

# Effectiveness of Blending Training and Development with Succession Planning in Automobile Industry in India

Claudios Fernando<sup>1</sup>, N. SanthoshKumar<sup>2</sup>

- <sup>1</sup> Research scholar, College of Management, SRM Institute of Science and Technology, Kattankulathur- 603203, Tamil Nadu, India  
<sup>2</sup> Associate Professor, College of Management, SRM Institute of Science and Technology, Kattankulathur- 603203, Tamil Nadu, India  
Email id: santhosn@srmist.edu.in

## ABSTRACT

*“Training and development is crucial for an organization's short- and long-term health, not merely as a nice factor of motivation for employees.”*

In India, the automobile industry is the fastest growing industry. It is critical to be focused on developing strategies to increase their profitability as they contribute to our economy's growth. Every organisation in this sector is required to improve its training and development programmes in order to improve employee work performance. As a result, they must include the most effective technique for developing a training and development programme within their organisation. This will enhance the accuracy of the personnel, which will represent the industry's success. As a result, the focus of this research is on an exploratory investigation of several significant critical reviews highlighting the role of this metric. This study is mainly focusing on a continuous process of developing career objectives and skill sets of key leaders through training and development to plan succession planning in Automobile Industry. To keep up with the competition, succession planning is a strategy for nurturing and evaluating future leaders inside the organisation. As a result, every organisation needs a highly qualified workforce. It ensures that business continues to run smoothly after resources move on. Identifying alternative and potential resources inside the organisation and giving various career development training programmes to boost skill sets and make the backup resource suitable for the corresponding key roles are the first steps in succession planning. Mentoring and continual screening are important aspects of increasing confidence. This study is all about employee training and development program, mentoring, on-the-job training, and elaborate communication with replacement resources time on time. Our research may give add-on to the enhanced succession planning. The issues to be considered could include the growth of individuals for leadership roles, as well as the addition of talent to the organization's talent bench and the reduction of knowledge gaps while guaranteeing business continuity.

**Keywords:** Training and Development, Automobile Industry, Automotive, Efficiency, Productivity, Succession Planning

## Introduction

India's automobile industry is the fifth largest in the world. In 2019, India was the world's fifth largest automobile producer and seventh largest automotive manufacturer. By 2026, India's automotive sector (including component production) will be worth Rs 16.16-18.18 trillion (US\$ 251.4-282.8 billion). Direct foreign investment (FDI) into the sector has totalled \$25.40 billion. India's government wants to establish itself as a worldwide manufacturer and research and development (R&D) centre. It has established National Automotive Testing and

R&D Infrastructure Project (NATRiP) centres and a National Automotive Board to serve as a bridge between policy makers. As a result, this stipulation is required. Training and development programmes are primarily designed to equip and improve employees' specific skills, but they also have far-reaching advantages. Employee satisfaction improves as a result of training and development initiatives, which boosts employee retention and engagement. It also aids in the internal development of the skills, which helps to fill holes in the organisation caused by the enormous exodus of baby boomers. As a result, training and development

programmes are critical for an organization's short- and long-term health, both in terms of skill and motivation, resulting in higher output. Traditionally, succession planning identifies potential successors for important roles, whereas training and development is intended to increase an individual's abilities or is viewed as a company advantage. By combining training and development with a succession plan, a company can better prepare for the approaching talent shortage and the uncertainty that the future will bring. Employees (especially those with great potential) are leaving firms at a higher rate, adding to the uncertainty.

### Review of Literature

Human resource management, according to Beardwell & Holden, has emerged as a set of guidelines for managing personnel (1997). Its main argument is that by positioning the volume and competencies of their resources to the employees' productivity objectives, along with enhancing the quality of each employee's contribution to production, businesses may dramatically increase their productivity. The aggregate of the occurrences or elements that may have an impact on the organization's long-term survival is the company's environment (Armstrong, 1998). Variations might come from both within and outside the organisation. The concept "sociocultural environment" was coined by Cascio W. F. (1995) to describe the multiple trends and broad repercussions that do not explicitly influence the organization but may have an impact. It aids in the development of high levels of trust among the organization's resources, as well as the smooth operation of the business, cost reduction, and attrition reduction. Performance evaluation, training and certification programmes, career planning, mentoring, and pre-post evaluation are all variables that influence succession planning in a business.

