Who's Next?

A Succession Planning Primer

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With a generation of leaders leaving their current roles for retirement and employees willing to change jobs and companies without hesitation, more talent and development professionals are asking, "Who's next?" to fill the talent and knowledge gap. Succession planning—once the people-process of the very large, resource-rich organization—is now a necessity for even the smallest.

Rationale and Audience

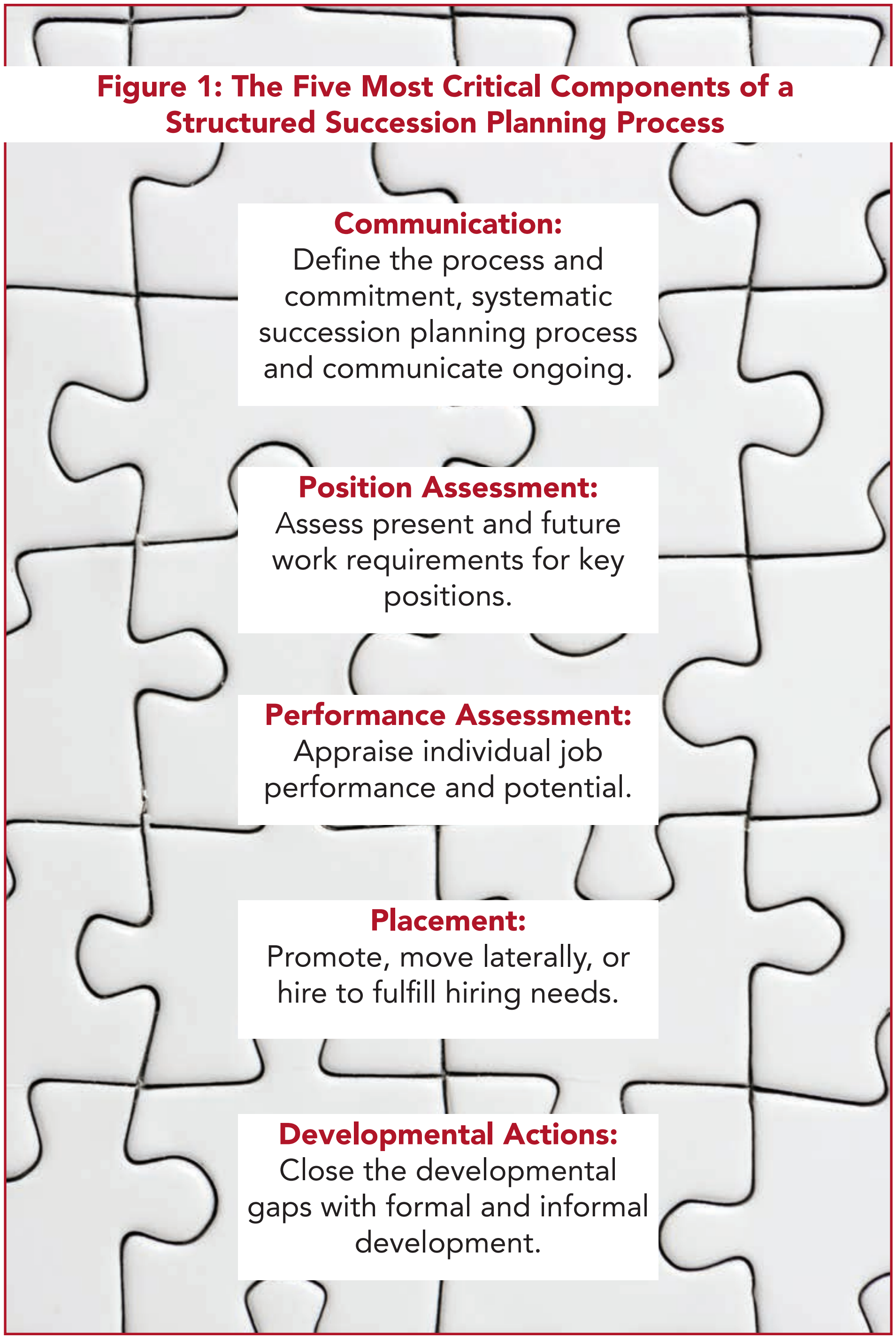


Figure 1: The Five Most Critical Components of a Structured Succession Planning Process

Succession planning is the process of making provisions for the development, replacement and strategic use of key personnel in key positions. It is important to note that the most successful succession planning processes work to integrate existing systems such as performance reviews, internal recruiting efforts and training and development activities.

