
9. Employing the workforce effectively

Therefore, from the discussion, it is clear that competency mapping is important.

Purpose:

The main purpose of competency mapping is to ensure effectiveness of an organization in terms of having a clear idea regarding the summation of the required competencies.

This facilitates further:

1. Gap analysis in competencies
2. Role clarity
3. Selection, potential identification, growth plans.
4. Succession planning.
5. Restructuring
6. Inventory of competencies for future planning.

Competency analysis is concerned with behavioural dimensions of roles while competence analysis considers what people have to do to perform well. In an organisation a tailor-made competency schedule is carried out by specialists or management consultants or both. Line managers may be consulted but the frameworks are issued to them in accordance with procedures laid down for such processes as performance management. Although the first draft may be developed in-house but when practiced the suggested changes can improve it further.

3.4 Developing competency Models

Competency mapping has gained commonness, momentum, and popularity. The old maxim, 'Slow and steady wins the race' has lost its validity in view of the fast changing business environment. In order to cope with the changing world economy and keeping in view that the world is becoming a global village, companies have become more aware of the need for having competent employees and developing distinguished competencies for every organization.

In terms of quality of people, organizations need fast and consistent manpower. As such, in the sharper focus of management, competency mapping is engaged in the collection and constellation of information about the appropriate talent in various levels.

The needs for competency mapping are enumerated here:

1. The cost of manpower is becoming increasingly high.
2. Realization of the truth that people can transform an organization.
3. Getting more from the people rather than getting more people.
4. Increased customer focus; identifying and fulfilling implied customer needs and expectations.
5. Recognizing the fact that the right kind of human resources can monitor and manage the technology, finance, market, customers, customer relationship, processes, procedures, and the system effectively.
6. Importance of role performer vis-a-vis time management.

In the era of competitive business, hunting for talent and managing them properly is a crucial task for HR professionals. As a result, the top management and HRD directors or managers are paying attention to competencies of the workforce. Hence, competency and competency mapping are important and essential exercises.

3.5 Key components of competency mapping are:

3.5.1. Identification of Competencies

Various competencies such as workplace competencies, core competencies, and threshold competencies, differentiating competencies, technical and behavioural competencies have to be identified by the organization. The competency framework must not just identify job specific competencies but also define those competencies that are essential for superior performance on the job.

3.5.2. Competency Models

An organization can use an existing competency model often referred to as 'Off-the-shelf' ready to use models or can develop its own models. A popular approach is to customize an existing one as per organization's needs.

The competency framework must also draw synergies between various HR systems such as using the competency framework for selecting the most competent candidates (both internally and externally), training them on the gaps in competencies, measuring their on-the-job

performance through competency based objectives, and lastly and most importantly, linking the competency framework to the career management systems in the organization.

3.5.3. Employee Competency Assessment

The competency framework should also extend itself in developing the behavioral indicators for each of the identified competency so that observation and measurement of the identified competencies becomes possible. The HR department would create ways of measuring competencies so that the model can be actually put to use. Some methods include assessment centers, potential appraisals, 360 degree feedback, etc.

3.5.4. Competency Development

The surest way of developing talent in any organization is by developing competencies of workforce. This has to be a continuous process and not a sporadic event or even series of events.

3.5.5. Linking Competency Framework to Other HR Systems

A competency management framework should be synergized with other HR systems for optimal utilization of the same.

3.6 Methods of data collection for Mapping

1. Expert Opinion
2. Structured Interviews
3. Workshops
4. Critical Incident Techniques
5. Repertory Grid Analysis
6. Job Competency Assessment

3.6.1. Expert Opinion

This method involves an expert member of the HR dept. possibly discussing with the other experts and referring to the published list to draw up “What counts”. The major drawback of this method is that it lacks detailed analysis and the line managers have not been involved at any step so it may be unacceptable.

3.6.2. Structured Interviews

Here we require the list of competences prepared by experts and the job-holders. The key result areas of a particular are identified to analyse the behavioural characteristics, which distinguish performers at different levels of competence.

The positive and negative indicators required for achieving high levels of performance can be analysed as:

- i. Personal drive (achievement motivation)
- ii. Analytical power
- iii. Creative thinking
- iv. Team Management
- v. Interpersonal skills
- vi. Communication skills

This approach relies too much on the experts.

3.6.3. Workshops

A team of experts (knowledge and experience holders), managers, job-holders along with a facilitator (not from personnel department) or a consultant work together in a workshop. The activities of workshop initiate with defining job related competence area. Then the members of the group develop examples of effective and less effective behaviour recorded on flipcharts. The

facilitators' job is to help the group to analyse its findings and assist generally to set competency dimensions which can be identified by behaviour.

3.6.4. Critical Incident Technique

This is a means of eliciting data about effective or less effective behaviour related to actual events- critical incidents.

The technique is used with groups of job holders, their managers and expert in following ways:

- i. Explain what the technique is and what are its uses. This helps to gather the real information regarding the behaviours constituting good or poor performance
- ii. Listing the key areas of responsibilities for a particular job.
- iii. Each area of job can be discussed and relating to critical incidents
- iv. Collect information about the critical incidents under the following headings-
 - a. What were the circumstances?
 - b. What did an individual do?
 - c. What was the outcome of the efforts of the individual?
- v. Same process is repeated for each area of responsibility and various critical incidents are recorded.
- vi. On referring to the flipchart, analysing the critical incidents, the recorded behaviour is marked on a scale from one to five.
- vii. These ratings are discussed and re-discussed for reducing errors.
- viii. Final analysis-It lists the desired competence, performance indicators for each principal accountability or main task.

3.6.5. Repertory Grid

Repertory grid can be used to identify the dimensions that distinguish good from poor standards of performance. This technique is based on Kelly's personal construct theory. Personal constructs are the ways in which we view the world. They are personal because they are highly individual and they influence the way we behave or view other people's behaviour. The aspects of the job to which these 'constructs' or judgements apply are called 'elements'.

A group of people concentrate on certain elements (work or task of job holder) and develop constructs for them. This helps to define the qualities which indicate the essential requirements for successful performance.

The procedure being followed by an 'analyst' is called 'triadic' method of elicitation and involves following steps:

- a. Identify the elements of the job to be analysed.
- b. List the tasks on cards.
- c. Draw three cards randomly from the pack of cards and ask the group members to select the odd one out from the point of view of the qualities and characteristics needed to perform it.
- d. Try to obtain more specific definitions of these qualities in the form of expected behaviour.
- e. Again draw three cards from the pack and repeat step c&d. Repeat the process unless all the cards have been analysed.
- f. List all the constructs and ask the group members to rate each task on every quality using a six or seven point scale.
- g. Collect and analyse the scores in order to assess their relative importance.

The repertory-grid analysis helps people to articulate their views by reference to specific examples. It is easier to identify behavioural competences required in a job by limiting the area through the triadic technique. This method of analysis is quite detailed and time- consuming.

3.6.6. Job Competency Assessment

The job competency assessment method as described by Spencer & Spencer (1993) and offered by Hay/McBer, is based on David McClelland's research on what competency under six clusters-

- i. Achievement Cluster
- ii. Helping/Service
- iii. Influence
- iv. Managerial
- v. Cognitive
- vi. Personal Effectiveness

The competency assessment method is used to model the competencies for a generic role i.e. for a position which is similar to many job holders and basic accountabilities are same. The method begins with assembling a panel of expert managers to express their vision of the job, its duties, responsibilities, difficult job components, likely future changes to the role and the criteria against which the job-holders performance is measured. The members do nominate some members to be outstanding or satisfactory.

The next step is to conduct 'behavioural event interview' with nominated job-holders to focus upon the distinction between a person's concept and what a person actually does. This employs a structured probe strategy rather than a standard set of questions. This investigative interview helps to gather most accurate performance data.

Following this analysis, differentiations can be made between superior and average performers in the form of the:

- (a) Competencies possessed by superior performers
- (b) Activities undertaken by average performers
- (c) Competency and average criteria for both superior and average performers.

3.7 Competency Mapping Framework

Competency framework refers to the conceptual structure in an organization relating to the behavioural elements of employees. It is an illustration of the softer skills that are essential for effective performance. The frameworks have slowly become broader and more ambitious in scope and include more technical competencies. This development has been given an even greater momentum by the use of personal computers and the intranet.

While designing a competency framework, care must be taken that only measurable components are included. It is advised to restrict the number and complexity of competencies in a framework, typically aiming for no more than 12 for any particular role (preferably less), and arranging them into clusters to make the framework more accessible to the users. The definitions and examples for each competency must also be provided.

When supporting talent management, the competency framework is an essential resource for understanding the current performance of the employees. Of course, it is a recognized fact that talent management is a future-focused activity, and it measures an individual's future potential and motivation that are also embraced in the decision-making process.

Competency framework refers to a conceptual framework and it plays an important role in all aspects of talent management, including talent acquisition, talent development, performance management, and talent separation. For studying the use of competency framework in an organization, one would need to glance into the detailed aspects of these processes.

However, there might be one area where the linkage between competency framework and a process is visible, partially, or fully.

Job descriptions are prepared considering the position in an organization, the associated nature of duty, and the competency framework developed for that particular position. We find job descriptions everywhere, in newspapers, on job search portals, and on a company's website as well. Nowadays, one can search job openings on the company's website by giving keywords, location, etc.

By adopting and applying a consistent competency framework across their organization, employers can ensure that they recruit the most suitable candidates, identify high potentials at an early stage, promote the right individuals, and increase retention through structured performance management and career development planning.

The competency framework holds many separate competencies that may be arranged into five core clusters—thinking, relating, leading, self-managing, and achieving.

1. Thinking – cognitive and intellectual competencies. This cluster includes competency identification skill, business understanding skill, organization behaviour understanding skill, project management skill, electronic system skill, facilities selection skill, etc.

2. Relating – social or interpersonal competencies. This cluster demands building bridges of relationship; creating networking and partnering.

3. Leading – managerial competencies (logical thinking, analytical thinking, stress management, leadership skills, planning and organizing skills, and problem analysis and decision-making). It comprises several skills—building a strong team of people, creating a learning environment, monitoring and reviewing business situations periodically, attracting talent, preventing attrition, recognizing innovative work done, sharing ideas regarding organizational growth, etc.

4. Self-managing – competencies relating to emotions, stimulation, motivation, driving forces, and reactions; the degree of influences on effectiveness and efficiency, and analysing how these influence effectiveness and efficiency.

5. Achieving – result-focused competencies relating to achievement of business goals. Negotiation skill, presentation skill, visioning skills, etc. are all essential to achieve business results.

3.8 Developing a Competency Framework

An organization can develop its competency framework in different ways. Generally, companies draw their competency framework keeping in view their occupational standards. Frameworks developed in this way are often linked with progression towards recognized qualifications.

Many organizations develop their competency frameworks through an internal research programme for which they engage advisers from consultancy services. The method of developing a framework ranges from importing an existing and available package to developing the entire framework from scratch by departmental experts.

The best solution usually lies between these two extremes, namely, internally generating a framework that builds relevance in business and done by adapting the existing models that have already been widely used and have been proved successful.

3.9 Summary

It is evident that many organizations develop a competency/behaviour framework with a view to effectively manage performance and progression. However, many managers find it

difficult to use the frameworks and as such, fail to achieve their individual goals. Thus, the goals of the organization remain unachieved. The most common reason for this failure is that people are not adequately trained and they do not see the benefit of the framework.

In addition to this, people must be clear about the framework. In fact, many frameworks are a mix of different concepts. There are not clear links as to what the business is aiming to achieve; many frameworks are a mix of different concepts, which makes them clumsy and cumbersome.

3.10 Key words

Competency Mapping- Competency mapping is a way of assessing the strengths and weaknesses of a worker or organization. It is about identifying a person's job skills and strengths in areas like teamwork, leadership and decision making.

Employee Competency Assessment- The competency framework should also extend itself in developing the behavioral indicators for each of the identified competency so that observation and measurement of the identified competencies becomes possible.

Expert Opinion- This method involves an expert member of the HR dept. possibly discussing with the other experts and referring to the published list to draw up "What counts". The major drawback of this method is that it lacks detailed analysis and the line managers have not been involved at any step so it may be unacceptable.

Structured Interviews - Here we require the list of competences prepared by experts and the job-holders. The key result areas of a particular are identified to analyse the behavioural characteristics, which distinguish performers at different levels of competence

Workshops-A team of experts (knowledge and experience holders), managers, job-holders along with a facilitator (not from personnel department) or a consultant work together in a workshop. The activities of workshop initiate with defining job related competence area

3.11 Self Assessment Questions

1. Briefly Explain the Concept of Competency Mapping
2. Discuss the Objectives and Purpose of Competency Mapping
3. Examine the Developing competency Models
4. Elaborate the Methods of data collection for Mapping

3.12 Suggested Readings

1. Global Talent Management (Global HRM) David G. Collings , Hugh Scullion , Paula M. Caligiuri 2nd Edition Routledge Publications 2023.
2. Talent Acquisition Excellence: Using Digital Capabilities and Analytics to Improve Recruitment Kevin Wheeler, Bas van de Haterd Kogaan page Publications, February 27, 2024
3. The Talent Management Handbook, Second Edition: Creating a Sustainable Competitive Advantage by Selecting, Developing, and Promoting the Best People, Lance Berger, Dorothy Berger , 2nd Edition , McGraw Hill Education 2023.
4. Human Resource Management - S. P. S. BediI Bharati Publications 2021

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Lesson -4

VALIDATING THE COMPETENCY MODELS

Learning Objectives

- ✓ To Discuss the Significant Benefits of Competency Mapping
- ✓ To Identify the Stages of Competency Mapping
- ✓ To Learn the Methods of Competency-Based Training Needs Identification
- ✓ To Examine the Validating the Competency Mapping Models

Structure

- 4.1 Introduction
- 4.2 Significant Benefits of Competency Mapping
- 4.3 Stages of Competency Mapping
 - 4.3.1 Stage 1: Designing the questionnaire for data collection.
 - 4.3.2 Stage 2: Data Collection
 - 4.3.3 Stage 3: Rank Order of the list of competencies
 - 4.3.4 Stage 4: Finalize Role Descriptions and Competencies-Job Wise
- 4.4 Assessment Centre as a Method of Competency Mapping
- 4.5 Competency Mapping Models
- 4.6 Competency-Based HR Practices – Desired Outcomes for Employees
- 4.7 Methods of Competency-Based Training Needs Identification
- 4.8 Validating the Competency Mapping Models
 - 4.8.1. Enhance the Marketing Position
 - 4.8.2. Hiring Effectiveness
 - 4.8.3. Better Internal Placement
 - 4.8.4. Training/Development Efficiencies
 - 4.8.5. Increased Productivity
 - 4.8.6. Better Organizational Performance
- 4.9 Summary
- 4.10 Key words
- 4.11 Suggested Readings
- 4.12 Self Assessment Questions

4.1 Introduction

The competency mapping process does not fit the one-size-fits all formula. It has to be specific to the user organization. It is better to develop models that draw from but are not defined by existing research, using behavioural interview methods so that the organization creates a model that reflects its own strategy, its own market, its own customers, and the competencies that bring success in that specific context (including national culture).

Start with small, discrete groups or teams, ideally in two directions-a ‘horizontal slice’ across the business that takes in a multi-functional or multi-site group, more or less at the same organizational level, and a ‘vertical slice’ taking in one whole department or team from top to bottom. From that, the organization can learn about the process of competency modeling, and how potential alternative formats for the models may or may not fit the needs of the business.

It is important to focus on one or two key areas of implementation rather than the whole HRD agenda in one scoop. So if recruitment and selection or performance management are they

key strategic needs of the business, and where the pain is being felt, then start there. It is advisable to begin with a 'horizontal' slice of the management or senior-most team as the benefits will percolate down to the whole organization.

Competency mapping refers to the process of identifying the key skills required for accomplishing tasks at a particular position. On completion of this process, the map becomes an input for several other HR processes such as job-evaluation; recruitment; training and development; performance management; and succession planning.

The mapping process starts with the understanding of the vision and mission of the organization, followed by translating them into specific, measurable, and time-bound business goals. It then goes on to clearly outlining an organization's structure, identifying various levels and positions, as well as reporting relationships obtained within the structure.

HR professionals initially draw a distinction between competencies and competences. Though these two terms are often used interchangeably, competency more precisely refers to employee behaviour whereas competence highlights on employee performances, skills, or their results.

Competency maps have many potential benefits for students and teaching staff. Of course, because staff and students share many goals, these benefits are not entirely divisible, some aspects of competency mapping will benefit both staff and students. A partial list of potential uses for competency mapping follows. It is likely that more benefits will be discovered as the technique matures.

i. Benefits for Staff:

If competency mapping can actually give a picture of the structure of the course as the students experience it, teaching staff will be able to use that picture as the basis for course refinement. The identification of key concepts is the first step towards designing a syllabus. The information gained can also be published to the students, for example by including it in the subject information handout that students usually receive in their first lecture, or by putting it on the courseware web page.

Of course, it is quite possible that the structure revealed by analysis of student results does not match the lecturer's idea of the conceptual structure of the course. In this case, the revealed structure may suggest ways in which the course can be improved. For example, if two competencies that should be revealed (for example, C pointers and passing by reference) are not clustered together, it could indicate a need to make the connection more explicit to the students.

If the competency map uses all the coursework marks as input, this will not help the students of that year; however, it may well help teaching staff to refine the coursework for the next delivery of the course. It would also be useful to staff who are teaching follow-on courses, as they would gain a better idea of which topics need revision.

A competency map using only the marks for half of the course can be produced if staff wishes to refine the course on the fly, but care must be taken that the data are sufficient; if the only marks on record are the first six practical marks, it is unlikely that any useful conclusions can be drawn. It is not yet certain how many points are needed for competency mapping to be useful, but it is likely to depend on the amount and complexity of the course material.

These uses assume that competency mapping will educate the structure of the course. If, however, the technique does not do this, then there are still potential benefits; logically, we would expect that activities that test strongly related competencies should show correlations in their marks; if this is not the case there must be some reason. For example, written exam questions about linked lists might not correlate strongly with practical questions about linked lists if success in practical is more closely related to factors other than subject knowledge.

This could be the case if some students find their work environment operating system, compiler and editor-difficult to use. In this case, practical questions will tend to cluster much more strongly with other practical questions, and much less strongly with theory questions. The competency map can show that there is a problem, it is then up to the teaching staff to investigate that problem. Of course, competency mapping over subsequent years of the course will help the staff to know when they have ameliorated the problem.

In a University setting, competency mapping can be used to compare demographic subsets of students to students' access to education, for example, if there is concern that students of non-English speaking background are finding a particular activity especially difficult because of the complex language used to explain it, then competency mapping can be applied separately to the results from students belonging to that group and the results compared to a competency map derived from the marks of the rest of the student body.

In this case, a problem with English would result in a distorted cluster arrangement; written-answer questions and questions with complex requirements would tend to cluster together. The technique may also be used to determine whether female students conceptualise the subject differently to male students. Again, if a problem is found, competency mapping over subsequent years will show staff whether the remedies are working.

ii. Benefits for Students:

The primary benefit of competency mapping for students is the increased understanding of the student viewpoint that the teaching staff will have, and resulting in likely course improvements. However, students should also benefit directly from it. A constructivist view of the teaching process suggests that students will assimilate new knowledge and gain new skills more readily if they can be made aware of how those new- competencies interrelate with knowledge and skills that are already mastered.

Of course, Lecturers know this, most new topics begin with an explanation is almost always exclusively verbal. Information about relationships is often best presented in visual form, especially if the relationships are multidimensional, but words are one-dimensional map of the course structure, may help students construct their understanding of the course material.

If it is possible to use competency mapping to break the subject down into components that are close to orthogonal, it should also be possible to design assessment on the basis of that break down. Once the components are known, assessment tasks can be designed that test them individually, or (since it is virtually impossible to test anything in isolation) as close to it as possible. Thus a test can be delivered to students that are quite small, but gives results that are interpretable in terms of the course's competency map.

Because competency mapping measures correlation between task marks across students, it is obviously impossible to generate a competency map based on a single student's data, however, numeric results can be presented alongside the group competency map for example, by shading regions that correspond to topics that the student needs to work on. In this way, a student may be able to use her test results to determine her own weaknesses, and then consult the map to see how they relate to the rest of the course; using this map and compass, she may find it easier to navigate through the material.

If she still has trouble understanding the material, she may ask a staff member for help. In this case, if the staff member has access to her test results, it would be easier to pinpoint the misconception that is at the heart of the problem. Experience shows that determining the problem is almost always harder and more time-consuming than solving it; figuring out what

needs to be explained is more difficult than developing an explanation, especially considering that teachers can develop a set of explanations that work and reuse them.

This means that the student need not worry as much about coming to consultation, and (because consultation time can be used more effectively) the teaching staff are more likely to be free to help her.

To generate a concept map, cluster analysis and multidimensional scaling are applied to proximity data generated from the number of times, concepts were clustered together. Competency maps are generated in a similar way; after student marks, data is collected; cluster analysis and multidimensional scaling are applied to proximity data generated from the matrix of correlations between the marks.

