SUCCESSION
PLANNING *Basics*

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A Complete How-to Guide to Help You:

- Understand the Key Benefits of Succession Planning

- Design a Strategy Based on Realistic Assessments

- Implement a Complete Organization-Wide Plan

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Succession Planning Basics

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About the
Training Basics Series

ASTD's *Training Basics* series recognizes and, in some ways, celebrates the fast-paced, ever-changing reality of organizations today. Jobs, roles, and expectations change quickly. One day you might be a network administrator or a process line manager, and the next day you might be asked to train 50 employees in basic computer skills or to instruct line workers in quality processes.

Where do you turn for help? The ASTD *Training Basics* series is designed to be your one-stop solution. The series takes a minimalist approach to your learning curve dilemma and presents only the information you need to be successful. Each book in the series guides you through key aspects of training: giving presentations, making the transition to the role of trainer, designing and delivering training, and evaluating training. The books in the series also include some advanced skills such as performance and basic business proficiencies.

The ASTD *Training Basics* series is the perfect tool for training and performance professionals looking for easy-to-understand materials that will prepare non-trainers to take on a training role. In addition, this series is the perfect reference tool for any trainer's bookshelf and a quick way to hone your existing skills.

Preface

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Congratulations! By the simple act of picking up a book on succession planning, you've proved yourself to be in an elite group of business minds who realize the importance of strategic, long-range thinking.

You've realized that the best way to find talented individuals to fill roles in your organization is not the typical system of placing ads, making calls, and looking for individuals who might be unhappy in their current positions. And you know that trying to do this during the two-week notice period of a departing employee is not going to help you find the best person for the position.

That's where succession planning comes in. This process focuses on finding the right person, not just the available person. It's based on the concept of recognizing the potential leaders in your own organization and developing them so that they're ready to move up when the opportunity arises. And it's one of the best methods to boost recruitment and retention in your organization.

Although that might sound like a lot to promise from a single initiative, let's take a moment to think how you'd feel if you saw the following advertisement in the classifieds:

> Help Wanted: A body to fill a position with little interest in advancement opportunities. Possibility of moving up if someone leaves or dies. Set hours, set pay, occasional performance reviews, no additional training necessary. Apply by carrier pigeon.

OK, that's a little extreme. But work with me here. That's not a terribly inviting ad, is it? And if that is what a person wants, he or she is probably not the person your company wants.

Let's look at the alternative classified ad:

> Organization seeks talented team member for position that includes abundant opportunities for advancement, regular career and interest discussions to discover which of those opportunities are the perfect fit, ongoing development and learning activities, and two-way communications with leadership. Come by today and tell us what position you want to grow into, and we'll create a structured plan for you to get there.

That one might be a little extreme, too. But it would only be extreme because most companies wouldn't want to spend that much by putting so many words in a classified ad. The message would actually be true. The difference between these two ads is the difference between the typical practice of replacement hiring and the cutting-edge practice of succession planning.

This book explains the basics of getting from the first advertisement to the second one. To do that, we'll look at the steps of analyzing your organization and its needs, assessing the talent you have, and developing plans to help those individuals grow to fulfill those needs. And, should you find that you need to bring someone into the company to fill a position, you'll be able to run that second ad honestly.

It's important to keep in mind that there's not just one way to create a succession plan. We'll look at a variety of best practices in this book so you can create the system that works best for your organization. Also, it's good to know that succession planning is not an all-or-nothing activity. If your organization is not ready to implement a full-scale succession plan, you can still use selected concepts from this book to start applying successful hiring and development activities that will eventually become part of your succession plan.

Sound inviting? Good. Then it's time to take off our "we've always done it that way" hats and enjoy thinking big picture for a while. Let's get started.

Who Should Read This Book?

This book addresses the basic concepts and steps to create a succession plan for an organization. It will serve several audiences:

▶ management team members who are considering succession planning for their organizations

▶ organizational development professionals at the beginning of their careers

▶ human resources professionals who want to move away from the practice of replacement hiring

▶ trainers who need a basic understanding of succession planning for employee development plans.

Succession Planning Basics offers theory, processes, best practices, and other considerations that organizations need to understand before embarking on a succession planning project.

Look for These Icons

This book strives to make it easy for you to understand and apply its lessons. Icons throughout this book help you identify key points.

What's Inside This Chapter

Each chapter opens with a summary of the topics addressed in the chapter. You can use this reference to find the areas that interest you most.

Think About This

These are helpful tips for how to use the tools and techniques presented in the chapter.
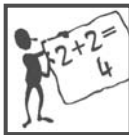
Basic Rules

These rules cut to the chase. They represent important concepts and assumptions that form the foundation of succession planning.

Noted

This icon calls out additional information.

Getting It Done

The final section of each chapter offers suggestions, additional resources, and other information to help you get your succession plan started.

Acknowledgments

This book represents knowledge gained from decades of work with outstanding individuals, corporations, and associations, and especially from conversations and insightful questions raised during workshops I have conducted. Thank goodness for our students. They compel us to keep learning.

Christee Gabour Atwood
October 2007

What Is
Succession Planning

‣ ‣

What's Inside This Chapter

In this chapter, you'll learn

▶ The definition of succession planning
▶ The core concepts of succession planning
▶ The purpose of succession planning.

Definition of Succession Planning

Succession planning is described as having the right people in the right place at the right time.

More specifically, succession planning is the ongoing process of identifying future leaders in an organization and developing them so they're ready to move into leadership roles.

This process includes reviewing the organization's strategic plan, studying the current workforce, forecasting future trends, and developing employees in a structured plan to replace leaders as they retire or depart from the organization.

> ## Think About This
>
> It takes leaders to grow other leaders. —*Ray Blunt*

Here's an overview of the basic steps of the succession planning process:

- ▶ Assess the organization.
- ▶ Determine key positions.
- ▶ Identify competencies for key positions.
- ▶ Identify and assess candidates.
- ▶ Create development plans.
- ▶ Measure, monitor, report, and revise.

Replacement Hiring vs. Succession Planning

At one time succession planning was a term reserved for the last wills and testaments of family-owned companies. Later the term was expanded to include companies whose purpose was to plan to replace CEOs.

Today, succession planning is accepted as a best practice to replace leaders and critical employees at various levels of all types of organizations. However, if yours is like many organizations today, you're practicing what is known as replacement hiring. *Replacement hiring* is a reactive process to fill an immediate need, whereas *succession planning* is proactive and works to address the need before it exists.

So why would you want to practice succession planning over simple replacement hiring? Great question. Here are some reasons to consider implementing succession planning in your organization:

- ▶ Replacement hiring is a narrow approach and is usually focused on trying to quickly avoid a crisis by filling a position in a short time. Succession planning takes the additional time needed to ensure that the decision aligns with the organization's strategic plan and goals.
- ▶ Replacement hiring is more restrictive, sometimes forcing you to select the best person available at that moment. Succession planning is more flexible and allows you to focus on selecting the best candidate for the position.

- Replacement hiring is a quick fix. Succession planning exhibits a long-term commitment to the organization and to developing individuals in the organization.
- Replacement hiring is usually based on the current job description and has limited time for additional input. Succession planning allows you the time to further develop the job description to include new directions, expanded responsibilities, or other adjustments to the position.
- Replacement hiring usually centers on identifying one or two potential successors to senior-level positions, whereas succession planning focuses on developing pools of talent for key positions at various levels of the organization.
- Replacement hiring often uses only input from the incumbent and his or her immediate supervisor, whereas succession planning uses feedback from multiple perspectives and resources.
- Replacement hiring also may offer advancement as a reward or because of seniority with the company, whereas succession planning doesn't just consider whether a person has been in his or her position for a period of time long enough to merit an advancement, but rather looks at the person's abilities to ensure that he or she has the competencies needed to be successful in the new role.
- Because replacement hiring usually needs to be done quickly, it often doesn't allow time to consider the relationship of the hiring activity with other human resource activities, such as recruitment, training, development, and diversity initiatives. Succession planning works to integrate itself with other human resources activities.

And that's just a sampling of the reasons why succession planning is a good idea; it's a necessity for any organization that hopes to compete for the best talent in the workforce, to develop that talent fully, and to retain those individuals as the future leadership of the company.
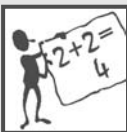
Basic Rule 1

Succession planning must take the place of replacement hiring in any organization that hopes to compete for the best talent in the workforce.

Models of Succession Planning

Succession planning is actually a division of workforce planning. Workforce planning involves planning for hiring and developing employees in all levels of an organization and is a more complex process than succession planning because it encompasses many more positions than a traditional succession plan.

Because the emphasis on succession planning has only begun in recent years, there are multiple formats and, consequently, a lack of standardization. Also, because organizations differ in their specific requirements, there will always be a need to tailor succession plans to fit the company's needs and culture.

As always, there are buzzwords, new concepts, and passing trends in succession planning concepts. For the purposes of this guide, we'll stick to the basics and you can decide which whistles and bells you'd like to add to your specific plan.

Succession Planning Core Concepts

There are many different structures for succession planning, as well as variances in the order of the steps. Differences exist in how leadership candidates are identified and who nominates them. However, the most successful plans share common elements that are excellent benchmarks to study before deciding on your process. Consider the following core concepts:

▸ To receive employee buy-in, the plan must have ongoing support from the organization's top management. That means the CEO and senior

Noted

According to a report of the National Academy of Public Administration (NAPA), an organization chartered by Congress to improve government at all levels, workforce planning involves

- *developing a systematic process that is integrated, methodical, and ongoing*
- *identifying the human capital required to meet agency goals, which consists of determining the number and skills of needed workers and where and when they will be needed*
- *developing the strategies to meet these requirements, which involves identifying actions that must be taken to attract (and retain) the number and types of workers the agency needs.*

management are not only visible during the kickoff of the program, but they should also take ownership of the process through continually supporting and by presenting frequent communication about the plan's progress.

▶ The plan must be coordinated with the organization's strategic plan. The project team needs to understand the organization's direction so that they can tailor the plan to address any new focus areas or any upcoming changes in company structure.

▶ The best plans are developed by a team of representatives from different levels and areas of the organization. By using various representatives, you can establish a broader understanding of the organization to ensure that the plan meets the true needs of the organization, not those perceived by one specific group.

▶ The most successful plans use systematic methods to identify future leaders of the organization and to develop those individuals to assume leadership roles. In addition to identifying candidates, good plans use ongoing communication to ensure that the employees know what competencies they need to develop to become candidates.

▶ The best plans are simple and are designed to answer the organization's unique needs and goals. As with most projects, if the plan is simple enough to be easily enacted, it will be used. If it's cumbersome, it may be abandoned and the organization will find itself right back at the stage of firefighting and replacement hiring.

▶ Good plans incorporate open communication methods and solicit employee input. Employees need to be able to voice concerns, opinions, and ideas and know that these are heard and enacted by the planning team.

▶ The best plans include accountability, evaluation, and follow-up measures. Many excellent plans have ended up in filing cabinets because there were no specific maintenance procedures built into the system. These plans include evaluation and revision systems to keep the process current and focused.

Variations in Succession Plans

The main differences in the types of succession planning include adjustments such as who determines the candidates and how many candidates are being considered for each position. Some companies allow the incumbent to choose his or her successor, whereas other companies use input from groups like a task force or a senior leadership team. Some organizations create separate pools of candidates for each position,

whereas others create pools for all positions of the next leadership level. Each system has its own advantages and disadvantages. This manual will give you information on each so that you can determine which one is right for your organization.

Purpose of Succession Planning

Today we recognize that succession planning is not just a process to replace a CEO. It's a necessity for leadership at every level of the organization.

The purpose of succession planning is to prepare your organization for the challenges and opportunities associated with changes in critical key positions. You'll accomplish this by developing employees to ensure that you have qualified candidates ready to fill those key positions when a vacancy occurs.

The scope of succession planning can include only the senior leadership positions or it can extend to key positions across the company. Likewise, succession planning can target specific divisions of the company based on current strategic planning and the mission of the organization.

Succession Planning Opportunities

If we're thinking about the big picture, it's easy to see that succession planning shouldn't be viewed as a burden, but rather as an opportunity to drive the organization, instead of letting it be driven by workforce fluctuations.

Succession planning allows us to create a standard for the qualifications and competencies that future leaders and managers need to have if they are going to lead the organization into the future. It also offers senior management a structured way to review and guide the potential leadership talent in the organization.

Think About This

Great succession planning enables an organization to maximize its *bench strength* and tap into its organizational *talent pool* in order to stay competitive and to adjust to demographic shifts and changes in the workforce.

—*Mark E. Christensen, Director of HR Partnerships, SHRM*

Succession planning benefits the employee by improving his or her understanding of the potential career paths available and the development he or she needs to move along those paths. This leads to improved retention, morale, and commitment of the workforce.

Succession planning helps us to avoid premature promotions because employees are guided in their development and prepared for their leadership roles. This prevents the problem of losing valuable talent because a person can't handle a new role and can't face the embarrassment of having to take a step back down in position.

Because succession planning is built with the strategic plan in mind, it gives us the opportunity to identify upcoming workforce needs so we can create specific training and developmental opportunities based on those specific needs before the time when those needs become urgent.

Succession planning is an opportunity to build on the diverse intellectual abilities and specialized skills available in a company because it identifies the knowledge, skills, and abilities of each employee as well as individual developmental interests.

And finally, succession planning allows us to move away from the reactive practice of hiring whomever is available to fill the job and into the proactive system of locating the right person to realize the full potential of that position.

Need for Succession Planning

At your next meeting, take a moment to look around the table and ask yourself a few questions.

Is there anyone at the table who will retire in the next few years? Is there a successor prepared to step into the position?

Think About This

Strategic human capital management is a pervasive challenge in the federal government. At many agencies, human capital shortfalls have contributed to serious programmatic problems and risks.

—*Comptroller General of the United States, January 2001*

How many people at that table are the only ones who understand specific processes in their departments? Does production suffer when they are out of the office? What would happen if they were suddenly out of the picture?

If anyone in that room exited the organization without giving notice, would there be a disruption of office procedures? Would valuable knowledge be lost forever?

Those questions are the basis for succession planning. Succession planning allows time to ensure that the successors to those positions have absorbed some of that expertise. This means that the organization doesn't lose ground every time someone in a key position leaves.

The time for succession planning is not when someone exits your organization. It's when a new person comes in. From the first day that employee arrives, he or she should be observed and coached to determine if he or she is a potential leadership candidate and to discover the areas the person needs to develop to fulfill that potential.

Succession planning ensures that an employee has been developed and is ready to step into a leadership role when the opportunity arises. To make that happen, critical positions are identified and then carefully analyzed to determine what competencies they require.

The cost of an employee leaving is high—not only in the loss of his or her skills but also in the knowledge that the employee acquired during his or her time with the organization. Effective succession planning ensures that strategies are in place for the transfer of that knowledge.

Even the changes in the workforce today underscore the need for succession planning. Baby boomers, the largest generation the United States has ever known, are fast approaching retirement age. Additionally, current trends indicate that the average college graduate will change jobs five times in his or her career. Within the next decade, this figure is expected to increase to seven job changes. Recent statistics have shown that about 50 percent of the entire U.S. government workforce is eligible to retire now. One in five of all senior executives in the *Fortune* 500 currently are eligible for retirement. Even NASA administrators are warning that 25 percent of its workforce will reach retirement age within the next few years. With challenging statistics like these, businesses are realizing that recruiting and retaining leaders is about to become an even greater challenge.