The organization's environment describes the set effect of the events or elements which may determine an organisation's strategic existence (Armstrong, 1998). The influences can come from both inside and outside the firm. The term "sociocultural environment" was coined by W. F. Cascio (1995) to characterise the numerous trends and fundamental factors that may not explicitly influence the organization but could have an adverse effect on it in the coming. Four of these forces are defined as financial, technical,

judicial, and political considerations, as well as social economic and demographics dynamics.

The tactical plan, On the other side, it is made up of elements that have a direct impact on the organization's operations and strategy. The labour market, labour unions, competition, and product markets, which include consumers, providers, and lenders, are examples of these. The socio-cultural environment has an impact on the characteristics of the task environment, which are closely linked to the business. McGhee (1997) stated that a company must spend money on training only if it can be expected to do something other than changing employee's performance, according to management's professional judgement. It must help the organisation achieve particular objectives, such as more efficient product manufacturing or exchange, lower product running costs, improved quality, or increased efficiency.

Motivation examines the determinants that cause employees to act in particular ways. As per Arnold et al., direction is defined as "what a person is seeking to achieve," effort is defined as "how hard an individual is attempting to do," and persistence is defined as "how long a person continues to try" (1991). Getting other people to follow the path you need them to go in pursuit of a common goal is all about motivating them.

***“Are organizations doing a good job with Succession planning? Are they investing enough time and effort in succession planning for the niche roles? What are the current challenges? How can it be done in an effective way? What are the new trends?”***

By combining High-potential individuals can be trained and equipped for future responsibilities in the firm through a company's succession plan and training and development programme. This provides a sense of security and stability. Furthermore, studies show that hiring important personnel from outside the organisation costs more money and that these people are less efficient than their domestically trained equivalents. All of this argues that HR should be in charge of training and development, as well as succession planning. With all that in perspective, these are the crucial steps that HR department can take to integrate succession planning with training and development productively.

There are two types of workplace motivation. People can initially motivate themselves by

looking for, locating, and doing something that fulfils their desires or, at the very least, gives them hope that their objectives will be accomplished. Second, Compensation, career advancement, appreciation, and training are all effective ways for management to inspire employees (Synderman 1957). The backdrop could come from the organisation one of the quality Gurus, William Edward Deming, defines quality as a known degree of stability and predictability at minimal prices that is appropriate for the market. He advises a company to focus on improving the process rather than the work because of mechanism, not the task, is the reason for the difference in output (Gale 1994).

According to Palo, S., and Padhi, N. (2003) in their study titled Measuring Effectiveness of Total Quality Management Training: According to an Indian study, training and development is a component of human resource operations that aids in the enhancement of employees' skills, knowledge, and competence, allowing them to perform more efficiently. Although according to Goldstein, I. L., and Ford, K. (2001) in their book Training in Organizations: Needs Assessment, Development, and Assessment, learning & support are critical to an organization's productivity.

End-User Houger V. P. (2006) published a paper titled "Trends in employee performance, Collaborative effort between employees" in his study work. End-User, In his research paper "Trends of employee performance, Collaborative effort between employees," Houger V. P. (2006)S. Gupta and R.P. Bostrom (2006) published a report titled "End-User Computing."In his research paper "Trends of employee performance, Collaborative effort between employees," Houger V. P. (2006)Training is a critical tool for developing an organization's most valuable asset and a significant determinant of gaining a competitive advantage.

Training has been a crucial role in increasing organisational efficiency. Training is a critical and effective technique, as per statement of Colombo and Stanca (2008), Konings&Vanormelingen (2009), and Sepulveda (2005), for example. *"What role can L&D practitioners play in succession planning beyond the traditional role of preparing the successor for the future role with the blending of training*

*and development ?" was the next topic of discussion.*

The following are the main issues that were addressed:

Create a framework that is both relevant and connected with a company's or organization's growth.