Some Other Significant Benefits:

The advantages of having this kind of a competency management framework are manifold.

1. Provide competency based data on job specifications
2. Allowing organizations to use competency based interviewing technique as a selection methodology
3. Measuring employee performance based on pre-identified competencies
4. Permitting measurement of competencies for current and future job roles
5. Identifying learning needs based on competency gap
6. Developing the organizational leadership by constantly developing competencies of employees at managerial levels and above.
7. Introducing skill-based rewards to encourage competency development of employees
8. Managing employee career development initiatives by focusing on their competencies
9. Encouraging employees to initiate competency development plans to help them own and plan their career management
10. Competency development leads to talent development which benefits both employees and the employer

The competency mapping process consists of the following stages:

4.3 Stages of Competency Mapping

4.3.1 Stage 1: Designing the questionnaire for data collection

While designing the questionnaire following factors are to be taken into consideration:

- a. Knowing the Purpose of the job
- b. Identifying the Critical Success Factors
- c. Identifying the Key Result Areas
- d. Breaking KRAs into Key Activities

4.3.2 Stage 2: Data Collection

- a. Clarity of Organization Direction
- b. Clarity of Organization Structure.
- c. Interview Job Holder.
- d. Interview Job Holder's Reporting Officer.
- e. Discuss with the Focus Group if the job are of the same family.

4.3.3 Stage 3: Rank Order of the list of competencies

This Stage Involves:

- a. Rank Order of the list of competencies (Guided/Unguided)
- b. Comparing good performer and average performer with selected list of competencies.
- c. Use research data and assign competencies to positions.

4.3.4 Stage 4: Finalize Role Descriptions and Competencies-Job Wise.

The following is the step-by-step process for competency mapping:

Step I – Development of Core Competencies:

In this step, the leadership of the organization meets to brainstorm which core competencies the organization requires in order to achieve its objectives, goals, and vision. Examples of core competencies that are usually essential in organizations are problem-solving, team-building, decision-making, and communication skills.

Step 2 – Assessing Competency Levels Required Across Positions:

After the leadership decides which competencies are essential, it is necessary to determine the degree to which, and manner in which, these competencies are required in each type of position (i.e., Sales Manager, Receptionist, and CEO). This assessment can be made through interviews with incumbents of sample positions, using a Position Information Questionnaire (PIQ).

Step 3 – Developing Competency-Based Job Descriptions:

Following the interview process, job descriptions can be developed that include not only duties and reporting relationships but the core competency descriptions that are tailored to each position. The same competencies are included in each employee's performance appraisal instrument so that he/she is evaluated on the same criteria that are specified in the job description.

Step 4 – Competency-Based Matrix:

For career development purposes, new employees (or potential employees) will be interested in career progression options available once they master different competency levels. As career options become more complex and sophisticated, the core competencies are elevated in terms of sophistication as well.

Step 5 – Individual Development Planning:

Using the job-descriptions and the performance appraisal process as a foundation, Human Resources can provide coaching for individuals based on their unique developmental needs. For example- if a sales representative is interested in a position as Sales Manager, Human Resources professional can counsel this person about current strengths and areas for improvement and point out the competency levels required for the higher level position.

Then the employee and the HR person can jointly map out a plan for the employee's development (courses, workshops, mentoring, etc.)

4.4 Assessment Centre as a Method of Competency Mapping

“Assessment Centre” is a mechanism to identify the potential for growth. It is a procedure that uses a variety of techniques to evaluate employees for manpower purpose and decisions. It was initiated by American Telephone and Telegraph Company in 1960. An essential feature of the assessment center is the use of situational test to observe specific job behaviour.

Since it is with reference to a job, elements related to the job are simulated through a variety of tests. The assessors observe the behaviour and make independent evaluation of what they have observed, which results in identifying strengths and weaknesses of the attributes being studied?

The International Personnel Management Association (IPMA) has identified the following elements, essential for a process to be considered as assessment center:

- i. Job analysis of relevant behaviour to determine attributes, skills, etc., for effective job performance and what should be evaluated by assessment center.
- ii. Techniques used must be validated to assess the dimensions of skills and abilities.
- iii. Multiple assessment techniques must be used.

- iv. Assessment techniques must include job related simulations.
 - v. Multiple assessors must be used for each assessee.
 - vi. Assessors must be thoroughly trained.
 - vii. Behavioural observations by assessors must be classified into some meaningful and relevant categories of attributes, skills and abilities, etc.
 - viii. Systematic procedures should be used to record observations.
 - ix. Assessors must prepare a report.
 - x. All information thus generated must be integrated either by discussion or application of statistical techniques.
- Data thus generated can become extremely useful in identifying employees with potential for growth.

4.5 Competency Mapping Models

Before discussing competency models, it is desirable to understand the term 'competency'. According to Morrelli et al., 'A competency is a measurable human capability that is required for effective performance. A competency may be comprised of knowledge, a single skill or ability, a personal characteristic, or a cluster of two or more of these attributes'. This means that competencies facilitate and lead to superior results.

So far as a competency model is concerned, it lists the competencies required for delivering. It is essentially a model built on the foundation of inherent talents, incorporating the types of skills and knowledge, that can be acquired through learning efforts and experience.

There are several competency models.

Some of the main ones are as follows:

1. Customised generic method – As per this method, organisations use a probable list of competencies that are diagnosed internally to aid in their selection of a generic model and then validate it with the input of outstanding and average performers.
2. Job competence assessment method – This is generated using interviews and observations of outstanding and average performers to determine the competencies that differentiate between them in critical incidents.
3. Flexible job competency model method – This seeks to diagnose the competencies that will be required to perform effectively under different conditions in the future.
4. Accelerated competency system method – This lays emphasis on the competencies that specifically support the production of output such as an organisation's products, services or information.
5. Modified job competence assessment method – This also identifies such behavioural differences as in the job competence assessment method, but to reduce costs, interviewees provide a written account of critical incidents.
6. Systems method – This method requires reflecting on not only what exemplary performers do now, or what they do overall, but also behaviours that may be important in the future.

Which model or approach or method should be chosen depends on the circumstances of the organisation concerned, but it should be ensured that it should be practically implementable and that the behaviours described in the model correlate with effectiveness on the job. In other words, it should be able to deliver the expected results.

4.6 Competency-Based HR Practices – Desired Outcomes for Employees

1. Understanding position requirements – Competency applications require a thorough grasp of the processes and skills/knowledge required to meet position performance standards.
2. Needed training – Competency assessments let employees indicate, in a low-risk manner, where they need help in getting their job done. It also lets them establish where they meet qualifications and where they need not waste time in unnecessary development activities.
3. Easier to show qualifications – When targeted business goals are not being met, the question arises whether the problem is people, processes, or uncontrollable outside factors. Competency assessments, along with the appraisal system, make it easier to show whether individual employees are properly trained and qualified.
4. Ability to prepare for the new/next job – Performance appraisals require that an employee be in a job for a period of time before the review takes place.
5. More rational HR decisions – Using competency assessment information, recruitment, hiring, placement, and promotion decisions are made much more objectively. Employees are hired, assessed, developed, and promoted based upon objective competencies rather than subjective preferences or unrelated factors such as seniority.
6. Assessment of competence makes it easy for the qualified worker to stand out and difficult for the unqualified worker to hide. Competency-based HR applications help migrate the responsibility for employee qualifications from management down to the individual worker (talent volatility).

4.7 Methods of Competency-Based Training Needs Identification

Because of highly competitive environment, it is becoming difficult for organisations to determine whether their employees have the capabilities required for success. Hence, a good number of companies are making use of competency models to help them identify knowledge, skills and personal characteristics needed for successful performance in a job. This, in turn, helps in identifying the training needs of the employees of the organisation.

First, identify the job or position to be analysed and identify if there are any changes in the business strategy of the organisation and whether such changes in the business strategy need new competencies or old competencies need to be altered.

The next step to follow is to identify effective and ineffective performers using the approaches such as analysing one or more 'star' performers, surveying people who are familiar with the job and investigating benchmark data of good performers in other companies. The final step involves validating the model, that is, whether the competencies included in the model are really effective in getting the desired results.

4.8 Validating the Competency Mapping Models

4.8.1. Enhance the Marketing Position

Competency-based applications can also improve the stature of an organization in terms of enhancing the employability brand of the organization.

4.8.2. Hiring Effectiveness

Competency-based efforts can have a positive effect on hiring and turnover. Improved recruiting and selection processes deliver employees who are more qualified for their new jobs.

4.8.3. Better Internal Placement

Similarly, positions can be filled more effectively with properly qualified internal candidates. Employees who are ready to move up can be readily identified and promoted.

Employees who want to move up but are not qualified can be steered into necessary development activities. The result is more of the right people in the right jobs.

4.8.4. Training/Development Efficiencies

Organizations that train employees by title or by workgroup may be wasting a lot of productive time. Thirty-year employees may not need to be sitting next to new hires in some training class mandated by management. The goal for developing employees is just-in-time, just-as-needed. The immediate result of individual assessments is an easy win.

4.8.5. Increased Productivity

Productivity can be improved three ways. First, enhanced selection of employees results in better across-the-board performance on the job. Second, time wasted in unnecessary development activities is converted to productive work time. Third, existing employees receive the development they want and need to be more effective in their jobs.

4.8.6. Better Organizational Performance

Competency-based HR applications can contribute to the overall performance of the organization, although they are hard to isolate as a direct cause. They can deliver extremely large paybacks by helping organizations identify people who can help capture market share, shorten time to market, raise the level of customer service, be more innovative, improve efficiencies and make better decisions.

4.9 Summary

In order to identify role-specific competencies; it required industry-specific, functional and behavioural competencies. These all need to be developed for enhanced performance.

The approach for developing a competency framework for a particular role in any organization is as proposed below:

The first thing which one needs to understand is strategic business context of the organizations in term of its structure and environmental variables.

The next is to detail role description for positions. It will be done by defining and scaling (relative importance and mastery level) of specific behaviors for each identified competency as a measure of performance.

Further to develop competency framework taking into consideration the core values and the culture of the organizations in addition to specific functional and level requirements. This should jell with the vision and mission of the company, and then only it can be done properly.

Finally, it needs to validate the competency framework through a workshop, which should include functional experts and top management personnel in order to define critical and desirable competencies.

After this to substantiate the extent to which the competencies differentiate between high and average performers by validating the content and criteria.

4.10 Key words

Competency Mapping- Competency mapping refers to the process of identifying the key skills required for accomplishing tasks at a particular position. On completion of this process, the map becomes an input for several other HR processes such as job-evaluation; recruitment; training and development; performance management; and succession planning

Assessment Centre as a Method of Competency Mapping- “Assessment Centre” is a mechanism to identify the potential for growth. It is a procedure that uses a variety of techniques to evaluate employees for manpower purpose and decisions.

4.11 Self Assessment Questions

1. Discuss the Significant Benefits of Competency Mapping
2. Identify the Stages of Competency Mapping
3. Examine the Methods of Competency-Based Training Needs Identification
4. Describe the Validating the Competency Mapping Models

4.12 Suggested Readings

1. Global Talent Management (Global HRM) David G. Collings , Hugh Scullion , Paula M. Caligiuri 2nd Edition Routledge Publications 2023.
2. Talent Acquisition Excellence: Using Digital Capabilities and Analytics to Improve Recruitment Kevin Wheeler, Bas van de Haterd Kogaan page Publications, February 27, 2024
3. The Talent Management Handbook, Second Edition: Creating a Sustainable Competitive Advantage by Selecting, Developing, and Promoting the Best People, Lance Berger, Dorothy Berger , 2nd Edition , McGraw Hill Education 2023.
4. Human Resource Management - S. P. S. Bedi I Bharati Publications 2021

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Lesson -5

PERFORMANCE MANAGEMENT

Learning Objectives

- ✓ To study the Purpose of the Performance Appraisal
- ✓ To understand the Personal Development plan
- ✓ To Know the 360 degree Performance appraisal
- ✓ To Discuss the Performance Appraisal and reward system

Structure

- 5.1 Introduction
- 5.2 Purpose of a performance appraisal
- 5.3 Personal Development Plans
 - 5.3.1. Soft skills
 - 5.3.2. Personal growth
 - 5.3.3. Power to impact others
 - 5.3.4. Personal improvement
 - 5.3.5. Self-confidence
 - 5.3.6. Personal analysis
- 5.4 360 Degree Performance Appraisal
 - 5.4.1 Provides a complete assessment
 - 5.4.2 Increases teamwork
 - 5.4.3 Shares perception
 - 5.4.4 Garners more feedback
 - 5.4.5 Allows anonymity
 - 5.4.6 Identifies training gaps
 - 5.4.7 Increases productivity and relationships
 - 5.4.8 Gives insight into work
 - 5.4.9 Brings transparency
- 5.5 Disadvantages of 360-degree appraisals
 - 5.5.1 Time consuming
 - 5.5.2 Not always positive
 - 5.5.3 Dishonesty and inaccuracy
 - 5.5.4 Distrust
 - 5.5.5 Anonymity
 - 5.5.6 Poor execution
- 5.6 Performance Management and Reward System
 - 5.6.1. Increased employee motivation and engagement
 - 5.6.2. Improved productivity and performance
 - 5.6.3. Enhanced employee retention and loyalty
 - 5.6.4. Alignment of individual and organizational goals
- 5.7 Performance linked remuneration system
- 5.8 Performance linked career planning and Promotion policy
- 5.9 Summary
- 5.10 Key words
- 5.11 Self Assessment questions

5.12 Suggested Readings

5.1 Introduction

Decisions regarding promotions, rewards, and continued training rely heavily on performance appraisals. For many companies, performance appraisals are merely seen as a necessary evil. They are conducted and tossed to the side without a second thought. However, if taken full advantage of, this process provides countless benefits to ensure you keep your employees productive and engaged.

A performance appraisal is a regularly scheduled formal process evaluating an employee's overall performance and contribution to the company with the goal of improving that performance. It can also be referred to as the performance review, performance evaluation, or employee appraisal.

Performance appraisals are a platform to provide feedback, offer a formal moment in time to evaluate job performance, and help distribute raises and bonuses among employees. Usually, this happens once or twice a year, taking place at the start of the year and around the half-year point. These are formal sit-downs in which the direct manager or supervisor evaluates performance on the main tasks and responsibilities of the employee.

HR is typically responsible for outlining the performance appraisal process, which is then executed by managers. Employees' active involvement creates the buy-in necessary to make the improvements that the performance appraisal is set up for in the first place.

Identifying opportunities for improvement based on pre-determined goals and metrics is a key goal of performance appraisals. For example, employees or departments might need specific training to perform better.

What is job performance?

Job performance is the degree to which an employee fulfills the tasks of their job description. This includes achieving objectives and meeting performance criteria, and is also known as in-role performance.

Employees can also help their organization through behaviors that are not directly related to their task functions such as helping colleagues and contributing to the organization beyond job duties. This is called extra-role performance, contextual performance, or organizational citizenship behaviors.

5.2 Purpose of a performance appraisal

As we've already mentioned, the purpose of performance appraisals is to continuously improve the company's performance and workplace culture. Let's take a closer look at the objectives of performance appraisals. These include:

Identifying how each employee can improve in their role – Employees may need additional skills to perform better at their job, which they can gain through targeted training. In other cases, updated equipment or software might be necessary. A performance appraisal helps determine and document these needs.

Identifying strengths and opportunities for improvement within departments and the company – What are departments lacking? For example, do they need additional staffing, more equipment, or a larger budget to perform at an optimal level?

Determining how to best allocate rewards, promotions, and resources – Performance appraisals help you figure out which employees are most deserving of rewards and promotions.

What's more, an analysis of performance appraisals tells you which employees and departments would benefit from which available resources.

Obtaining documentation on employee performance – Promotion, disciplinary action, and termination decisions are never easy. Formalized performance appraisals provide documentation for making objective and defensible future decisions based on pre-determined criteria.

Have the tools to set future performance goals – The goals and benchmarks your company is achieving now are a good indication of what goals to set in the future and at what pace your business can achieve them.

5.3 Personal Development Plans

Personal development is the process of looking inward and concentrating on ways to better yourself. It focuses on rebuilding habits and ways of thinking, like developing better problem-solving skills, practicing self-compassion, or fostering a growth mindset.

But it's far from simple. The techniques you use to connect with your inner self differ greatly from person to person, making the right path potentially harder to find. True development asks you to engage in honest self-reflection and strategic goal-setting at the same time — and sometimes, that's a long process.

That doesn't mean personal development isn't worth it. Striving for growth and continuous learning will push you out of your comfort zone, teaching you to be resilient and flexible to challenges.

And the rewards are transformative. Embracing change will help you build self-awareness and push you closer to your personal and professional aspirations. The meaning of a PDP is to have something that tracks and supports your progress.

Types of personal development

Personal development is a never-ending process. You can always benefit from improving your know-how or adopting an entirely new skill. There's infinite potential for personal development, and if that feels overwhelming, it's okay. Start slow and small and let improvements build one on top of the other.

To get started on a self-assessment of your potential objectives, here are six common categories of personal development goals:

5.3.1. Soft skills

Your unique personality makes some soft skills feel second nature. If you identify more as an introvert, your natural attention to your inner self may give you a deep sense of empathy or creativity. And if you feel more extroverted, you probably instinctively multitask or strike up conversations with new colleagues.

According to a LinkedIn hiring trends analysis, your technical skills capture a hiring manager's attention, but soft skills often determine whether they actually extend a job offer — so don't overlook them. You might already have strong soft skills that come naturally to you, but that doesn't mean you can't learn others that push you out of your comfort zone.

It isn't just your professional life where these competencies come in handy. In your personal life, they shape friendships and nourish a sense of community and belonging.

To identify areas for improvement, perform a skills assessment, reach out to colleagues or managers for constructive feedback, or start a daily journaling practice to identify behavioral patterns. Whether it's fostering better decision-making or lowering your cognitive bias tops your list of goals, the soft skills you develop can make life easier and more fulfilling.

5.3.2. Personal growth

Daily life is so full of tasks that you may not often stop to revel in the lessons you learn each day. Personal growth is about moving through your routines with intention, pushing to be a better version of yourself.

Although personal growth is a lifelong journey, you can accomplish it through daily goal-setting. Try waking up early to have 30 minutes of peace, limiting social media usage, or setting boundaries to align daily life with your personal values.

Personal growth requires a commitment to constant self-discovery. You change every day, and your personal goals for self-improvement should reflect that. Start by asking yourself self-discovery questions, reading books by self-growth experts you admire, or starting a manifestation journal to unlock your dreams.

5.3.3. Power to impact others

Personal power is more than your ability to wield influence — it's about how you do it. Every day, you interact with people and impact them with your words, actions, and presence. Intentionality is the key to making your influence positive, uplifting and inspiring the people around you.

To weave this power into your personal growth plan, reflect on the times others uplifted you and try to recreate them. Deepening your empathetic leadership, working on collaboration skills, and learning to treat others with respect are all ways to create nurturing environments and ensure that your impact leaves a positive legacy.

5.3.4. Personal improvement

Personal improvement and personal growth may sound similar on paper, but each has a unique focus and objective. Growth focuses on a holistic exploration of inner fulfillment. But improvement often includes short-term goals that are easier to define, zeroing in on the specific skill sets that enhance your daily life.

Learning negotiation skills, improving technical proficiency, or developing routines for financial wellness are all examples of personal improvement goals. These skills give you structure and know-how to work productively and remain resilient to challenges. And while it is distinct from personal growth, the skills you develop here will act as foundations that support broader development.

5.3.5. Self-confidence

When you're confident, you move through your day easily, stand up to challenges, and confidently share ideas. But unfortunately, not every day feels like this. Everyone has insecurities or worries that invite their inner critic to pop up and take over their positive mindset.

While you may not be able to manifest a life free of insecurity or worry, you can take steps to improve overall self-confidence. Expanding your network, learning clear communication skills, and adopting a growth mindset can make you more resilient. That way, when challenges overwhelm you, you can step back and access tools to move forward confidently.

5.3.6. Personal analysis

It's not always easy to see yourself from an outside perspective. But being objective and honest about your strengths and weaknesses is the key to self-improvement. After all, if you don't know your starting place, it's nearly impossible to build a path forward.

This kind of self-analysis requires regular checking-in, which can be a long-term goal in itself. Consider reflective journaling, regularly requesting performance reviews, or taking a personality assessment like the Enneagram. However you analyze yourself, you'll develop valuable insights about where you are and where you aspire to go.

5.4 360 Degree Performance Appraisal

A 360-degree performance appraisal, also known as 360-degree feedback or multi-rater feedback, is when employers evaluate employee performance from as many sources as possible instead of only one-on-one feedback from a direct manager. Once all the feedback is collected, it is used to measure employee strengths, weaknesses and skills and can provide a well-rounded performance review. If the 360-degree performance appraisal is well designed, it can boost team performance, promote self-awareness and create transparent communication.