The most **common business purpose** for a succession planning process is to ensure the stability and tenure of personnel necessary to achieve organizational goals. Aside from this, talent and development professionals also know that succession planning activities builds morale, increases cross-functionality of individuals in roles, aids in reducing turnover rates and attracts talent.

Traditionally, organizations have implemented succession planning solely for senior positions. With a growing need for knowledge transfer at all levels of the organization, the audience for succession planning is growing. The engineer who is the only one who truly understands the customer's custom configuration is landlocked in his role as much as the organization is at risk if he leaves. Because of this, the **audience** for succession planning is broadening, encompassing the senior leaders, mission-critical middle managers and individual contributors whose knowledge or roles are not easily replaced from within or outside the organization.

Aligning Values with Your Process

Whether working solo or in partnership with consulting firms, talent and development professionals can be most successful if they remember that there is no perfect system—its success is based more upon alignment with company culture and values than fancy systems. Knowing this, ensure that your organization's principles and values are clearly defined before implementing a succession planning process. By asking questions and making decisions about critical components of the succession planning process, the answers to these questions becomes a map to establishing your most useful succession planning process.

- **Under whose direction is the program?** In our consultancy, we see many different approaches to succession planning. Direction can come from top managers, who are actively involved in establishing procedures and remain involved in the overall process. Associates and their immediate supervisors or managers can be actively involved in every step of the process. Human Resources and Training and Development professionals can also lead the effort.
- **What is the desired timing for the process?** Succession planning can be conducted on-going, periodically, or once (at strategic times in the business). The timing is established based upon when resources are available in terms of staff and the business need for the process. Based upon the desired timing, we work with the client to establish decision-making and information-gathering processes, and define the action taken by those with a role in the succession planning process.
- **Who has the accountability or focus?** Fundamentally, we believe that the most successful succession planning processes devote less attention to forms than results and developmental activities. However, some clients choose a more administrative focus of the process. Work to determine who has the most amount of accountability in the process among the candidates, managers, HR professionals, and other stakeholders.
- **What is the degree of dissemination of information and communication?** Two approaches can be taken in succession planning. The first is an ***open system*** where work requirements, participation, competencies/skills and success factors at all levels are identified and communicated to those participating. This typically encourages candor and accountability for all involved. The second is a ***closed approach*** whereby certain stakeholders are not included in

the dissemination of information. Some companies choose this approach to reduce the amount of labor involved with the program, to maintain more control of the process, and to reduce the building of candidate expectations of career advancement.

- **How much individual discretion do individuals have within the system?** Determine whether individuals identified as candidates or high potentials will have the option to choose whether or not to participate in the succession planning process. As part of this key decision, determine whether participation as a high potential in the succession planning process is a requirement for job success.

Remember that **there is no perfect system**—success is based more upon alignment with your company culture and values than fancy systems that look good on paper, but are nearly **impossible** to use in real-life.

Setting Up a Succession Planning Process

Because setting up a succession planning system can be a project with many phases, stakeholders and political facets, some organizations choose to partner with external consulting firms to help them build a business case for succession planning and implement the chosen components. Specifically, the set up can involve steps such as:

- **Benchmark** leaders in the same or similar industries to determine how they have linked succession planning to the achievement of business strategy and goals.
- Research succession planning **best practices** through contacts with top leadership and human resource professionals in academia and other consulting firms.
- Conduct **selection and placement mapping** within the client company at the executive level to uncover areas for improvement—which likely will come through development and implementation of a succession planning process.
- **Facilitate** the discussions to ensure stakeholders are aligned on the critical components of the succession planning process to be implemented.
- Develop **success profiles** and competency models for key positions.
- Select or develop **assessments** to identify development needs of candidates in the succession planning process; run full-scale assessment centers.
- Establish the **tracking and monitoring systems** needed to administer components of the system—either using software or more manual data collection methods.
- Create **learning maps** and development activities for key group needs.
- Conduct **coaching** and other one-on-one, targeted development activities.
- Create interview and other **selection tools** that measure candidates for positions are measured against succession planning-identified behaviors.
- Plan, write and implement **communication** about the process to candidates and employees.

