

PLANNING FOR THE FUTURE: SUCCESSION MANAGEMENT WHAT, WHY & HOW

WHAT?

Traditionally, succession planning has focused only on the senior positions in an organization intending to mitigate risks that arise from an unanticipated vacancy. Centering on identifying and preparing for “who’s ready next”, succession planning has aimed to ensure seamless leadership transitions for optimal business continuity with a rather narrow focus.

Succession management (notice the purposeful change from “planning” to “management”) is a holistic approach to building the long-term capability of your talent to deliver on the strategy in support of the organizational vision. It captures the identification, development, and retention of a strong talent pipeline for your organization, taking into account a diverse range of internal and external factors and influences. This broader approach aims to create an integrated talent solution that helps to mitigate bias from the process, focus on a broader pool of talent, and ground development planning in feedback that is objective and actionable. It also emphasizes accountability at all levels and incents and recognizes leaders who actively develop others for future leadership roles. Succession management is an ongoing process that enhances the overall quality of talent review conversations rather than an isolated event.

WHY?

Economic and social trends have a substantial impact on the succession management needs of organizations today.

- The upcoming tenure of top executives at privately-owned companies and not-for-profit organizations necessitates steady leadership transitions. Responsible succession management is one way that organizations can demonstrate proactive, thoughtful, and inclusive people strategies that can withstand the disruption already present in the marketplace.

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- Competitive market pressures are putting new demands on leaders and the leadership capabilities that must be flexed and consistently demonstrated to remain viable.
 - Service organizations are pivoting their program diversity and client base to respond to societal and demographic needs, as well as the availability of government, private and public grants and funding. These shifts in focus require leaders who understand and embrace the changes ahead.
 - An aging workforce, coupled with evolving expectations of newer entrants to the job market, requires new approaches to leadership and employee well-being. Shifts in organizational culture and the relationship companies have with their employees, demands changes in how leaders lead.
 - Public expectations of government are evolving. Accountability, humility, and transparency in leadership are essential factors to be considered in any succession approach being undertaken.

All these factors are important reasons why organizations looking to remain profitable and sustainable for years to come must invest now in broad and inclusive succession management practices.

HOW?

The first step in a thoughtful succession management approach is to achieve **clarity** on what is important for the organization's success in the long-term. Often, specific individuals are top of mind or being groomed for key leadership roles, without much thought given to what success looks like now and well into the future for the organization. Clarifying success measures can include the following:

- What does high performance look like today versus five years from now, and what new or flexed leadership competencies will enable real success?
- How diverse is the broader team? Where is the team over-or-under represented in terms of knowledge, style, experience, background, etc.?
- What is necessitating the succession efforts underway, outside of the obvious internal factors at play?

Answers to these questions will help bring **clarity** to the success criteria for your succession management investment, as well as shed additional light on whether focusing on internal talent alone is indeed the best approach.

Diagnosing the current talent pool comes next, to **identify** the overall health of the talent pipeline. For each role it is important to build a 'success profile' which considers:

- Competencies (What behaviours do I prefer)
- Knowledge/Skills (What I know)
- Experience (What I have done)
- Personal traits/motivation (Who I am and what I want)

Each organization has its method for the identification of high potential talent. Some use a 9-box model, for example, some leverage competency models, and others use high potential factors. Another tool that can greatly assist organizations in diagnosing their current, and prospective, talent pool is SuccessFinder. SuccessFinder is a data-driven assessment tool that is naturally unbiased and provides objective data about your leadership talent behaviours. Talent analytics and the predictive nature of the tool can help to inform the organization where critical leadership gaps exist and lead them to other methods of satisfying succession needs, such as external talent searches.

Assessment of key individuals can include a blend of SuccessFinder insights mentioned above and 360-degree feedback. This process reveals current talent profiles, uncovers hidden talent, and determines development needs. Data analytics help to compare identified talent with their predictability of success in key leadership roles. In addition, pairing these sorts of assessments with subjective data coming out of performance reviews, help leaders bridge the gap between behaviour, individual potential, strengths, areas for development, and perception in order to enhance an individual's sense of self-awareness.

Once the assessment is complete and data has been analyzed, it is of the utmost importance to put development actions in place to accelerate **growth** towards future roles and responsibilities. The diagnostic must be followed by a strong "prescription": powerful development actions.

The purpose of the development phase is to build a high-impact plan that will accelerate development by considering both organizational and individual priorities. The process includes assessing priorities for development, establishing a deeper dialogue between the leader and individual employee to create actionable and measurable career plans and, where appropriate, incorporate plans into internal people systems.

Most of the time at the executive level, the development solutions will be individualized. Occasionally, we find that a group of high potential leaders may have common development needs; in these situations, we recommend group solutions to address common needs and maximize the effectiveness of the development outcomes. In both cases, the emphasis is placed on the development of new habits and competencies via learning through experience. While all forms of learning are important, experience-based on-the-job learning should be emphasized, followed by exposure to new people and ideas, and formal learning where and when appropriate.

Ideally, development plans in an organization focused on holistic succession management do not live in isolation between the leader and employee. Organizations that regularly share development plans and progress also share the accountability for supporting that individual's success. Sponsorship and cross-business exposure are just two examples of how a broader approach to developing key talent can meet both individual and organizational needs.

Sustainment is just as critical as the other elements of succession management described above. This includes examining progress against development objectives and surfacing potential talent risks. A holistic view here not only provides analytics and trends around competency growth and gaps but may also provide insight into engagement and retention risks for top talent such as pay equity issues or unintentional, but systemic, biases. A proactive organization can leverage these insights and take action to ensure that controllable processes and practices all work together to ensure their talent pipeline is robust, ready, and rewarded for the challenges ahead.

For more information on how a robust succession management approach can serve your organization today and well into the future, please reach out to Steve Brierly, Vice President, Leadership, Assessment + Development (sbrierly@optimumtalent.com).

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