Advantages of 360-degree appraisals

There are many pros to using the 360-degree feedback method, such as motivating employee engagement, a transparent feedback process and improving the overall efficiency of feedback. Here are some of the upsides of using this evaluation technique:

5.4.1 Provides a complete assessment

Because 360-degree feedback comes from so many different sources, the information collected is broader and therefore has the potential to be more accurate. It may be possible to notice recurring patterns and themes from the feedback. As the number of respondents increases, there is a better idea of an employee's behavior, work and relationships. Clients, customers, colleagues and other sources of feedback provide information that wouldn't otherwise be possible to know. Employees are more likely to take feedback into consideration when it comes from multiple sources instead of just one person.

5.4.2 Increases teamwork

Theoretically, when a team is able to identify all of their strengths and weaknesses as individuals and as a team, they have the knowledge and motivation necessary to make changes and improvements. When employees know what behaviors they need to develop and improve, they can become better workers as individuals and become better collaborators with their team, which results in a more productive and positive work environment.

5.4.3 Shares perception

It can be a positive experience to see how others perceive you in the workplace. Those who take part in the 360-degree feedback have the opportunity to anonymously share what they feel about their colleagues. It's not very often that coworkers have the opportunity to know what others think of them. It is important that participants are able to handle the feedback without feeling upset by focusing on a growth mindset and the opportunity to grow personally and professionally.

5.4.4 Garners more feedback

Generally, employees like to receive feedback, and the 360-degree appraisal method resolves any issues with a lack of frequent feedback. This multi-rater feedback provides employees with a chance to receive more feedback and more frequent feedback from a wide variety of sources. Often, employees also perceive the feedback as being more accurate and fair since it comes from multiple sources.

5.4.5 Allows anonymity

360-degree feedback is typically provided and received anonymously. There are some advantages to anonymous feedback, like helping employees feel more comfortable about the feedback they want to share, especially when it comes to negative or constructive feedback.

Promotes self-awareness

Employees are able to develop a sense of self-awareness about their strengths and weaknesses when using 360-degree feedback. This awareness can motivate employees to work towards self-improvement, develop new skills and improve existing skills. This self-awareness

can also bridge the difference between how employees see themselves and the opinions others have of them.

5.4.6 Identifies training gaps

Skills gaps can affect individual employees and their organization as a whole. Personal and organizational gaps in training are identifiable with the 360-degree performance appraisal. The feedback provides an overall understanding of individual, departmental and organizational skill competency and finds particular areas where there are issues with training so management can implement training programs.

5.4.7 Increases productivity and relationships

360-degree feedback can boost morale and help employees and managers work together better. When used correctly, the feedback can build trust, increase communication, improve overall performance and encourage teams to reach mutual goals. It can also help employees align their goals with the organization's goals and see a clearer picture of the skills they need to be successful.

5.4.8 Gives insight into work

One of the biggest benefits of the 360-degree appraisal method is insight and understanding of an employee's role in the company. It helps employees to see beyond their daily tasks and outcomes and identify how their role contributes to the organization. Managers are able to better understand how an employee fits in with the team and get a glimpse at other nuanced feedback besides just finished work assignments.

5.4.9 Brings transparency

Increased transparency from 360-degree feedback can lead to developing trust between coworkers. An increase in transparency and trust may enhance decision-making, increase performance and build a solid foundation of knowledge, all of which have the potential to increase revenue. When used intentionally, 360-degree feedback can let organizations generate ideas, improve operations, make positive changes and tap into unrealized potential.

5.5 Disadvantages of 360-degree appraisals

While there are many advantages to using the 360-degree feedback method, there can be some potential drawbacks, such as creating conflicts, lowering morale and limiting upward career paths. Here are some of the downsides of using the 360-degree performance appraisal evaluation technique:

5.5.1 Time consuming

It can take significant time to complete a 360-degree performance appraisal. It takes time for the sources to participate in answering the questions thoughtfully and for the supervisors or HR employees to read through the material and analyze it with insight. The quality and amount of feedback often come at the cost of lost time. Weighing the feedback and compiling it all into one performance review document with customized software can expedite the process. It can also be helpful to determine whether the feedback is worth the time invested.

5.5.2 Not always positive

Some managers may have the temptation to use 360-degree feedback to focus on the negative aspects of employee performance rather than develop and encourage the positive aspects. Too much negativity can lead to resentment and feelings of fear or anger. Managers can be mindful of this possibility and focus on balancing both negative and positive feedback, teaching about constructive criticism and turning negative comments into beneficial actionable statements.

5.5.3 Dishonesty and inaccuracy

If a lack of trust exists among coworkers, they may not offer honest feedback but rather just say what they think people want to hear. If the feedback is not honest then it is likely also inaccurate, which is not very useful. A small close-knit team may be afraid of being too critical, and a very large team may not know each other well enough to give an accurate assessment. Prevent this situation by setting up clear guidelines and being transparent about expectations with 360-degree feedback.

5.5.4 Distrust

It's important to follow through on communicating what managers learned from the 360-degree performance appraisal and how they plan to address the feedback. If the participants feel like the 360-degree feedback was just busy work or a useless exercise, then there may not be any tangible growth or positive change, trust in leadership may be depleted, and engagement may go down. Leadership can prevent this from happening by following through with an action plan based on the feedback results.

5.5.5 Anonymity

While anonymous feedback with the 360-degree performance appraisal may make some employees more comfortable and able to share their opinions more freely, the opposite can happen as well. Some employees may not feel the need to take the 360-degree feedback seriously or may use the anonymity to be overly negative, critical or focused on weaknesses.

5.5.6 Poor execution

Often organizations go about introducing and using the 360-degree appraisal method poorly. It's important to go about using the evaluation method with the right steps, such as introducing the method properly and with positivity and maximizing the value of the feedback. This is especially important when changing from one type of performance feedback to another and when it might affect employees' compensation or positions.

5.6 Performance Management and Reward System

5.6.1. Increased employee motivation and engagement

A performance management and rewards system links employee rewards with how well they do their work. Moreover, managers have the opportunity to invest substantial time towards meaningful activities – like checking in on employees and if they are pursuing the right targets and goals. They enable employees to maximize their abilities and duties. In turn, this increases the likelihood of job satisfaction and fulfillment.

5.6.2. Improved productivity and performance

These systems enhance the overall efficacy of the organization. Employees who are performing well will deliver outstanding work and be more inclined to take on new things and keep moving forward. When a few employees are rewarded, it may also inspire their co-workers to be more productive and improve their performance.

5.6.3. Enhanced employee retention and loyalty

Because human capital is such a valuable asset, it is crucial to discover methods to retain your employees. Employee autonomy is augmented when they are given a chance to relentlessly pursue targets. They can then point out areas for improvement, which, ultimately, gives them a reason to stay on. And since performance leads to a coveted reward, it urges them to stay with the organization and keep performing.

5.6.4. Alignment of individual and organizational goals

The system encourages individuals while bringing together their personal and organizational objectives. This methodology is continuous and ongoing, in comparison to the conventional approach, which is primarily recognized for its annual assessment of performance. Employees are constantly working towards a tangible goal and reward while simultaneously contributing to the company's growth.

5.7 Performance linked remuneration system

Performance-based compensation rewards an investment manager or an employee for meeting certain performance targets or for high-quality work. For investment managers, it provides incentives to make smart and risk-appropriate investment choices that result in an appreciation of invested assets. This allows them a percentage of the returns in addition to the managerial fees they charge.

For employees, performance-based compensation is a reward for their hard work and acts as an acknowledgment of their contribution to the firm as well as functioning as an incentive to stay with the company. Most employee bonuses are performance-based compensation.

Performance based pay has gained prominence as companies recognize its potential to drive exceptional results. In fact, over 70% of organizations have implemented some form of performance based pay system. This reflects the growing acknowledgment of the positive impact that aligning compensation with performance can have on overall business success.

That said, there are some drawbacks to systems that rely too heavily on performance based pay — such as a stark downturn in employee engagement and camaraderie.

But by incentivizing high performance and rewarding exceptional results, performance based pay has the potential to reshape the way your organization motivates and engages your workforce, if done properly

5.8 Performance linked career planning and Promotion policy

Performance measurement and career planning are two essential aspects of staff development. They help you assess the current and potential skills, competencies, and goals of your employees, and align them with the needs and expectations of your organization. However, many managers struggle to combine these two processes in a way that is effective, fair, and motivating for their staff.

Performance measurement and career planning are often viewed as separate or even conflicting activities, which can lead to problems such as poor alignment between individual and organizational goals, lack of clarity about expectations and standards, low motivation and engagement among staff, missed opportunities for learning and development, and high turnover of talent. However, by combining performance measurement and career planning, you can create a holistic and balanced approach to staff development. Performance measurement can be used to identify gaps and opportunities for improvement in your staff's skills and competencies, while career planning can provide guidance and support to help them achieve their goals. You can also use career planning to inform your performance measurement criteria, ensuring that they are relevant, realistic, and aligned with your staff's interests and aspirations.

An employee promotion policy is a set of guidelines for promoting employees, which should outline the promotion criteria and promotion process. This helps build trust between the employees and management and removes potential biases.

To create an effective employee promotion policy, you must consider the major factors;

Eligibility Criteria: This section of your policy should state the promotion criteria and clearly explain who can be promoted using impartial factors like performance, seniority, and other relevant qualifications. Depending on your organization, the criteria for eligibility might vary. However, keep eligibility criterias simple and clear to ensure a transparent and fair promotion process.

Process Outline: The process outline explains what your employees can expect when applying for the employee promotion process. It can include how to submit applications, the evaluation process, timelines for each phase, and the eligibility criteria mentioned above.

Decision Authorities: When creating your employee promotion policy, you must clearly identify the decision authorities. This ensures that promotion decisions are impartial and well-documented. Decision authorities can include HR managers, leadership/executives, and direct supervisors.

By considering the above when building an employee promotion policy, business owners and HR professionals can clearly show how the employee promotion process works. This is beneficial because it signals to employees that there is transparency and equality, which fosters a positive workplace culture and boosts employee satisfaction.

Types of employee promotions

There are various types of employee promotions within an organization and each promotion serves its own purpose. However, the three major types of employee promotions to keep in mind are:

Internal promotions

Internal promotions occur when you assign an employee to fill a role within the organization, rather than hiring an external candidate. Internal promotions help demonstrate your organization's culture of providing growth opportunities for employees.

Horizontal promotions

Horizontal employee promotion refers to moving an employee to a different role at the same level within the company. For example, moving an Associate to a Senior Associate. This type of promotion is valuable because it allows your employees to gain new experiences without moving to a different position.

Vertical promotions

This form of promotion involves an employee moving to a higher-level position within the organization. This type of promotion increases the responsibilities of an employee. Vertical promotions used as a form of acknowledgement and recognition can lead to increased job satisfaction.

Overall, knowing the types of employee promotions is essential as it helps you make promotion decisions that benefit both the organization and employees.

Reasons for promoting the employee

Promoting an employee is an effective way to show you recognize and appreciate your employees' dedication and hardwork. However it's important to know the reasons to promote an employee. This ensures that your promotion decisions are fair and support the growth of your organization. Some reasons to promote employees include:

Meeting performance expectations

Your employees who have a proven track-record of meeting performance expectations are great candidates for promotion. Such employees have demonstrated they possess the skills and work ethic for accomplishing goals and are capable of succeeding in more challenging roles.

Developing relevant skills and knowledge

Promoting your employees who invest in developing their professional skills and knowledge is vital. This ensures a skilled worker with relevant knowledge handles increased responsibilities. It also motivates other employees to seek advancement in their skills and knowledge.

Demonstrating leadership potential

Employees who display leadership qualities like inspiring and motivating their colleagues are a great option for promotion. Such employees have the ability to promote collaboration between teams and foster a positive work environment.

Active participation and communication

Employees who actively participate with company activities and communicate show how much interest they have in the success of the organization. This quality contributes to effective teamwork and leadership.

Alignment with company goals

Your employees who see the connection between their work and the company's success are great candidates for promotion. Such employees have a sense of purpose and motivation to do their best.

Understanding the reasons to promote an employee helps you as a business owner or HR manager make promotion decisions that foster employee development and promote a positive work culture.

5.9 Summary

Achieving and sustaining organizational excellence takes more than routine task management. It requires a strategic approach that aligns employee goals with those of the business and engages employees to work towards them.

That's where performance management comes in. Beyond routine check-ins, this transformative process empowers employees, enhances their contributions, and propels organizations toward greater success.

To explore every aspect of performance management, from setting meaningful goals and nurturing talent to cultivating ongoing feedback and fostering employee engagement. Learn how to unlock the full potential of your team and set your business up for sustainable success

5.10 Key words

Job Performance- Job performance is the degree to which an employee fulfills the tasks of their job description. This includes achieving objectives and meeting performance criteria, and is also known as in-role performance.

Personal development- Personal development is the process of looking inward and concentrating on ways to better yourself. It focuses on rebuilding habits and ways of thinking, like developing better problem-solving skills, practicing self-compassion, or fostering a growth mindset.

Personal improvement -Personal improvement and personal growth may sound similar on paper, but each has a unique focus and objective. Growth focuses on a holistic exploration of inner fulfillment. But improvement often includes short-term goals that are easier to define, zeroing in on the specific skill sets that enhance your daily life

360-degree Performance Appraisal -A 360-degree performance appraisal, also known as 360-degree feedback or multi-rater feedback, is when employers evaluate employee performance from as many sources as possible instead of only one-on-one feedback from a direct manager

5.11 Self Assessment Questions

1. Briefly Explain the Purpose of the Performance Appraisal
2. Outline the Personal Development plan
3. Describe the 360 degree Performance appraisal
4. Discuss the Performance Appraisal and reward system

5.12 Suggested Readings

1. Global Talent Management (Global HRM) David G. Collings , Hugh Scullion , Paula M. Caligiuri 2nd Edition Routledge Publications 2023.
2. Talent Acquisition Excellence: Using Digital Capabilities and Analytics to Improve Recruitment Kevin Wheeler, Bas van de Haterd Kogaan page Publications, February 27, 2024
3. The Talent Management Handbook, Second Edition: Creating a Sustainable Competitive Advantage by Selecting, Developing, and Promoting the Best People, Lance Berger, Dorothy Berger , 2nd Edition , McGraw Hill Education 2023.
4. Human Resource Management - S. P. S. Bedi Bharati Publications 2021

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Lesson- 6

EMPLOYEE ENGAGEMENT

COURSE OBJECTIVES:

1. To understand the meaning and definition of Employee Engagement
2. To know the significance of employee engagement
3. To understand the process of employee engagement
4. To understand the elements and dimensions of employee engagement

COURSE STRUCTURE

- 6.1 Employee Engagement – Introduction
- 6.2 Meaning And Significance
- 6.3 Process Of Employee Engagement
- 6.4 Elements Of Employee Engagement
- 6.5 Dimensions Of Employee Engagement
- 6.6 Constituents Of Engagement
- 6.7 Summary
- 6.8 Key Words
- 6.9 Self Assessment Questions
- 6.10 Text Book References:

6.1 EMPLOYEE ENGAGEMENT – Introduction

Employee Engagement workplace approach resulting in the right conditions for all members of an organization to give of their best each day, committed to their organization's goals and values, motivated to contribute to organizational success, with an enhanced sense of their own well-being. It does not mean employee happiness, and defined by how happy or content your employees are. It does not address their level of motivation, involvement, or emotional commitment. For some employees, being satisfied means collecting a paycheck while doing as little work as possible. Someone might be happy at work, but that doesn't necessarily mean they are working hard, productively on behalf of the organization. While company game rooms, free massages and Friday keg parties are fun--and may be beneficial for other reasons--making employees happy is different from making them engaged.

Employee Engagement is a concept that describes the level of enthusiasm and dedication a worker feels toward their job. Engaged employees care about their work and about the performance of the company, and feel that their efforts make a difference. An engaged employee is in it for more than a paycheck and may consider their well-being linked to their performance, and thus instrumental to their company's success. Thus, it involves emotional commitment to work and the workplace. It's often mixed up with happiness or satisfaction. But it goes beyond whether or not an individual enjoys their work.

Employee Engagement is also considered as a passion, involvement, and motivation they bring to work, which they use to guide their work. Engaged employees identify with the goals of the organization and align their own goals with the organization's goals, wherein, it represents the levels of enthusiasm and connection employees have with their organization. It's a measure of

how motivated people are to put in extra effort for their organization, and a sign of how committed they are to staying there.

Employee engagement is defined as employees' emotional investment in their work – in terms of the passion they put into their work and the motivation they feel to do their job well.

Simon Sinek, the author of “Start With Why,” describes employee engagement in the simplest of terms: *“When people are financially invested, they want a return. When people are emotionally invested, they want to contribute.”*

The concept of employee engagement was first introduced in 1990 by Dr. William Kahn. He suggested that people are involved in their work at three levels – physically, cognitively, and emotionally. However, employees may be engaged at fewer levels, or even disengaged or actively disengaged.

As opposed to engaged employees, disengaged employees simply put in their specified hours at work and leave. They do not involve themselves in activities beyond their regular jobs, and they value the job just enough to ensure that they get their paycheck at the end of the month.

A level above disengaged employees are actively disengaged employees. Such employees are not only unproductive, but they also undermine the work engaged employees do. Their negative attitude may create a toxic workplace, and they essentially become a burden on the business.

6.2 MEANING AND SIGNIFICANCE

Employee engagement is the strength of the mental and emotional connection employees feel toward the organization that they work for, their team, and their work.

It's about how emotionally invested employees are in their work and the organization's goals. Engaged employees typically display a high degree of commitment, are more productive, and contribute positively to the company culture. They're not just working for a paycheck or the next promotion, but are genuinely interested in their work and motivated to contribute to the organization's success.

A successful employee engagement strategy helps to create a community at the workplace and not just a workforce. When employees are effectively and positively engaged with their organization, they form an emotional connection with the company. This affects their attitude towards both their colleagues and the company's clients and improves customer satisfaction and service levels.

Employee engagement is a human resources (HR) concept that describes the level of enthusiasm and dedication a worker feels toward their job. Engaged employees care about their work and about the performance of the company, and feel that their efforts make a difference. An engaged employee is in it for more than a paycheck and may consider their well-being linked to their performance, and thus instrumental to their company's success.

6.2.1 SIGNIFICANCE OF EMPLOYEE ENGAGEMENT:

Employee engagement is so important to all organizations because having effective strategies in-place helps create a better work culture, reduce staff turnover, increase productivity, build better

work and customer relationships, and impact company profits. Yet, it makes employees happier and turns them into your best advocates.

A Significance for people at work

For those working every day, being engaged with their job, company, and colleagues plays a critical role in their overall satisfaction and experience. Employees become more energized and efficient, and they go beyond what's expected of them. Naturally, this influences their own mental health at work and can positively influence those around them, such as colleagues and customers.

Employee engagement improves work culture, reduces turnover, increases productivity, builds better work and customer relationships, and affects profits. High employee engagement also turns workers into your best advocates.

B Significance at company level

Generally, employee engagement tends to matter most at the company level because of the impact it has on business operations and profitability. But it also helps leaders understand employee needs, as well as identify ways to improve morale and create better work environments

1. Lower Turnover

Employees who aren't engaged with their work are likely to look elsewhere. And since it costs one-half to twice an employee's annual salary to replace them—not to mention the less tangible impacts on staff morale and productivity—focusing on employee engagement can produce major cost savings for organizations.

2. Reduced Employee Stress

Less engaged employees are likely to feel more stressed, and stress decreases engagement, creating a vicious spiral that can be hard to break. Stress costs American businesses \$300 billion a year, according to the American Institute of Stress. So, reducing stress and increasing engagement pays dividends, showcasing another reason why employee engagement is important.

3. Decreased Burnout

Low engagement and unchecked stress can lead to burnout, a state characterized in part by a lack of motivation and inability to connect with one's work. According to McKinsey & Company, a startling 49% of workers reported at least some level of burnout in April 2021. Improving employee engagement can help keep employees from reaching that state, from which it can be difficult to recover.

4. Increased Productivity

It's no surprise that employees who feel engaged with their work put in more effort, and their companies reap the rewards. Engaged workforces are 17% more productive, according to Gallup, which has major implications for both the profitability and longevity of the organization.

5. Greater Employee Commitment

In addition to increased output, engaged employees are in general more committed to the future of their organization. That means they are more likely to put time and energy into tasks that aren't as easy to measure but that have a big impact. These may include training new employees and developing more efficient processes.

6. Better Customer Service

Engaged employees are more aligned with the company's mission and goals, meaning their customer interactions are more on-brand. Plus, customers are likely to see their positivity about the organization. Engagement is directly linked to improved customer experiences and can also increase customer loyalty over time.

7. Improved Collaboration

Employees who feel connected to their company and their teammates are more likely to feel a sense of camaraderie and to collaborate effectively with their colleagues. This, in turn, promotes engagement among their peers, creating a positive cycle.

8. Lower Absenteeism

Absenteeism can seriously strain a company's ability to perform its mission. According to Gallup, companies with high engagement have 81% lower absenteeism than companies with low engagement. This is a difference with a clear impact on productivity and outcomes.

