

Succession Planning

Is Yours Meeting Expectations?

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Is your organization successfully preparing the next generation of leaders? A recent study by Towers Perrin found that one of the most significant differentiators between struggling and successful corporations was their approach to *Talent Management*. Those who were found to be the most successful had deliberate strategies aimed at attracting, retaining and developing “leadership capability.”

There are many *Talent Management* strategies, but *Succession Planning* is one of the more successful because:

- Future leaders are developed from inside the organization, resulting in the retention of intellectual capital and operational expertise, and sustaining important business relationships that are vital to your organization’s success.
- It is a highly targeted approach used to identify the required competencies for specific positions and developing individual capabilities to match those competencies.

Succession Planning is more than training and more than a personnel evaluation system. It is an ongoing strategy designed to supply well-trained, broadly experienced, and highly motivated people who are ready and able to step into key positions.

In addition, current data indicates that *Succession Planning* will be more important than ever before: Baby Boomers currently represent 47% of today’s workforce and all of them will retire between 2011 and 2029, taking with them an accumulation of skills and experience.

Effective *Succession Planning* assures a continuing flow of qualified people to move up and take over when the current generation of managers and key people retire or leave your organization. Evaluate your readiness for sustained success by asking yourself these questions:

- Can you quickly fill key positions with well-trained and experienced people from within your organization if the need arises or are you forced to conduct extensive external searches?
- Have you defined the business competencies for key positions?
- Have you identified well-defined career paths for key positions?
- Have succession strategies been integrated into the corporate strategic plan?
- Is there is an alignment of future needs and available resources within your organization?

Even those organizations that have a well-defined *Succession Plans* can fail for one of several reasons:

- Waiting too long to implement the plan – The ideal succession plan is on-going, future-focused, and has a well-developed “exit strategy” for key positions.
- Assuming employees will be around to step in as necessary – There are two problems associated with this assumption, 1) employees may want to be promoted to top positions, but lack the leadership skills and abilities, 2) not all qualified people want to be promoted, even if it’s expected.
- Waiting too long to give successors real authority – Many leaders don’t give their successors genuine authority and responsibility, only learning until its too late, that the successor is not up to the job. Or they give some responsibility, but frequently meddle or second-guess the successor.
- Being secretive about succession plans – Executive leadership is frequently concerned about publicizing their Succession Plans due to the appearance of

favoritism or stirring up potential conflict when someone isn't chosen. However, the "in-fighting, positioning, and the uncertainty of not knowing" does more damage when the line of succession is unclear.

- Planning in a vacuum – Succession planning is complex. It affects many operational and strategic activities within the company, and creating a plan in a vacuum can create more problems than it solves. Succession Planning will always benefit from the input of diverse points of view and needs from throughout the organization. Sometimes the use of an external and objective facilitator can improve the process and the results.

In preparing your organization for the next generation of leaders, *Succession Planning* is an excellent tool for efficiently and effectively applying resources to build organizational capability and sustain success over the long-term. Even if the planned successions do not occur, you are still better off because those organizations who have more leaders at more levels, will always have a distinct competitive advantage in the marketplace.