One of the best ways to keep talented people is to provide them with growth opportunities that they might otherwise look for elsewhere. Succession planning answers that need.

Case Studies

Numerous cases illustrate the need and importance of succession planning today.

The most tragic example was September 11, 2001, when terrorists claimed thousands of lives, among whom were 172 corporate vice presidents. Even in the best of times, effective succession planning is not a speedy process. In the wake of tragedy it becomes even more difficult because of the added emotional toll.

In 1991, Jack Welch, then-CEO of General Electric, said, "From now on, choosing my successor is the most important decision I'll make. It occupies a considerable amount of thought almost every day." It took 10 years before Welch announced his successor from the three top candidates. That's one example of the level of importance placed on this process by successful companies.

At a 2003 U.S. House of Representatives subcommittee hearing on human capital succession planning, effective succession plans in governmental agencies were highlighted. One example was from Ontario, Canada, where the secretary of the cabinet convenes a succession planning and management retreat each year with the heads of every government ministry to discuss the anticipated leadership needs and the status of their 200 high-potential candidates. Also spotlighted was the United Kingdom's Cabinet Office, which created Pathways, a two-year program that identifies and develops senior managers from ethnic minorities who have the potential to reach senior civil service within three to five years.

Many organizations have learned hard lessons on the value of structured succession planning versus leaving this process solely to the CEO. Michael Eisner, former Walt Disney CEO, chose his own successor, who after only 15 months left with $140 million in severance compensation. Toy company Mattel went for four months without a CEO, which was reported to have affected both earnings and morale.

Other organizations have discovered that going outside of the company to get a new CEO was not their best solution. Nike and Reebok both had situations in the same decade where they brought in outside talent to head up their companies, only to replace them in fewer than 15 months. In both instances, the reins went back to individuals within the organizations.

And numerous other businesses have learned that sometimes it takes more than one try to discover the succession planning program that works for them. Tyson Foods, after one less-than-successful talent identification program, made leadership planning a responsibility of every manager, with regular reports and rotation of

leadership candidates as part of their Emerging Leaders Program. In a recent count the program included 150 members and an internal CEO succession plan, so it appears that trying again was worth the effort.

In the 1991 book *Good to Great*, Jim Collins noted that a characteristic of a great leader is one who sets the company up to succeed after he or she is gone. And yet, in more than three-quarters of the companies compared in his study, he found executives set their successors up for failure or chose weak successors, or both. Succession planning programs guard against this possibility by creating pools of talent, using objective criteria to determine the selection, and endowing the decision making to a group rather than an individual.

Summary

Creating a career map and implementing a succession plan is no easy task and it's not a quick fix. This is one you're in for the long haul. And it's going to meet resistance and finally fall by the wayside if you haven't created the right foundation by including positive communication and two-way discussions with employees.

Succession planning is an opportunity for employees to develop their own plans for the future. They can create their own destiny. It is not a way to determine which employees should stay and which ones should go. That's one of the messages that needs to be heard time and again by those who will be affected by this process.

In summary, succession planning involves the steps of analyzing an organization, determining what exists in its current workforce and what it needs, and then implementing the systems to develop potential leaders to fulfill those needs. The methods to get there will vary to suit different companies, but the end result is the same. It creates an organization that is stronger as a whole and individuals who are motivated and prepared to face their roles as future leaders.

Getting It Done

This week your goal is to begin educating your organization about succession planning and the benefits it can have for the company and everyone in it.

To do this effectively, you'll want to take time to highlight key information in this chapter and create a short presentation about succession planning. Be sure to include a definition, the difference between succession planning and replacement hiring, and the core concepts.

Present this information to the leadership team. Invite them to think about people in their departments who may be retiring, moving up, or leaving. Ask if they know who would replace them. Continue to share information with others by giving sheets with bullet points to managers for presentation at department meetings, in email reports, or newsletters.

Noted

An elevator speech is a brief overview of a project. It's based on the principle that a message should be condensed so it can be delivered in no more than the time it takes for an average elevator ride (30–60 seconds).

Create your own *elevator speech* with a 30-second definition of succession planning and why it's important to your organization, and share it with others at every opportunity. This stage of information sharing not only encourages others to get on board but will pave the way for the next step of creating a succession planning team.

Preparing for Succession Planning

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What's Inside This Chapter

In this chapter, you'll learn

▶ How to create a succession planning project team
▶ The responsibilities of team members
▶ How the entire organization can support this project.

Getting prepared for succession planning is similar to starting a new business. You're going to determine the vision, mission, and goals of this new venture. You'll determine the players who can help make this plan a reality. And you'll determine a step-by-step approach to achieving your goals.

The preparation stage is your first opportunity to create a favorable environment for the succession planning efforts through selecting your team and encouraging open, positive communications (see figure 2-1). This is also the stage where you'll determine individuals' expectations at every level of the organization if succession planning is to be successful.

This section outlines the questions you'll need to ask and the communications systems you'll want to develop to help create a positive environment for your succession planning process.

Determining the Participants

The first priority in the preparation stage is creating your succession planning team. This group will determine the scope of the entire project by deciding how many levels of leadership will be addressed.

It's vital to the success of the program that you invite members based on the contribution they can bring to the process rather than just paying attention to titles, because your succession plan depends heavily on the commitment and work ethic of this group.

In some organizations the succession planning team is composed only of senior managers. However, if you take the time to expand the team's composition to ensure diversity and additional viewpoints, you can ensure that you don't just create carbon copy managers throughout your organization.

Figure 2-1. Steps in Creating a Succession Plan.

EVALUATE

IMPLEMENT

DESIGN PLAN

DEVELOP PROFILES

CONDUCT ASSESSMENTS

PREPARE
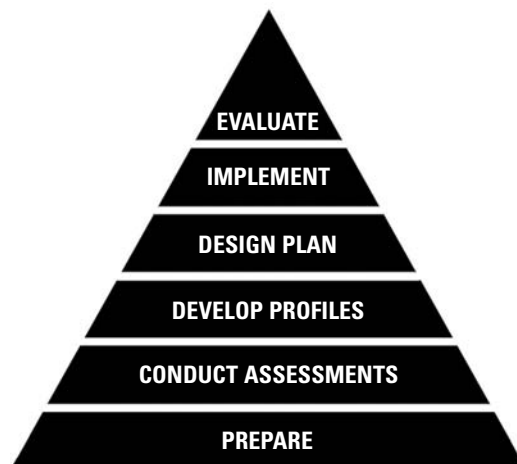
Following are the groups that you'll want to be sure to have represented on your succession planning team:

Senior Management. If your plan is to be successful, it has to have backing from the top management of the organization. That backing can't just be a nice kickoff talk and pat on the back. It needs to be a commitment that whatever the succession planning team develops will be instituted, respected, and, most of all, maintained.

This doesn't mean that the CEO of the company is expected to sit in on all the meetings of the succession planning team, but he or she should be updated regularly on the progress of the program.

Management Levels. Other members of the succession planning team should include top managers in the organization. You'll want to choose them based on their effectiveness and abilities, not for any reasons based on office politics. Choosing team members who are not open to ideas and communication from employees or who have their own agendas can hurt the performance and the character of the team.

Key Area Representatives. It's important to invite representatives from key areas to serve on the team. For example, if your organization is a research and development company, you'll want to have research department representatives on the team. If you see that major technology changes are going to affect your organization in the coming years, you would do well to include information technology representatives on the team.

Long-Time Employees. Long-time employees of the company can be valuable additions to this planning team. They bring the history that helps us avoid repeating our mistakes. They're also some of the best gauges of the culture of the organization. Even if you are trying to initiate change through this program, change without considering where you've come from is tricky. You might just find your company going in circles.
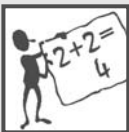
Basic Rule 2

Succession planning must receive continuing support from the top management of the organization to be effective.

Human Resources Specialists. HR specialists will compile and analyze data, as well as maintain this process and ensure its continuation. This fact, together with the expertise HR brings to this project team, makes their involvement from the beginning essential to the success of this project.

This might sound like you're working toward a huge group, but actually the optimal number of people for the team is seven to 12 members. More than that and you might have trouble getting a consensus; fewer than that and you don't get enough diverse opinions and backgrounds.

This team will help you get buy-in from the organization. As we noted before, the support of the CEO and top managers is important because their commitment demonstrates to the rest of the company that this is a serious initiative and not a flavor-of-the-month program.

Creating a project team with representatives from different levels and areas throughout the organization will help create buy-in for the plan by sending the message that you are committed to developing a fair and equitable system of promotion for the organization. The diversity, communication skills, and work ethic of the members of this team will not only determine the quality of the succession plan developed, but also how well it is accepted.

Team Member Responsibilities

Not everyone you invite to join the team will be willing to invest the time needed. To discover this before getting too vested in team members, you can send out a list of job requirements for the succession planning team with the invitation.

Here are examples of commitments you might want to request from your succession planning team members:

- ▶ Team members will be required to attend a one-hour team meeting once a week.
- ▶ Team members will be assigned tasks as needed and will commit to complete these by deadline.
- ▶ Team members may be called upon to serve as spokespeople on the succession planning efforts to other groups in the organization.
- ▶ Team members must have approval from their immediate supervisor to serve on the team.

Think About This

The word *engagement* is of great importance. People might not know the actual work involved in this process and they need to recognize all that is involved if the process is to be effective. —*Alex J. Seltzer, SPHR*

These criteria, along with any specific company requirements concerning overtime, task delegation, and reporting procedures, should be communicated early in the process to ensure that there are no negative effects on productivity or the team members' workload.

Once you've determined your team members, you'll want to schedule regular "pulse checks" to ensure that all team members are still engaged in the project.

This is the point where the project manager may find himself or herself acting in the role of cheerleader, psychologist, or teacher in trying to coordinate the activities of the group.

Extended Project Team

You'll also want to reinforce the idea in your company that, although this is the official succession planning committee, the actual team spreads much further into the organization.

Everyone in the organization has some involvement in this effort, whether it's through supplying information, giving comments, or raising questions. This is a companywide effort, because every viewpoint is important and every person at every level of the organization has a different perspective.

Noted

The extended project team includes everyone who has an interest in the outcome of the project and who can contribute to its ultimate success.

Here are examples of the roles that those not directly on the succession planning team will adopt:

Senior Management. Even those in senior management who are not on the planning team must own this process and be willing to continually communicate and promote this program throughout the company. Senior management's main roles include

- ▸ communicating the importance and priority that is being given to succession planning
- ▸ giving input and information to members of the succession planning team
- ▸ participating in performance review meetings for senior executives.

Managers. The role of management is a vital one in succession planning. Although senior management may support this process and employees may want to participate, it's up to management to provide the time, guidance, and opportunities for the individuals they supervise to actively participate in the succession planning program. Managers also provide the most input on what competencies are needed for key positions and which employees have potential to fulfill those needs.

Managers' roles include

- ▸ helping to identify key positions and areas in the organization
- ▸ identifying competencies for key positions
- ▸ providing input on what types of learning methods will help develop those competencies
- ▸ promoting open two-way communications on the succession plan to employees and potential employees
- ▸ informing employees of opportunities for leadership roles
- ▸ coaching employees on development needed to be considered for leadership roles
- ▸ providing employees with opportunities for development
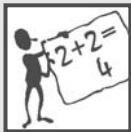
Basic Rule 3

The progress of a succession plan depends upon the engagement of both the project team and the extended project team.

- conducting timely performance reviews and coaching sessions on Individual Development Plans (IDPs)
- completing documentation on succession planning
- evaluating the effectiveness of succession planning initiatives and making recommendations.

Employees. Employees take responsibility for their own development in succession planning. The opportunities will be communicated to them, as well as the actions they need to take to achieve their goals, but ultimately it will be the dedication of each individual that will determine whether he or she develops into advanced roles in the organization.

Specific actions that are the responsibilities of the employee are

- learning about key positions and areas and the competencies required
- discussing career goals with supervisors
- assessing individual development needs with his or her supervisor's assistance
- taking advantage of developmental opportunities
- regularly reviewing IDPs with supervisor
- being open to feedback and coaching and make adjustments as needed.

Human Resources Department. Although senior management and the succession planning team own this process, it will be the responsibility of human resources to manage succession planning.

Specifically those duties will include

- developing succession planning tools with the team
- providing guidance to managers in identifying key positions and any skill gaps
- assisting managers with evaluation of succession planning initiatives
- offering assistance to managers for performance reviews and IDP discussions
- communicating opportunities of key positions to employees
- serving as a resource to the succession planning team
- managing the succession planning initiatives, databases, and documentation on an ongoing basis
- providing developmental opportunities by organizing training and other knowledge transfer strategies.

> ## Think About This
>
> Diversity may be the hardest thing for a society to live with, and perhaps the most dangerous thing for a society to be without.
>
> —*William Sloane Coffin Jr.*

Summary

Today's workplace is wonderfully diverse and you'll want to be sure that you have diversity in your representatives on the succession planning team to ensure that no group is excluded from participation in leadership development opportunities. This diversity also ensures fair and equitable representation for all people in leadership roles for the company.

Without diversity on this team, you could find yourself perpetuating the status quo of the demographics of the leadership team. Without those different backgrounds and perspectives, the company loses the opportunity to develop and grow with the changing workforce.

Getting It Done

This week your goal is to identify members for your succession planning team. Using the categories and considerations listed in this chapter, ask for recommendations from senior management and respected leaders throughout the company to ensure varying levels of experience, different areas of expertise, and diversity in team membership.

Compile your list of prospective team members but do not move forward until you have determined the job descriptions for them. In the job description, include how often the team will meet; reporting methods; and the fact that team members will serve roles as spokespeople, interviewers, and analysts during the course of this project. Determine any specific considerations for team membership, such as manager approval or overtime considerations. This will be included in the information you send out when you invite others to be a part of the team.

By creating a job description, you're ensuring that employees will know what will be expected of them and that they can objectively make the decision on whether they can commit the time necessary for this project.

These steps set you up for the next steps of succession planning, which include confirming your team and your message for the organization.

3

Establishing and Communicating Goals

■ ■

What's Inside This Chapter

In this chapter, you'll learn

▶ Preparation methods for the project team
▶ What a succession plan should include
▶ The importance of the communications plan
▶ How to keep the process positive.

In case I haven't stressed it enough yet, the quality of your communications with others in the organization is going to determine the response you get as you go through the stages of analyzing and developing your succession plan. You'll want to take the time to prepare your team members for their participation and provide them with information and tools to share that information with others in the company.

This process begins with having team members do a little homework to learn more about where the organization is today. They'll also study the current strategic plan so they can discover where the organization wants to be tomorrow. And they'll

Think About This

The art of communication is the language of leadership.

—James Humes

create a strategy for ensuring that everyone else in the organization understands how this effort supports that goal.

Preparing the Team Members

Before enlisting people to serve on the succession planning project team, you'll want to take the time to ensure that they understand the following:

▶ the purpose and need for succession planning
▶ the timeframe and commitment involved
▶ the resources available
▶ the vision, mission, strategic plan, and basic processes specific to your organization
▶ how the succession plan will support the strategic plan of the organization.