9. Safer Workplaces

Workplace accidents can have tragic consequences and pose a huge reputational and financial risk for organizations. Since engaged employees tend to pay closer attention to their work and feel more empowered to speak up about concerns, they are less likely to take risks that can lead to injury. That's why companies in the top quartile for engagement have a whopping 70% fewer accidents than companies in the bottom quartile.

10. Fewer Mistakes

On a similar note, disengaged employees are also more likely to make costly mistakes in their work. If your staff doesn't feel committed to the organization and their roles, they aren't as likely to go the extra mile to ensure their work is perfect.

6.3 PROCESS OF EMPLOYEE ENGAGEMENT

- 1. Prepare and Design** - The first step in the process is about discovering the specific requirements of your organization and deciding the priorities. After that a customized design of carrying the whole process can be designed. It is recommended to seek advice of expert management consultant in order to increase the chances of getting it done right at the first attempt.
- 2. Employee Engagement Survey** – It is the measurement and assessment about how motivated and engaged your employees are to perform their best at work each day. From these surveys, you can gain insight into employees' thoughts and attitudes towards their work and the overall environment.
- 3. Result analysis** – It is the analysis of comparison about most recent results to past ones and understand how your organization is performing over time.
- 4. Action Planning** – It is the development of solutions to address the feedback from the survey and construct a timeline to convert actionable information into positive change

5. Action Follow-up – It is the process that an organization must come up with to identify and priorities their actions based on their employee engagement rates in the workplace.

Elements of Employee Engagement

1. **Commitment** – It refers to the level of enthusiasm an employee has towards his/her tasks assigned at a workplace. It is the feeling of responsibility that a person has towards the goals, mission, and vision of the organization he/she is associated with
2. **Motivation** – It refers to the willpower and drive to act on those feeling of the employees.
3. **Loyalty** – It refers to the emotional commitment an employee has to the organization and its goals, resulting in the use of dictionary effort.
4. **Trust** – It refers to the bond formed by actions that occur over time and it is mutual, or it does not exist.

6.4 ELEMENTS OF EMPLOYEE ENGAGEMENT

1. Commitment – It refers to the level of enthusiasm an employee has towards his/her tasks assigned at a workplace. It is the feeling of responsibility that a person has towards the goals, mission, and vision of the organization he/she is associated with

2. Motivation – It refers to the willpower and drive to act on those feeling of the employees.

3. Loyalty – It refers to the emotional commitment an employee has to the organization and its goals, resulting in the use of dictionary effort.

4. Trust – It refers to the bond formed by actions that occur over time and it is mutual, or it does not exist.

6.5 DIMENSIONS OF EMPLOYEE ENGAGEMENT

1. Physical – It refers to the extent to which employees expend their efforts, both physical and mental, as they go about their jobs

2. Cognitive – It refers to the level, where employees need to know what their employer's vision and strategies.

3. Emotional – It refers to the process wherein employers encourage their employees to work and contribute with the same passion and commitment, irrespective of disruption.

6.6 CONSTITUENTS OF ENGAGEMENT

A recent poll conducted by Gallup surveyed 67,000 employees and found that only 32% of respondents felt engaged in the workplace. This represents a 4% decrease from the 36% reported in 2020.

This could be due, in part, to a number of different factors such as the increase in remote working conditions available. Many workplace organizations fail to identify and properly address the key elements of employee engagement.

It may also be attributed to a lack of interest in employee well-being on the part of the company. Another reason for this could be because of poor or inadequate employee recognition programs. 78% of employees cited that being recognized makes them feel more motivated in their job.

It's important to understand the key elements of employee engagement. This can help you identify the best ways to keep employees happy and improve employee retention rates. It also allows you to create and maintain a better work-life balance for your employees.

Interested in learning more about the 6 key elements of employee engagement? If so, keep reading below for valuable information.

1. Good Communication

Communication is one of the most vital elements of employee engagement. Employees don't want to work in an environment where they are forced to play "Guess What I'm Thinking" with the management and their other co-workers. This can create stress for employees who think they are always messing up and lead to higher turnover rates.

Having a clear system of communication ensures that employees are always up to speed on the progress of current projects. It also serves to keep employees updated on current policies, as well as any upcoming events. Communication should always be done in a timely manner so employees aren't left to wonder and assume.

Employees also want to know that they play an important role in the organization. So, it is crucial that any business organization communicates to them often how valued they are.

It is especially important to share any relevant manager feedback. This can be accomplished in person or through an employee chat portal or work email setup.

You must be sure to clearly communicate the core values and expectations of your organization. This will go along with the mission and overall vision of your company. In doing this, you are helping the employee to better connect themselves to your organization.

Employees who feel more engaged through effective communication practices are more productive. They produce higher-quality work and make fewer mistakes as a result.

2. Strong Leadership

Often in workplace environments, there is a clearcut hierarchy of workers, managers, and other personnel. Employees look to those above them as a source of inspiration and wisdom. That is why leadership is another part of the fundamental elements of employee engagement.

Leading by example is one of the most powerful and impactful things you can do for your employees. A strong leader embodies all of the best traits employees themselves should strive to have in their day-to-day working lives.

Strong leadership encompasses many positive characteristics such as:

- Confidence
- Humility
- Integrity
- Accountability
- Good listening skills
- Decisiveness

Managers who are wishy-washy or frequently indecisive in their actions can hurt workplace cohesiveness. It can make employees question their leadership abilities.

Employees can quickly become disengaged in the workplace. This is particularly true if they don't believe they have adequate management support. Those who display strong leadership traits will earn the respect of their employees.

However, a manager or other leader should not have to resort to drill sergeant tendencies and yell and scream at their employees either. This can put them off and make them want to disconnect even further. Rather, someone who displays strong leadership must also possess a high emotional IQ.

An emotional IQ refers to one's ability to connect with others and manage their own emotions effectively. Someone with a high emotional intelligence handles emotional connections empathetically and fairly. They are able to problem-solve and remain cool under pressure.

3. Focus on Employee Well-Being

These days, you hear a lot about the importance of employee health and well-being. This involves both the physical and the mental aspects. Maybe you yourself have needed to take a personal day or mental health day of your own.

These aren't just trendy buzzwords. The days of employees burning out left and right because of an unhealthy and unrealistic work-life balance are over. It is part of a growing movement with a focus on improving how organizations handle the needs of their employees.

Businesses must no longer treat their employees as expendable workhorses. Those that do will suffer the consequences of high employee turnover rates. They will also encounter unproductive and unhealthy employees who will cost them in missed work days due to an increase in health issues.

A focus on employee well-being is another one of the key elements of employee engagement for good reason. A happier and healthier employee is a more engaged one and that leads to better levels of employee retention.

That is why many organizations are now using corporate wellness platforms. These platforms allow employees to engage in activity challenges by themselves or as a team.

They can also engage and take part in health and wellness categories such as:

- Nutritious Recipes
- Fitness Videos
- Wellness Education
- Behavior Challenges
- Group Wellness Events

Building healthier habits leads to more engaged employees in the workplace and creates accountability. The ability to customize challenges and hold team wellness events helps bond co-workers together. It also shows employees that you're a company that cares.

4. Employee Recognition

Employee recognition is one of the elements of employee engagement that often goes unacknowledged the most. Employees work hard and must juggle a lot to maintain an appropriate work-life balance.

There are many companies and organizations that believe an employee's paycheck alone is acknowledgment enough for their work. But employee recognition doesn't need to be an extravagant song and dance number or an all-expenses-paid European vacation.

In fact, 85% of workers surveyed claimed that a simple “thank you” was enough. This could entail the act of sending out a message of thanks or congratulations to a team after completing a large project. Employee recognition could also be wishing an employee a happy birthday or remembering their milestone work anniversary.

The most important form of employee recognition comes from manager feedback. Unfortunately, many organizations either do not engage in employee recognition frequently enough or don’t have an employee recognition system at all.

By managing this oversight with proper employee recognition, you’ll make employees feel more valued and strengthen employee retention.

5. Employee Rewards

Of course, that’s not to say that you can still reward your employees in other ways from time to time. A tangible reward system gives employees a set goal or objective to strive for. It is also one of the top elements of employee engagement.

When there is a promise of earning potential rewards, employees will become more engaged in their job. This can take the form of a gift card or other special prize. It could be for recognizing employee collaborations and achievements on a special project or as a part of a company-wide health and wellness challenge.

For example, if your organization holds regular fitness events, you can incorporate a rewards program for extra motivation. For each fitness challenge an individual or team completes, points are awarded and logged into a system that tracks their progress. The top-scoring participants can then redeem those points for a reward of their choice or for a custom one that the organization sets up ahead of time.

A built-in employee rewards platform makes it easy to track and acknowledge employee performance. It builds up a more positive work environment and establishes a better work culture overall.

Employee rewards go hand-in-hand with other forms of employee recognition. With both elements working in tandem, you can bolster employee retention and engagement.

6. Trust in the Workplace

Trust goes a long way toward improving employee retention as well. Along with all of the other elements of employee engagement, trust is essential for building up a workplace culture based on mutual respect and cooperation.

Employees need to feel safe in their workplace environment. The changing workplace culture is one that is centered around diversity and inclusivity. Employees who don’t feel like they are in an organization they can trust and feel comfortable working in will easily become disengaged.

They also need to feel that they have consistent management support, should any issues arise. Employees should be able to freely voice their opinions and share feedback without the fear of losing their job as a consequence.

Communication and trust are joint elements of employee engagement. It’s a two-way channel of manager feedback and employee feedback that makes a successful company thrive. Management and their employees are a team that works together in a symbiotic relationship.

Employees who have trust in their workplace will be more engaged and productive. They will also show more company loyalty. This bodes well not only for your employees themselves but also for your organization as a whole.

6.7 SUMMARY

Employee engagement is a human resources (HR) concept that describes the level of enthusiasm and dedication a worker feels toward their job. Engaged employees care about their work and about the performance of the company, and feel that their efforts make a difference. An engaged employee is in it for more than a pay check and may consider their well-being linked to their performance, and thus instrumental to their company's success.

6.8 KEY WORDS

Employee Turnover: Employee turnover refers to the total number of workers who leave a company over a certain time period. It includes those who exit voluntarily as well as employees who are fired or laid off—that is, involuntary turnover.

Work Stress: The harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker.

Burnout: Burnout is a form of exhaustion caused by constantly feeling swamped. It happens when we experience too much emotional, physical, and mental fatigue for too long.

Productivity: Productivity is a measure of economic performance that compares the amount of goods and services produced (output) with the amount of inputs used to produce those goods and services.

Employee Commitment: Employee commitment is an emotional attachment to and involvement with an organization. Employee commitment is a bond between the employee and the organization such that the employee wants to continue serving the organization and helping it achieve its objectives.

Absenteeism: Absenteeism refers to absence from work that extends beyond what would be considered reasonable and customary due to vacation, personal time, or occasional illness.

Employee Well-being: It is the overall mental, physical, emotional, and economic health of your employees. It's influenced by various factors such as their relationships with co-workers, the decisions they make, and the tools and resources they have access to

Humility: Humility is the quality of being humble

6.9 SELF ASSESSMENT QUESTIONS

1. Explain the meaning and definition of Employee Engagement,
2. Discuss the significance of employee engagement
3. Explain the process of employee engagement.
4. Describe the constituents of employee engagement

6.10 TEXT BOOK REFERENCES:

1. Build It: The Rebel Playbook for World-Class Employee Engagement by Glenn Elliott and Debra Corey (2018)
2. Employee Engagement: A Practical Introduction: 19 (HR Fundamentals, 19) by Emma Bridger (2018)
3. Employee Engagement For Dummies by Bob Kelleher (2013)
4. Employee Engagement for Everyone: 4 Keys to Happiness and Fulfillment at Work by Kevin Kruse (2013)

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LESSON -7

CONCEPTUAL FRAMEWORK OF ENGAGEMENT

COURSE OBJECTIVES:

1. To understand the conceptual frame work of employees
2. To understand different theories of employee engagement
3. To understand the levels of employee engagement
4. To understand the parameters to measure employee engagement

Structure

- 7.1 Conceptual Framework Of Engagement - Introduction
- 7.2 Engagement Theories
- 7.3 Behaviours Assocoated With Engaged Employees
- 7.4 Engaged, Not Engaged, Actively Disengaged
- 7.5 Parameters To Measure Employee Engagement
- 7.6 Q12 Model Of Gallup, Employee Satisfaction Survey
- 7.7 Summary
- 7.8 Keywords
- 7.9 Self Assessmet Questions
- 7.10 Text Book References

7.1 CONCEPTUAL FRAMEWORK OF ENGAGEMENT - INTRODUCTION

Employee engagement is relatively a new concept which has been developed from researches on involvement, empowerment, motivation, commitment, etc. It refers to positive feelings of employees about their jobs and the organizations, and also the motivation, commitment and effort they put into their work. It is a real time effort they put into their work. It is a real time effort by the organization to effectively use the services of human resource to achieve its objectives, generating positive behavior among employees in a competitive environment. The contractual relationship between employee and employer limiting the motivation to “how much I get” has been shifted to “how much we gain” due to effective strategies for employee engagement. It is no more a concept limited to employee retention, but the organizers attempt to engage their employee“s by creating the situation where employees become emotionally and intellectually committed to the organization, where they not only speak positively about the organization, but also develop the desire to continue with it and put extra efforts for its success. Engaged employees identify themselves with the organization and care for its success willingly contributing their discretionary efforts.

Employee engagement can be thought of as a potential outcome of a work culture. It is a state in which the employee feels an affinity for the organization, feels that they belong to and are appreciated and are part of something worthwhile.

Engagement also implies an alignment with the organization and a level of commitment. Employee engagement is developed when business values the employees and vice versa. A culture that facilitates employee engagement, accommodate employee needs, and ensures employee effectiveness and growth, will set the foundation in place for long term success of the organization. Once the culture is created, engagement becomes „the way we do things around here“ and it does not have to be recreated year after year.

7.2 ENGAGEMENT THEORIES

Since the concept of engagement is relatively new, research on understanding its various dimensions started as late as the early nineties. Over the years, practitioners and researchers have used differing definitions as well as theoretical models to interpret engagement and its functioning.

Various theories have been presented to explain engagement:

1. Kahn's Psychological Presence
2. Saks' Social Exchange Theory
3. Schaufeli and Bakker's Job Demands and Resources theory
4. Fredrickson's Broaden and Build Theory, and
5. Csikszentmihalyi's Flow Theory of Vital Engagement.

Except for Fredrickson's theory, all others consider a balance in the relationship between the employer and employee to be vital for the existence and development of engagement.

1. PSYCHOLOGICAL PRESENCE

Kahn opined that engagement results from a mental state, which he termed psychological presence, corresponding to an environment in which individuals can be themselves and be able to express themselves without reservations.

They are under no pressure to control or subdue their feelings, beliefs, values or inclinations. In such an atmosphere, they can freely immerse themselves in their work and derive enjoyment and satisfaction from it.

Kahn identifies three dimensions of psychological presence – meaningfulness, safety, and availability. He states that people modify their personal engagements according to their perceptions of the benefits, or 'meaningfulness', and the guarantees, or 'safety', they perceive in situations. Psychological meaningfulness was associated with elements at work that created motivation or demotivation to personally engage or disengage

Psychological safety was related to elements of social systems that created predictable and consistent social conditions, in which the individual did not feel threatened, in order to engage safely. Psychological availability was associated with individual distractions that preoccupied people to various degrees and left them more or fewer resources with which to engage in role performances.

On meaningfulness, Kahn argues that individuals will feel more engaged when they have a sense of return on investments, feel worthwhile, and valued. They must find meaningfulness in their roles, provided through challenging jobs, variety, creativity and autonomy. There is an alignment between organizational and personal goals causing them to dedicate themselves to their job with vigour. This energy manifests itself as engagement.

Individuals feel psychologically safe when they are able to express themselves at work without any fear of repercussions or negative outcomes that could affect their self-image, their status, and even career. People feel safe in environments in which they believe they will not suffer on account of their personal engagement. Employees finding situations to be trustworthy, secure and predictable are more likely to employ themselves with vigour and cause engagement. Such an atmosphere can be brought about by relationships that are built on support, trust, flexibility and openness.

Psychological availability refers to the self-belief and confidence when equipped with physical, psychological, or emotional resources to completely engage in their specific task at any given moment of time. It indicates whether individuals are capable of investing these physical, intellectual and emotional energies in their work, despite the distractions experienced. Kahn's

concepts were supported by a further study, which confirmed that engagement was indeed related to meaningfulness, psychological availability and safety. The relationship of psychological presence and engagement was also confirmed in 2010 by a study that measured the extent to which individuals felt alignment between their work and values, and the organizational support received. Engagement was found to be associated with these three measures – self-evaluation, value congruence, and organizational support - and is similar to Kahn's antecedents of meaningfulness, safety and availability.

2. SOCIAL EXCHANGE THEORY

Social Exchange Theory (SET) provides a stronger theoretical rationale which can be used to support Kahn's views on engagement. The SET contends that the interaction between parties, who are reciprocally interdependent, generates obligations and actions that are based on the perceived reciprocal response. The foundation of SET is that these relationships develop over time leading to trust, loyalty, and mutual commitment. In order to achieve this desirable stage, both parties must follow specific 'rules of exchange'. "Rules of exchange form a normative definition of the situation that forms among or is adopted by the participants in an exchange relation".

These 'rules of exchange' involve reciprocity in such a way that the actions of one side create a response or repayment actions by the other side. For example, the receipt of economic or socio-emotional resources from the organization creates an obligation through which they respond in a similar manner and repay the organization through their work.

This feeling of obligation is what lies at the heart of engagement and makes it a two-way relationship. Organizations that create this feeling of obligation will find that employees are willing to repay them by involving themselves to greater degrees in their work roles – physically, cognitively and emotionally. This results in positive attitudes towards the organization, leading to engagement. Saks also agrees, finding organizational support and resources leading to increased levels of engagement. The level of engagement will vary on the resources they receive from their organizations. When these resources and benefits are not available, employees tend to uncouple themselves and disengage. Saks concludes that resources – economic, social and emotional – provided by the organization will dictate the quantum of physical, cognitive and emotional energy an individual will bring to his work.

3. THE JOB DEMANDS-RESOURCES MODEL

The Job Demands-Resources (JD-R) model has also been used to predict employee engagement, through its antithesis burnout, and consequent organizational performance. The basic tenet of the JD-R model is that the various factors causing employee well-being, different in various occupations, fall under two major categories – Job Demands and Resources.

Job demands refer to those factors that lead to burnout, namely increased levels of stress, excessive expectations and conflicting demands. Meeting these demands requires additional effort, causing depletion of energy and resulting in exhaustion.

Job resources, on the other hand, indicate the existence of support, feedback and work autonomy – conditions necessary for the cultivation of engagement, and simultaneously moderate any detrimental consequences of excessive job demands.

The existence of these two processes has been evidenced by extensive research. High job demands drain the individual physically as well as mentally, causing energy depletion and well-being issues. In contrast, job resources nurture engagement and motivate individuals to go beyond the normal call of duty.

Job resources thus go a long way in promoting engagement. Resources such as constructive performance feedback, co-worker support, and guidance from seniors are positively related with vigour, dedication and absorption – the three elements of work engagement. Another study highlights that there are six potential resources – working climate, job control, innovation, supervisor support, information, appreciation, innovation - which were also positively linked to engagement.

Job resources also have the ability to mitigate the adverse effects of high job demands, thereby reducing burnout. Job demands – both physical and emotional, and conflicts between personal and work responsibilities, usually create energy depletion and cynicism, leading to disengagement. The provision of job resources such as autonomy, feedback, and support, help to reduce the effects of such high demands. Present resources also have an effect on engagement in the future, and resources can also affect the subsequent development of engagement, apart from only mitigating the negative effects of high job demands at the present moment. It has also been argued that a cycle is often created, in that, job resources lead to the enhancement of engagement, consequently leading to the attraction of more resources.

4. BROADEN & BUILD THEORY

Using the perspectives of positive psychology, Fredrickson developed the ‘Broaden and Build’ theory, in order to capture the unique effects of positive emotions. Fredrickson proposes that there are specific and distinct positive emotions – such as joy, interest, contentment, pride, and love – that have the capability to ‘broaden’ people’s momentary thought-action repositories and build their enduring personal resources. These resources can range from physical and intellectual to social and psychological resources. She states that joy encourages playfulness and creativity, broadening resources in the process. Interest, on the other hand, enhances exploratory desires, the ability to assimilate new experiences and information, and development. Such attitudes to work are crucial for organizations to maintain their competitiveness, and are particularly important in middle managers who need to take the lead. She also found empirical evidence suggesting that positive emotions broaden attention spans, cognitive abilities, and activity levels and assist in building intellectual, physical, and social resources.

Fredrickson’s theory emphasizes that positive emotions open the hearts and minds of employees making them more receptive and creative. This creates conditions that allow employees to discover new skills and develop them, form relationships, and gain knowledge, making them more resilient to setbacks.

Recent research has shown that engagement also creates positive emotions, including joy, happiness, interest, and enthusiasm. It has also suggested that these positive emotions may be the reason behind engaged employees having higher productivity. Employees, who are happy are more sensitive to work opportunities, willingly help others, are more optimistic and have higher confidence levels [90]. Research has also shown that positive emotions can make people feel good not only at the moment but also in the future, by developing durable psychological resources and moving them towards emotional well-being.