- Mapping role competencies for strategic planning
- process Of creating a Learning Atmosphere conducive Constant Sharing of Information
- Recognize existing skill/competency levels and provide support through training and coaching.
- The training and assessment process must be focused and transparent, as well as regular and visible input to the appropriate resources is required.
- The Learning & Development team and the Talent Management team have a strong working relationship.
- Except for classroom training, Learning and Development should take responsibility for and make a significant contribution to the upskilling of successors.

**Recognize** – While offering up-skill process and development programmes to all staff is beneficial, resources are limited, and it is prudent to deploy those resources judiciously. This necessitates the identification of high-potential employees. According to research, the better the employee's and company's outcomes will be the sooner high-potential persons are found. This data allows the organisation to focus its resources on those who have the most potential to play key roles in the future. The requirements for their future role should be included in the screening process, in addition to their current competence. Someone who thrives at business may not have the skills or personal traits to run a successful operation.

**Recognize Gaps** - HR must identify two gaps when combining a succession strategy with a training and development plan:

- The organization structure's inherent weaknesses and

- The employee's resume has talent gap

Creating a portfolio for each of the company's essential positions is the simplest method to discover both of these gaps. Then, utilising this profile, which includes skill set, knowledge, personal traits, and conduct, identify high-potential individual people and places where they need to develop in order to fill the role identified in the succession plan. For individual development and training, the profile acts as an objective and assessment.

**Train and Equip** - HR can create customised training and development plans to effectively equip staff once skills shortfalls in the organization and among workers have been recognised. It's also a good idea to add real life experience from a spectrum of disciplines. As a result of this extensive hands-on experience, potential leaders will be completely conscious with how the company's many moving parts work autonomously and as a whole. When a person is in a prominent leadership position, they can make more informed decisions and get valuable real-world experience to hone their newly acquired skills.

**Re-assessment** – Training and development programmes, as well as succession planning, are essentially dynamic. Both must alter to take these changes into account as people arrive and go, as well as learn and develop. Furthermore, as the training and development programme proceeds, the talents of an individual may be revealed, allowing them to be better suited for a various position. Workers do not always fulfil up to its potential that their managers saw in them, and as a result, changes should be made. All of this necessitates HR keeping a close check across both plans and re-evaluating them on a regular basis.

**Developing a Culture** – The success of both techniques' hinges on the building of a culture that prioritises succession planning and training and development. This requires building a culture that places a premium on the important role in the long growth and performance, as well as the people that make it up. Some companies have fostered this culture by requiring key staff to recognize

and promote potential candidates to the management board and HR department, as well as take part in their training and development. For HR to be effective in developing a culture that values and regards succession planning and training and development as a wise investment in the company's future, the board and senior management must be on board.

### Suggestions and Recommendation

Many firms have recognized the value of training and development programmes in boosting their employees' efficiency, abilities, and production in recent years. The Indian automobile sector should guarantee that the following activities are undertaken in order to reap the effectiveness of a training initiative. In collaboration with the line manager, systematic training programmes should be determined in a more dignified way, the employees engaged, and HR officials. Specific information should be provided to employees.

A learning & growth strategy is a commitment in your employees' future productivity which will pay off handsomely. It will protect against potential shortages while also increasing staff retention, productivity, innovation, and leadership stability. Any HR department concerned about the current and future health of their firm should focus on succession planning and training and development. The content and delivering methods of training should take into account the work tasks of employees. Determine the existing state of the employee's knowledge before beginning training and development. All personnel should be required to attend mandatory training courses in order to gain knowledge and awareness of the income statement management strategy and objectives.

Succession planning has a substantial impact on the bottom line, especially when combined with a training and development programme. When there is turnover, this combination means that instead of HR scrambling to find a suitable candidate for a critical position, they have indeed educated somebody with the exact skill set they require. Internal promotions are less expensive than outside hiring, therefore this

saves time and money. It also eliminates expenses like job posting and on boarding to reorient the new person. This approach also generates a perception of stability in times of potential disaster, such as when a key executive or other pivotal job is unexpectedly lost. It's also a great strategy to keep top talent on board. Employees are less inclined to turn outside the company for their own personal professional advancement if organisations invest in them and show how much space for growth there is.