Before the first meeting, team members can do homework to prepare themselves for the task at hand. The following reading should be assigned to all participants:

▶ organizational vision, mission, and goals
▶ any relevant governing documents
▶ current strategic plan
▶ organizational chart
▶ job descriptions for senior management
▶ job descriptions for other key positions
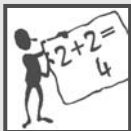
Basic Rule 4

Communication during all stages of planning is vital to promote understanding and a positive response to the succession plan.

- any documents used by human resources in selecting candidates, such as surveys, competency charts, and interview methods
- a statement from senior leadership expressing their expectations from this team.

As noted earlier, succession planning is not an event. It's an ongoing process. Although team members are not meant to serve on the project team indefinitely, they need to be willing to participate through the initial rollout and at least one evaluation period. Because they are the ones who help design the plan, they will be the best ones to judge whether it is meeting its initial goals and if revisions are needed.

Establishing the Goals

Next, this team will determine the goal of your succession planning efforts. This is simply deciding what your results will look like when you are finished. What levels of the organization will the finished plan encompass? What will success look like?

This is the time to look at that statement from senior leadership to be sure you understand their expectations. If there are any questions, ask now. Ensure that you understand what they want from your team. A few questions here can save you a lot of wasted effort down the road. And if you're thinking that sounds like personal experience speaking, you're right!

Benchmarking

You can also help your team prepare by having some sample succession plans and policies available. This will help everyone develop ideas on how your organization can structure the process and even what the written document might look like. Your plan will not be exactly like any other organization's plan but will share common characteristics.

Communicating the Plan

The way a succession plan is communicated determines whether it is viewed by employees as a welcome opportunity or just another layer of red tape to cut through for promotion. From the first announcements you should monitor your messages to ensure that you are using open, two-way communication.

The tone of your communications can create a positive or negative perception in your organization. If poorly worded, your messages will create tension. If the tone is kept positive and open, it can minimize resistance.

Noted

Sample Succession Planning Policy

ABC Company recognizes that the proactive practice of developing leaders within the company is beneficial to both the organization and its employees. It is the goal of this succession planning policy to ensure that individuals know the career paths available to them and are given every opportunity to develop the skills needed for advancement.

Purpose. *The purpose of this policy is to identify potential successors for key positions in the organization and to prepare them for effectiveness in those roles. This policy includes all executive and management positions and key positions in professional and technical areas.*

Outcomes. *The desired outcomes of this succession planning program include the following:*

- *Create a systematic method to identify and develop replacements for key roles in the organization*
- *Recognize high-potential candidates for advanced positions in the organization*
- *Ensure the availability of development opportunities to all employees of the organization.*

Procedures. *The succession planning program will be implemented as follows:*

- *A succession planning team will convene to create a plan by analyzing the organization, assessing gaps and needs, and developing a system to address those needs.*
- *This system will be implemented and promoted through departmental town hall meetings, regular communications, and the support of management levels throughout the organization.*
- *Managers will complete IDPs with all employees, conduct regular assessments of employee development, and submit all succession planning documentation to human resources.*
- *Maintenance, review, and application of database information will be managed by the human resources department.*
- *As positions become available, managers will oversee the assessment of potential candidates with input from human resources, the succession planning team, and senior management as needed.*
- *A survey will be conducted annually to assess the plan's successes, weaknesses, and areas for improvement.*
- *The succession planning team will meet annually to review this information and make corrections to the plan as needed.*

Often, the first thing employees think when they hear terms such as succession planning is that this is just like corporate reorganization or organizational restructuring. They often feel this is a threat to their positions. After years of highly publicized downsizings in major corporations, it's natural for employees to be on guard when they hear of any similar activities in their own organizations.

That's why a positive tone and open communications channels are vital components of a successful succession plan. Following is a sample memo that can help create a positive response to succession planning.

That tone of communications becomes even more important as the organization moves into the stage of assessing current human resources. Individuals can

Noted

Sample Memorandum
Subject: Succession Planning Initiative

ABC Company is pleased to announce the kickoff of our succession planning program. This program will make it easier to replace company leaders who decide to move up or retire with the best candidates and will offer structured plans to prepare employees who are interested in moving into new roles in the organization.

ABC will begin this process by assessing the needs of our company. In the next four weeks, the succession planning team will be interviewing and asking for input from all employees to determine the skills and talents we have available and the areas where we need development. They will be asking for your ideas for improvement in our processes.

This information will be used to create career maps so that every team member knows what skills are needed for the positions he or she wishes to achieve. The team also will work closely with the human resources and training departments to create more opportunities for employees to learn those skills.

Your participation in this initiative is vital. Not only will you help develop our commitment to the growth of our organization and the individuals who have chosen to be a part of it, but you will help determine the future success of our company vision and mission.

Thank you for your continued dedication in making ABC Company an employer of choice, as well as a standard for excellence in our industry. We look forward to your involvement in this program and your future as a leader in ABC Company.

become defensive and closed when asked to define their positions and responsibilities. For this reason, taking the time to look at these activities from the employee's point of view is important. It will help you to be sensitive to their concerns so you can help dispel those fears.

Elements of Your Communication Plan

Your communications plan should include positive messages to explain the process, as well as the methods and timing you'll use to get those messages to all employees.

Your strategy should include

▸ the WIIFM or *What's In It For Me?* message for both the organization and the individual
▸ the methods you'll use to communicate this plan to the organization
▸ an overview of the steps involved in the process
▸ a description of how succession planning supports the strategic plan, vision, and goals of the organization
▸ contact names with an open invitation for input from employees.

Communication Methods

There are numerous methods to communicate information about the succession planning project to the organization. Using ones that already exist in your organization, such as newsletters and email, can be cost-effective and expedient. And, with a little creativity, you can find other ways to make this message stand out from all the others in your organization.

▸ *Newsletter.* A quarterly newsletter is an excellent vehicle for updating the organization on the succession plan. However, this is another task and you want to be careful not to overload your already overtaxed committee members with this additional duty. If you have an assistant who is able to help with this project, this could be accomplished. If not, you might need to use a less time-intensive method of communication.
▸ *Emails.* An overview sent out to all employees by email can be a good way to get this information out. Be sure that any employees who don't have email access are provided for by sending their information out by hard copy or asking their manager to print copies to distribute to those employees. You want to be certain that no one is excluded from this communication.

▶ *Town Hall Meetings.* Kickoff meetings in the form of festive town hall sessions can be a good way to reinforce a positive image of succession planning. These can also be used when you get to the implementation stage and want to explain the process of succession planning to employees.

▶ *Department Meetings.* Having your succession planning team members visit departments during their regular staff meetings to give an overview and updates on the planning process promotes open communication and has the added bonus of exposing them to others in the company that they might not ordinarily meet.

▶ *Intranet Bulletin Boards.* Use any intranet or online systems you have to post information and updates on the program. For companies whose technology resources are underutilized, this can have the added bonus of increasing awareness of those resources.

▶ *Solicitation for Input.* This can be as simple as a suggestion box. You just want to create systems so that employees can give their input to the program. Not only is it a boost for their morale, but you can learn some valuable information about your organization.

▶ *Hot Sheets.* Creating information sheets on the project that managers can use to explain succession planning in their meetings is an excellent way to be sure that everyone is getting a consistent message.

Using these methods will remind you to keep ongoing communications throughout this process and helps you analyze ways to use all the communications vehicles available in your organization.

Keeping the Process Positive

Succession planning gives people an opportunity to grow in your organization. That's not only important to those in the entry levels of the organization but also to all levels of employees. After all, many organizations hesitate to promote supervisors because there's no one who can replace them in their current positions. Succession planning removes that obstacle.

Keeping this focus in mind will help you tailor your communications with your audience in mind. But, even with this positive tone, succession planning efforts can encounter resistance through defensive behaviors in the organization.

For example, one company noted that its older employees were certain that succession planning efforts were in place to force them out of their positions before they

Noted

Sample Communications Plan

A clear, consistent message is a key to the success of your plan. Use this sample template to help you develop a strategic approach to delivering your message.

1. **Introduction**. *This plan provides the framework for the communications that will support the implementation of the ABC Company's succession planning efforts.*

2. **Goal**. *The goal of the succession planning program is to ensure effective leadership in the ABC Company for years to come. This program will help us to identify potential leaders within our organization and to help them develop the additional skills and abilities needed to assume those leadership roles as they become available.*

3. **Key Communication Objectives**

   A. *Increase targeted audiences' awareness of the succession planning program.*
      • *Define succession planning and address the need for this program in ABC Company.*
      • *Inform employees of the guidelines of the succession plan and their eligibility for leadership roles.*
      • *Explain the process of identifying and assessing candidates, and developing those employees into leadership roles.*
   B. *Inform employees of their roles in succession planning.*
      • *Explain that participation in the succession pool does not guarantee promotion.*
      • *Remind them that promotions are not restricted to those participating in the succession pool and explain the difference between succession planning and pre-selection.*
      • *Educate employees of the expectations of them to be considered for key position vacancies.*

4. **Positioning Statement**. *Succession planning is one of the ways ABC Company will establish the organization as an employer of choice that allows employees the opportunity to reach their highest potential.*

5. **Key Message**. *Succession planning is a joint venture of management and employees. Although the manager will help the employee assess his or her skills and create plans to*

achieve his or her specific goals, it is ultimately the responsibility of the employee to enact the steps of the recommended plan and communicate with leadership on progress, challenges, and changes concerning those goals.

6. **Targeted Audiences**

   • *Senior leadership*
   • *HR professionals*
   • *Managers and supervisors*
   • *Employees.*

7. **Communication Strategies and Timeline**

   The succession planning team will deliver this message through a timeline with specific deadlines and the name of the person who is primarily responsible for this action.

   Sample Timeline of Communication Activities:

   • *Draft Communications Plan*
   • *Finalize Communications Plan*
   • *Present "Overview of Succession" Program to Leadership Team*
   • *Introductory Memo*
   • *Present Town Hall Meetings*
   • *Post to Online Bulletin Boards*
   • *Send Emails to all Employees*
   • *Distribute Brochures and Flyers*
   • *Produce Quarterly Newsletter with Updates*
   • *Create Displays for Knowledge Fair*
   • *Annual Succession Planning Meeting*
   • *Evaluation and Review Session.*

8. **Evaluation Criteria**

   • *Number of individuals attending meetings*
   • *Number of hits on online bulletin boards*
   • *Inquiries to HR and managers*
   • *Survey of targeted audiences.*

could reach retirement levels. The organization found the best way to handle this resistance was to directly address their concerns and reassure them of their positions with the company. Adding the incentive of reduced workloads while retiring employees trained their successors proved to be the final step to overcoming their resistance.

Other organizations noted that past initiatives had jaded employees to any sort of succession planning efforts. Some of the answers that they found effective included careful selection of the succession planning team to include diverse members who had not been involved in any past efforts, creating multiple communication channels for the input of ideas from employees, and using communication systems to keep the process as open and transparent as possible.

The WIIFM for employees can never be stressed too much. You can promote this by presenting overview meetings for anyone interested in developing their leadership skills, at regular developmental meetings, and by publishing calendars listing all the developmental opportunities available for employees. Explain to employees how these opportunities allow them to enhance their skills and their resumes. This is a great way to remind them that succession planning benefits not only the company but also them as individuals.

Many organizations have had negative experiences while trying to replace key positions, so you might experience some pessimistic responses to this program. Ensure that any communications systems for employee input require constructive suggestions, not just recognition of problem areas. The old adage of "Come to us with your solutions, not just your problems" can play an important role in soliciting useful input instead of negative comments. But be sure to communicate that management will listen to and act appropriately on the solutions presented by employees.

One other danger zone is in the timeline for the project. If succession planning stalls or goes beyond publicized deadline dates, the project may generate negative comments. You can avoid this potential problem by ensuring that you have added enough time to your project timeline to allow for research, revisions, and urgent projects that may receive temporary priority over your succession planning efforts.

Summary

In this section we've discussed a lot of steps to get ready for the process. It may seem excessive, but you'll discover that these actions will be worth the time by helping to create positive initial responses from employees.

Many organizations have experienced resistance to succession planning even in the earliest stages of information gathering. Often this happens because employees perceive these assessments as a way to downsize and eliminate their positions. That's why even the terminology used during this process is so important.

For example, some might use the term *job validation* to discuss the standardization of job descriptions, whereas others have found that the word *validation* makes employees think they're going to have to validate that their positions should exist. That's the sort of situation you can avoid by taking the time to create a diverse team that understands the concerns of different populations in the workforce and by using the expertise of this team to be sure that the message is positive and consistent to all those populations.

To recap the points discussed in this section:

▸ The first decision you'll make is to determine the team members.
▸ The team, armed with the input of senior management, the current strategic plan, and other current company information, will determine the scope of the succession plan to be created.
▸ The team will determine the messages that will be sent out and what methods and timing will be used to communicate those messages to members of the organization.

Once you've ensured that you have a strong positive message and open communication channels to the organization, you're ready to start conducting assessments without creating an overload of anxiety in your workforce.

Getting It Done

This week you'll communicate with potential team members in writing, one-on-one, or in meetings. The basics of your discussions will build on the talk you prepared for company leadership. Keep these discussions interactive to ensure that they understand and agree with the importance of the succession planning project.

Using the job description you prepared as your guide, you'll explain what will be expected from them, including how many meetings will be held, samples of the tasks they may be asked to do, networking requirements, and their roles as succession planning spokespeople. Ask them to review their schedules to determine if they can commit to the time requirements.

If they haven't been scared off at this point, you have great potential team members! Once they have agreed, you will ask each member to study the organizational information as listed in this chapter, including your company's strategic plan and the senior leadership's statement on their expectations from this project.

Over the next few weeks, members will study sample succession plans to begin determining the scope of your organization's plan. They will create the message of the succession plan, which will include the purpose for the plan and the *What's In It For Me?* for employees. It will outline the steps to make the plan happen. And it will solicit input from employees at all stages of the project.

Once the message has been carefully constructed, the team will look at all the available communication vehicles in your company, from newsletters to intranet and staff meetings, to determine which ones will be the best methods to keep this effort in front of employees.

And finally, the team will construct a communication timeline to ensure regular updates to create interest about the opportunities that succession planning presents for employees and their growth.

Assessing Your Organization

What's Inside This Chapter

In this chapter, you'll learn how to

▶ determine the scope of a succession plan
▶ determine key positions and areas
▶ identify competencies for key positions.

You've done a lot of preparation. You've enlisted your succession planning team. You've created a positive message and communication system. And now it's time to put both of those to use as you begin to assess your organization.

You'll start out by determining the scope of your succession planning efforts so you'll know which types of assessments you need to perform.

Once you've decided on the scope of your plan, you'll need to assess where your organization is right now by identifying what systems and what gaps already exist. You'll want to experiment to discover whether one-on-one interviews, focus groups, surveys, or a combination of assessment tools are the best fit for your organization's structure and culture. This section outlines the questions to include in those assessments and supplies sample formats for collecting that information.

Think About This

Organizations should establish needs assessment and strategic planning processes focused on the future direction of the organization. Where will the organization be in 5, 10, 20, 50 years? What core skills will be needed for the employees of the future? What environmental (internal and external) forces will impact the organization today and in the future? How will technology impact the organization in the future?

—Annette I. Booker

Determining the Scope of the Succession Plan

Determining the scope of a succession plan is deciding how many levels of leadership you want to include. Although traditional plans might have included only the CEO position, companies are now realizing they need to plan for openings in more managerial levels than just the CEO or senior leadership. Additionally, supervisors and key positions in critical areas of the business may be included in a succession plan.

