

Tata Power upgrades its Succession Management Framework with learnings from APQC

At Tata Power, succession management is a strategic tool for promoting business continuity in terms of critical resources. It ensures the availability and readiness of a capable workforce to take up critical roles in the current and future context.

The company has refined this process to better address changing and growing business needs over the years. Accordingly, while refreshing its approach to succession management during May-June 2022, the company studied best practices available on the same the EDGE portal. Crucially, it also held best practice sharing sessions with Nidhi Basu, Head - Corporate Quality Assurance (CQA), Total Quality Management, at Tata Steel; and Elissa Tucker, Human Capital Management Principal Research Lead at the globally renowned benchmarking and best practices research firm, American Productivity and Quality Center (APQC).

Based on its learnings from APQC and Tata Steel, Tata Power then established a productivity framework in all its business clusters to ensure work design and resource optimisation. This framework is based on industrial engineering principles that will eventually lead to higher levels of productivity, performance and engagement.

As per the framework, Tata Power has deployed resourcing norms and principles, and defined its organisational structure, span of control and optimal manning (permanent and contractual) requirements. The new productivity framework has enabled Tata Power to initiate the following changes:

- Introduce labour productivity metrics
- Link productivity studies to applicable human resources systems (such as strategic workforce planning, workforce optimisation and job evaluation)
- Create methods of study
- Develop business case studies for measuring and improving productivity of labour

These improvements have yielded the following benefits for the company:

- Provided a scientific basis for establishing resourcing norms and principles and defining organisation structure, span of control, and optimal manning (permanent and contractual) along with key productivity metrics
- Reduced time and cost of on-boarding and acculturation; made available ready resources aligned to the company's culture, processes and systems, leading to immediate delivery of results from the role holder
- Saved hiring and talent costs (at market level) by reducing dependence on external hiring. The company achieved 96% succession cover, which means that 76 critical positions in the company had immediate successors. It resorted to external hiring in only three cases, primarily because they were niche talent. In effect, every 10 cases of internal succession transition would translate into average savings of Rs 4.5 crore
- Internal talent funding for six acquired businesses and two growth businesses (>200 positions). With internal talent funding for 76 critical positions, the company minimised on-boarding time and costs as resourcing for vacant positions, if any, was based on the succession plan. The process would have taken six months -- three months for hiring and three months for on-boarding – otherwise but by eliminating it, the company optimised productivity and costs with internal hiring

Participant Speak

“ A big thank you to TBExG for creating the right platform for looking beyond the usual solutions, and for connecting us to APQC, USA; and Tata Steel, and facilitating our productive discussions with them. This enabled us to review our existing succession management process from an entirely fresh perspective and helped us establish a strong business-oriented solution that is already reaping huge benefits. ”

— **Ajnak Deka, Head - Talent Management and Owner - Succession Management Process, Tata Power**

