

Shifting the Paradigm of Succession Planning



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One of the very first principles I learned as a developing executive in the corporate world was as to know where I wanted to go, keep my sights on it, and develop my replacement. In other words: have a clear vision, keep my focus unobstructed, and create a Succession Plan. Not only did it benefit the organization, it propelled me forward and upward in my career. I knew that my department would never reach its full potential unless we had a plan for the future that included both sustainability and scalability. I also knew that the responsibility was mine – not just those who operated at the highest levels of the organization.

I wanted our team’s contributions to continue to have impact even after I’d gone, so my people had to be a major part of my plan, not an afterthought. They were business partners with me, and we were business partners with the organization. We wanted our hard work to continue making a difference and impact in the future, so it had to *have* a future – and someone to continue to lead with purpose and foresight.

My story is a small example of the “whys” behind Succession Planning. It was a mind-set not just a process, and it reaped great rewards. Turnover was zero, my successor took the department to new levels of creativity, productivity, and influence, and 3 others were developed into vice presidents, making great contributions to the organization.

Changing Times and Demographics

The management of an organization’s intellectual and cultural capital has seen a significant metamorphosis over the last 5 decades. Many of our senior-generation workers remember joining an organization as an employee, and anticipating staying with that company until retirement. Leadership was passed on to those who had worked

hard, stayed loyal, and had the greatest experience and innermost knowledge of its operations.

One could hope to be groomed as a junior executive or junior partner if he was recognized as someone with talent, ambition, and promise. This being said, the culture and knowledge of the organization stayed intact, even if something unforeseen happened to its senior leadership. The workforce was stable, and knowledge was power.

The baby-boomers saw this paradigm begin to shift when, after working hard, being loyal, and having a long employment history with a company, they were laid-off and had to start over. There seemed to be a select few, however, who were groomed for leadership through informal mentoring – with hopes of maintaining the company culture and knowledge base.

Even this strategy failed in many cases, as companies experienced mergers, acquisitions, and hostile take-overs. This generation discovered that the occupation they prepared for in college was not necessarily the one that provided a pay check every month. Generally, the workforce became unstable, loyalties shifted, and the organizational knowledge and culture weakened.

The Gen X and Millennial generations entered today's workforce *expecting* to change jobs, change careers, and change companies several times during their work history, and not have to make the same long-term personal sacrifices as the previous generations. In many cases, the workforce has become mobile, global, and technical, and universal knowledge is accessible to anyone with a data-packaged electronic device.

Hence, a 180° shift: Once organizations could depend on the fact that their dedicated workforce would always be there, and Succession Planning was a boardroom activity among executives to fill leadership positions. Now there are fewer head-counts with a greater part-time, retiree, and mobile workforce, and Succession Planning has become a proactive and ongoing tool focused on assessment, promotion, and retention of key performers throughout the organization.

What hasn't changed is a need for continuity in leadership, and avoiding extended and costly vacancies in key positions.

Successful Succession Planning is a discipline not just a process – a mindset that has to be embedded in your culture.

Planning Guidelines

Succession Planning has become increasingly important as a priority, especially as demographic trends indicate that there are insufficient numbers of next-generation leaders. It is management's responsibility to ensure that the organization maintains high-quality operations and employees.

Consider these basic foundational guidelines for successful planning:

1. Do not wait until the key employee leaves.
2. Focus on policies, procedures, and practices, *not* personalities.
3. Maintain up-to-date HR policies which comply with EEO laws.
4. Maintain up-to-date job descriptions, especially for each of the key roles.
5. Have a consistent, ongoing review process.

Getting Started

If you have little to no formal Succession Planning process in place, you may feel overwhelmed and wonder where to begin. My advice is to take it one step at a time beginning with assessing what you already do. Start with the "known" and work your way to and through the "unknown:"

First, ask yourself:

- What operations are critical to the future of the business?
- What percentage of your employee base is retiring within the next 5 years – putting your organization potentially at a risk?
- What is your current process for identifying High-Potential employees?
- How do you ensure that you are providing the right training to the right individuals for leadership roles – and how is it measured?
- What would happen if a key contributor or member of the executive team left unexpectedly? Is there something in place?

5 Basic Steps to a Successful Plan

Once your strengths, risks, and vulnerabilities have been identified, it's time to create action plans which include clear objectives, timelines, and comprehensive evaluation check-points. Here are steps to follow:

1. Identify key leadership roles and positions
2. Identify and qualify internal candidates
3. Assess candidates' current state of development
4. Create a specific plan for each candidate with timelines and evaluation check-points that aligns with your overall strategy
 - Action plans must move candidates from their current state of development to their (and your) desired state of readiness

- Some common actions include:
 1. Leadership Development programs
 2. Skill specific technical / educational programs
 3. Continuing Education partnerships with colleges and universities
 4. Participation on community / civic boards
 5. Mentoring
 6. Cross-functional experiences

- 5. Regularly monitor and reassess the Plan (modify as needed)

Yes, Succession Planning does take time, resources, and concerted efforts, but the long-term benefits to the organization most certainly out-weigh the short-term energies and expenditures. The payoff maintains leadership in key positions, ensures business continuity, strengthens your talent pool, increases employee engagement and retention, and develops a diverse workforce by enabling decision makers to look at the future make-up of the organization as a whole.

Succession Planning is simply the process of identifying high-potential employees, evaluating and honing their skills and abilities, and preparing them for advancement into positions which are key to the success of business operations and objectives: key to YOUR success and YOUR future as an organization.

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