Your project team will want to take the time to assess current human capital, future needs, and changes in the industry to decide how deep into the organization leadership succession planning should extend.

Following are some questions your team will want to consider so you can determine the scope of your succession plan:

- ▶ Is succession planning currently being done in any form? If so, how?
- ▶ What are the areas for improvement?
- ▶ Is there a current strategic plan for the organization?
- ▶ Is any succession planning linked to the strategic plan?
- ▶ Were any other succession planning techniques used in the past? Were these effective?
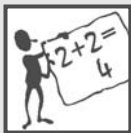
Basic Rule 5

To determine the scope of a succession plan, the team must assess the current organizational structure and its strategic plans for the future.

Think About This

We started out doing succession planning without analyzing our agency's future direction and ended up having to backtrack.

—Personnel Director

These questions, together with input from your senior leadership and a closer study of strategic plans for the next few years, will help you begin to establish the scope of your plan. If you don't have a current strategic plan, or you want to do a more in-depth investigation, you can elect to perform a SWOT (strengths, weaknesses, opportunities, and threats) analysis.

SWOT Analysis

If your organization is up to date on the challenges and opportunities in the current marketplace, you don't need to worry about this step. But, if your company hasn't completed a recent SWOT analysis, you might want to consider having your succession planning team conduct one so members can keep this information in mind as they go through the next steps of succession planning.

For example, if your group realizes that newly developed technology is going to represent a major opportunity for your organization, you might want to invite additional representatives of your information technology department to act as resources to the succession planning team.

Noted

Don't let all this analysis scare you away from the concept of succession planning. You can decide how deeply you'll go into conducting this assessment process. The main purpose of this evaluation time is to help organizations that have been moving at such a fast pace they haven't had time to chart their future course. A little time spent in this part of the planning process can keep them from creating succession plans for divisions of the company that future development might render obsolete.

In its simplest form, this SWOT analysis can be accomplished quickly and effectively by using the input of your succession planning team.

▶ Brainstorm the following items on a chart like figure 4-1.

▶ Narrow down to 5 to10 items in each category.

▶ Discuss each item and potential implications to your organization and your succession planning efforts.

Although a SWOT analysis isn't mandatory for creating your succession plan, it is a good exercise to get your team members thinking of the big picture.

Defining Assessment Topics

To further define the needs of the organization, you can use questionnaires or focus groups to gather additional information. You might also have references or resources in your company that can answer some of your questions.

Following are a list of questions your succession planning team will want to answer. You can add or remove questions to tailor this list for your organization.

Organizational Assessment Topics

▶ What does the current organization chart look like?

▶ Are any reorganizations planned or needed?

▶ Are there any plans to open new offices or close existing offices?

▶ What direction is the company taking?

Figure 4-1. SWOT Analysis Comparison.

Strengths (Internal)	Weaknesses (Internal)
Your business' strengths, such as great staff, premium products, customer loyalty, location, or marketing.	Could products, services, customer service, systems, technology be improved? You may even want customers' input on this one.
Threats (External)	**Opportunities (External)**
While weaknesses are internal, threats are from external sources, such as a new competitor, a change in the marketplace, unfavorable legislation, or technology that will damage your position in the market.	Technological advancements or market trends may be your company's opportunity. Your own weaknesses may even be the grounds for opportunity.

▶ How does this affect planning?

▶ What current vacancies exist in the organization and what efforts are taking place to fill those?

▶ What are the replacement needs for those positions?

▶ How is the organizational culture changing?

▶ What other organizations would we like to use as benchmarks?

Workforce Assessment Topics

▶ What do the demographics of the organization look like (for example, turnover, years of service, age, race, sex, educational levels, vacancies)?

▶ How do those figures compare with the benchmarks of similar organizations?

▶ How are the expectations of employees changing?

▶ Are there any significant performance or conduct issues?

▶ What functions will remain unchanged?

▶ What functions will be consolidated?

▶ What new technologies will be introduced?

▶ What are the current reward and recognition programs in the organization?

Marketplace Assessment Topics

▶ How are your customers' expectations changing?

▶ Will technology changes affect the way you work with customers?

▶ What new services will be offered?

▶ What services may be discontinued or outsourced?

▶ What are other organizations doing that will affect your business?

▶ Are there any governmental changes in development that will affect your industry?

Determining Key Positions

Once you've learned more about your organization as a whole, you'll focus your assessment on the key positions that will affect the future of the company. These are the ones that have the most effect on the stability, production, and profitability of the organization. Because these are linked to the operational and strategic objectives, management needs to be actively involved in identifying these positions.

Key positions are those that are necessary for the organization to reach its business goals. These will often include higher level management positions, such as the

CEO. Key areas will include critical occupational groups, such as technology, accounting, or marketing specialists, and can also refer to specific levels of the organization, such as executives.

The criteria statements that follow can be researched to determine key positions:

1. Is this one of the organization's high-level leadership positions?
2. Is this position critical to the organization's strategic plan?
3. Is this position linked directly to any current or upcoming business objectives?
4. Would it have a major effect if we didn't replace this position?
5. Have high priorities been set on this position by executive input?
6. Would this position be difficult to fill because it requires particular skills, competencies, or corporate knowledge?

Your team can determine which of these questions are most relevant for your organization and then rank each position based on the answers to these questions. This will allow you to create a scale with the highest rankings representing your key positions.

You'll need to review and revise key positions regularly because they may change over time based on new initiatives in the company, technology advancements, and other factors.

Identifying Competencies for Key Positions

Once you've narrowed down the list of the key positions that need succession plans, you'll want to assess what competencies are needed for those positions. Following is a basic-level analysis you can use to create competency lists for each of your key positions:

1. Gather a representative sample of employees for the subject areas. These will include the incumbents, subject matter experts (SMEs), supervisors,

Noted

Competencies are defined as the knowledge, skills, abilities (KSAs), and behaviors that contribute to successful performance in a particular position or occupational level.

and others with in-depth knowledge of the positions. If you want a more in-depth analysis, you can also administer surveys, conduct focus groups, or use 360-degree feedback instruments to gather additional information on the positions.

2. Give this group the list of job responsibilities from the job description, performance appraisal forms, and any other current information on the key position.

3. Instruct the group to review the organization's competency listing. (If your organization doesn't use a competency listing, now is the time to decide on one from the many competency dictionaries that exist today. There is no one standard at this time.) The group will then study each job responsibility and list the competencies needed to successfully perform those tasks. Compile a list of the identified competencies.

4. Now the group will need to narrow the list down by discussion and voting on the top choices. Usually this will range from five to nine competencies.

5. The group will review the competency listing to determine the appropriate level of proficiency required for successful job performance. This will be done by rating two factors: (a) task importance and (b) task frequency. This step will also involve group discussion and voting to reach a consensus.

6. This will create the competency profile for the key position.

Summary

In this section you've completed an analysis of your organization by using SMEs to determine what positions are the most vital at this point in the company's development. You've assessed the strategic initiatives of the organization, so you know that you've used the latest goals and objectives to ensure that you are answering the current needs of your company. And you've evaluated each position to ensure that you know what competencies are needed to perform those duties effectively.

It's time to pat yourself on the back. Not only have you done more organizational analysis than most companies will ever dream of, but you've gotten what most organizations consider as the hardest part of the process behind you.

Now, armed with this information of the key positions and rankings of competencies, you're prepared to go to the next step of comparing those competencies with the supply of potential leaders in your organization and discovering any gaps.

Getting It Done

This is the major fact-finding stage of succession planning. Armed with the lists of questions from this chapter, team members will conduct interviews, meetings, and surveys to create a picture of the current organizational structure and where it's headed in the near future.

The team will review current strengths, weaknesses, opportunities, and threats in a SWOT analysis of your organization to understand the issues that this succession plan will need to address.

Considering all this information, the team will then compile a list of key positions that are involved in these future directions of the organization. And, as a group, they will rank these positions.

Once they have created this list of key positions and key areas that need to be addressed, along with their rankings, senior leadership can help to determine how far into these position rankings the plan needs to extend.

The next step is when your organization's HR specialists can really help the team. They can direct the review of the job descriptions and help determine the competencies needed for superior performance of those responsibilities. The group, aided by HR input as well as information from the organization's subject matter experts, will narrow down the list of competencies by determining which are most important for each position.

Once the team has all this vital information compiled, it's ready to start seeing who in the organization meets those competency requirements and where gaps exist.

Developing Your
Workplace Profile

- -

What's Inside This Chapter

In this chapter, you'll learn how to

▶ Interpret workplace assessments
▶ Determine gaps in the workplace
▶ Assess internal depth.

I n this section, you'll use past trends, evaluate your organization's current situation, and project future needs. You'll analyze your current workforce to determine the supply and demand of leadership candidates in your company and to determine what missing competencies could keep your company from meeting that demand.

A demand forecast anticipates the human resources that will be needed to carry out the strategic plans of the organization by examining not only the work to be performed but also how that work will be accomplished.

Using this profile, your succession planning team will be able to determine the strength of your organization in terms of leadership talent and the gaps that will need to be addressed by training and development opportunities.

Think About This

The best vision is insight. —*Malcolm S. Forbes*

Interpreting Assessment Information

Now that you've determined your key positions and the competencies needed, you'll want to prioritize to determine which of those positions are most critical for you to address first. Here are the questions that your succession planning team can use to determine priority order for succession plans:

Key Leadership Positions

▸ Which leadership positions are at greatest danger for vacancy due to retirement potential, promotion, or history of high turnover rate?
▸ Which positions are most closely tied to current organizational goals and initiatives?

Key Area Positions

▸ Which areas may become more important to the organization due to changes in operations or strategy?
▸ Which areas are necessary to achieve business goals?

Demographic Data

▸ Which areas of the company could benefit from diversity to overcome stagnation and a lack of creative thinking?

Skill Sets

▸ What skill sets are needed in all areas of the organization?
▸ What developmental activities are available to build proficiency in those skills?
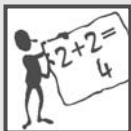
Basic Rule 6

Developing a workplace profile will allow the succession planning team to determine which positions need to be addressed first.

Using the answers from these questions, you'll be able to identify the competencies and qualities that your employees need if they are to develop into expanded roles in the company. And because you are using multiple sources such as assessments, surveys, and your SMEs to determine these competencies, you'll also gain commitment from potential candidates.

Conducting a Demand Analysis

A demand analysis reviews the current staffing of the positions that are included in the scope of the succession plan and the competencies needed to meet the future needs of those positions.

Here are some questions to determine the needs for future staffing of these positions:

▶ How will upcoming initiatives or strategies affect staffing and budgeting plans?
▶ How will jobs and workload change as a result of technological advancements, marketplace, and workforce conditions?
▶ What will be the consequences of those changes?
▶ What skill sets will be needed to meet new strategic goals of the organization?
▶ What will be the reporting relationships?
▶ How will divisions, departments, and jobs be designed?
▶ How will work flow into each part of the organization?
▶ What are the key positions that will direct the work flow?

Conducting a Supply Analysis

A supply analysis for an organization can be conducted by using current statistics and applying past attrition rates to estimate employee turnover. To determine the current supply of leadership candidates and the developmental opportunities available for those individuals, you'll need to answer the following questions:

▶ How many employees are in leadership positions in the organization?
▶ What are the current competency levels of those individuals?
▶ What are the current retirement eligibility statistics?
▶ What is the average time to fill similar vacancies?
▶ What is the average number of vacancies in a year?
▶ What are the employee turnover statistics?

Conducting a Gap Analysis

In succession planning, a gap analysis uses a supply analysis and a demand analysis to identify the situations where current workforce and future needs are not well-matched.

How do we compare supply and demand to determine whether there are gaps in our workforce? Here are the key questions to ask:

- ▶ Does the organization have a formal or informal succession plan that identifies key positions and potential successors at this time?
- ▶ How will trends in the marketplace affect the competencies and leadership of the current workforce?
- ▶ Is the organization projected to lose any personnel in these key positions due to retirement, normal attrition, or contract expirations?
- ▶ Does the current workforce have the competencies needed to fill key position vacancies?
- ▶ Are any of the functions of these key areas going to be outsourced or eliminated?

Assessing Internal Depth

Also known by the sports term of *bench strength,* internal depth is determined by identifying those individuals who are ready to assume leadership roles now, which ones will be ready in the near future, and which ones will take considerable development time before they can step into a key position in the organization (see figure 5-1).

Applying the Information

So, now you have an abundance of data on your organization. In fact, you probably have more than you really want to look at. Where do you go from here?

Figure 5-1. Sample Internal Depth Form.

Name	Mary Smith
Current position	Accounting Supervisor
Time in current position	2 years in current position
Years with organization	5 years with company
Readiness	Ready within 1 year

Think About This

We looked at who were the likely candidates many years ago. By the time the candidates get to the management committee, we know these people and know what they can do. —*UPS CEO Mike Eskew*

You'll use this information to objectively assess your organization's needs in contrast to the supply of competencies in the workforce. This will help you confirm your leadership pools and create the succession plans for each of your key positions.

Summary

This section had you focus on the key positions for which your organization needs to create succession plans. You've taken information about your company and its strategic plan and assessed your workplace by looking at current staffing and how that workforce needs to develop to meet the goals of that strategic plan. And you've taken the time to prioritize the order of the roles that need succession planning. This has prepared you to take the next step, which is the design of your succession plans for those strategic leadership positions.

Getting It Done

Your team will use the questions in this chapter to determine key leadership positions that present the greatest danger of vacancy, key area positions that are vital to current business goals, and which areas will benefit most from an influx of diversity and creative thinking. These will become the priority positions to be addressed in the succession plan.

The team will conduct a *demand analysis* to review current staffing. Then a *supply analysis* will be conducted to determine the supply of leadership candidates. The next step is the *gap analysis,* which is addressed by answering the questions concerning current trends and their effects on that supply of leadership candidates.

By answering all of the questions in this chapter and analyzing the resulting statistics, your team will be able to construct an objective picture of the bench strength of the key positions in your organization and where the gaps are that need to be addressed by the succession plan.

Designing Your Succession Plan

░░░░░░░░░░░░░░░░░░░░░░░░░░░░░░░░░░░░░░

What's Inside This Chapter

In this chapter, you'll learn how to

▶ Create components of job profiles
▶ Communicate competencies needed for key positions
▶ Develop inventories of leadership candidates.

The design of the succession plan is now focused on the key positions you identified in the previous steps.

For this step of succession planning, you're going to use the materials and information you gathered from the assessment of the key positions. This is also a chance to perform a deeper analysis of the job description and see what activities need to be added or removed. That's a process that you'll want to perform on a regular basis to ensure that the development plans you design are still relevant for the demands of that position.

Think About This

Developing the plan is actually laying out the sequence of events that have to occur for you to achieve your goal.

—*George L. Morrisey*

Creating Job Profiles

Your team has already collected many of the tools you need to create a job profile while doing your assessments. The most useful elements that will help you create an objective job description include:

▶ Current job description.

▶ Incumbent interview.

▶ Observation.

▶ 360-degree interviews. Interviews from peers, supervisors, and subordinates of the position being assessed give a well-rounded view of the position.

▶ Strategic plan. Find any new directions that will directly affect the responsibilities of this position.

▶ Sample job descriptions. Using other similar job descriptions to benchmark against will help you expand the current job description. Reinventing the wheel is never a good use of time.