Developing excellent leadership qualities necessitates individualised training. Employees that participate in such an L&D programme will benefit from it for the rest of their lives. Mentoring, coaching, and self-directed learning are all used in today's business world. Each of these L&D techniques is described in detail below.

**Coaching:** This entails meetings with managers or top management on a monthly or weekly basis. Performance evaluations and training used to be done once a year. This is rapidly changing. High Profile will be able to become better coaches in the future as a result of these frequent coaching sessions.

**Monitoring:** This may sound similar to training, but the two are not the same. A mentor does not have to be a management or a direct supervisor. High Profile must be mentored by executives in one-on-one sessions as part of Learning & Development in succession planning. Mentoring will ensure that your business is ready for future changes.

**Self-directed:** Learning is an important aspect of succession planning since it allows employees to access on-demand, bite-sized learning resources. High Profile can learn at their own pace because this material fits neatly into their regular routine.

### Conclusion

This industry currently employs a variety of training systems and methodologies. Due to intense competition and international exposure, this industry has been forced to update its manpower's capabilities in order to meet the difficulties. The bulk of Indian automobile manufacturers are on par and performing well in terms of technical

training and skill development. As a result, the importance and impact of training and development in the Indian automobile industry were underlined in this study. Businesses may quickly replenish critical jobs that have been vacated by outstanding people by using Learning & Development in succession planning. High-potential personnel who have been groomed for months or years to take on a new, higher-level function can then take their place. Organizations save money, minimise turnover, increase ROI, meet emerging leadership needs, and improve their long-term security and wellbeing by doing so. Identifying high profile personnel, focusing in their training, cultivating the correct culture, undertake periodic evaluations, and providing individualised training are all essential elements of succession planning.

### Reference

- [1] Armstrong, M (1998): Human Resource Management: Strategy and Action, Irwin, Boston
- [2] Betcherman, G., K. McMullen and K. Davidman (1998), Training for the New Economy: A Synthesis Report, Canadian Policy Research Network, Ottawa, pp. 117
- [3] Cascio, W. F. (1995). Whither industrial and organizational psychology in a changing world of work? *American Psychologist*, 50, 928—939
- [4] Harrison Rosemary (2005). Learning and Development. CIPD Publishing, pp. 5
- [5] Huselid, M. A. (1995) The impact of human resource management practices on turnover, productivity and corporate financial performance, *Academy of Management Journal*, 38(3), 635-672.
- [6] Kelly D, (2001), Dual Perceptions of HRD: Issues for Policy: SME's, Other Constituencies, and the Contested Definitions of Human Resource Development,
- [7] Lado, A., & Wilson, M. (1994) Human resource systems and sustained competitive advantage: A competency-based perspective, *Academy of Management Journal*, 19(4), 699-727.

- [9] Learner, R. (1986). Concepts and Theories of Human Development (2nd ed.). New York: Random House).
- [10] Nadler, Leonard (1984). The Handbook of Human Resource Development (Glossary). New York: John Wiley & Sons.
- [11] Pfeffer J., (1998), The Human Equation; Building Profits by Putting People First, HBS press, Boston
- [12] Tessema, M. and Soeters, J. (2006) Challenges and prospects of HRM in developing countries: testing the HRM-performance link in Eritrean civil service, International Journal of Human Resource Management, 17(1), 86 -105.
- [13] Weblinks
- [14] <http://Indglobal.org/succession-planning-role-of-ld-practitioners/>
- [15] <https://blog.imocha.io/why-ld-is-an-essential-component-of-succession-planning>
- [16] <https://www.kent.edu/yourtrainingpartner/benefits-coupling-training-and-development-succession-planning>
- [17] <https://hbr.org/2003/12/developing-your-leadership-pipeline>
- [18] <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/winning-the-race-for-talent-a-road-map-for-the-automotive-industry>