

ON LEADERSHIP

TOMORROW'S LEADERS

A strong succession plan can strengthen your organization.

By Dori Meinert

Executives say identifying future leaders is vital for reaching business objectives, yet fewer than half have formal succession plans in place at their companies, surveys show. That's a problematic disconnect that could leave organizations unprepared for the challenges that lie ahead.

"What made you successful in the past is not going to help you survive and thrive in the future," says Amy Hirsh Robinson, principal of Interchange Group, a consulting company based in Los Angeles.

But many leaders may need a push to engage in this type of forecasting, since the mere mention of succession planning can prompt a host of emotions, says Robinson, who gave advice to HR professionals at the Society for Human Resource Management's 2018 Annual Conference & Exposition in June. They may be reluctant to share their knowledge with someone who might replace them—no matter how far off that time is.

That's why it's important for HR to build a business case for succession planning and to help their senior team put the necessary time and thought into the process. With executives' input and support, HR professionals can create career development plans to ensure that high-potential workers get the experience they need to be future leaders.

Sometimes it takes the departure of a valuable employee to make leaders understand the importance of succession

planning, Robinson says. When a key person at any level of the organization leaves and the position isn't filled quickly, morale drops, productivity suffers and turnover increases.

While succession plans often focus solely on getting a replacement ready for those in the highest ranks, they should cover the roles of anyone whose sudden departure could disrupt the business, says Kelly Renz, president and chief executive officer of Novo Group Inc., in Brookfield, Wis., who also presented a session at the Annual Conference.

"Succession planning protects the business from unexpected changes that could potentially hurt the business," she says. It can also increase retention of top performers and drive deeper engagement of managers by encouraging them to "own" talent development, she says.

To help ensure a successful process, HR should:

Ask leaders to identify future needs. What skills will tomorrow's leaders need to meet business goals? Where are the gaps between the skills represented in the current talent pool and the skills that will be required in the future?

Establish credibility by putting current leaders' wishes first. "Your expertise is critical, but it doesn't matter unless you position yourself as working to meet their needs," Robinson says.

While each company has unique requirements, current trends suggest that future leaders must be able to deal with economic uncertainty and labor market changes brought



about by automation. They'll also have to be adept at crisis management because social media allows individuals to reveal a company's mistakes quickly and publicly. Finally, they need the ability to persuade the workforce to move in different directions, she says.

Agree on a clear definition of a successful leader. Instead of relying on job descriptions, build a "success profile": a one-page

outline of what competencies and skill sets are needed to succeed. Interview leaders about what would make someone perform well in their roles. Otherwise, bias can creep in when people don't agree on who should be considered "high-potential." Leaders might choose their favorites to replace them, even if those individuals don't have the right skills, Robinson says. Having a formal succession plan can help create a more objective process.

Define the goal and select the appropriate data to use. The data can help identify skills gaps and growth needs in your workforce so training programs can better support individuals' development.

Identify possible future leaders. Some employers prefer to avoid the term "high potential" because it can make other employees feel inferior, Renz says. She recommends categorizing workers as "early career," "midcareer" and "senior career" so you can plan development opportunities that fit their specific needs.

Keep it simple. Robinson isn't a fan of the 9-box grid, a tool commonly used to assess talent within organizations and their readiness for promotion. The grid's vertical columns indicate growth potential, and the horizontal rows identify whether the employee is currently below, meeting or exceeding performance expectations. Executives are busy and will disengage if the process is too complicated. She uses a simpler 4-box grid instead.



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KELLY RENZ

Develop an action plan. It should be visible, measurable and shared. Create development action plans for each person in the high-potential, or "acceleration," pool, Renz says. You might use a rotational program to help employees meet others in different departments. Pair each person with a more senior mentor to encourage knowledge sharing. The action plan should help you decide where and how to spend your time and money, she says.

Start small. Create a proposal, and include supporting data to show executives how the succession plan will work and how it will benefit the organization. Establish a pilot program; that will allow you to refine the plan before it is rolled out to the whole organization, Renz says.


Be transparent. Let employees know they are being developed for higher-level positions. If you fail to give them career development opportunities, they may feel ignored and decide to leave, Robinson says.

Create a positive perception. The term "succession plan" can have a negative connotation for employees if they've only heard it used when someone is getting fired, says Jenny Chalifoux, quality assurance and improvement manager at Kings County Behavioral Health in Hanford, Calif., who also works as a consultant. Help employees understand that a succession plan isn't only about filling sudden gaps. "It's also for the growth of the organization and the opportunity for the staff who demonstrate dedication

and proficiency," Chalifoux says.

Update the plan regularly.

Have regular conversations with leaders about their roles and document any changes. Refresh formal data once a year at a minimum. Share your progress and challenges with leaders at least quarterly, Renz advises.

In the end, a carefully crafted succession plan will not only help you prepare for the future, it will also help you engage and retain top performers in the present. 

Dori Meinert is senior writer/editor for HR Magazine.

WHO USES SUCCESSION PLANS?

Only 43 percent of organizations had succession plans in 2016. The positions included were:



Source: Society for Human Resource Management's 2017 Human Capital Benchmarking Report.