▶ Competency listing. Use the list of competencies you developed for the position.

▶ Organizational chart.

Noted

Many employees are currently laboring under old, outdated job descriptions. It's important to keep these documents updated, because job descriptions are essential supervisory tools not only for hiring new employees but also for organizing work processes, training and coaching, performance appraisals, and compensation reviews. Basically, if an employee doesn't know exactly what he or she is supposed to be doing, a supervisor cannot hold that employee accountable.

Components of a Competency-Based Job Description

Competency-based job descriptions are a vital component of a quality succession program. They identify the duties and responsibilities of the position as well as the skills and abilities needed to be successful in the position.

- ▶ Title. The official title and department of the position
- ▶ Role overview. Consists of one or two concise sentences summarizing the main purpose of the position
- ▶ Prerequisite experience. Contains a list of experience, education, and certifications required of the employee in this position
- ▶ Prerequisite skills. Consists of a basic list of the competencies needed to perform the duties of this position
- ▶ Reports to. Position on the organizational chart to which this position reports
- ▶ Supervises. List of the positions that directly report to this individual
- ▶ Essential functions. A listing of the essential duties associated with this role
- ▶ Master list of competencies. These may be broken down into two categories:
  — *General/organizational* competencies are the ones that need to be demonstrated by everyone in a particular organization.
  — *Specific/individual* competencies need to be demonstrated by the individual doing this particular job.

Communicating the Competencies for Key Positions

The format you use to communicate key positions must be accessible to all employees for it to be fair and equitable.

One of the most important methods of communicating with employees about the competencies needed for advancement is the one-on-one coaching session. These sessions should not just be a part of the annual performance review with the employee. True coaching and employee development occurs formally and informally throughout the year.

Meetings can be held to introduce the concept of competencies, which ones are needed for advancement in that department, and the opportunities available to develop those competencies.

Written communications can include emails, both virtual and onsite bulletin boards, memos, handouts, and as many other methods as you can think of to get the message out that every employee is invited to take control of his or her own

developmental progress. Just be sure that you are using methods that are accessible to the group of employees who will be most interested in the positions.

One company noted that few entry-level employees had shown an interest in a higher position that was open. The position was announced in all the standard ways—by email, intranet, posters in the home office—and yet very few employees had responded.

Upon closer inspection management discovered that the communication was not targeting the employees in the very positions that would be most interested in the job. The main employees who might move into this position did not have access to email or the intranet. Many of their supervisors had forgotten to post it on the bulletin boards at their satellite offices and few of these employees ever ventured into the home office. And the position was announced without sufficient lead time, so by the time these employees went into their offices to look at the bulletin board, the application period had already passed.

Basing the communications methods on the audience who will have the most interest in the position not only gets the best response, it just makes good sense.

Developing an Inventory of Candidates

The next step toward finding your succession candidates is to create talent pools of all employees interested in being considered for leadership roles. The job profiles and associated competency lists will allow your team to evaluate individuals with potential for key positions.

Normally organizations use a combination of approaches to identify and assess candidates. These approaches include self-nomination or nomination by manager or management team based upon observation of demonstrated leadership characteristics, performance of the candidate's team, evaluation feedback, performance on special projects, and survey of other leaders and employees in the organization.

As a starting point in this process, many organizations invite employees to express their interest in career advancement, leadership roles, or lateral moves to areas of special interest. There are various methods to gather this information, including:

- ▶ career discussions between employees and managers
- ▶ administering a survey
- ▶ soliciting applications
- ▶ creating an employee profile database with employees' career interests, special skills, and competencies

- ▶ assessment methods
- ▶ written exams
- ▶ behavior-based interviews
- ▶ role-playing
- ▶ aptitude tests
- ▶ call for resumes.

To formalize the process, you'll want to create a nomination process. The nominations can come directly from the employee or may be submitted through a manager (see tables 6-1 and 6-2).

Nominations should include

- ▶ application form noting minimum requirements and how the employee fulfills those criteria, essay questions, and a questionnaire
- ▶ a detailed resume
- ▶ a recommendation from his or her supervisor
- ▶ a written statement expressing his or her desire to participate in the program.

Table 6-1. Sample Succession Planning Nomination Form.

Leadership Succession Planning Program

The purpose of the Succession Planning Program is to give participants opportunities to develop new experiences, competencies, and relationships. This program is designed to address the challenge of preparing the next generation of senior managers in our organization and is an excellent opportunity for employees to gain essential skills and abilities for maximum career potential.

Minimum Entry Requirements

- Demonstrate successful performance through merit evaluations during the past two years.
  Must have five years of supervisory experience with at least one year of experience in a mid-level managerial position.

Candidates for the Succession Planning Program must submit a completed application and be recommended by a manager within the organization. The Succession Planning Team will review applications. The application packet consists of two parts:

1. Application
2. Recommendation Letter.

Application. The application describes the candidate's background and career goals.

Recommendation Letter. This letter provides insight into the candidate's potential to take on higher leadership responsibilities.

Table 6-2. Sample Succession Planning Application Form.

Leadership Succession Planning Program Application

Candidate Information	Supervisor Information
Name:	Name:
Title:	Title:
Phone:	Phone:
Email:	Email:

Please respond to the following statements on a separate sheet of paper. Please keep your response to no more than two pages.

- Brief narrative about how your background and experience has prepared you for these positions
- Brief statement about where and when you obtained five years' supervisory experience with at least one year in a mid-level position
- Brief description of other accomplishments including awards, presentations, or publications.

Attach a copy of current resume including work experience, educational background, and relevant certifications.

Other information you'll want to gather to assess these candidates includes

▶ performance evaluations

▶ evaluation feedback from peers, supervisors, or direct reports (360-degree interviews)

▶ any testing indicated by the position.

Assessment of the nominations not only provides the list of candidates who are ready to expand their roles in the company but also allows you to determine the areas of development for those who are not at that level of accomplishment yet.

Checklist for Managers

▶ Have you spoken to each of your employees to discuss his or her career plans and interests?

▶ Do you know which employees are interested in moving into leadership roles and which would like to expand into different horizontal roles?

▶ Do you maintain an inventory of your employees' skills, experience, and interests?

▶ Have you considered which key positions in your department may be vacated in the coming years due to retirement or other factors?

Think About This

Competencies are critical, the company's values are even more central.

—*Jack Welch, former CEO of GE*

- ▶ Have you identified temporary backups who could handle key positions in the short term if the need should arise?
- ▶ Do you hold formal and informal coaching sessions with employees to determine changes in career plans and interests?
- ▶ Do you review multiple perspectives in considering candidates, including supervisors, peers, and direct reports?
- ▶ Do you track the developmental progress of employees?

This assessment process identifies which employees have expressed interest and demonstrated commitment to developing themselves for key positions, and it also allows you to compare their abilities with the competencies needed for be effective in those positions.

At this point in the process, organizations might use different methods to follow up with candidates. Some create talent pools for the next level of management; others might create talent pools for each specific position (see figures 6-1 and 6-2).

Comparing Talent Pools

Creating specific lists of candidates for a single position is often considered an element of replacement hiring instead of succession planning. More of the successful organizations today are taking a closer look at creating talent pools instead of lists of candidates for specific positions.

A talent pool is a group of people who are being prepared for leadership roles. They may be identified by managers, by assessment, or by self-nomination. Companies that use this method designate these talent pools as individuals whose growth they want to accelerate. These are identified underneath each level on the organization chart but not under specific positions.

No promises are made to those in the talent pools, but the organization commits to developing these individuals to prepare them for higher levels of responsibilities.
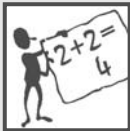
Figure 6-1. Sample Talent Pool Chart for Specific Position.

```
                    ┌─────────────────────┐
                    │                     │
                    │   VP of Marketing   │
                    │                     │
                    └──────────┬──────────┘
          ┌────────────────────┼────────────────────┐
┌───────────────────┐ ┌───────────────────┐ ┌───────────────────┐
│   Charles James   │ │    Kay Williams   │ │    Cathy Landry   │
│                   │ │                   │ │                   │
│    PR Manager     │ │ Marketing Manager │ │ Area Sales Manager│
│   Ready in one    │ │     Ready now     │ │Ready within one year│
│   to two years    │ │                   │ │                   │
└───────────────────┘ └───────────────────┘ └───────────────────┘
```

It is up to the individuals to perform and develop in a manner that will demonstrate their ability to handle these responsibilities.

Ultimately your organization must decide which of these systems will work best for you. And you'll need to decide the level of disclosure you will give regarding who is accepted into the leadership development system.

Resentment and undermining from peers or direct reports may occur when someone is announced as a candidate for succession. However, the alternative is that the person doesn't know he or she is in the running for a leadership position and surprises you by leaving the company.
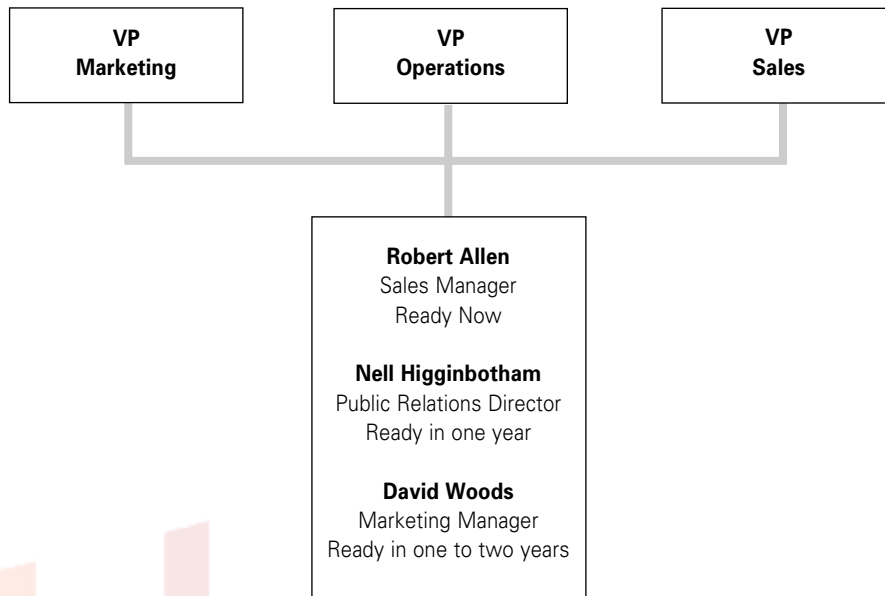
Once again, the method of communication can make a difference in gaining acceptance for those in the leadership system and ensuring that others know this does not preclude them from advancement.

Basic Rule 7

Talent pools should be regularly monitored and updated to reflect development of individuals' knowledge, skills, and abilities.

Figure 6-2. Sample Talent Pool Chart for Next Level of Management.

```
┌──────────────┐   ┌──────────────┐   ┌──────────────┐
│      VP      │   │      VP      │   │      VP      │
│  Marketing   │   │  Operations  │   │    Sales     │
└──────────────┘   └──────────────┘   └──────────────┘
        │                  │                  │
        └──────────────────┼──────────────────┘
                           │
            ┌──────────────────────────────┐
            │        Robert Allen           │
            │        Sales Manager          │
            │         Ready Now             │
            │                               │
            │      Nell Higginbotham        │
            │   Public Relations Director   │
            │       Ready in one year       │
            │                               │
            │         David Woods           │
            │      Marketing Manager        │
            │   Ready in one to two years   │
            └──────────────────────────────┘
```

Even after you create the inventory of candidates, you'll want to review these candidates' potential regularly. Circumstances change. Individuals exhibit different levels of commitment, interest, and development. You want to ensure that when it comes time to replace a key position, the final decision maker has the latest information.

That final decision maker may be the executive team for high-level positions or a department manager for intermediate level positions. Regardless, the decision maker needs the input of this candidate inventory and the assistance of human resources to be sure he or she has identified the right person for the right job at the right time.

Summary
In this stage of succession planning we've created the profiles for our key positions, begun to communicate this information, and started creating talent pools. These are the first steps that start to have an impact on the individuals in the organization. This is an exciting opportunity because at this point they start to realize how the whole process directly affects them.

As you complete these steps, you have the satisfaction of knowing you are creating a career map for those in your organization who might have thought growth opportunities were not available to them. This makes the career map a tool for retention and recruitment in your organization because surveys have shown that some of the strongest motivators of employees are challenges and the opportunities for growth. Your succession plan creates those opportunities.

Getting It Done

The steps your team will take in this phase will make use of the information they've gathered in the previous two chapters. Using the competencies, interviews, job descriptions, and other data, the team will develop competency-based job descriptions for the key positions.

Next, you will use your communication vehicles to introduce this information to the organization and to solicit nominations for key positions.

Additionally, you'll want to distribute the checklist for managers to ensure that all employees are made aware of the opportunities and what competencies are needed for those positions.

To pull together all the elements of this stage, you'll create talent pools of individuals who are qualified or poised for development into leadership positions.

Using Succession Planning Tools

What's Inside This Chapter

In this chapter, you'll learn how to

▶ Create IDPs

▶ Prepare IDP discussions

▶ Provide development opportunities including key knowledge transfer strategies.

There are all sorts of tools and technology that can help you in your succession planning efforts at this stage. You can use web-based monitoring of training, databases for cataloging your candidates, online assessments, or a variety of other programs. This guide will assume that you don't have those fun toys and give you just the basics.

Creating Individual Development Plans

Individual Development Plans are excellent tools to develop and motivate staff. These encourage a focused and individualized approach to determining each

Think About This

Throughout the centuries there were men who took first steps, down new roads, armed with nothing but their own vision. —*Ayn Rand*

employee's needs, thereby helping the employee enhance job skills and guiding him or her in the development needed to achieve expanded roles in the organization. Managers who promote and use IDPs effectively send the message that they view each person's professional development as a priority.

Ideally, IDPs focus on using an employee's strengths and abilities to his or her best advantage and provide opportunities for the employee to develop new skills. Normally, IDPs do not focus on weaknesses unless the employee has a specific deficiency that could keep him or her from success. See table 7-1 for a sample IDP.

Table 7-1 presents just one of the many formats used for IDPs. You'll want to guard against making the form too complex or it may discourage employees from completing it.

In most organizations, the method is to have employees fill out the form first and then, in the meeting with their supervisors, complete the development opportunities, commitments, and deadlines.

The format of the form is not as important as the accompanying development discussions. These discussions are excellent opportunities for coaching and learning more about an employee's goals. At the end of IDP discussions, both the employee and manager should sign the form and the manager should ensure that the employee is given the opportunities for the agreed-upon development.
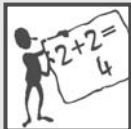
Basic Rule 8

IDPs should be developed for every employee in an organization if succession planning is to be truly fair and equitable.

Table 7-1. Sample Individual Development Plan.

Goals for Successful Performance in Current Position. The IDP is not just a tool to move employees closer to their career goals. It should also be used to develop skills in their current positions. This space is for goals that will help in current job responsibilities.

Short-Term Career Goals. This is a statement of what the employee hopes to achieve within the next three years. Examples: get a promotion; manage a project.

Long-Term Career Goals. This is a statement of what the employee hopes to achieve after three years or more. Examples: become a department manager; achieve a certification in a professional program.

Developmental Objectives. These are statements defining what the employee needs to do to achieve his or her short-term and long-term goals. Examples: learn about time management; become a good public speaker.