Using the broaden and build theory it can be argued that engaged employees, given the right conditions that provide joy, happiness and enthusiasm, can develop their own strengths, and are better placed to achieve their professional goals. It has also been suggested that these conditions also result in good health of employees, allowing them to direct their energy and resources towards the work itself. They also transfer their enthusiasm to others in their circle and improve team performance.

Positive emotions actually lead to good functioning – they are not only rewards for doing the right things, they also increase future performance potential of employees. Indications are that the ‘Broaden and Build’ theory also operates at the team level – a good balance between being supportive and being challenged broadens the creative potential of the entire team, resulting in increased productivity, profitability and customer satisfaction.

5. FLOW AND VITAL ENGAGEMENT

Another construct closely associated with engagement is that of ‘flow’. The idea of ‘flow’ was conceived by Csikszentmihalyi who described it as the “holistic sensation that people feel when they act with total involvement”. He suggested that individuals experiencing flow are not motivated by extrinsic rewards or causes; the work in itself was challenge enough. Flow refers to a moment-by-moment experience which is felt by individuals when they are completely immersed in their work.

Under the influence of flow, employees operate at full capacity creating feelings of satisfaction, happiness, and creativity, enabling individuals to operate with higher efficiency. Flow, however, is the balancing of an individual’s perceived abilities and the opportunities to use them. Employees feel anxious when the challenges are high on one hand, and bored in its absence on the other. It has been further stated that flow results in employees achieving meaningful connections to their work environment, termed as ‘vital engagement’. Individuals experiencing ‘vital engagement’ find work meaningful and enjoyable. Similar to Kahn’s concept of engagement, vital engagement is also associated with a kind of self-involvement or employment.

Vital engagement however, is associated more with cognitive involvement, and is a temporary state, whereas engagement has a broader domain, combining physical, emotional and cognitive aspects, and is more stable over time. Additionally, flow is essentially a short-term cognitive capturing of the person in an activity on a temporary basis, while engagement implies a more permanent and holistic involvement in work activities.

7.3 BEHAVIOURS ASSOCCATED WITH ENGAGED EMPLOYEES

The concept of employee engagement is typically credited to psychologist William Kahn. In 1990, Kahn wrote a paper called “Psychological Conditions of Personal Engagement and Disengagement” that outlined three dimensions of employee engagement: cognitive, emotional, and physical.

The paper delved into Kahn’s research to test the hypothesis that the varying levels of themselves employees physically, cognitively, and emotionally bring to their jobs influences their experiences of work and their performance.

When employees are cognitively engaged, they are highly committed to their job. When they’re physically engaged, they are highly invested in their work. When they are emotionally engaged, they have a strong emotional connection to their work.

Employee engagement can be measured by the extent to which employees feel passionate about their work and how committed they are emotionally to the organization and its mission. An employee’s level of engagement is tied to how the employee feels about their work experience, how they are treated in the organization, whether or not they feel a sense of purpose in the work they do, and whether or not they feel that the organization is dedicated to an authentic vision.

Meaningful work, opportunities for professional development, autonomy, an inclusive work environment, regular recognition of contributions, healthy feedback between leadership and employees, and trust-based working relationships all drive employee engagement.

Employees also seek job clarity and a work/life balance, the latter of which is becoming increasingly important to job seekers and necessary for engagement.

Leadership plays a pivotal role in engagement because leaders shape an organization's culture—another factor that can significantly affect engagement. A leader's ability to foster a culture that values employees and build authentic relationships with all team members will determine how engaged an organization's employees are.

Engaged employees will often exhibit these common behaviors:

Performing at Their Best:

One of the hallmarks of an engaged team is high performance. Employees who are engaged typically perform well and produce quality work.

High-performance teams are made up of highly engaged employees who believe in the organization's mission, believe the work they do is making an impact, and feel instrumental in the organization's success.

Engaged employees feel that their voices are heard and that their contributions are valued. Reports indicate that employees who feel heard are 4.6 times more likely to feel empowered to perform their best work.

Taking Accountability:

Engaged employees will clearly understand their tasks, responsibilities, and goals and will hold themselves accountable for achieving them. This can tie into purpose, trust, and autonomy.

Engaged employees know the work they do has a direct impact on the success of the organization and will work hard to achieve the desired results. They are more focused on the quality and success of the end result and less concerned with the time spent on the project, though this can be very important depending on the task.

In organizations that embrace and learn from mistakes, rather than focusing on punishing employees for making them, you will see higher levels of engagement and more accountability in employees.

Engaging in Collaboration:

Collaboration can boost engagement. It is also one of the many benefits of having a high level of engagement within an organization.

Engaged employees develop strong relationships with their co-workers. These relationships are crucial to successful collaboration efforts. When employees enjoy working with their co-workers, they truly function as a team and can accomplish much more when they work together.

Always Seeking Process Improvements

Engaged employees will have clarity on their roles and always strive to perform their duties in a better or more efficient manner. They will often streamline tasks to improve their productivity or suggest improvements in current procedures and processes.

This can result in improved productivity, better use of resources, and increased profitability. Another bonus is that innovation often occurs as a result of this mindset. There is even evidence that engaged employees excel at customer-focused innovation.

Learning and Developing New Skills

As I mentioned, engaged employees always strive to do their best work. Whether it's getting better at their current role or aiming for a promotion, engaged employees will want to improve the skills they will need to do this.

This is why engaged employees often take advantage of the learning and development opportunities an organization provides. They will be more willing to learn new processes and technologies to help the organization reach its goals.

Giving and Receiving Feedback

Feedback is crucial for engagement, but it can also be a sign of a high level of engagement. This is because engaged employees view constructive feedback as important to development in their role and their overall performance.

Engaged employees often provide feedback that is extremely useful to management. They make suggestions that improve processes, increase productivity, spark innovation, and save the company money.

One of the ways feedback boosts engagement is that it builds trust between leadership and employees, creating a safe, trust-based environment where employees feel that their opinions are valued and help drive decision-making.

Taking a Proactive Approach

When employees feel that their feedback has an impact on decision-making, they will take a proactive approach to their jobs. This may mean anticipating issues before they crop up or reacting in a timely manner to issues requiring immediate action.

Autonomy can play a role in this. Autonomy is also a driver of engagement, and it can help employees be more proactive. When you trust employees and give them the autonomy they need to make the decisions about the work they do, they feel comfortable taking ownership of duties.

Engaged employees often take the initiative to personally change their own work environment. This proactive behavior is referred to as "job crafting"—this is when employees make changes to their jobs to make them more engaging and meaningful.

Some employees are motivated by work that is not only meaningful but also challenging. This helps employees perform better and can improve their overall well-being, which helps maintain engagement.

Going the Extra Mile

Engaged employees often go above and beyond their daily tasks to accomplish things. Whether it's meeting a tight deadline on a project or going out of their way to accommodate a customer, engaged employees are willing to do that bit of extra that helps organizations accomplish short- and long-term goals.

However, this is an area that can have some drawbacks if management isn't mindful. Some organizations end up creating a situation where going the extra mile becomes the norm but also a necessity. If employees are constantly having to go above and beyond just to keep their head above water, then it can very quickly lead to burnout and disengagement.

Toxic productivity can also result in a situation where employees work too much at the expense of their mental and physical well-being and may harm their performance. The need to constantly do or produce things can turn toxic and can be unproductive ultimately.

7.4 ENGAGED, NOT ENGAGED, ACTIVELY DISENGAGED

Employee engagement is the extent to which employees feel passionate about their jobs and are committed to the organization. This emotional commitment means engaged employees care

about their work and their company. An employee is considered highly engaged if he is fully absorbed in his work or encouraged to perform his task beyond what typically is expected in his job role. These employees don't work just for a paycheck, or just for the next promotion, but on behalf of the organization's goals.

3 Types of Employees

Depending on the level of commitment, the employees can be classified into three categories: Actively Disengaged, Actively Engaged, and Not Engaged.

- **Engaged Employees:** The engaged employees are those who work with full passion and are emotionally attached to the organization. They are innovative and provide new ideas and consistent performance to move the organization forward. They personalize the company's goals and objectives, and always work above and beyond their job requirements for the betterment of the organization.

an 'Engaged Employee' can be considered to be one, who:

- Is physically, cognitively, and emotionally committed to the organization
 - Has a feeling of ownership of the organization
 - Is passionate and enthusiastic about her/his job
 - Is motivated, involved and satisfied with her/his work
 - Is willing to put in discretionary effort and go the 'extra mile' for the organization
- **Not Engaged Employees:** Such employees do put in their time, but not passion and energy into their work. These are the ones who do only what is asked of them. These employees can hold either a negative or positive attitude towards the organization. They consider their job as a paycheck, nothing more.
- **Actively Disengaged Employees:** These employees are unhappy, resentful, and spread negativity within the organization. However, despite doing less than the minimum, these employees last longer in the firm by removing employees whom they perceive will attain higher positions soon.

Supervisor Impact on Engagement

A supervisor's management style can have a crucial impact on employee engagement. As referenced in the Front-Line module "Motivating and Engaging Employees," managers who fail to engage their employees by creating positive relationships can lead to an exodus of top talent. This means that the actions of an employee's direct supervisor can make or break an employee's level of engagement. If employees perceive that their manager is too controlling or micromanages their work, they are much more likely to disengage. But by fostering a style that is more participative and facilitative, supervisors empower their employees to "get on with the job" rather than bogging them down with too much direction. According to a 25-year study by the Gallup organization, the relationship with a manager largely determines the length of an employee's stay.

In addition, roughly 50-70% of an employee's perception of their environment can be traced to the actions of one person: their leader. More than anyone else, the boss creates the conditions that determine people's ability to work well.

How to Increase Engagement

How do managers know who is engaged? The steps for improving engagement aren't complex, but they must be prioritized. By utilizing the following steps, engagement becomes a core function of the manager's role.

Put everyone in the right role: Get the right people on the bus and make sure they are in the right roles. This means that all talent acquisition and retention strategies have to be aligned with company goals.

Train them right: Providing the proper training and development will allow employees to engage with you, ask questions, offer ideas, and voice concerns.

Task meaningful work: Engaged employees do meaningful work and have a clear understanding of how they contribute to the company's mission, purpose, and strategic objectives.

Check in on employee development: Today's workforce craves regular feedback, which leads to faster course correction. Use both formal and informal check-in strategies and use them often.

Don't Micromanage: Employees can't be engaged if they don't have freedom in how to do their jobs. Leave the details up to your employees, and you'll end up with workers happy to put their own methods and ideas into action.

7.5 PARAMETERS TO MEASURE EMPLOYEE ENGAGEMENT

Employee engagement is the extent to which employees feel a passionate connection to the organization, are committed to their work, and put in the extra effort. Employee engagement metrics, thus, indirectly or directly measure how engaged your employees are.

Based on your measurements, you're able to understand the state of employee engagement at your organization, take action where necessary, and design interventions to improve employee engagement across your company.

There are some things that are easily quantifiable, such as how many miles you run on a daily basis or how many glasses of water you drink per day. Measuring employee engagement is not that straightforward, as it is a combination of motivation, happiness, satisfaction, and commitment, which are not as easy to measure.

Engagement, after all, is a complex topic. For example, you can be highly committed to your work but also be burnt out. You can be happy with your job but not receive feedback from your peers and manager.

There is no single employee engagement metric that tells you everything you need to know about employee engagement. A good dashboard will include a handful of metrics that help you learn about your employees, inform your decisions, and help you to have meaningful conversations with employees. Let's take a look at some of those metrics below:

1. Voluntary employee turnover rate

Highly engaged employees are less likely to voluntarily leave – and this reflects in your voluntary employee turnover rate. Turnover is one of the highest costs for any organization, and a lower turnover lead to less disruption, greater productivity, and more cohesion. The more satisfied an employee is, the less likely they are to resign.

When employees are supported, have good relationships, are being developed, and feel challenged in their work, they are likely to have a longer tenure with the organization. To calculate employee turnover, use the below formula:

$$\text{Voluntary Turnover Rate} = \frac{\text{\# of employees who left voluntarily in a given period}}{\text{\# of employees in the same given period}} \times 100$$

2. Employee retention rate

Similar to turnover rate, employee retention looks at people who stay at your organization, which indicates their engagement. To calculate employee retention, use the formula below:

$$\text{Employee Retention Rate} = \frac{\text{Total \# of employees} - \text{Total \# of employees who left}}{\text{Total \# of employees}} \times 100$$

A good employee retention rate cuts down on the costs of onboarding a new employee. It also increases productivity – the longer someone is with an organization, the better their understanding of internal processes. This allows employees to do things faster and with greater accuracy.

Finally, a good retention rate will enable you to build good teams and a solid organizational culture while developing the same group of people.

3. Absenteeism

High employee absenteeism might indicate issues with employee engagement. Measuring the absenteeism rate helps you keep track of this. Workplace absenteeism is an indicator of many things, such as poor working conditions, poor governance, bad leadership, or a lack of work-life balance. It can also be an indicator of employee satisfaction – as a high absenteeism rate correlates with low employee satisfaction.

Absenteeism is a behavior that can also have a severe knock-on effect. A higher absenteeism rate results in a greater workload for employees, which, in turn, causes more stress and job dissatisfaction rate as a result. To calculate employee absenteeism rate, use the below formula:

$$\text{Absenteeism rate} = \frac{\text{Number of absent days}}{\text{Number of available work days in a given period}}$$

Different countries have various regulations for sick leave and how absenteeism is viewed, so it is essential to consider this when calculating absenteeism.

4. Employee Net Promoter Score (eNPS)

Employee Net Promoter Score (eNPS) is one of the most well-known HR metrics to measure employee engagement. Organizations often measure it through an employee engagement survey. This metric is measured by the question “On a scale from 1-10, how likely are you to recommend this organization as a place to work?” or “Based on your experience, how likely are you to recommend our organization to a friend or colleague?” Based on the responses, you can break it down into detractors, passives, and promoters, for example:

- Promoters – Employees that respond either 9 or 10, which is an indication that an employee is satisfied.
- Passives – A score between 7 and 8 indicates the employee is neither happy nor unhappy but feels neutral. They won’t recommend the company to a friend, but they won’t bad-mouth them either.
- Detractors – Any employee that gives a score below 6, which indicates that the employee is not satisfied.

To calculate your eNPS, the formula is:

$$\text{eNPS} = \% \text{ of Promoters} - \% \text{ of Detractors}$$

(9s and 10s) (0s through 6s)

Qualtrics provides a clear benchmark of what a good eNPS is.

5. Employee satisfaction

While there is a clear distinction between employee satisfaction and engagement, they are intertwined, and both can be measured through similar metrics.

Employee satisfaction takes into consideration external factors, such as working conditions, benefits, salary.

On the other hand, employee engagement looks at things such as how an employee is intrinsically motivated and whether they buy into the company vision. One of the easiest ways to measure employee satisfaction is through a simple survey, which contains a combination of open-ended and closed-ended questions. Some questions to include in your employee satisfaction survey include:

- Do you feel valued in your role?
- Do you feel that your job is allowing you to use your skills?
- Do you have a good relationship with your manager?
- Do you see a career path to advance your career within the organization?
- Do you feel the organization prioritizes your wellbeing?

Structure the questions in a way that you can analyze them under categories to make sense of the data. This requires each question to have a theme, such as employee wellbeing, career development, leadership, remuneration. Categorizing the questions helps make sense of a large number of responses during the post-survey analysis.

6. Employee performance

Highly engaged employees are likely to perform well in their jobs, so your employee performance metrics are also relevant to understanding employee engagement. We can generally divide employee performance metrics into four categories:

- Work quality metrics – Such as number of errors, net promoter score, or 360-degree feedback.
- Work quantity metrics – Such as number of sales, number of units produced, handling time
- Work efficiency metrics – Balancing the qualitative and quantitative employee performance metrics
- Organizational performance metrics – Revenue per employee, human capital ROI

An analysis of work performance vs. employee engagement would be a clear indicator that the two are highly correlated. Improving engagement would lead to an uplift in performance, and vice versa.

7. Glassdoor.com rating

Employee engagement also has a significant impact on employer branding. Namely, what people say about you online tells a lot about how they feel about working for you. Before an employee is likely to interview with an organization, the first thing they are likely to do is to ‘Google’ them. One of the most popular employer review sites that always appears is Glassdoor, which has established itself as a leading authority on reviewing workplace satisfaction and making that information publicly available. Therefore, focusing on employee satisfaction is not only an internal priority but also affects an organization’s ability to attract talent externally.

Ratings on Glassdoor are based on employee feedback, on a 5-point scale:

- 0.00 – 1.50 Employees are “Very Dissatisfied”
- 1.51 – 2.50 Employees are “Dissatisfied”
- 2.51 – 3.50 Employees say it’s “Okay”
- 3.51 – 4.00 Employees are “Satisfied”
- 4.01 – 5.00 Employees are “Very Satisfied”

Glassdoor also uses an algorithm to emphasize recent reviews to give them more weight. This is to give viewers the most up-to-date satisfaction score at the company. Former employees also post their comments about what it is or were like to work there. Poor employee satisfaction will reflect in both the quantitative and qualitative data shown on Glassdoor.

Typically, the rating you see on a company profile is the overall rating of all approved reviews that the company has ever received after applying our proprietary algorithm, which among other factors, weights recent reviews more heavily than older ones. It usually takes seven business days for a rating to update after an employee leaves a review.

8. ROI on employee engagement

It’s also important to understand the ROI of high employee engagement. After all, more engaged employees are more productive, and therefore have a higher ROI. This is not just ‘hearsay.’

BestBuy, for example, was able to precisely identify the value of its highest engaged employees and the impact on operating income. BestBuy found that an increase of 0.1% in employee engagement results in more than \$100,000 in the particular store’s annual operating income. Studies by Gallup have also found that organizations that prioritize employee engagement can experience a 20% improvement in sales.

9. Customer happiness

A low employee engagement rate often causes low customer satisfaction, and the other way around. Put yourself in any scenario when you're dealing with client or customer services, and your satisfaction level when the person you're dealing with is calm, friendly, and goes that extra mile.

An Aberdeen Research report states, "*Customer experiences don't happen in a vacuum. They are the result of employee activities. Businesses that understand the importance of employee engagement and manage it through a formal program to align to their customer experience goals achieve far superior results*".

Of course, this is a metric that needs to take into consideration other employee engagement metrics. Oftentimes, customers can be happy, but employees can be burnt out, so it's important to strike a balance.

10. UWES & Gallup Scales

There are also known employee engagement scales that you can use. The two most well-known and tested are the UWES or GALLUP scales. Both are very well tested. For both scales, higher scores are

7.6 Q12 MODEL OF GALLUP, EMPLOYEE SATISFACTION SURVEY.

The 12 questions from the Gallup Q12 Employee Engagement Survey are a quick and easy way to find out how engaged your employees are at work. Employees indicate their feelings and opinions on a scale from 1 to 5, helping you to gather insight into employee motivation and productivity.

Below we highlight each of the Gallup survey questions, while providing insight into their underlying importance and references to employee engagement.

Q1: I know what is expected of me at work

This question addresses one's ability to understand their place within an organization's team. Do employees know how their role is defined? Are they aware of their responsibilities on any given day?

Q2: I have the materials and equipment I need to do my work right

Without the proper tools at their disposal, employees cannot do their job to the highest degree possible. This question is meant to address discrepancies between what employees have and what they need in order to achieve workplace excellence.

Q3: At work, I have the opportunity to do what I do best every day

Do employees feel that they are regulated to a set of tasks that don't effectively utilize their unique set of skills? This question uncovers if employees are in the appropriate position and if the company understands how to maximize the efforts of their employees by building on their strengths.

Q4: In the last 7 days, I have received recognition or praise for doing good work

Simply put: does anyone notice an employee's effort? This question focuses on your company's ability to pinpoint and highlight outstanding individual contributions.

Q5: My supervisor, or someone at work, seems to care about me as a person

Sadly, some organizations see their workforce as nothing but labor. This question aims to uncover how emotionally engaged the leaders in your organization already are.

Q6: There is someone at work who encourages my development

Is there an encouraging presence within your team or does everyone go about their own business on any given day? Without effective leadership or an encouraging atmosphere, engagement cannot thrive because it is not conducive to such conditions.

Q7: At work, my opinion seems to count

Do leaders take employee thoughts and opinions into consideration? This question looks at whether everyone is headed in the same direction or just along for the ride when it comes to brand goals.

Q8: The mission or purpose of my company makes me feel my job is important

How well do employees feel they relate to the goals of your organization? If employees aren't in full agreement with where the company wants to go and the role they play in helping you get there, engagement is doomed to fail because there's nothing to strive for in the long-term.

Q9: My associates or fellow employees are committed to doing quality work

Those around you play an active role in your belief of the company itself. If employees feel coworkers are not as committed as they are, they may feel they are making up for the lack of effort from fellow team members, which can in turn hurt company culture. You should aim to ensure that your team is working in unison and can complete their tasks at the highest levels possible.