Be cautious of consultants who claim to be able to handle all components of succession planning process implementation well. Sometimes the best approach is to use a full or modified succession planning process, partnering with consultants with expertise in specific areas, such as assessments or technology for administration. And, most importantly, know that to have a working, reliable, useful way to track the successors for key roles in your organization is more valuable than having a complex, unwieldy, too-much-to-tackle process. Sometimes practical and fast are as important as having the 'model' succession plan.

Assessing Your Way Through

Even with the most targeted and streamlined succession planning process, you will find yourself considering how and what to assess. We typically see two uses for assessments:

1. Assessments to determine who is a high potential candidate; and,
2. Assessments to determine the developmental gaps of identified high potential candidates.

Both of the above assessment needs can be fulfilled through:

- **Written tests** to determine knowledge, preferences, and/or ability;
- **Simulations** to determine use of skills and application of knowledge;
- **Multi-rater assessments** to determine fit and perception by stakeholders;
- **On-the-job observation** assessments for timely and accurate feedback;
- Polling of **existing company measures** (performance reviews, career and other interview data, etc.).

Figure 2: Assessment Implementation

Use the following process to select appropriate assessments:

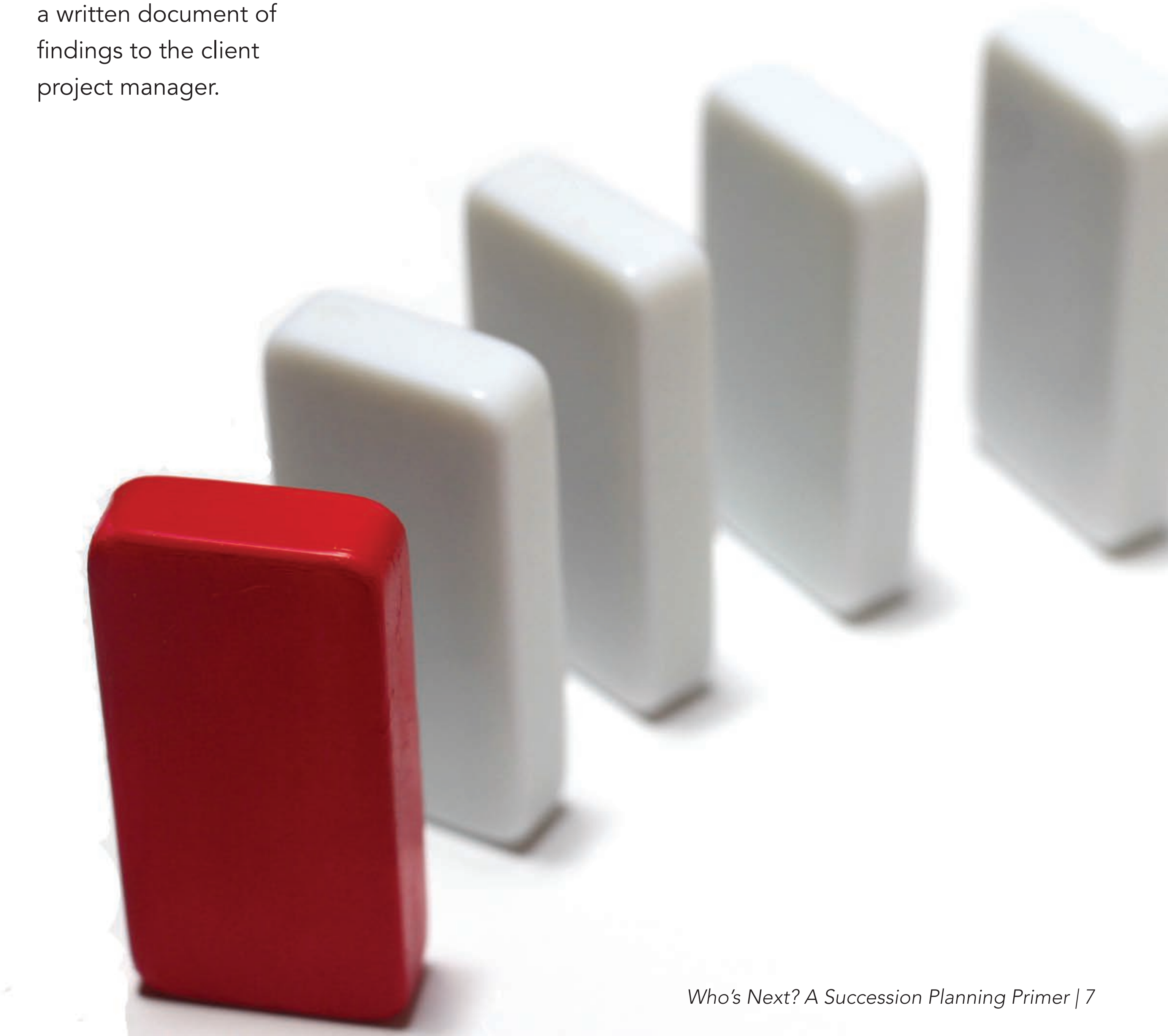
- Determine the **assessment need and purpose** through structured interviews with your project stakeholders. Nothing will ensure assessment derailment faster than being misaligned on why you are assessing and what you will do with the data collected. Don't fall into this trap by not discussing perceptions and desires with those who are effected.
- Either use existing **success profiles, competency models, or job profiles** or develop them in order to determine the areas to be assessed. When developing these success profiles, interview incumbents, pull from your our own competency bank for similar positions (or, if working with a consultant, draw upon theirs), and use organization data. The items in the success profiles should always be prioritized—not every behavior, knowledge or ability is important, so force yourself away from insisting they are. In our experience, two or three items tend to be critical, with others 'nice to have.'
- **Research assessments for best fit** between area to be measured and available assessment tool (or, if working with a consultant, have them scan their database). This research should take into account not only the areas to be assessed, but also your project parameters (time, tolerance for testing, staff available to support, etc.).
- **Benchmark** the assessment with top performers and low performers to set baseline performance indicators. This simple step is often overlooked, but a validation of how practical the assessment is to your identification of skills, knowledge and abilities.
- Either **administer** the assessments yourself or work with assessment provider(s) to develop an administration plan. Assessments come with plenty of questions from those participating; your administration plan should include answers including: Who will see the information? How long is it stored? Is there a 'passing' or 'failing' assessment result?