Developmental Assignments. This is a list of the strategies the employee will use to achieve the developmental objective. Examples: attend time management training; join Toastmasters.

Proposed Dates. This is a list of proposed dates when the employee will work on the specific developmental assignments and an intended deadline for completion.

Estimated Costs. This is a list of the approximate costs of each of the activities. Examples: tuition fees; organization dues.

Date Completed. This is a list of the actual dates the developmental assignment was completed.

Notes. Any additional comments that are appropriate to the IDP go here.

Signature/Date. The IDP should be signed and dated by both the employee and his or her manager.

Preparation for the IDP Discussion

The IDP discussion is one of the most important conversations that can take place between a manager and employee. It's an opportunity to discover the employee's interests, additional abilities, and challenges.

This process should not be rushed, and it requires preparation if it is to be done correctly. The manager should communicate with the employee in advance to confirm when and where the meeting will be held and to inform the employee on the groundwork he or she can do to get the most out of this meeting.

Employee Groundwork
▸ Complete the IDP background information
▸ Consider areas of interest and career goals.

Manager Groundwork

▶ Review position description
▶ Review employee resume and documentation
▶ Review past IDP discussions and coaching sessions.

IDP Meeting

▶ Review position description together
▶ Review department and organizational chart
▶ Review past developmental meetings and goals
▶ Discuss goals, expectations, interests
▶ Review developmental and training offerings
▶ List and date agreed-upon developmental activities
▶ Document comments
▶ Sign and agree upon follow-up meetings.

Providing Development Opportunities

Classroom training is an excellent way to get information across to groups of people in your organization. The good news is that it's not the only way to develop your employees for leadership roles. Experience-based learning and other forms of knowledge transfer will be equally important in your succession planning program. Following are some best practices for sharing knowledge with leadership candidates in your organization:

Acceleration Pools. Also known as talent pools, this practice identifies potential leadership and management candidates and provides the entire pool with advanced training, coaching, and mentoring as they progress in their employment with the organization.
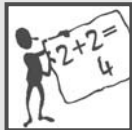
Basic Rule 9

Developmental opportunities should be presented in as many formats as possible, including classroom, on-the-job training, coaching sessions, and technology-based learning.

Acting Assignments. Assigning a candidate to temporarily take over another employee's responsibilities while that person is absent can be a good opportunity for the candidate to get experience at an advanced level.

Apprenticeships, Internships, and Traineeships. Formal arrangements where an experienced person passes along knowledge and skill to a novice who, after a designated period of time, achieves full status in that occupation.

Best Practices Sessions. These sessions allow personnel to share ideas that have worked well for them, to ask for advice in problem areas, and to build upon procedures that have worked for others.

Buddy System. This can take many forms, including pairing key employees with other staff for special projects, internship programs, and mentoring programs.

Chief Knowledge Officer. An organization may choose to appoint an individual or several representatives to oversee the development of a system of knowledge management for the company.

Coaching Sessions. These include formal and informal opportunities for a supervisor who is experienced in a process to instruct employees in higher levels of performance and management.

Communities of Practice. Groups of individuals who share knowledge about common work practices or interests even though they are not part of the same team or department. Also know as Communities of Interest and SIGs (Special Interest Groups).

Cross-Training. Employees learn parts of another job, typically through the buddy system.

Debriefings. These meetings should be conducted immediately after an event or project to discuss what went right or wrong while it is still fresh in the minds of all involved. The results should be shared among anyone in the organization who would benefit from the information. Hewlett-Packard calls these "Project Snapshots." The U.S. Army calls them "After Action Reviews."

E-Learning. Computer-based or web-based training on selected topics for developing an employee's professional or technical skills.

Exit Interviews. This is an interview or questionnaire that employees are invited to complete upon leaving the company.

FAQs. Creating a list of frequently asked questions (FAQs) and the authoritative answers to those questions is a valuable method of ensuring consistency, orienting new employees, and capturing company knowledge.

Formal Training. This includes formats of training such as classroom training, web courses, pod-training, DVDs or CDs, or college courses.

Job Aids. Job aids are tools to help employees perform tasks accurately. These can include checklists, work flow charts, diagrams, reference tables, posters, checklists, decision tree diagrams, videos, and reference binders.

Intranet/Internet. The online collection of forms, processes, policies, contact information, and FAQs can serve as a valuable and easily accessible tool for employees.

Job Rotations. Giving employees opportunities to work in different areas of the organization and acquire experience in different disciplines or functions helps them to understand the different departments as well as to understand the effect of their actions on the rest of the organization.

Key Assignments. Research has shown that key assignments are a primary source for developing future leaders. These assignments may include position rotations, task force membership, managing a group without direct authority over the group, or taking on roles that involve a higher level of responsibility.

Knowledge Audits. A formal process that helps an organization identify what knowledge it has, what knowledge is missing, who needs the information, and how it will be used.

Knowledge Fairs. These events showcase information about an organization or a topic. They can be used internally to provide a forum for sharing information or externally to educate customers about important information.

Knowledge Maps. These are directories that catalog what information is available in an organization and where it is located. An example is a resource directory that lists people with expert knowledge on specific subjects.

Leadership Institutes. Many organizations around the country have begun to hold training institutes to develop the skills of potential leaders. Leadership institutes offer not only an opportunity to learn in formal classes but also the ability to network with other emerging leaders in the organization.

Mentoring. Mentoring pairs a skilled person with a less experienced person with a goal of developing or strengthening competencies of the less experienced person. It's best if the mentor is not a supervisor, so that mentoring discussions take place on a different level than daily activities and office procedures. Mentoring can be practiced formally with structured and documented sessions or they can be informal, brief moments of discussion.

On-The-Job Training. Most organizations use some form of on-the-job training where (OJT) an experienced employee teaches a new person how to perform job tasks. Although it may be unstructured and informal, this form of training is most effective when it is structured OJT with a schedule of training, recordkeeping, and feedback.

Outside Training. Employees can be sent to seminars, conferences, or formal training classes presented by a college, instructor, or other organization.

Pod Training. Named after the iPod MP3 player, this is training on specific topics that can be downloaded as audio or video lessons.

Process Documentation. This electronic or written documentation can include the reason for the process, steps, key dates, work flow chart, key contacts, and the file names and locations of related documents.

Recordings. Valuable information can be captured and shared by recording audio or video of important meetings, events, presentations, or procedures.

Self-Study. The company may offer workbooks, references, CD courses, or other self-directed training for the employee to complete at his or her own pace.

Skills Inventory. This is a listing of the knowledge and skills people bring from previous employment or outside activities. This information can be gathered through questionnaires or interviews.

SME Training. Employees who are subject matter experts often make excellent instructors on their specialties. This training can be offered in classroom settings, as training segments in departmental meetings, or even videotaped for future reference.

Stretch Assignments. These are temporary appointments that allow employees to stretch beyond their current abilities. Examples include chairing a committee or meeting, leading a special project, or being assigned a challenging new task.

Temp Assignment. In this transfer technology, an employee is temporarily assigned to another position for the specific purpose of learning the roles and responsibilities of that job.

Training. Training encompasses a large variety of activities used to transfer knowledge. Methods may include classroom instruction, simulations, role plays, computer-based instruction, exercises, and technology-based instruction including podcasting and webcasts.

Transition Leave. This arrangement allows employees who are close to retirement to reduce their workweek by an agreed-upon percentage without affecting their benefits and pension. This can be used as a retention strategy, thereby allowing more time for knowledge transfer.

Webinar. Companies with multiple locations may find it beneficial to use tools such as online meetings; phone conferences; satellite interviews; or webinars, which are online seminars that may contain audio and video.

Work Diaries. Work diaries are simply a database that contains key knowledge, including contacts, networks, resources, learning, best practices, and answers to FAQs. A template may be used to help keep the information in a standard format.

Summary
The focus of this chapter on IDPs and knowledge transfer methods is valuable even if your organization doesn't have the resources to undergo full succession planning at this time. Many managers never take the time to hold development discussions with their staff, and yet this investment in time can help retention and morale as well as help uncover hidden talents and skills that could be used to help the organization and make employees more engaged in their positions.

Noted

Developmental opportunities do not have to be formal to be effective. Using everyday coaching opportunities, career discussions, and problem-solving collaborations can be as beneficial to developing an employee's leadership skills as a structured class.

Additionally, organizations are often locked into the concept of classroom training. If they aren't able to provide that, they might think that they don't have any training to offer employees. If you learn to recognize the many forms that training can take, you'll be able to use these as developmental opportunities, and learning will occur even without a classroom.

Getting It Done

The tools in this chapter are to be used for the professional development of those in the talent pools.

You'll want to make the IDP format available to all managers in the organization so that they can use them in career planning sessions with their employees.

Your organization will want to present IDP workshops to teach managers how to hold effective development sessions. Follow up to ensure that IDP sessions have been scheduled for all employees.

Finally, list all of the developmental opportunities available in your organization and create new ones from the ideas in this chapter. Publicize these opportunities using your communications vehicles. Use those same vehicles to remind managers that they need to follow up on IDP deadlines to ensure that employee development is on track.

An important reminder for this phase of succession planning is that by monitoring how well employees follow up on their developmental activities, you can get a good indicator of their performance in future positions.

Implementing Your Succession Plan

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What's Inside This Chapter

In this chapter, you'll learn

▶ The elements of succession plan implementation
▶ How to maintain your succession plans
▶ Potential pitfalls and how to avoid them.

The existence of the plan doesn't ensure success. There are still potential challenges to be addressed. For example, if not communicated and maintained correctly, a succession plan can become just another layer of bureaucracy that separates current leadership from potential leaders. This section highlights steps for putting the plan into action, as well as the challenges that may pop up and ways to avoid them.

Maintaining Your Succession Plan

Now that you've created the plan, keeping it going involves six main activities:

1. Communicate opportunities.
   a. Inform employees of upcoming opportunities and new key areas of focus for the organization.

Think About This

He is wise who knows the sources of knowledge—who knows who has written and where it is to be found. —*A.A. Hodge*

    b. Communicate what competencies are needed for those positions.

    c. Keep the organization updated on the succession planning process.

2. Identify candidates.

    a. Encourage employees to express their interest in openings and to participate in succession planning activities.

    b. Maintain systems for submitting potential leadership candidates.

    c. Explain the process so employees know their participation in this process does not guarantee advancement.

3. Assess candidate readiness.

    a. Compare candidate's competency level with level required for position.

    b. Use assessment tools that engage candidate, supervisor, and any direct reports.

    c. Gauge candidate readiness by testing, reviewing resumes and cover letters, and conducting interviews.

4. Prepare Individual Development Plans.

    a. Prepare IDPs with employees to develop needed competencies.

    b. Maintain and update lists of competencies needed for key positions.

    c. Determine appropriate training approaches for candidates.

5. Provide development opportunities.

    a. Review candidates' competency lists regularly and determine methods for developing their skills.
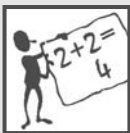
Basic Rule 10

Maintaining a succession plan must include plans for regular evaluations, reviews, and revisions.

    b. Maintain a variety of knowledge transfer methods to address diverse needs in your organization.

    c. Monitor candidate's development regularly to determine progress.

6. Evaluate, review, and revise.

    a. At least annually, review the succession plan.

    b. Make revisions and updates as needed.

    c. Communicate any changes to the organization so that managers and employees can revise IDPs accordingly.

Avoiding the Pitfalls

To avoid potential problems, it's a good idea to review some of the most common missteps in succession planning. These are the 10 pitfalls that could be deadly to your succession planning efforts:

Pitfall #1

▸ Lack of management support

If top management doesn't support the program, it will most probably fail, no matter how well thought out.

To avoid this possibility, enlist management from the beginning of this process by not only having their representatives on the team, but also including them in communications. This communication can be as simple as a regular email or report outlining progress. This will help managers relay this information to their direct reports in a positive manner and will keep them engaged in the process. As we've seen in numerous surveys, one of the most important motivators in the workplace is feeling like you're part of the team or being in-the-know. By promoting this feeling, you're creating a positive atmosphere for succession planning.

Pitfall #2

▸ Lack of effective and open communications to the entire organization

If your succession planning effort is not communicated positively, it will be subject to negativity, fear, and possible sabotage.

Communications such as regularly scheduled email, promotional flyers, written and oral reports, or even updates given as department meetings will help with the

anxiety that can accompany succession planning efforts. Keeping open communication lines and soliciting input from employees at all levels of the company can be as simple as a suggestion box or an email asking for suggestions from all employees, to as extensive as a series of town hall meetings where employees get to express ideas and concerns.

This plan is being developed for the entire organization and especially those at entry level because it is a plan for the future and those entry level employees are the future of your company. If you represent it positively, the plan will work to increase retention in entry-level employees because they will be able to grow in the organization. Those opportunities represent another major motivator in the workplace, according to employee satisfaction surveys.

Pitfall #3

▶ Lack of communication with individual leadership candidates

Organizations have been surprised to find themselves starting all over again when a top candidate has left the organization for another opportunity because the candidate didn't know he or she was in line for leadership positions.

It's also important to talk to leadership candidates to verify that they're interested in leadership roles. We can't assume that everyone in the organization wants to move up. Some employees have seen the heavy responsibilities their managers have to deal with and are content to stay where they are. Communication with potential leaders should include regular reviews to ensure they are still interested in moving to the next level and to monitor their developmental activities.

Think About This

It is important to let individuals know that they are part of a company's succession plan. Once in my career, I went to my boss to resign my position and he told me how disappointed he was that I was leaving because he had such great plans for me. And, I thought, "Why didn't you tell me? Maybe if I had known that I had a future with the company, I would have stayed." People need to know their opportunities for advancement—engage them as a part of the plan.

—Sharlyn Lauby

Pitfall #4

▶ Lack of understanding

Many times the members of an organization perceive succession planning as creating a ceiling over them, not allowing them to move upward unless they are one of the chosen few.

A focus on the plan at the individual level can help this understanding. Add a segment to performance appraisals where managers discuss career paths in the organization and discuss employee interests and strengths in relationship to the career maps of the organization. This reinforces succession planning as a development opportunity for the individual instead of a ceiling.

Pitfall #5

▶ Inadequate documentation

A formal written plan for the position or the person is essential to this process. Consistency and thoroughness of documentation are necessary to ensure that the result of assessments and development efforts are considered in all decisions.

Prominently displaying charts and posters with the assessment figures and discoveries during project meetings is a basic way for visually oriented team members to keep this information in mind during decision-making periods.

Brief summaries at the beginning of meetings that recap the results of assessments also help keep the focus for the group.

Pitfall #6

▶ Inadequate participation

Succession planning is not just a job for the human resources department. Involvement from all levels of the organization helps ensure buy-in and reduce the possibility of negativity.

Although maintaining succession planning usually falls on the HR specialists, it must include a diverse segment of the organization for buy-in to occur. If membership is restricted to the current management or any one segment of the organization, it will turn into an *us vs. them* situation that is the death blow of any reorganization effort.

Additionally, using only the incumbent's perception to create a position description limits the role to what has existed in the past. The list of competencies needed for that position can be updated by using input from levels who interact with that position as well as those who understand the new strategic directions of the organization.

Pitfall #7

▶ Lack of accountability and follow through

Project planning methods with follow-up meetings, action items, assignments, deadlines, and accountability are necessary to ensure the success of the program.