Q10: I have a best friend at work

Relationships are important and act as an encouraging sign that a team is working as one. If everyone in the organization operates on a different wavelength, it will ultimately hinder the team's ability to operate as a whole.

Q11: In the last 6 months, someone at work has talked to me about my progress

Metrics and statistics are important, especially as they relate to job performance. If employees are doing something wrong, yet no one tells them it's wrong, they're doomed to continue repeating the same mistakes. By checking in with and encouraging personal growth, team members can maintain more realistic workplace goals.

Q12: This last year, I have had opportunities at work to learn and grow

Is there a program in place that encourages personal growth and allows for opportunity to further skills and abilities? This question is designed to uncover your organization's current engagement levels, as they relate to continued training and education.

7.7 SUMMARY:

Employee engagement is a challenging metric for organizations. In fact, companies are beginning to move beyond employee engagement to focus on workforce experience. Following a technology-enabled, data-driven approach to implement and measure employee engagement can elevate the level of happiness, satisfaction, and involvement employees experience on the job. And as the famous saying goes, happy employees make happy customers.

7.8 KEY WORDS:

Accountability: Accountability is an assurance that an individual or organization is evaluated on its performance or behavior related to something for which it is responsible.

Proactive approach: The proactive approach attempts to understand a system even before it fails (unacceptable quality) in an attempt to identify how it could fail in the future.

Employee retention rate: Employee retention rate is a metric that measures the percentage of employees who remain employed over a specific period. This vital measurement allows organizations to gauge the success of their human resource practices.

Customer happiness: Customer happiness is the level of satisfaction customers experience after interacting with your company, product, or service.

7.9 SELF ASSESSMET QUESTIONS

1. Discuss the theories of employee engagement
2. Depending on the level of engagement, explain the types of employees
3. How to increase employee engagement? – Explain
4. Discuss the parameters to measure employee engagement.
5. Write about Gallup employee satisfaction survey.

7.10 TEXT BOOK REFERENCES

1. Build It: The Rebel Playbook for World-Class Employee Engagement by Glenn Elliott and Debra Corey (2018)
2. Employee Engagement: A Practical Introduction: 19 (HR Fundamentals, 19) by Emma Bridger (2018)
3. Employee Engagement For Dummies by Bob Kelleher (2013)
4. Employee Engagement for Everyone: 4 Keys to Happiness and Fulfillment at Work by Kevin Kruse (2013)

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LESSON-8

SUCCESSION PLANNING IN HRM

OBJECTIVES:

- To study on Succession Planning Concept.
- To understand the importance and benefits of Succession Planning
- To focus on various aspects and risks in Succession Planning

STRUCTURE:

- 8.1 Succession Planning
- 8.2 Succession Planning –Need
- 8.3 Succession Planning – Important Features
- 8.4 Succession Planning- Main Elements
- 8.5 Succession Planning-Guidelines
- 8.6 Succession Planning Process
- 8.7 Succession Planning Vs. Career Planning
- 8.8 Succession Planning Benefits
- 8.9 Succession Planning Problems Faced By HR Professionals
- 8.10 Succession Planning Challenges
- 8.11 Steps to Identifying Critical Roles in Succession Planning
- 8.12 Summary
- 8.13 Key words
- 8.14 Self-Assessment Questions
- 8.15 Further Readings

8.1 SUCCESSION PLANNING

Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. In a recent survey, HR executives and non-HR executives were asked to name their top human capital challenge. Nearly one-third of both executive groups cited succession planning, but less than 20% of companies with a succession plan addressed non-management positions. Slightly more than 40% of firms didn't have a plan in place. Looking across organizations succession planning takes a number of forms (including no form at all). An absence of succession planning should be a red flag, since the competitive advantage of a growing percentage of firms is predicated on their stock of human capital and ability to manage such capital in the future. One of the overarching themes of becoming better at succession is that effective organizations become much better at developing and promoting talent from within.

Succession planning is a process of ensuring a suitable supply of successors for current and future key jobs. It is an essential activity that focuses on planning and managing the career of individuals to optimize their needs and aspirations. The term succession planning can be better understood by studying its characteristics. A succession of persons to fill key positions over time is essential for the survival and success of an organisation. The purpose of succession planning is to identify and develop people to replace current incumbents in key positions in cases of resignation, retirement, promotions, growth, expansion and creation of new positions. Succession by people from within provides opportunities to employees for progress in their careers.

In some professionally managed corporations every key executive is usually asked to identify three or four best juniors who could replace him in his job should the need arise. Complete dependence on internal sources may however cause stagnation in the organisation. Similarly, complete dependence on outside talent may cause stagnation in the career prospects of present employees which may in turn lead to a sense of frustration. Succession planning is one of those initiatives that many companies don't find the time to start until it's too late — if you don't address succession planning now your organization may end up facing the burden in the middle of a crisis.

Moreover, organizations that understand the need to manage the development of their high performers are a step ahead of their competitors! The effort required to establish a development programme for future leaders is worthwhile because it creates a motivated and capable group of employees that are ready to move forward in the organization when the need arises.

8.2 SUCCESSION PLANNING -NEED

1. Ensures Business Continuity:

Succession planning ensures business continuity. It means the organization does not cease to exist when the key positions become vacant due to sudden death, resignation or retirement.

2. Develops Potential Employees:

Succession planning is important for grooming and developing competency of the next possible successor. The right training helps the potential successor to improve his strengths and overcome weaknesses. It also prepares him for various duties, challenges that he might face in future if he fills up the position.

3. Identifies Next Successor:

The process helps to identify next possible successor in advance. Identification of successor in advance (before retirement/resignation/death of person on the key position) helps the organization to plan for future. Every business organization must invest in identifying the next successor for the organization.

4. Smooth Functioning:

Succession planning ensures smooth functioning of the organization. There is supply of competent and skilled employees to take up the role or responsibility of key manager whenever the need arises. Hence, temporary or sudden absence of key manager does not halt the activities of the organization.

5. Reduces Cost of the Organization:

With succession planning, the demand for human resources is met within the organization. It lowers the cost of organization as the time, money, energy required to recruit employee from external source is saved.

6. Developing Career Paths:

Succession planning helps the HR department to set up career advancement plans for competent employees. The assessment of skills and interest helps in providing right training to employees. It also helps to select suitable employee for specific job roles.

7. Corporate Image:

Organization invests in identifying and grooming employees. It also provides varied growth opportunities within the organization. This increases job satisfaction of employees, which results in increased performance and productivity. This ultimately improves image of the organization in market and attracts competent workforce towards the organization.

8. Reduces Employee Turnover:

Succession planning provides growth opportunities to employees within the organization itself. It offers varied job roles to prepare employees to take up higher roles in future. The employees feel important and valuable as the organization takes interest in their career and personal development. Thus, it reduces rate of employee turnover and helps to retain competent workforce.

Succession Planning Nature:

The nature of succession planning can be listed as follows:

- (i) Senior leaders are personally involved.
- (ii) Senior leaders hold themselves responsible for growing leaders.
- (iii) Employees are committed to their own self development.
- (iv) Success is based on a business case for long term needs.
- (v) Succession is linked to strategic planning and investment in the future.
- (vi) Workforce data and analysis inform the process.
- (vii) Leadership competencies are identified and used for the selection and development.
- (viii) A pool of talent is identified and developed early for long term needs.
- (ix) Development is based on challenging and varied job based experience.
- (x) Senior leaders form a partnership with human resources.

Succession Planning Nature

Survival, growth and efficient continuous existence of an organisation require a succession of people to fill various important jobs. The purpose of succession planning is to identify, develop, and make the people ready to occupy higher level jobs as and when they fall vacant higher level jobs fall vacant due to various reasons like retirement, resignation, promotion, death, creation of new position and new assignments. Succession may be from internal employees or external people. Succession from internal employees is advantageous to the organisation as well as to the internal employees. Organisation can buy the employees loyalty and commitment, belongingness, shared feeling of development along with the organisation by promoting the internal employees.

Employees get the benefits of growth in the organisation. The organisation mostly prefers to encourage the growth and development of its employees and as such tend to prefer succession from within.

Organisations appraise employees' potentialities, identify training gaps for future vacancies, develop them for higher and varied jobs. The scope of succession plan would be more when the organisation grows steadily and employees have potentialities to take up higher responsibilities. Professionally run organisations ask their managers to identify the internal employees having potentialities and develop them in order to occupy their positions as and when they fell vacant.

However, it is necessary to allow the inflow of new blood also. Hence, organisations should also search for outside talent in certain cases like when competent internal people are not available, when major expansion, diversification and growth plans are in offing, complete dependence on either internal source or external source is not advisable to any organisation. Hence, a judicial balance between these two sources should be maintained.

8.3 SUCCESSION PLANNING – IMPORTANT FEATURES

Succession planning is a necessary part of an organization's human resource management system. It is a process where company identifies possible replacements for critical roles.

Some of the critical roles are at management level and other roles include key functions where the loss of an employee could put the organization at risk.

They can be highly technical roles or sales positions with significant levels of customer interaction. Succession planning identifies individuals with the potential to develop into these critical roles.

Following are the features of succession planning:

Feature 1. Systematic Process:

Succession planning is the systematic process of defining future management requirements and identifying candidates who best meet the requirements.

Feature 2. Supply of Labour:

Succession planning ensures supply of labour within the organization for future staffing needs. With succession planning the skills and abilities of current manpower are assessed to see which future positions they may take within the organization when other employees leave their positions.

Feature 3. Used for Higher Level Organizational Positions:

Succession planning is typically used for higher level organizational positions such as executive level positions. Like if a company predicts that its CEO will retire in near future, the organization may begin looking months or even years in advance to determine which current employee might be capable of taking over the position of CEO.

Feature 4. Internal Selection:

Succession planning makes use of internal selection as opposed to hiring employees from outside the organization. With internal selection, the organization becomes aware of current employee skills and abilities and therefore is often better able to predict future performance than when hiring from outside.

Feature 5. Key Succession Plan:

The key to succession planning is preparing a written succession plan. This document provides for the continued operation of a business in the event that the owner or a key member of the management team – leaves the company, is terminated, retires, or dies. It details the change that will take place as leadership is transferred from one generation to next.

8.4 SUCCESSION PLANNING- MAIN ELEMENTS

Along with career planning many organization undertake the exercise of succession planning. Succession refers to coming into another's place fallen vacant to fall vacant in near future. Succession planning, as an organizational practice is comparatively new technique but it has been in practice in princely states since long in which an heir used to be nominated and efforts used to be made to groom him to take the place of the king.

There are three main elements of succession planning:

1. Positions for which Successors are Needed – The first element of succession planning is to determine the positions for which successors are needed. Some organizations prepare succession plan for key positions which play strategic role in organizations. Sometimes these positions are separated from top management to be known as strategic management group.
2. Identification of Successors – The second element of succession planning is the determination of likely successors for different positions that are likely to fall vacant in

future. Depending on the organizational practice, such successors may be from the organization itself or from outside.

3. Grooming of Successors – When successors are identified by key positions attempts are made to groom them so that they are fully equipped to take the positions earmarked when these fall vacant. In the case of internal successors, this exercise brings much ahead of the likely vacancy.

As succession planning deals with developing future managers and leaders, it should constantly involve:

- i. Planning changes and habituating the same amongst the people
- ii. Identify the potential of the existing employees and managers and utilizing the same for their further growth and development
- iii. Ensuring continuity of leadership and executive positions
- iv. Identifying gaps in existing talent pool

8.5 SUCCESSION PLANNING-GUIDELINES

The guidelines for preparing succession planning are:

1. Capacity and Needs Assessment:

i. Identify Key Positions for the Organization:

These include the executive directors, senior management and other staff members, who would, for their specialized skills or level of experience, be hard to replace. Ask which positions would need to be filled almost immediately to ensure that organization continues to function effectively.

ii. Review and Prioritize Current and Emerging Needs:

This will involve examining strategic and operational plans to clearly articulate priorities.

iii. Prepare Charts Identifying Key Position and Individuals:

Prepare a chart that identifies the key positions and individuals in the organization. The positions might include those listed in step 1 and/or others that are pertinent to an organization.

iv. Identify and List Gaps:

Identify and list the gaps by asking questions such as:

- a. Which individuals are slated to or likely to leave (through retirement, project completion, etc.,) and when?
- b. Which new positions will be required to support the strategic plan?
- c. Which positions have become or will become obsolete (for example, those related to a programme that has been terminated)?
- d. What skills and knowledge will need to be developed (for example, to support a new programme)?

v. Evaluate and Assess Staff Members for Goal Identification:

Evaluate/assess all staff members with the goal of identifying those who have the skills and knowledge or the potential along with the desire to be promoted to existing and new positions.

- a. The evaluation can be formal or informal and can include, but is not limited to, performance reviews, 360 degree assessments and informal conversations with the individuals under consideration.
- b. Every employee has aspirations to and the capacity to move up. This may be an opportunity to recognise this goal and support it.

c. Take this opportunity to give younger workers a chance. Many young people enthusiastically enter the sector and then, finding few opportunities for advancement, leave. Younger workers can remain engaged if you help to match their interests to opportunities provided through effective succession planning.

2. Development and Implementation of Succession Plan:

i. Develop and Nurture Key People for Future:

Based on the evaluation and on the requirements of strategic plan, identify the key person, one would like to develop and nurture for the future, the position we would like to groom them for, and the time frame required to prepare them. Consider different ways of developing employees like – self- development, books/journals, mentor programmes, special project work.

ii. Identify Career Paths for Key Talent:

Identify the career paths that the selected individuals should be following. Customise the path to fit the individual's abilities and talents by developing an action plan. The plan must be dynamic — able to be changed as the individual's and the organization's needs change. It must also consider the specific needs, learning style and personality of the individuals involved in order to be effective.

iii. Formalize Coaching and Mentoring Actions:

Formalise education, training, coaching, mentoring and assessment activities. The mix of activities included within the action plan should be linked to timeliness and specific outcomes.

iv. Formalize Aggressive Job Rotation:

If possible, move people into different areas for experience and training before they are needed in critical positions. Have individuals job-shadow for an agreed upon period of time to give the successor a real sense of the responsibilities and to allow the organization the chance to determine whether, the individual really is suited for the new position.

3. Monitor and Manage the Plan:

i. Always Update Grooming Plans:

As people leave and new people assume their responsibilities, the plan will have to be updated to identify the next person to be groomed for promotion and the requirements of his or her individual action plan. For organizations that engage in an annual (or regular) strategic planning process, the succession plan should be included in that discussion.

ii. Address Concerns of Staff not Selected in Career Advancement or Succession Plans:

Be prepared to address issues such as concerns of staff who have not been selected for career advancement. Ensure alternative paths are identified to allow all employees who are interested in career enhancement to be given some type of professional development opportunity. Professional development can include such wide ranging activities as formal education and training, workshops and seminars as well as less formal learning opportunities such as the chance to represent the organization at a consultation.

iii. Address Contingencies – Events which may or may not Happen:

Recognize that no matter how well you plan, something can still happen which the succession plan doesn't address. For example, you may have dutifully trained a "second" only to have that person leave. Even though, there may be no one able to fill the breach immediately, the succession plan will ensure that there is a process to follow in filling the position.

8.6 SUCCESSION PLANNING PROCESS

The process of succession planning includes the following steps:

Step 1. Planning:

The first step is to develop a strategic plan that will provide a blueprint of how the succession plan is to be implemented. The long-term vision and goals of the organization are identified and the current personnel policies and procedures are studied. For a succession plan to be successful, it is vital to integrate the plan with the interests and aspirations of the senior employees who are being groomed for succession.

Step 2. Analysis:

In this step, the various challenges the company is likely to face in the future and the skills and competencies the CEO would need to meet them are analyzed. The future CEO would need a variety of managerial and technical skills to be able to fulfil his responsibilities effectively. The current supply of manpower in the organization should be studied in relation to the anticipated demand.

Efforts should be made to determine the knowledge, talents, skills and capabilities that would be required in the organization in the future. It is necessary to identify the overall long term talent needs of the company and not just of a particular position.

Step 3. Identification of Talent Pools:

The competencies and skill levels of the current workers need to be assessed in order to identify the available pool of talent. These may be measured by the use of performance evaluation tools like 360° Feedback, critical incident methods and rating scales. It is also necessary to evaluate the employee's capacity to perform in more responsible jobs in future through potential appraisal techniques and psychological appraisal.

Factors like the employee's educational background, time spent with the company, his behaviour and attitude should also be taken into account. The skill sets of the employees should be compared with the skills needed for the key leadership roles and any gaps between the two should be identified.

Step 4. Development Planning:

After the gaps have been identified, the next step involves creating development plans. The development plan includes the formal development procedures, coaching and mentoring, special job assignments, learning projects, etc. which will help the employees to gain the necessary skills and experiences. The employee's progress will be monitored against the plan. The duration of the development plan would depend upon the succession plan strategy of the organization.

Step 5. Implementing the Succession Plan:

The succession plan should be linked to the HR processes like compensation, recruitment, performance planning, workforce planning, etc. It is a long-term plan, and sometimes the succession planning process is started from the time a brilliantly outstanding employee begins his career (Jack Welch, the highly successful former CEO of GE was being groomed for senior positions from the time he started his career as a junior chemical engineer in the same company).

Implementing the succession plan includes the retention strategies like retention bonuses, promotions, challenging work, etc. It is essential to compare the progress of the succession plan with the upcoming personnel requirements of the organization so that a capable employee is available to fill a prestigious post should it fall vacant either expectedly (due to

planned retirement), or unexpectedly (due to death, disability, illness, etc. of the position holder).

8.7 SUCCESSION PLANNING Vs. CAREER PLANNING

Although the terms career planning and succession planning appear similar, they are different from each other. Career planning covers all levels of employees; whereas succession planning is generally meant for higher-level executives that are required to fill key positions in case of resignation, retirement, promotion, and death of existing higher-level executives.

Succession planning is essential for the survival and success of an organization as it identifies and prepares the existing workforce to replace the key personnel employed in the key positions. Moreover, succession planning provides opportunities to the existing potential employees to advance their careers.

While creating a succession plan, every key executive is asked to identify three or four employees at junior levels who have the potential to replace them when needed. For instance, a general manager who is about to retire after two years can select the four potential candidates as his/her replacement options.

Generally, career planning is based on the succession plan of higher-level executives. A succession plan indicates the vacancies that may arise in future and provides the indication to the probable successors. Career planning consists of charts representing the possible career paths for different categories of employees, whereas succession planning involves succession charts for a specific high-level position, such as general manager.

The career paths for different types of jobs. It represents the career path that can be taken by an unskilled worker, which passes from semi-skilled job, skilled job, and highly skilled job before reaching the position of a foreman. Similarly, the career path of a clerk involves the position of a senior clerk, assistant, and section officer, before acquiring the final position of undersecretary.

A supervisor has to achieve different milestones, such as assistant manager, deputy manager, and manager, to become a chief manager. Similarly, a lecturer has to pass from the designations of associate professor, professor, dean of faculty, and pro-vice chancellor to acquire the position of vice chancellor.

8.8 SUCCESSION PLANNING BENEFITS

Succession planning is more important than ever. With an aging workforce and approaching mass retirements, one part of the succession planning includes the need to capture and pass on the expertise, judgment, and insight of senior leaders before they retire. The second aspect of succession planning relates to the identification of employees within the organization who have the potential to move into leadership positions.

Following benefits are provided by the succession planning to the organizations opting for it:

Benefit 1. Fulfillment of Leadership Gaps:

Succession planning identifies the needs of future employees and develops key skills and competencies among them for effective current and future leaders in the organization. These persons may replace the persons leaving the organization.

Benefit 2. Handle Attrition:

Every organization will have some form of job vacancy due to attrition of people retiring from their jobs. But it is important for organizations to continue to function smoothly irrespective of losing such key employees when organization have a succession plan, it makes it easier for them to handle any unforeseen attrition and prevent the organization from being greatly impacted by such attrition.

Succession management identifies and monitors various talent pools within the organization to match the future needs of the organization with the bench strength of available talent. Thus succession planning plays very important roles to fill the positions that arise due to forthcoming retirement of key workers.

Benefit 3. Avoid Uninspiring Results in Executive Recruitment:

Succession planning helps to avoid uninspiring results in executive recruitment from external sources as they are inexperienced and less effective. In succession planning, we recruit internally groomed successors who understand the unique organizational agenda and environment.

Benefit 4. Economy:

Dedicating time to plan the future of the organization saves the company's time and money. Plans to promote and train people within the company means less time spent on recruitment of external candidates, interviewing them and checking their references. Money allotted to those efforts will also decrease with a solid succession plan in place.

Benefit 5. Uncovering the Weaknesses:

Finding future leaders reveals the strengths within the workforce, but it also uncovers the weaknesses that your organization must work on to secure business and financial growth. Succession planning helps the company to discover weaker areas so that it could timely take action for the improvement of performance.

Benefit 6. Rapid Recruitment to Meet Growth Needs:

Succession planning recognizes that some jobs are the lifeblood of the organisation and too critical to be left vacant or filled by any but the best qualified persons. Effectively done, succession planning is critical to mission success and creates an effective process for recognizing, developing and retaining top leadership.