Align Your Stakeholders

Work closely with your internal clients to ensure stakeholder buy-in and support. Typically this happens by:

- Interviewing stakeholders within the client company for needs and expectations of a succession planning process. We provide a written document of findings to the client project manager.
- Creating an overall succession planning strategy document and presentation that is delivered to executives and other decision-makers in the succession planning process.
- Inviting and encouraging stakeholder participation in assessments and pilot groups.
- Developing and conducting training with stakeholders on the purpose, roles, support needed, and skills necessary to successfully implement the succession planning process.

Never neglect your stakeholders—you need their input and support and they are generally both customers of the process you are designing *and* participants! ❖



About the Author

Kelly L. Fairbairn is the President of PPS International Limited and CEO of SyNet-Americas, the international arm of the US-based firm. When asked, Kelly explains, "We are an organizational development firm whose goal is to improve the performance of clients' businesses by improving the results of individuals within them. We provide services to clients such as performance improvement tools, design and customization of learning, individual and corporate assessments, and HRD strategy development. For global clients, we utilize our SyNet partnerships to deliver consistently all over the globe."

Kelly began her career as an Instructional Designer with a northeastern utility. While piloting projects, she evaluated programs and conducted training sessions as part of the utility's university for professional employees and supervisors. Kelly evaluated and designed learning on management development topics such as team skills, communication skills, listening skills, conflict management, selection interviewing, and termination management. Later in her career, she became Instructional Design Manager, managing a team of technical and professional development trainers and instructional designers who created total learning solutions for leadership, sales, professional development and technical employees.

Kelly's experience is not limited to the design of training and development. She has also created dozens of performance management processes for companies worldwide. These designs were based on her real-world experience as a Human Resource Director in two global firms. Kelly has designed processes such as recruiting plans, leadership development curricula, performance planning systems, appraisal-review systems, succession planning processes and new employee orientation sessions.

Kelly has a Bachelor's degree in public communication from Cornell University and a Master's degree in employee counseling and relations from Binghamton University.

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