It can be helpful to take a complete project management approach with this program. That could include project management software or simply the charting of key action items, tasks, and deadlines. You might also find it useful to bring in an external facilitator or consultant to ensure that deadlines are met and politics or other initiatives of the organization do not interfere with the progress of the team.

Often long-range thinking and strategic planning are pushed to the back burner in consideration of "firefighting." This leads to reactive management and draws the attention away from strategic planning.

Occasional case studies of organizations that have failed because of a lack of long-range planning might serve as motivators to your group. Even case studies from within the organization itself can remind them why they have dedicated this extra time and effort.

Pitfall #8

▶ Lack of reviews and revisions

If you treat a succession plan as though it were written in stone, it will become more of a hindrance to your organization than a tool. Make adjustments as situations change. Leadership should regularly review business dynamics and employee developments to determine if modifications are needed.

During the course of succession planning, there will be positions that come open and fall into the replacement hiring that is common in workplaces today. Take the time to point out the cost of that hiring process as opposed to the investment that is being put into your succession plan. The cost of employee hiring today includes everything from HR overhead, classified ads, personality testing, background checks,

interview time, reference checks, travel expenses, and more. If the process can be handled more effectively with a little advance planning, the return-on-investment is going to be considerable.

Pitfall #9

▸ Focusing on only the top level of leadership

Although the CEO and senior leaders in the organization should always be considered in a succession plan, there are other critical positions to address. Key positions include those with specific knowledge and capabilities that are vital to your organization's success and are not easily replaced.

Pitfall #10

▸ Assuming that success in one's position will guarantee success in a higher position

The competencies required for success at each level are different. A person who is an excellent accountant may not have the competencies or people skills needed to be a supervisor of other accountants. Each position must be considered separately and by its own criteria to determine whether the job is a match for that person's abilities.

Also, the fact that someone has been at a company for a long time should never overshadow the competencies needed in the position. Using the promotion as a reward instead of following the succession plan undermines the system.

Follow-Up Checklist

A checklist can be a simple way to determine how the rollout of your new program is going. In the first six months following the rollout, meet with your succession planning team and consider the following questions:

- ▸ How many nominations do we have for key positions?
- ▸ How many managers have completed IDP discussions with their direct reports?
- ▸ How many employees have signed up for developmental opportunities including classes, experiential training opportunities, and other competency-building offerings?

Summary

This chapter looked at the ongoing steps of succession planning. This will be your outline of activities for the continuation of this program. The cycle begins with communication to employees, then identifying and assessing candidates, developing those candidates, and selecting from talent pools as positions become available.

We've also looked at some of the pitfalls that can occur during succession planning, and we've recognized that this is not a one-size-fits-all solution. Your organization is unique. It has its own culture. It even has its own language, as can be attested to by anyone who has ever walked into a staff meeting and heard acronyms flying around that make no sense to him or her. Therefore, it stands to reason, that you'll find different methods, steps, and even order of activities that may work better for you.

Make the plan your own to ensure it works for your organization. But one area that you should always include in your plan is ongoing evaluation. That's what we'll look at in the next chapter.

Think About This

"There is no top. There are always further heights to reach."

—*Jascha Heifetz*

Getting It Done

To sustain a succession plan, it must be regularly monitored and maintained.

Use the steps in this chapter to ensure the continuation of succession planning efforts. These steps include appointing a team member to take ownership of the communication systems. You'll also want to hold regular meetings to review lists of candidates, to keep building on the developmental opportunities available, and to promote those training events to employees. And, of course, you'll want to review and revise the plan as needed. You'll get a list of methods to evaluate the plan in the next chapter.

9

Evaluating Your Plan

- -

What's Inside This Chapter

In this chapter, you'll learn

▶ Checklists for succession plan evaluation
▶ Informal evaluation systems
▶ The importance of annual succession plan reviews.

As noted in the beginning of this guide, succession planning is a process, not an event. This section emphasizes the importance of performing ongoing checks and balances to evaluate and revise the plan as needed. Evaluations and updates are the keys to continuous improvement of the system.

The measures that are used to evaluate succession planning effectiveness may range from simple methods, such as an assessment of stakeholder satisfaction, to more sophisticated processes, such as a return-on-investment or cost-benefit analysis. The succession planning team or an independent team may conduct the evaluation of the program.

Think About This

True genius resides in the capacity for evaluation of uncertain, hazardous, and conflicting information. —*Winston Churchill*

Keep in mind that your evaluation process will involve less work if measures and measurement processes are identified during the preparation phase of the succession planning process. Also remember that it will take some time before the results of the program have grown to a point where they can be measured. Don't expect to see a dramatic change immediately.

Incorporating Regular Checkups

Research on effective succession planning programs has revealed certain criteria that stand out as success factors. You may want to implement a checklist as your organization continues to build upon its succession planning strategies.

Following is a checklist with related activities you can use as informal checkups on your succession planning efforts:

▸ Have senior executives communicate the importance of succession planning and management as an organizational priority and be actively involved in the process. You'll be able to tell if this is happening by polling employees to see if they are aware of the program, by visiting with senior executives, and by reviewing applications for your succession program to see if all departments are represented.

▸ Align succession planning with the company's strategic plan, as well as human resources processes, such as performance management, employee development, learning opportunities, and recruitment activities. You can
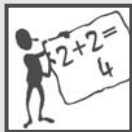
Basic Rule 11

Succession planning is a process, not an event.

learn more about this by surveying your workforce, by reviewing the learning opportunities in your organization, by monitoring attendance for training programs, and by periodically reviewing strategic initiatives to ensure that your plan is still relevant.

▶ Ensure that the process is fair, accessible, and transparent. Your employees are the best judges of this. Survey, interview, and conduct any type of two-way communications that you can incorporate to ensure that they are aware of the program and feel welcome to participate.

▶ Extend planning to multiple levels of the organization rather than being limited to senior executive positions. If you have started with only the senior levels, keep reviewing to determine when the time is right to extend the program to other levels.

▶ Check if there is collaboration and communication among key players and buy-in from the organization's employees. Maintain the elements of your communications plan to ensure that there are ongoing development discussions in your organization.

▶ Assess the interest of employees through multiple sources, and identify development opportunities early in their careers with the organization. If this program narrows down to a small group of managers nominating their employees, the program will lose credibility. This may mean that you might have to conduct drives to solicit applications, encourage self-nominations, and promote the program heavily.

▶ Encourage and support all forms of learning by coaching and evaluating. Review IDPs to see what types of knowledge transfer strategies are being used and which ones need to be developed. Exclusively using classroom training is not necessarily the best idea to address the types of competencies needed for leadership.

▶ Individually tailor developmental activities to address gaps in skills and competencies. There are numerous resources that list ways to develop skills and competencies. Remind your managers that some of the best training opportunities occur every single day when problems are being solved in their workplace.

▶ Reinforce competencies and skills for key positions in various HR processes such as recruitment, development, and performance management. You'll be able to judge the effect of this through performance appraisals and IDP documentation.

▶ Put into place procedures to ensure the incorporation of employment equity and diversity goals. Review your organization's management and hiring statistics to give you an idea of whether you need to focus on diversity initiatives to create a stronger workplace.

▶ Ensure that a complete communications plan is in operation. Review to be sure that the population of your company that is not regularly on-site knows about the program. They're the best judges of whether the word is filtering down to all levels.

▶ Have managers and employees participate in sessions to learn about the succession planning process and their role in it. Keep sign-in sheets to determine who has attended succession planning sessions and what groups you need to target with additional information.

▶ Ensure that tools that support the process are easy to use and accessible. As the program develops, you might want to consider automating the process. There are numerous computer programs to track and monitor talent pools, training and development, and hiring and promotion statistics.

▶ Make certain that the process is ongoing, monitored, evaluated, and refined based on feedback from all levels of the organization, leading research and benchmarking, and new developments in technology. Schedule annual reviews to determine how the program is progressing, who is taking advantage of developmental opportunities, and how many individuals from the talent pools have moved up into the next level of the organization.

▶ Double check that managers and staff are aware of the succession planning process and think the program is effective. The best way to gauge this is by one-on-one discussions. Managers and staff members are the ones the developmental side of the program is aimed at, so they'll be the best judges.

▶ See that your organization's operating budget spent on training compares favorably with industry benchmarks. Even if your organization is not spending up to industry averages, comparing figures with the training dollars before initiating the succession planning program can give you an idea of the use of developmental offerings.

▶ Cycle times from posting to hire are reduced. Your HR specialists can help you with discussions on this, as well as brainstorm ways to use succession planning to help in recruiting efforts.

▶ Gauge the strength of your succession planning talent pools, which are based on studies of bench strength. Do you have more people in the pipeline to move up than you did last year at this time? What is the average time for them to be ready to move up to the next level compared with previous figures?

▶ Adjust workforce planning efforts based on workforce development and integrate these new figures into the company's strategic plan. As your program grows in effectiveness you will want to raise the bar and expand until full workforce planning is in place.

Creating an Evaluation System

Even with ongoing monitoring of your system, at least once a year, you'll want to begin capturing measurements of the program's effectiveness through a more in-depth evaluation of employee statistics.

Figures you will want to review include

▶ average number of candidates for key positions
▶ average number of positions having no successors
▶ average performance ratings of new employees in key positions
▶ turnover statistics in key areas
▶ percentage of managers with succession plans
▶ percentage of key positions filled according to succession plan
▶ ratio of internal hires to external hires in key positions
▶ employee satisfaction surveys.

So, with all these choices of formal and informal methods to evaluate the progress of your succession planning, how do you decide if your program is successful? The answer depends on what your organization is trying to accomplish. If the objective of your plan was to come up with a replacement for each of the company's key executives, then success may just be the preparation of a document that lists each of those replacements.

If the organization has taken the broader goal of identifying possible leadership and critical skill gaps and implementing development plans, then success may include reassessing the skills and competencies that have been in development. It will also mean tracking whether the development opportunities are taking place and whether there has been a transfer of learning into workplace activities.

No matter what the range of the succession plan you enact and what method of evaluation you use, your plan needs to be updated regularly as circumstances, the marketplace, and employees change. Basic questions that should be addressed to determine where updating is needed include:

▶ Are the goals of the succession plan still appropriate?
▶ Has any technology that directly affects company operations changed?
▶ Are there other key areas that now need to be added to the succession plan?
▶ What is working well with this plan?
▶ What is not working well?
▶ Are there any new marketplace or governmental issues that will affect the way your organization does business?
▶ Are the ongoing evaluations providing the information needed and is it being used to improve the processes?

The way you judge whether your plan is effective or needs major revisions will be as individual as the plan itself. The main consideration is that it is simple enough that you will perform the appraisal and relevant enough that your organization will be able to see if there has been a return-on-investment.

Making Course Corrections

What do we do if there are problems? Your succession planning team or its appointed successors will go through the same process that you used in creating the program to address any changes that affect your plan. The good news is that any revisions will not have to be as extensive a process as the first group did, because the new succession planning team will be able to build on the system your team has created. However, they'll be using a lot of the same criteria of assessment, interview, and analysis to determine adjustments needed to address any marketplace or organizational changes.

Summary

Although all succession plans are unique, they share critical success factors. This chapter outlines those factors so that you can use them in evaluating your plan. This will allow you to continue developing and adjusting your plan so that it continues to get better results for your organization.

Ongoing evaluation is valuable because it allows you to see what's working and what's not and to make adjustments for the coming cycle. It also reinforces the value

of succession planning in case your organization starts slipping back into the old habit of replacement hiring.

What this means is that succession planning is never complete. With evaluation, review, and revisions, your system can keep getting better.

Getting It Done

After the plan is in place, your succession planning team and senior leadership should meet at least annually to review the plan.

You'll use the information from the informal reviews of the previous meetings, together with the checklist in this chapter, to evaluate your succession plan. Compare with the statistics of the previous years to gauge the impact of the program.

Update as needed to continue developing your program. Communicate successes to your organization to remind them that the career path is alive and well and waiting for them.

Frequently Asked Questions

What's Inside This Chapter

In this chapter, you'll learn

▶ The most common concerns about succession planning
▶ Potential pitfalls in succession plans
▶ Key messages of succession planning.

Does this program guarantee employees a promotion?

No. Succession planning creates a clear career path so that employees know what positions are available. They can also learn the knowledge, skills, and abilities required for those positions. This gives them a better opportunity for promotion because they will be able to focus their developmental efforts on those competencies that are needed for the position they want.

It will also allow managers to know what to look for in searching for future leaders in the organization. They'll be able to work with their direct reports and help groom them for future opportunities.

Those who are identified as potential successors for key positions are not guaranteed those positions because that ultimately depends upon their performance and abilities at the time the opening occurs. Instead, there may be a pool of potential candidates for the next level of management so that one person moving up does not discourage the others who were being considered for that position.

Why do current supervisors have the first opportunity to be developed for higher leadership levels?

Best practices use this approach to succession planning. Organizations use this top-down approach because it allows current supervisors to move to the next level one step at a time to remove the possibility of moving someone far above the level of their abilities. Moving a person too far up often means that he or she must succeed or leave. Developing employees in a more methodical manner means that they have the ability to move horizontally if the position proves to be out of the scope of their abilities.

It also means that those in the remaining levels have an opportunity to move to the next level to fill the promoted person's position.

Why is succession planning receiving so much emphasis now?

Various events have exposed the need for succession planning. Large companies have been left with holes in vital roles as the result of the baby-boomer generation moving into retirement age. Other traumatic events such as September 11 and Hurricane Katrina have left entire companies scrambling to fill multiple roles, exposing the need for more depth of workforce planning.

What do you mean by the scope of a succession plan?

The scope refers to the number of positions to be addressed by a succession plan. It will always include leadership levels; although for some organizations that will include CEO and department heads only, more organizations are finding it beneficial to
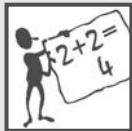
Basic Rule 12

Succession planning does not guarantee promotions and does not preclude anyone from advancing.

> # Think About This
>
> To accomplish my mission, I must have talented people in the right jobs with the right skills at the right time and in the right way.
>
> —*Janice Lachance, Director, U.S. Office of Personnel Management*

extend succession planning to include manager levels, supervisor levels, and positions in critical areas that will be involved in upcoming initiatives.

How are leadership levels different from organizational levels?

Leadership levels are not distinguished by an organization chart. They are instead assigned by the competencies that are required for the position. A division director and assistant division director must be able to perform the same duties, and so they might be considered as the same leadership level.

What if our organization doesn't have the resources to create formal training for succession planning?

Research has shown that formal training, although a valuable developmental tool, is not the predominant method used to prepare employees for succession opportunities. Other recommended methods of development include job shadowing, job rotations, key assignments, task force membership, and coaching and mentoring programs. Allowing employees to take on additional responsibilities offers not only growth opportunities but a way to observe how the employee handles the elevated role that will be required in the event he or she is selected for a leadership role.

What's the difference between succession planning and workforce planning?

Workforce planning aligns organizational structure to meet the goals of the strategic plan, vision, and mission of the company. Succession planning is a part of workforce planning. It focuses on key roles in the organization and the development of personnel to move into those roles as vacancies occur due to promotion, retirement, or exit from the organization.

How long will this succession planning initiative last?

This project is a long-term process. Succession planning should be viewed as an ongoing part of the organization. Although it may be put into place in the coming year in your organization, it will take years to develop employees for leadership levels. Also, changes in the marketplace, company goals, and available human resources will be cause for adjustments to the plan. Thus, the process never truly ends.