Benefit 7. Planning for the Disaster:

No matter how good the organization and its staff are at revenue projections or economic predictions, no one can truly plan for the disaster whether it's an unforeseen illness, a natural disaster or a CEO's decision to suddenly retire, the reasons for having the succession planning in place before it is needed are endless. So one cannot plan for disaster, but can put into place a series of contingencies.

Benefit 8. Motivates the Employees:

Succession planning motivates the employees to do their best for the accomplishment of the predetermined objectives of the organization. Employees are motivated and engaged when they can see a career path for their continued growth and development.

When an effective succession planning is done in an organization, the managers are required to identify the organization's long term goals and recruit or hire superior staff for the purpose. Through succession planning process, organization also retains superior employees because they appreciate the time, attention and development that firms are investing in them.

Benefit 9. Strengthens Departmental Relationships:

When regular communication occurs between departments, the organization more likely to experience synergy, which breeds a culture of strength. The succession planning activities are linked with human resource. By including HR in succession planning, one can incorporate elements like the employee evaluation process, which can help when deciding whether to fill vacancies with internal candidates.

Benefit 10. Development of New Skills and Adjusting Development Programs Accordingly:

Development of learning ability plus other future oriented competencies as part of a flexible development planning process. Regular review of the process allows it to remain current and meaningful and always anticipatory of future business needs.

Succession management identifies and monitors various talent pools within the organization to match the future needs of the organization with the bench strength of available talent. Not having the right talent in the place is often a growth limiting factor in achieving business potential.

8.9 SUCCESSION PLANNING PROBLEMS FACED BY HR PROFESSIONALS

The human resource professionals face numerous obstacles when attempting to implement a succession planning in an organization.

These are as follows:***1. Narrow Focus:***

Succession planning allows leaders to focus on potential new managers who are employed by the organization but does not allow for candidates outside the company. In many cases, managers will consider only their direct reports as potential successors. This is good in terms of career development for those inside the organization but it does not necessarily meet the company's best interests.

In some situations it is better to replace a manager with an external candidate to bring new skills to the team. Other times there simply may not be a suitable candidate within the organization.

2. Changes in Organizational Structure:

Succession planning sometimes takes place even though an organization's structure may not be completely stable. There is a need to develop leaders so that they can change the organization to meet the new business challenges. Sometimes a person may be developed for a role in the organization that may not exist in the future.

This can have negative impact on motivation of the earmarked individual. In addition to this the money spent on the training of the employee also gets wasted if the role for which he was developed no longer exists.

3. Managing HR Information:

The problem that can occur in succession planning is the concern with managing large amounts of HR information. Because succession planning requires retention of a great deal of information, it is typically best to store and manage it on a computer. Attempting to maintain such records by hand may prove daunting. Even on the computer it is very difficult to identify and evaluate the many years' worth of information about employees' performance.

4. Crowned Prince Syndrome:

Another problem with the succession planning occurs when upper management only considers for advancement, those employees who have become visible to them. In other

words, rather than looking at a wider array of individual employees and their capabilities, upper management focuses only on one person – the crowned prince. This person is often one who has been involved in high profile projects, has a powerful and prominent mentor who has networked well with the organization leaders.

There are often employees throughout the organisation who are capable of and interested in promotion who may be overlooked because of the more visible and obvious ‘crowned prince’, who is likely to be promoted even if these other employees are available. Further not only the performance problems are the outcome of this syndrome, but also the motivation of current employees may suffer if they feel that this high performance has been overlooked.

5. Talent Drain:

Talent drain is also one of the problems of succession planning. Because upper management identifies small group of managers to receive training and development for promotion. Thus not all employees can be identified as successors. Consequently, there is the potential for some employees to feel left out, passed over and underappreciated.

So those managers who are not assigned to development activities may feel overlooked and therefore leave the organization. This turnover may reduce the number of talented managers that the organization has at the lower and middle levels of the hierarchy. Due to this the talented managers may work for a competing firm or start their own business, thus creating increased competition for their former company.

6. Negative Effects on Motivation:

It is not always totally clear cut that to which employee a manager should prime for future leadership. In some cases there may be two or more strong candidates for the role. If leaders do not handle succession plan carefully and objectively other may see the person being trained for leadership as favored. This can lead to motivated individuals losing interest and not trying as hard in the workplace. It may have the effect of making those employees think it is not worth their effort if there are no progression possibilities.

8.10 SUCCESSION PLANNING CHALLENGES

The challenges faced by succession planning are:

1. Size of the Organization – Some organizations 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 organizations .
2. Lack of Financial Resources – Employees may leave for better salaries and benefits offered in other workplaces.
3. The Nature of Funding – As more and more organizations depend on funding as opposed to core funding, there are fewer core staff members available to take up positions in the organizations.
4. Attrition – Staff come and go and may not be seen to be part of the talent pool available to organizations.
5. Absence of Young Talent – In some cases, senior managers are staying on in their positions, despite the fact that the skills needed for the job may have changed or they are no longer making a meaningful and productive contribution to the organization.
6. Bad Succession Plan – Indiscriminate inclusion of employees in the succession plan including those who are disinterested, demotivated or lack capacity to advance in their profession.

7. Inadequate Training and Development – This results in an employee getting promoted but is not prepared for a higher job.

8. Plan without Promotional Avenues – A plan that does not promote people in time, leading potential successors to leave the organization to seek new opportunities.

9. Poor Communication – This results in confusion and turmoil within the organization as staff members speculate about what the succession plan really is?

10. Essence of Time and Organizational Needs – Potential candidates for promotion cannot be guaranteed that they will be promoted; a lot depends on timing and need of the organization.

If these challenges glare at the chances for implementing succession plan in an organization and many a times we find that these challenges become barriers and control the entire process of succession plan, then what is the way out? The way out is to develop a roadmap for developing succession plan and implementing it without hiccups.

8.11 STEPS TO IDENTIFYING CRITICAL ROLES IN SUCCESSION PLANNING

The critical roles that need to be identified for succession planning vary from organization to organization, depending on the size and structure of the organization, as well as the specific goals and objectives of the company. However, there are several key steps that organizations can take to identify the critical roles that are essential for their future success.

Assess Organizational Needs

The first step in identifying critical roles for succession planning is to assess the current and future needs of the organization. This may involve looking at factors such as company growth, changes in technology and the industry, as well as the skills and abilities of the current workforce.

Evaluate Key Positions

The next step is to evaluate the key positions within the organization that are critical to its success. This may include positions such as senior leaders, critical department heads, and specialized roles that are critical to the operations of the organization.

Identify Knowledge and Skills Requirements

Once key positions have been identified, it is important to identify the knowledge and skills that are required for each role. This information can then be used to determine the potential candidates who have the necessary skills and experience to fill the role.

Consider Employee Potential

When evaluating potential candidates for critical roles, it is important to consider their potential for growth and development within the organization. This may involve assessing their leadership skills, their ability to learn and adapt to new technologies, and their willingness to take on new challenges.

Identify Succession Bench Strength

In addition to identifying individual candidates for critical roles, it is important to identify the overall succession bench strength of the organization. This means considering the depth and breadth of the talent pool, as well as the readiness of the organization to respond to changes in key roles.

Regular Review and Update

Succession planning is an ongoing process, and it is important to regularly review and update the critical roles and potential candidates. This may involve reassessing the needs of the organization, and considering changes in technology, the industry, and the workforce.

Communicate with Employees

Finally, it is important to communicate with employees about the succession planning process. This may involve providing training and development opportunities to help employees prepare for critical roles, as well as providing regular updates and feedback on their progress.

8.12 SUMMARY

Succession planning is the process of identifying the critical positions within your organization and developing action plans for individuals to assume those positions. Taking a holistic view of current and future goals, this type of preparation ensures that you have the right people in the right jobs today and in the years to come.

A succession plan identifies future staffing needs and the people with the skills and potential to perform in these future roles. Professional & Organizational Development's Succession Planning Toolkit will help guide you, though we strongly suggest you involve your assigned HR consultant and/or HR administrator in this process as well.

Best practices for succession planning

Some best practices to follow when enacting succession planning include these:

- Be proactive. Prepare for unforeseen instances where a high-level executive suddenly leaves. This way, an organization can keep operating as normal.
- Clarify the roles included in the succession plan. Communicate the positions and the people involved in the plan. Decide if the positions included will be the CEO or will include other C-suite positions.
- Engage stakeholders in the process. HR should not be in charge of everything in the process; the role of HR should be to enable the process and provide tools as needed.
- Don't exclusively choose the employee closest in rank to the role that needs to be filled. Other promising employees should be chosen if their skills have the most potential.
- Start backward. Before training an employee to fill a specific role, begin by defining the core skills, abilities and competencies needed for that role.
- Train successors with mentors and job rotations. Having a supervisor act as a mentor allows the mentor to transfer expertise and allows employees to gain more knowledge of certain roles and experiences.
- Give regular feedback. Include evaluations of progress on understood skills and those that need to be developed further.
- Create individual development plans. This way, employees receive the specific attention they need to develop any required skills. Managers should also give continual feedback.
- Have trial runs. A trial run is when a potential successor assumes some of the responsibilities of the role they are inheriting. This practice will allow the successor to gain potentially valuable experience.

8.13 KEY WORDS

- **Succession planning:** Succession planning is a critical process for organizations to ensure smooth transitions of leadership and key roles. It involves identifying and developing internal talent to fill key positions within the company when current incumbents leave due to retirement, promotion, or other reasons. Effective succession

planning helps organizations mitigate risks associated with leadership gaps, maintain continuity, and sustain long-term success.

- **Handle Attrition:** Handling attrition effectively is crucial for organizations to maintain productivity, morale, and stability. Attrition, or the natural turnover of employees, can result from various factors such as career advancement, retirement, relocation, or dissatisfaction with the job or organization.
- **Career Planning:** Career planning is a proactive process individuals undertake to set and achieve their career goals. It involves assessing one's skills, interests, and values, exploring career options, and developing a plan to progress in the desired direction.
- **Talent Drain:** Talent drain, also known as talent exodus or brain drain, refers to the loss of skilled and experienced employees from an organization or a geographical region. This phenomenon can have significant negative impacts on businesses, industries, and economies.

8.14 SELF-ASSESSMENT QUESTIONS

1. How does your organization currently approach succession planning for key leadership positions?
2. Can you describe the process of developing and implementing a succession plan in your organization?
3. Explain steps in Succession Planning Process?
4. Explain Differences between Succession Planning Vs. Career Planning
5. Explain Succession Planning Benefits
6. Briefly Explain about Succession Planning Problems Faced By HR Professionals

8.15 FURTHER READINGS

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LESSON-9

LEADERSHIP AND TRANSITIONS

OBJECTIVES:

- To identify second line of leaders.
- To understand the importance of second line of leaders in Succession Planning
- To focus on various aspects of lateral hiring

STRUCTURE:

- 9.1 Introduction
- 9.2 Best Practices for Successful Leadership Succession Planning
- 9.3 Essential Steps in The Leadership Succession Planning Process
- 9.4 Identifying Individuals to Occupy Critical Positions In The Event Of The Exit Of Current Incumbents
- 9.5 Developing A Second Line Of Leaders
- 9.6 Lateral Hiring
- 9.7 Key Steps to Identifying Critical Roles In Succession Planning
- 9.8 Summary
- 9.9 Key Words
- 9.10 Self-Assessment Questions
- 9.11 Further Readings

9.1 INTRODUCTION

9.1.1 SECOND-LINE LEADERS

The second line of leaders are the ones who share the vision of the top leadership, who have a good skill set needed to get the work done in the absence of top leadership. They are the ones who can easily transition to take senior leadership roles whenever the need arises.

Second-line leaders, also known as high-potential or emerging leaders, play a crucial role in succession planning. These individuals are identified as having the potential to step into key leadership positions within the organization in the future. Here are some common characteristics and ways to identify second-line leaders in succession planning

Performance: Second-line leaders typically demonstrate consistently high performance in their current roles. They achieve their goals, exceed expectations, and contribute positively to their teams and the organization as a whole.

Potential: These individuals show potential for growth and advancement beyond their current positions. They exhibit traits such as adaptability, initiative, resilience, and a willingness to learn and take on new challenges.

Leadership Skills: Second-line leaders possess leadership qualities such as strong communication skills, decision-making abilities, emotional intelligence, and the capacity to motivate and inspire others.

Learning Agility: They demonstrate a capacity for rapid learning and development, adapting quickly to new situations, technologies, and environments.

Succession Planning Assessments: Organizations often use assessments, such as performance reviews, 360-degree feedback, psychometric tests, and talent reviews, to identify individuals with high potential for leadership roles.

Career Aspirations: Second-line leaders express interest in taking on greater responsibilities and advancing their careers within the organization. They demonstrate a commitment to personal and professional growth.

Succession Planning Programs: Some organizations have formal talent identification and development programs specifically designed to identify and groom second-line leaders for future leadership positions. These programs may include mentorship, coaching, leadership development training, and stretch assignments.

Feedback and Recommendations: Feedback from supervisors, peers, and other stakeholders can provide valuable insights into an individual's leadership potential. Recommendations from trusted sources within the organization can also help identify promising candidates for succession planning.

9.1.2 DEVELOPING EFFECTIVE LEADERSHIP SUCCESSION PLANNING

A leadership succession plan is an insurance policy for your organization's future. As HR leaders, you play a critical role in leadership succession planning and in bringing that plan to life. Your entire organization is at risk when you lose key leaders without having a plan to replace them. And yet, more than half of HR professionals surveyed by the Society for Human Resource Management in August 2021 said their organization didn't have a succession plan in place. Find out why leadership succession planning is important, and learn about best practices for developing an effective succession plan for your workforce.

What is a leadership succession plan, and why does it matter?

In the absence of effective leadership, organizations fall into disorder. But people — even those in top leadership roles — leave organizations all the time. You need a plan to transition one leader out and a new leader in without too much disruption to daily operations. Your leadership succession plan should identify key positions and the individuals who are best suited to fill them. It should outline clear steps for preparing those developing leaders to take on increased responsibilities. Succession planning is important because it reduces the risks associated with leadership transitions, preserves continuity, and protects mission-critical information and objectives.

Prepare the next generation of leaders

Succession planning is an important process for guaranteeing that your organization has a pipeline of emerging leaders who can step into management and executive roles. A leadership succession plan prepares the next generation by providing them with opportunities to shadow today's leaders and learn from their experiences. This process starts well before a job is about to open up. Your organization should be identifying high-potential employees early in their careers and tailoring their development plans to prepare them for their future roles. Leadership succession planning further ensures smooth transitions by preparing multiple individuals for each leadership role, in response to multiple succession scenarios.

Maintain the organization's continuity and culture

A leadership succession plan maintains continuity by creating a pool of upcoming leaders who are familiar with the organization's priorities, culture, and values. By shadowing today's leaders, developing leaders can learn how to react in a crisis, for example, or what to prioritize when making crucial decisions. Up-and-coming leaders can learn from what they observe, and

they can connect the actions taken to the organization's priorities. Because a leadership succession plan aligns future leaders with the organization's values and practices, you'll also create cultural continuity by developing and promoting from within.

How does succession planning interact with other HR functions?

While succession planning is a cross-functional process, HR heavily influences it. Explore your role in executing these three succession planning priorities.

Talent management and succession planning

To establish a strong succession plan, an organization needs a solid talent management system. Succession efforts should integrate with your talent systems so that any activity around potential successors gets tracked and combined with other key workforce data. As part of your standard talent development process, you should be identifying the different skills and strengths people bring to your workforce. This information helps you pinpoint people with the highest leadership potential for your organization. Identifying potential leaders has a big influence on your larger talent outcomes. A well-run succession planning program helps organizations retain talent, reduces recruitment costs, and avoids the "brain drain" that can occur when key employees leave.

Knowledge management and succession planning

Knowledge loss due to leadership departures can have catastrophic effects on your organization. That's why knowledge management is an essential component of an effective succession plan. A company must develop processes for transferring knowledge between existing and future leaders. But first, it's important to have a system in place to track and manage employee knowledge. Your tracking system can include documentation processes, formal training, mentorship programs, or simply encouraging knowledge-sharing among employees. Collaborate with your learning and development leaders to design intentional processes for collecting and sharing important institutional information.

Business management and succession planning

Succession planning can help businesses avoid the "key person" problem, where critical functions rely on one person. When that person leaves, the organization's daily functions — and business outcomes — are put at risk. Succession planning and business management should go hand in hand. You must account for tactical, operational, and strategic priorities that could be affected by a leadership transition. Work with the rest of the business leadership team to run succession scenarios and proactively identify gaps in readiness.

9.1.3 STEPS TO EFFECTIVE SUCCESSION PLANNING AND LEADERSHIP DEVELOPMENT

Follow these three basic steps to kick-start succession planning processes inside your organization.

1. Identify potential successors

The first step to succession planning is identifying who has the potential to take over leadership roles in the future. There are many methods to help you determine future leaders, including skills assessments, performance reviews, and 360-degree feedback.

Start by assessing current leaders to identify the specific qualities you need in a successful leader. You might have historical data to guide you, but don't solely rely on the past. We live and work in a dynamic environment, and what you needed from leaders yesterday might be significantly different from what you need tomorrow.

Next, examine your overall bench strength, which can also be described as your workforce's capability for leadership. From there, identify specific people with the highest leadership qualities and match them to potential roles within the organization.

2. Develop and train potential successors

Once you have a list of potential successors, create a customized development plan for each one. Make sure you've identified the strengths and weaknesses of each potential successor, with plans to address weaknesses and build on strengths. The plan should be challenging but realistic, achievable, and time-bound.

It should include relevant training and development activities that prepare each candidate to take over a specific leadership role. There are several ways to do this, including job shadowing, mentorship, and training programs. You might already have many of these offerings in place.

3. Set clear goals and expectations

It's also important to build clear goals and expectations into each potential successor's performance plans. One of their objectives and key results (OKRs) could include a stretch goal to master one of the leadership skills you've identified. This type of OKR helps potential successors gain a better understanding of how they'll need to prepare for the role.

Hold leadership candidates accountable for meeting their goals and expectations. Their direct manager is responsible for having ongoing, regular performance enablement conversations. Successor candidates can also benefit from a mentor's guidance or interactions with people currently in the role.

What role do current leaders play in succession planning management?

Current business leaders must involve themselves in leadership succession activities if they want to succeed. Explore these three important ways to bring today's leaders into the process.

Setting the stage for a successful transition

As with any business initiative, the tone from the top matters. Encourage current leaders to emphasize the importance of succession planning and buy-in to leadership development activities.

Leaders possess valuable information about business operations that can affect the success of your succession planning program. Help those leaders share that knowledge in focused ways. For example, create a task force or committee of leaders to develop criteria for what characteristics or skills are needed in a successor.

Mentoring and grooming potential successors

Relationships between outgoing and incoming leaders provide a valuable channel for communicating important information. These relationships can be informal or more structured, such as job shadowing or mentorship.

Mentorships are a valuable way to prepare potential successors to take on leadership responsibilities in a specific job role or title. Successor candidates can learn how the job role fits into the organization's priorities and culture, as well as how to make decisions and manage resources. These mentorships also provide opportunities for questions about specific parts of the job or what the current leader has learned over the years.

Handing over responsibilities and decision-making power

An essential part of succession planning is the incumbent leader's willingness to cede control and move on. The transition process can be difficult to adjust to. At all times, help the leader understand that part of the job is creating a smooth and successful changeover.

Help current leaders identify opportunities to delegate tasks and responsibilities to incoming leaders. Incorporate these activities into the leadership candidate's training and development plan, and link them to OKRs so you can track progress during performance conversations.

9.2 BEST PRACTICES FOR SUCCESSFUL LEADERSHIP SUCCESSION PLANNING

Identifying, training, and developing the next generation of leaders is a complex process. Implement these five best practices to put "success" into succession planning.

1. Start the process early

The earlier you start the succession planning process, the more time you have to identify potential leaders and prepare them for their next roles. Identifying high-potential candidates in early-career roles, for example, gives them time to make lateral moves and gain broader exposure to relevant business operations.

Succession planning is a long-term process with some unpredictability, as you never know when you might need to fill a vacant role. You're better off with a deep and regularly replenished pool of qualified candidates.

2. Set competencies and skills criteria

Define the core competencies for each leadership role. These should be based on the company's strategy and the specific needs of the role. Identify which skills leaders need to support those competencies.

Once you have identified the key competencies and skills, you can set criteria for each one. For each competency and skill, you need to decide what proficiency level is required of leadership candidates. You'll also need to decide how you'll assess whether candidates meet those criteria.

3. Involve multiple stakeholders in the planning process

Succession planning isn't just HR's job. You need help from employees at all levels. Encourage executives and managers to help identify successors for key positions. More broadly, solicit their feedback on what they expect from an effective leader. Organizational leaders must buy into the idea of succession planning while providing the necessary resources for pinpointing and upskilling leadership candidates.

Because managers function as performance coaches, they bring critical insights to the selection process. Empower them to identify high-potential talent on their teams and refer those people to HR. Make sure your culture and communication encourage managers to commit to succession planning and leadership development rather than hoarding talent.

