

Chapter 6.18

Managerial Succession and E-Business

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INTRODUCTION

There have been several studies on managerial succession otherwise known as succession planning but greater percentage of them focused on succession planning as related to family owned small to medium sized enterprises (SME's), government establishments, effects of succession planning on performance and profitability of a business organization, CEOs perspectives on planning for succession, family business and succession planning to mention just a few (Motwani, et al 2006, Brown 2007, Dunemann & Barreffe, 2004).

There is a dearth of research about managerial succession and e-business, in this world of globalization where organizations are clamoring for survival in the globally competitive environment therefore; this chapter will focus on why succession planning is crucial in e-business and in the global economy. To do this effectively, available literature will be explored on the key aspects of an effective succession management system, the continuum of succession processes in e-business and in the global world. Also varieties of views and notions of individuals and groups in respect of the key issues to clarify and the key question impacting the design of succession management system in organizations and the succession planning grid will be considered.

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The views of the academicians and professionals on the succession management process, obstacles to effective succession management in an e-business environment and the key recommendations for succession management to remain competitive and survive in a globally competitive environment will be traced.

BACKGROUND

Succession planning in e-business is an issue of growing importance. Businesses generate a significant proportion of the economic activity in our countries, and a majority of these businesses are approaching the point where they will be transacting businesses on-line and will most likely be making serious decisions regarding their long time future. The manner in which such large number of potential business successions is managed will impact not only upon these individual businesses and society in which they operate but also upon the global economy.

As a result there is wide spread interest in various aspects of business succession planning and particularly, the central question of, how to do it.

However, some common themes emerge from a study of the succession management literature and the suggested models on offer. The required successor attributes needs to be identified and appropriate processes for selecting and nurturing a suitable successor determined. The timing and the manner of any handover needs to be matched to existing circumstances in the e-business environment. The roles and needs of all important participants should be acknowledged, e-business vision shared by all participants, maintaining good relationships and open communication processes is vital. Finally, the future of the incumbent in relation to the requirements of e-business must be clearly determined and managed.

Succession is the plan an organization employs to fill its most vital leadership and professions positions (Huang, 2001). It is the ongoing, pur-

poseful and systematic identification of qualified and appropriate successors to leadership, with a commitment to assessing, developing and investing in organizational leadership to enhance performance, development and preparedness (Kim 2003; McDonald 2006). According to Michelson (2006), succession planning requires putting the right people on the business, getting the wrong people off the business and positioning the right people in the right seats. Others have argued that succession planning is simply having the right people in the right place at the right time (Conger and Fulmer, 2003; Rothwell, 2005). Succession planning reinforces the desired perceptions of the organization, fosters employee legitimacy, builds on the strategic plan to manage the organization through future challenges, meets the demand of the public and addresses the strength and weakness of the organization (Cohn, Khurana and Reeves 2005).

Effective succession management happens when corporations adopt a talent-finding mindset and developing guideline for building a leadership pipeline among which include; focusing on development, identifying linchpin position, making it transparent and measuring progress regularly.

MAIN FOCUS OF THE ARTICLE

Reasons Why Succession Planning is Important in E-Business

Scholars and knowledge practitioners maintain that administrators are ignoring the coming leadership crisis and/or rejecting the imminence of the predicament (Green, 2000; Michelson, 2006; Ospina, 1992).

Consequently, many leaders of organizations lack an exit strategy, offer little evidence of a formal transition and treat succession management as nothing more than lining up personnel for vacancies (Michelson, 2006). Four distinct areas of exploration include the development of

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