What is a top-down method of succession planning?

Top down refers to the method of creating succession planning for top levels of the organization first, such as the CEO and senior management. Then the process moves to the lower levels, including middle management, supervisors, and other key positions.

What if people are reluctant to share their knowledge?

It's not uncommon for employees to feel threatened by being asked to share their knowledge. The adage, "Knowledge is power," has created the false impression that knowledge only means power if you don't share it. Taking the time to reinforce the WIIFMs and using reward practices to recognize those who are going above and beyond to teach others are two methods you can use to encourage free sharing of information in your organization.

How do we recruit talent?

The existence of succession planning and career paths for potential employees can be a big incentive for them to join your organization. Recruitment of talent is everyone's responsibility, not just the human resources recruiting specialist. Your networking activities, associations, business dealings, and even establishments where you are the customer represent places where you can discover hidden talent.

What if there is no one in the organization to move up?

In this case, you will probably want to recruit from outside of the organization, but it also shows that you need to create more developmental opportunities for the competencies of that position to ensure internal depth for future similar openings.

Should we use outside personnel to coordinate this process?

Although it's not necessary to use outside personnel or consultants for this process, it is useful if you have political issues that might make it uncomfortable or unrealistic

for someone to perform this function for the group. It can also ensure an objective point of view. Additionally, a consultant or facilitator who is familiar with succession planning can expedite the steps of development.

Does this mean an employee can't move up unless he or she is identified as a leadership candidate?

The succession planning process is not meant to keep employees from advancing. It is a method to identify those who have the basic abilities needed for positions and help them develop. It should be communicated that anyone can apply for openings, and participation in leadership development activities is one of the factors that will increase their chances for a key position appointment.

What if there is no place for a person to move up to?

Succession planning is not just about upward movement. Many organizations are discovering that employees will accept lateral moves to be able to learn new responsibilities that they might otherwise seek outside the company. This can be a win-win situation. The employee gets new and interesting challenges, and the organization gets a well-rounded employee who understands the big picture. This makes that employee an even better leadership candidate in the future.

What if a person moves up and can't perform the responsibilities of the key position?

We can first try to avoid this occurrence by realizing that success at one level doesn't always include the competencies that will guarantee success at the next level. If this does occur, demotion (or *inverse promotion* as it is called in some companies) can be the right thing to do. It's also the tough thing to do, but reminding the employee of how successful he or she was at the lower level may help soothe a bruised ego. To aid in this process, it is best if the employee is transferred to a different unit, not just back into the one from which he or she came.

When is it appropriate to go outside the organization to fill key positions?

When there is no one with the competencies needed for a key position or it includes technical skills that are specialized and not available in the organization, you might opt to interview external candidates. If you try to fit someone from the company

who is not qualified or prepared for the position, you are setting him or her up for failure and may find yourself looking for two replacements instead of one. This is also an opportunity to identify others in the organization who would like to acquire these skills and begin developing them so that the next time this specialized area of talent is needed, you'll have a talent pool ready.

What are some of the key messages that should be communicated to get buy-in?

- ▶ Succession planning is about developing employees so that they are in the talent pools for key positions. It's not about eliminating other employees' prospects of advancement.
- ▶ Succession planning extends to many levels of the organization, not just senior management.
- ▶ Employees play an active role in this process by identifying their career interests, and participating in development activities.
- ▶ Succession planning is a priority among senior management.
- ▶ This program creates a better appreciation of the talents of employees by their managers.
- ▶ Succession planning ensures that valuable knowledge about the organization is shared to make the workplace more effective and open.
- ▶ Succession planning is a benefit to both the company and the employee as an individual because it creates qualified leadership candidates and develops the professional skills of employees.
- ▶ It allows the organization to be more organized and experience less disruption during transitions, and creates a more profitable bottom line that helps the company, employees, and customers.

If an organization can't implement a full succession planning process, what should it do?

Succession planning does not have to be an all-or-nothing strategy. Implementing concepts of this program can have an immediate effect on the knowledge management in an organization.

Organizations that don't have the resources to do full succession planning could benefit from identifying key competencies that are useful to their leadership. Another
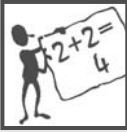
Basic Rule 13
Succession planning is not an all-or-nothing concept.

useful area from which to start practicing succession management elements would be to implement some of the knowledge transfer strategies listed in chapter 7. The organization also might consider putting a pilot program into place for a few selected positions.

Should a succession plan remain constant for longer than five years?

Ideally, you should review your succession plan at least once a year to adjust it in light of any organizational changes, restructures, and marketplace or technology changes that affect the organization. The competencies needed for positions will change as the tools and resources used by those positions go through transitions.

Can associations and not-for-profits benefit from succession planning?

Associations go through successions every year. The new presidents come in and, if there is not a long-range plan in place, they create their own. Therefore, every year the organization and competencies needed can take an entirely new direction. Is that effective? No. It means there is no continuity of efforts. It means that all of the lessons learned in the previous year are lost in the following year. Therefore, it is critical that succession planning for associations be linked into strategic planning.

Think About This

Informal succession planning can be effective until a formal process can be addressed. As long as core leadership drives this initiative, whether formal or informal, it can be effective. —*Alex J. Seltzer*

Think About This

I believe that no matter what the organization structure (private, public, government, profit or not-for-profit), succession planning is crucial to organizational success in the future because of the aging workforce, changing technologies, and global competition.

—Annette I. Bookter

Isn't succession planning something our human resources department should do?

Succession planning is not a job for the human resources department alone. It is a job for the entire organization. It has to start with a commitment from the top level of the organization or success is improbable. It also must include input from as many resources as possible to ensure that the list of competencies for key positions is as complete as possible.

Is succession planning only for executives?

Whereas succession planning used to deal exclusively with the top levels of the organization, now it needs to address leadership at every level in the organization and therefore it needs everyone's involvement. It's a protection against the glass ceiling. Quite often there are employees who've moved to a level of leadership and there is no further level for them to move up to. The frustration is often enough to have them looking for jobs elsewhere.

Noted

Many challenges have been encountered by organizations that have placed the total responsibility of succession planning on HR departments. These challenges have included a lack of focus on strategic business initiatives, a fixed rather than flexible process, and the lack of ownership by managers in identifying issues and developing potential solutions.

How do I define the needs of my organization?

People often talk about the scope of their succession plan. This is simply determining how many levels of leadership you want to include in your succession planning. Although earlier succession plans were just for the CEO, does yours need to be expanded for managers also? Perhaps supervisors in key areas should also be included. It will include the levels of your organization that hold key knowledge, key tasks, and skills that are vital to the operation of the organization. In other words, if the person in that position today were not there tomorrow, would the entire organization suffer? That question determines the need for your organization.

How do I communicate this plan to my organization?

How you communicate your succession planning efforts can help those efforts move forward or ensure sabotage by the employees of your company. If you enter into this program as though trying to decide which positions are no longer needed or trying to reorganize—which most employees see as downsizing—you are ensuring failure of the program. Open communication, often called transparent, means that you should allow input from your employees and keep them regularly updated on the positions available to them and what they need to develop to achieve their goals in the organization.

Summary

This chapter has summarized some of the most frequently asked questions about succession planning, but you'll have different ones as you go through the process. That's why networking, benchmarking, and constant learning need to be your partners for this process. The good news is that every succession planning success story is one from which you can get ideas and solutions for your plan.

Getting It Done

You might want to create your own FAQ list and post it on bulletin boards or intranet for those who want more information about succession planning. This list also serves as background information for presentations to departments.

The Big Picture

What's Inside This Chapter

In this chapter, you'll learn

▶ Best practices of succession planning

▶ Variations in succession plans.

Think About This

Succession planning, leading change effectively, long-term strategic planning, and reinventing your company even though you are not in crisis are only done by the very best, most astute leaders of organizations. They are the lonely few who truly take a longer-term, more holistic, and systemic view. —*Joyce Friel*

Creating Success in Your Succession Plan

Firms that have been recognized as *best practice organizations* have offered the following recommendations for creating success in your succession plans:

▶ Best practice organizations develop methods of assessment to monitor the succession planning process. These methods vary according to business goals and company culture.

▶ Keep the process simple. A complicated and involved process may look impressive, but it may be too burdensome to execute and maintain.

▶ The organizations with successful programs used a core set of competencies to establish a standard of comparison for assessment.

▶ Use technology to support the process. Technology makes it possible to monitor and update development needs and activities in a timely manner.

▶ Align succession management with overall business strategies. You'll get buy-in from your executives and managers more readily if they can see how it supports the bottom line.

▶ In best practice organizations, the human resources department is responsible for managing the processes and tools, whereas the business or line units are responsible for using the system to manage their own staffing needs.

▶ Ensure that you have the support of senior management. Their endorsement and support will make the difference in the success of the plan.

▶ Organizations emphasized the importance of individualized development plans for each employee, and the human resources department created the opportunities for employees to participate in the development activities. In most organizations, HR also monitored and tracked employee participation in these activities.

▶ Best practice organizations used a variety of knowledge transfer methods instead of relying solely on classroom training for employee development.

▶ Although many best practice organizations had factors in common, there were also some areas of individuality. Some companies felt that the process should be semi-transparent, choosing not to tell high-potential candidates of their designation to avoid raising expectations, yet others thought that the process should be completely transparent to keep qualified employees from looking elsewhere for advancement opportunities. They also differed in the amount of technology used, the number of core competencies that were

identified, the size of talent pools, the scope of their plans, and many other factors. Succession planning programs are not universal, but they are elastic. In fact, many of the best practice organizations failed in their first attempts at succession planning until they determined the system that worked best for them. And the evaluation and adjustments are ongoing continually. As long as there are changes in the organization, its strategic initiatives, its employees, and the marketplace, there will need to be corresponding adjustments to the organization's succession plan.

Think About This

Succession planning allows us to realize all that we can be. Without it, any planning we do is defined by the limits of our current knowledge. Succession planning helps us look at the end result and determine what we need to do to get there.

—*Pat Green Smith*

Summary

This chapter examined best practices of organizations that are currently applying the principles of succession planning. It looked at the specific ways they have addressed challenges and the criteria they all share.

As you implement your plan, remember that there are numerous areas for growth, including technology, improved assessment methods, and even the chance to expand your efforts into the larger concept of workforce planning, where you'll create career paths for everyone who joins your organization. And that's one of the exciting things about succession planning. It's just the beginning of a better workplace for your organization and every individual in it.

Getting It Done

As you go through the process of succession planning, refer to this list of best practices to help you learn from others' experiences. And as your organization experiences successes, share your information with us so that we can continue to learn from each other because true success in succession planning means that it never stops getting better.

Glossary of Succession Planning Concepts

360-Degree Interviews. A tool that gives employees feedback on their performance from different levels of the organization, including supervisors, peers, direct reports, co-workers, and customers.

Acting (Interim) Assignment. When a position is vacant and its duties are vital to the operation of the organization, a permanent employee may be temporarily assigned to perform those duties.

Career Path or Career Map. A predefined set of jobs or positions through which an employee might progress to achieve a desired level in the organization.

Competency. The knowledge, skills, abilities, and behaviors that contribute to successful performance in a particular position or occupational level.

Competency Assessment. The process of developing a set of competencies that are aligned with an organization's mission, vision, and strategic goals based on a standard set by top performers.

Cross-Training. Instructing employees on the skills and responsibilities of another position in the organization to increase their effectiveness.

Demand Analysis. The future workforce profile of staffing levels and competencies needed to meet those future requirements.

Experiential Training. The development method of learning through experience, either in a real situation, such as a workplace, or in role play.

Explicit Knowledge. Knowledge of company procedures and processes that can be tracked in manuals, directories, and other references.

Full-Time Equivalent (FTE). A measurement equal to one staff person working a full-time work schedule for one year.

Gap Analysis. In succession planning, a gap analysis uses a Supply Analysis and a Demand Analysis to identify the situations where current workforce and future needs are not well-matched.

Individual Development Plan (IDP). A document that includes an assessment of an employee's current skills and an outline of how the employee will develop the knowledge, skills, and abilities to meet changing needs of the organization and to achieve future career goals.

Job Description. A written document that describes the duties, responsibilities, required qualifications, and reporting relationships of a particular job or position.

Job Shadowing. The practice of observing the daily activities of a person performing his or her job.

Job Sharing. A structure in which two part-time employees share the functions and responsibilities of a single position, so that together they complete a full-time job.

Key Position. An employee who provides a service that is critical to the organization's mission and performance.

Knowledge Management. The range of practices used by organizations to identify, create, represent, and distribute knowledge for use across the organization.

Knowledge Transfer. Methods of sharing knowledge accumulated by current personnel. These methods may include strategies such as mentoring, training programs, internships, cross-training, on-the-job training, and documentation.

Knowledge, Skills, and Abilities (KSA). Knowledge, skills, and abilities required to perform a job. Knowledge refers to an understanding of the facts and principles relating to a subject area; skill is the application of that knowledge; and ability is the capacity to perform that action. Sometimes the term is used interchangeably with similar terms, such as competencies and quality ranking factors.

Learning Organization. A business or association that continually seeks new information and uses that information in its development and growth.

Mentor. A person of high standing in an organization who takes on the role of guiding and providing an example to an employee.

Mission Statement. A description of the precise reason that the organization is in business.

On-the-Job Training (OJT). A structured program that allows an employee to learn the skills for a position.

Organizational Culture. The shared set of values and practices that characterizes an organization and is expected to be reflected in its employees' behavior.

Recruitment. The process of identifying potential employees and encouraging them to apply for job openings.

Retention. Strategies to meet employees' needs in the workplace to encourage employees to remain with an organization, reducing turnover rate.

Skill Set. A group of knowledge, skills, and abilities that are necessary for the proficient performance of a particular function.

Stakeholders. The end-users or clients who will influence the design and, ultimately, reap the benefits of your completed project.

Strategic Plan. A document that sets organizational direction and measurable program objectives.

Strength, Weakness, Opportunity, Threat (SWOT) Analysis. A review of the organization, usually performed by senior leadership, that outlines the strengths and weaknesses of the organization, as well as opportunities that exist with current changes in factors, such as the marketplace and technology, and external threats that could challenge the success of the business.

Subject Matter Expert (SME). An individual who is an authority on a specific subject area.

Succession Planning. A process designed to ensure that individuals are recruited and developed to fill key roles in the organization.

Supply Analysis. The current and future composition of the workforce and workload, which takes into consideration the organization's workforce, workload, and competencies as integrated elements.

Tacit Knowledge. This form of knowledge is estimated to make up 80 to 85 percent of an organization's knowledge assets. Tacit knowledge is composed of people's insight, judgment, and know-how, which requires more interpersonal training methods, such as coaching and mentoring.

Transfer of Training. This refers to the application of skills and information learned in training to actual job performance.

Values. These traits or qualities represent an individual's or an organization's highest priorities.

Vision. This is a statement of what the organization wants to become.

Workforce Planning. The process of analyzing the current workforce, identifying future workforce needs, and developing solutions to address the gaps that exist between those two.

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Recipient of the 2006 Outstanding Adjunct Faculty Award at Baton Rouge Community College, Atwood's background includes radio personality, television host and anchor, and newspaper and magazine columnist. She has also served as executive director for state associations, editor/publisher of various trade and professional magazines, and CEO of The Communications Workshop, Inc.

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