4. Regularly review and update the succession plan

Review your succession plan at least once annually. Review the number of leadership candidates in your pool against the number of critical roles you've identified. Evaluate the competencies and skills you're developing in those candidates and assess whether those remain the correct and most relevant attributes your organization needs.

As you review your succession plan, watch out for changes in organizational structure, daily operations, or job roles that impact the types of future leaders you require.

5. Motivate your employees to participate in succession programs

Employees are a key ingredient to a successful succession plan. You'll identify the next generation of leaders from among today's employees, whether they're long-tenured or just starting in an entry-level role.

Develop a communication plan to keep employees updated on the succession planning process and its status. Train managers to lead discussions about leadership opportunities. Not everyone with the potential for leadership wants to lead, but open communication about what leadership entails helps employees make informed career decisions.

9.3 ESSENTIAL STEPS IN THE LEADERSHIP SUCCESSION PLANNING PROCESS

1. Look at critical vs. vulnerable positions. When figuring out which leadership positions to plan for first, you want to look at two metrics: vulnerability and criticality.

- Vulnerability refers to positions where there is no identifiable successor. If you lose the current person, you also lose knowledge and functionality because there's no appropriate replacement.
- Critical positions, when left unfilled, would significantly impact a business's operations. All leadership positions are critical by this definition, but some are more so than others (such as CEO versus CPO).

Focus on planning for the most highly vulnerable and critical leadership positions first.

2. Determine eligibility requirements. The next step in the succession planning process is identifying eligibility requirements for each role. You need to know the following.

- Selection criteria used to fill this position if it were vacant.
- Key competencies, skills, knowledge and abilities required to succeed in the role.

Once these are identified, you'll have an easier time sifting through potential replacements.

3. Decide who will serve in the interim. You should identify people who can serve in the interim based on eligibility requirements. If a vacancy arises, these people can step in and keep the business functioning while a replacement is found. Consider the following when determining these individuals.

- Gaps between the two roles.
- Aligned responsibilities between the positions.
- Which positions have similar day-to-day operations and functional areas.
- Alignment of core competencies between the two roles.

Remember that these interim employees could ultimately take over the role at some point, so they should be strong contenders.

4. Assess your internal talent. Hiring internally, especially for leadership positions, comes with many benefits. Not only is the cost to hire less, but also these are people deeply familiar with your company whose work you can personally verify. Identify any internal candidates who might be a strong fit for leadership positions should they become vacant. The people on this list might include those who can serve temporarily, but you should also identify more permanent replacements.

5. Consider external talent. Finding quality talent also means sourcing externally. Keep your eye on people in similar roles at other companies who you'd be interested in bringing on board.

6. Prepare successors. Importantly, you want successors to thrive in their roles. Make sure successors have access to some (or all) of the following.

- A formal succession development plan.
- Mentoring from the incumbent.
- Projects or opportunities to expand skills into aligned areas.

- Coaching and educational opportunities.
- The ability to step in for the incumbent while they're away.

Helpful Succession Planning Tips

Here are some tips to help your company with the succession planning process.

1. Hold current leaders accountable. It's easy for succession planning to fall by the wayside. To combat this, companies must make clear who's responsible for identifying and developing future leaders. Is this the job of the CEO, CHRO or board of directors? Further, have advocates in the C-suite. Incentivize succession planning, and ensure at least one current executive fights for the process.

2. Be flexible. As the expression goes, "Life is what happens to us while we're making other plans." You might have the perfect succession plan, but you can never predict the future. Strategies should live in the moment and adapt. Never be too rigid.

3. Share knowledge. Knowledge is power, and your company should do its best to spread that knowledge to everyone. Cross-training and functionality should be used to expand your employees' skill sets. The more you can help everyone expand their skill sets, the greater the number of potential leaders you'll have access to. Plant the seeds now, and harvest them in the future.

4. Be transparent. To cultivate future leaders, your company needs to be transparent about the evaluation process. If employees feel succession planning is done behind the curtain, they're more likely to be disengaged or uninterested. Provide constant clarity when it comes to feedback, and be clear about what it is you're looking for in successors. Current executives should be an open book to anyone interested in filling their shoes one day.

The succession planning process is essential, especially during uncertain times when you need to be more prepared. You can set your company apart by making succession planning a focus.

9.4 IDENTIFYING INDIVIDUALS TO OCCUPY CRITICAL POSITIONS IN THE EVENT OF THE EXIT OF CURRENT INCUMBENTS

Identifying individuals to occupy critical positions in the event of the exit of current incumbents is a key aspect of succession planning. Here's how organizations can approach this:

Succession Planning Process: Establish a formal succession planning process that identifies critical positions within the organization. These positions are typically those with significant impact on the organization's operations, strategic direction, and long-term success.

Talent Identification: Identify potential successors for critical positions through a combination of methods, including performance reviews, talent assessments, leadership evaluations, and talent reviews. Look for individuals with the necessary skills, experience, and potential to step into these roles.

Pipeline Development: Develop a pipeline of talent for critical positions by grooming high-potential employees through training, mentorship, coaching, and leadership development programs. Provide opportunities for exposure to different aspects of the business and experiences that prepare them for future leadership roles.

Cross-Training and Skill Development: Encourage cross-training and skill development among employees to broaden their capabilities and prepare them for potential transitions into critical roles. This can involve job rotations, stretch assignments, and opportunities to acquire new skills and competencies.

Succession Plans: Create individualized succession plans for key employees occupying critical positions. These plans outline the steps to be taken in the event of their departure, including the identification of potential successors, development activities, and timelines for transition.

Knowledge Transfer: Ensure that knowledge transfer mechanisms are in place to capture and transfer critical knowledge, skills, and information from departing employees to their successors. This can involve documentation, shadowing, mentoring, and knowledge-sharing sessions.

9.5 DEVELOPING A SECOND LINE OF LEADERS

A leader's role is to raise people's aspirations for what they can become and to release their energies so they will try to get there – David R. Gergen.

If one has to make a list of the possible role of a leader, it would be a long list, however, we can classify all the roles into two broad categories.

1. Getting things done by the team ; &
2. Develop people.

Every business needs a second line of leaders who are independent and accountable.

The second line of leaders are the ones who share the vision of the top leadership, who have a good skill set needed to get the work done in the absence of top leadership. They are the ones who can easily transition to take senior leadership roles whenever the need arises.

Therefore, developing a second line of leadership is a very significant for organization continuity and growth.

Why do we need the second line of leadership?

1. It is significant to have a **leadership pipeline for sustainability**: Numerous studies have concluded that one of the scarcest corporate resources is leadership talent – Kent Jonassen, Global CEO LPI

In their book “The leadership Pipeline”, authors Ram Charan, Stephan Drotter, and Jim Noel suggest that if companies tap into the potential that is already there, there is a lot of talent that will help them sustain. They further add that companies can create an environment of growth for their leaders and support them in making the transition towards leadership.

Cultivating leaders for the future is vital to the company's long-term health.

2. For the **own growth of a senior leader**: Senior leaders need to develop second in line leaders as that will pave their way to take up higher roles and responsibilities. It's a win-win proposition.

3. **Better delegation of work**: In 2014 Gallup study showed that the entrepreneurs that delegate the work to grow at a much faster pace and they could set more aggressive targets for themselves. By delegating work, one can prepare the second line of leadership as they get exposed to different job responsibilities, and it allows senior leaders time to take up more ambitious projects.

4. **They can focus on high-priority things significant for their growth**: If senior leaders develop a second line of leadership, they can focus on their growth and other things that are of higher priority for them and the organization. It makes more time available for them as they can share most of the responsibilities with the second line of leaders.

How leadership coaching helps in developing the second line of leaders?

1. Leader gets **clarity** through executive coaching sessions about the **need for developing leaders**: Leadership coaching or executive coaching allows the leaders to step back and take an objective overview of their work challenges. It gives them insights about how they can move to the next level, and most often they realize that developing a second line of leaders is an effective way to not only reduce their work burden but essential for their growth to the next level.

2. Leaders get **answer to following important questions:**

Where are they in this growth journey?

Who are the team members who could be chosen ?

Why, When, and How?

Executive coaching helps the leaders become aware of their team dynamics and the individual potential of each team member, and how they can map the growth of each of their team members. It is because an executive coach asks questions that bring their focus on their resources and how they can utilize them for their growth and growth of the organization.

3. Accountability of having developmental/coaching conversations with the second line: During executive coaching, one develops accountability of having developmental coaching conversations with the second line. It brings a difference in the overall quality of relationship with their team. A lot of quality communication happens that increases the motivation of the second in line. This empowers the team to take challenging and progressive initiatives that make a difference to the success of the senior leaders.

4. Leaders start delegating more: Due to leadership coaching, leaders begin to recognize the importance of delegating more. It helps them achieve more with less effort.

5. Leaders learn to let go/trust more: The ability to trust is something that comes from within. During executive coaching, when leaders become conscious and aware of their strengths and address their fears and worries, they can trust more. It results in their entrusting more responsibilities to second in line leaders and developing them.

In leadership, the awareness of the fact that it is significant to have a second line itself is a powerful start.

Wherever we focus our attention, that aspect increases. So, if leaders focus their attention on developing the second line of leadership, they become more successful in achieving their goals, and it becomes a win-win for all.

9.6 LATERAL HIRING

What is lateral hiring?

Lateral hiring is the process of sourcing and hiring a candidate for a role that is very similar in scope and responsibility to their current position. This typically means hiring a passive candidate who might be working for a direct competitor.

Benefits of lateral hiring

Lateral hiring allows your organisation to recruit candidates with the most relevant possible experience. These candidates do not require copious amounts of training, have already acquired the skills they need, and can bring an immediate boost to your organisation. This is especially helpful during talent shortages when you simply don't have the time to train.

Additionally, lateral hires bring a wealth of their learned knowledge to the role and your organisation. New and fresh ideas from an outsider's perspective can lead to quicker innovation, which can easily help you stand apart from others in your field.

Lateral hiring differ from normal recruitment

Typically, when an organisation has open positions, they post these jobs on social media or job boards. Candidates who apply are normally looking for a new role to advance their career, increase their compensation, or find a different work culture. These tactics are all used to predominantly target active job seekers.

Because lateral recruitment normally draws from a pool of passive candidates, the recruitment mix looks a little different.

Recruitment tactics for lateral hiring

1. Networking

Since lateral hires are not actively looking for a job, recruiters often start the lateral hiring process by mining their own networks of contacts. They reach out via direct message or email to see if anyone they know may also know of someone that fits the position they're recruiting for.

2. Head hunting / sourcing

You might not have the convenience of being referred strong candidates from your network. Therefore you might need to go and search networks and approach relevant people who you have no prior connection to. Whilst this might sound daunting, if you are courteous and professional in your approach you will likely be surprised at how easy this process can be.

In some cases, due to time constraints or confidentiality concerns, your organisation may be more comfortable having a third-party recruitment firm to make these approaches.

9.6.1 LATERAL HIRING PROCESS.

Because there are a few different tactics and tricks to lateral hiring, it's worth examining the steps in the process.

1. understand your company's needs

A lateral hire should require little, if any, training or development and should be able to slot into the open role with little disruption. For this to work, the hiring manager needs to have a clear understanding of what kinds of expertise the role requires, what the compensation package looks like and any obstacles the hire may face in their first one to three months in the role.

2. Find the perfect candidate

Because you are not actively advertising for this role, and because passive job candidates are not actively looking for a new position, it may be hard to ferret out the best candidates for the job. Depending on the role and your industry, there are a few ways you can identify prospects.

- **Consider who in your industry is doing the best work in this space.** If you're looking for a marketing director, examine recent campaigns that have caught your attention. Find the name of the person responsible and add them to your list of possible candidates.
- **Investigate who has recently been lauded by the media or respected colleagues** for the work they're doing. This could include speaking engagements, published articles, or webinars in the area you're recruiting for.
- **Examine your current set of contacts for people who may also have knowledge** about this type of role. This is another way your network can be extremely helpful when sourcing passive candidates for lateral hiring.

3. Vet all candidates thoroughly

Because you will be conducting the outreach, it's important to have done as much research and investigation into the potential candidates as possible. LinkedIn pages, company websites and blogs, and industry-specific media are all great sources for finding out as much about the candidate and their qualifications as possible.

4. Make an irresistible pitch and offer

There are a few things the lateral candidate will look for when deciding whether or not to hear your proposal and/or leave their current role. Mainly, they'll need to understand how leaving their current company will benefit them, why the new role and setting will be different and better, and what other compensation you can offer. Thoroughly consider your positioning when crafting this pitch to the candidate.

9.6.2 SUCCESSION PLANNING AND LEADERSHIP DEVELOPMENT IN FAMILY OWNED BUSINESS

In the intricate tapestry of family-owned businesses, the threads of legacy and leadership are tightly woven. These enterprises carry not only the weight of financial success but also the intangible heritage of generations past. The torchbearers of these businesses grapple with the dual responsibility of maintaining profitability while preserving the family's identity and values. **Succession planning** and **leadership development** emerge as critical strategies to navigate this delicate balance.

Let us delve into this multifaceted topic from various perspectives:

1. **The Patriarch/Matriarch's Dilemma:**

- The founder or current leader faces a pivotal decision: when and how to pass the baton. The emotional attachment to the business can cloud judgment, leading to either premature or delayed succession.

- Example: Maria, the third-generation owner of a vineyard, struggled to let go. Her daughter, Sofia, had a passion for sustainable viticulture. Maria's mentor advised her to create a gradual transition plan.

2. **The Next Generation's Perspective:**

- Heirs often grapple with the burden of expectations. They must prove their worth while respecting tradition.

- Example: Raj, a tech-savvy scion of a textile empire, introduced e-commerce to the business. His father, skeptical at first, now praises Raj's foresight.

3. **Balancing Competence and Bloodline:**

- Competency should drive succession, not just lineage. Family members must earn their stripes.

- Example: The Johnsons, manufacturers of bespoke furniture, hired an external CEO. She transformed the company's marketing strategy, earning the family's trust.

4. **Formalizing Succession Plans:**

- Documented plans reduce ambiguity. They outline roles, responsibilities, and timelines.

- Example: The Lee family, owners of a chain of restaurants, created a succession charter. It specified how leadership would transition to the eldest child.

5. **Leadership Development programs:**

- These programs groom potential leaders. They focus on skills like strategic thinking, negotiation, and emotional intelligence.

- Example: The Gupta Group, a conglomerate, sends its rising stars to global leadership workshops. These experiences broaden their perspectives.

6. **Mentorship and Apprenticeship:**

- Learning from seasoned leaders fosters wisdom transfer.

- Example: Elena, an aspiring fashion designer in her family's couture business, shadowed her grandmother. She imbibed not just design techniques but also resilience.

7. **Cultural Immersion:**

- Understanding the company's ethos is crucial. Immersion in its culture, rituals, and unwritten rules shapes effective leaders.

- Example: The Tanakas, manufacturers of traditional ceramics, organize annual retreats where family members learn pottery techniques and hear stories of resilience.

8. **Challenges of Sibling Rivalry:**

- Siblings vying for leadership can fracture the business. Open communication and conflict resolution are vital.

- Example: The Patel siblings, co-owners of a chain of pharmacies, attend family therapy sessions to address power struggles.

9. External Talent and Fresh Perspectives:

- Sometimes, non-family executives inject innovation. Their objectivity disrupts complacency.
- Example: The Martins, owners of an organic farm, hired a sustainability consultant. His ideas transformed their practices.

10. Legacy Beyond Profit:

- Succession isn't just about financial wealth. It's about leaving a positive mark on society.
- Example: The Robinsons, publishers of a local newspaper, established a scholarship fund for aspiring journalists.

9.7 KEY STEPS TO IDENTIFYING CRITICAL ROLES IN SUCCESSION PLANNING

Succession planning is an important aspect of human resource management that ensures the smooth transfer of key roles and responsibilities within an organization. It is a process that helps organizations prepare for the future by identifying and developing individuals who have the potential to fill critical roles in the organization. Without a proper succession plan in place, organizations are at risk of losing valuable employees, facing a knowledge gap, and experiencing disruptions in operations.

The critical roles that need to be identified for succession planning vary from organization to organization, depending on the size and structure of the organization, as well as the specific goals and objectives of the company. However, there are several key steps that organizations can take to identify the critical roles that are essential for their future success.

Assess Organizational Needs

The first step in identifying critical roles for succession planning is to assess the current and future needs of the organization. This may involve looking at factors such as company growth, changes in technology and the industry, as well as the skills and abilities of the current workforce.

Evaluate Key Positions

The next step is to evaluate the key positions within the organization that are critical to its success. This may include positions such as senior leaders, critical department heads, and specialized roles that are critical to the operations of the organization.

Identify Knowledge and Skills Requirements

Once key positions have been identified, it is important to identify the knowledge and skills that are required for each role. This information can then be used to determine the potential candidates who have the necessary skills and experience to fill the role.

Consider Employee Potential

When evaluating potential candidates for critical roles, it is important to consider their potential for growth and development within the organization. This may involve assessing their leadership skills, their ability to learn and adapt to new technologies, and their willingness to take on new challenges.

Identify Succession Bench Strength

In addition to identifying individual candidates for critical roles, it is important to identify the overall succession bench strength of the organization. This means considering the depth and breadth of the talent pool, as well as the readiness of the organization to respond to changes in key roles.

Regular Review and Update

Succession planning is an ongoing process, and it is important to regularly review and update the critical roles and potential candidates. This may involve reassessing the needs of the organization, and considering changes in technology, the industry, and the workforce.

Communicate with Employees

Finally, it is important to communicate with employees about the succession planning process. This may involve providing training and development opportunities to help employees prepare for critical roles, as well as providing regular updates and feedback on their progress.

Bottom line:

Identifying the critical roles for succession planning is a key aspect of human resource management that helps organizations prepare for the future. By following these pointers, organizations can ensure that they have the right individuals in place to fill critical roles, and can help minimize the risk of disruptions in operations. By taking a proactive approach to succession planning, organizations can build a strong and resilient workforce that is ready to meet the challenges of the future.

9.8 SUMMARY

Succession planning is the process of identifying the critical positions within your organization and developing action plans for individuals to assume those positions. Taking a holistic view of current and future goals, this type of preparation ensures that you have the right people in the right jobs today and in the years to come.

A succession plan identifies future staffing needs and the people with the skills and potential to perform in these future roles. Professional & Organizational Development's Succession Planning Toolkit will help guide you, though we strongly suggest you involve your assigned HR consultant and/or HR administrator in this process as well.

Best practices for succession planning

Some best practices to follow when enacting succession planning include these:

- Be proactive. Prepare for unforeseen instances where a high-level executive suddenly leaves. This way, an organization can keep operating as normal.
- Clarify the roles included in the succession plan. Communicate the positions and the people involved in the plan. Decide if the positions included will be the CEO or will include other C-suite positions.
- Engage stakeholders in the process. HR should not be in charge of everything in the process; the role of HR should be to enable the process and provide tools as needed.
- Don't exclusively choose the employee closest in rank to the role that needs to be filled. Other promising employees should be chosen if their skills have the most potential.
- Start backward. Before training an employee to fill a specific role, begin by defining the core skills, abilities and competencies needed for that role.
- Train successors with mentors and job rotations. Having a supervisor act as a mentor allows the mentor to transfer expertise and allows employees to gain more knowledge of certain roles and experiences.
- Give regular feedback. Include evaluations of progress on understood skills and those that need to be developed further.
- Create individual development plans. This way, employees receive the specific attention they need to develop any required skills. Managers should also give continual feedback.

- Have trial runs. A trial run is when a potential successor assumes some of the responsibilities of the role they are inheriting. This practice will allow the successor to gain potentially valuable experience.

9.9 KEY WORDS

- **Succession planning:** Succession planning is a critical process for organizations to ensure smooth transitions of leadership and key roles. It involves identifying and developing internal talent to fill key positions within the company when current incumbents leave due to retirement, promotion, or other reasons. Effective succession planning helps organizations mitigate risks associated with leadership gaps, maintain continuity, and sustain long-term success.
- **Lateral hiring:** Lateral hiring is the process of sourcing and hiring a candidate for a role that is very similar in scope and responsibility to their current position. This typically means hiring a passive candidate who might be working for a direct competitor.
- **Second-Line Leaders:** The second line of leaders are the ones who share the vision of the top leadership, who have a good skill set needed to get the work done in the absence of top leadership. They are the ones who can easily transition to take senior leadership roles whenever the need arises.
- **Cultural Immersion:** Understanding the company's ethos is crucial. Immersion in its culture, rituals, and unwritten rules shapes effective leaders

9.10 SELF-ASSESSMENT QUESTIONS

1. Briefly explain Best Practices for Successful Leadership Succession Planning?
2. Briefly explain Essential Steps in the Leadership Succession Planning Process?
3. Identifying Individuals to Occupy Critical Positions in The Event of the Exit of Current Incumbents?
4. Briefly explain Developing a Second Line of Leaders?
5. Briefly explain steps in Lateral Hiring Process?

9.11 FURTHER READINGS

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