



## How Well Does Your Company Plan and Manage Succession?



***Is your company world-class or worst-class in planning and managing its talent resources?***

*Use the scale below to measure how well it is doing.*

***By Nancy L. Clark***

The inevitable exodus of the baby boomers has created a heightened awareness for succession planning throughout the corporate world. Despite the predictability of massive retirements, there is an ongoing shock and awe heard around the virtual water cooler—“*Did you hear Frank is retiring next month; what a surprise! Who will replace him? I don’t know anyone who is prepared to take his position.*” How can that possibly be a surprise? Frank has 30 years with the company, a 401(k) that is regaining strength; he now qualifies for Social Security, and reaches Medicare age in 18 months. Duh ... do you think he might retire?

To compound the situation, the corporate world is getting the pressure from the other end as well. Take Joanie; a high potential, real go-getter. She joined the company four years ago and just completed an MBA program. She is always asking for projects and regularly throws her hat into the ring for new positions. “*I just can’t understand it ... Joanie just accepted a job with one of our competitors. Why do think she is leaving?*” Maybe because the leadership pipeline is blocked or no one is communicating the great plans you have for Joanie. Gen X’ers, etc. are not patient and expect more; and, they don’t feel company loyalty as did prior generations.

Consequently, leaders are scrambling to plan and build successors. That is the good news. The bad news is that succession is more than a plan. It is a new way of thinking about talent management and requires a culture change few companies understand.

How well is your company planning and executing its talent resources? Below is a high-level continuum that will help you grade how it’s doing on planning, creating the right culture, and actually executing the plan. Some companies may be strong on planning, yet weak on changing the culture, etc. Use the award points to determine the total for your company:

Leadership Dynamics Succession Continuum™

	<b>Plan</b>	<b>Culture</b>	<b>Execute</b>
<b>Level 5</b>  <b>World-Class</b>	<i>Award: 20 points</i>  <ul style="list-style-type: none"> <li>• Succession is key element of strategic planning</li> <li>• Strategic plan drives recruiting, career development, leadership development, and succession plans</li> <li>• Succession plans identify all key positions with who is ready now, ready in 12 months, ready in 24 months, etc.</li> <li>• Readiness plans are developed for successors</li> </ul>	<i>Award: 20 points</i>  <ul style="list-style-type: none"> <li>• Executive Leadership owns and actively manages plans</li> <li>• All leaders and managers are involved in identifying and developing successors</li> <li>• Plans are regularly and consistently communicated</li> <li>• The organization considers stewardship and succession important and a key measure for success</li> <li>• Coaching and developing others to assume positions is an honor not a burden</li> </ul>	<i>Award: 20 points</i>  <ul style="list-style-type: none"> <li>• Very rarely if ever is there a succession “surprise”</li> <li>• Career and leadership plans are integrated with succession plans and strategic needs</li> <li>• Organization is constantly upgrading skills and recruiting employees for future need</li> <li>• Rarely does the company need to recruit externally due to an emergency situation since employees are brought in advance</li> </ul>
<b>Level 4</b>	<i>Award: 15 points</i>  <ul style="list-style-type: none"> <li>• Strategic plan is beginning to consider recruiting, career development, leadership development, and succession plans</li> <li>• -Succession plans identify critical positions and possible candidates</li> </ul>	<i>Award: 15 points</i>  <ul style="list-style-type: none"> <li>• HR owns and manages process with active Executive Leadership involvement</li> <li>• Upper management is involved in identifying and developing successors</li> <li>• Plans are reviewed and communicated as needed</li> <li>• Key leaders are promoting the importance of stewardship and succession planning</li> <li>• Coaching and developing others is highly encouraged</li> </ul>	<i>Award: 15 points</i>  <ul style="list-style-type: none"> <li>• Occasional succession “surprises” occur</li> <li>• Career and leadership plans are beginning to be integrated with succession plans and strategic needs</li> <li>• Some key areas are working to upgrade skills and recruit employees for future need</li> <li>• Occasionally the company recruits externally due to an emergency situation</li> </ul>
<b>Level 3</b>	<i>Award: 10 points</i>  <ul style="list-style-type: none"> <li>• Strategic plan is developed with little or no integration with recruiting, career development, leadership development, and succession plans</li> <li>• Succession plans identify only a few select positions and possible candidates</li> </ul>	<i>Award: 10 points</i>  <ul style="list-style-type: none"> <li>• HR owns and manages the process with limited Executive Leadership involvement</li> <li>• Upper management is relatively disconnected from the process</li> <li>• No formal plan review or communication occurs</li> <li>• HR considers succession planning just one of many administrative tasks</li> <li>• Coaching and developing others is assumed only by individuals who have the passion</li> </ul>	<i>Award: 10 points</i>  <ul style="list-style-type: none"> <li>• Frequent succession “surprises” occur</li> <li>• Career and leadership plans are rarely integrated with succession plans and strategic needs</li> <li>• Little emphasis is placed on working to upgrade skills and recruit employees for future need</li> <li>• Regularly the company recruits externally due to an emergency situation</li> </ul>

<p><b>Level 2</b></p>	<p><i>Award: 5 points</i></p> <ul style="list-style-type: none"> <li>• Strategic plan is developed independently; no or little tie to recruiting, career development, leadership development, and succession plans</li> <li>• Succession plans are reactive and are not carried forward once the crisis has past</li> </ul>	<p><i>Award: 5 points</i></p> <ul style="list-style-type: none"> <li>• HR or other manager provides limited planning</li> <li>• Upper management is not involved until an emergency occurs</li> <li>• No formal or informal plan review or communication occurs</li> <li>• HR reacts when necessary</li> <li>• Little value is placed upon coaching and developing others</li> </ul>	<p><i>Award: 5 points</i></p> <ul style="list-style-type: none"> <li>• Most all retirements, etc. are “surprises”</li> <li>• Career and leadership plans are not integrated with succession plans and strategic needs</li> <li>• No value is placed on working to upgrade skills and recruit employees for future need</li> <li>• The company almost exclusively recruits externally due to an emergency situation</li> </ul>
<p><b>Level 1</b>  <b>Worst-Class</b></p>	<p><i>Award: 0 points</i></p> <ul style="list-style-type: none"> <li>• Strategic planning is limited or considered an exercise with little integration into operations; no connection is made to recruiting, career development, leadership development, and succession plans</li> <li>• No formal succession plans are developed; everything is a fire drill.</li> </ul>	<p><i>Award: 0 points</i></p> <ul style="list-style-type: none"> <li>• No clear owner; HR manages “one off” plans</li> <li>• Upper management is not involved and delegates completely to HR</li> <li>• No formal or informal plans exist; no communication occurs</li> <li>• HR avoids responsibility</li> <li>• No value is placed upon coaching and developing others</li> </ul>	<p><i>Award: 0 points</i></p> <ul style="list-style-type: none"> <li>• All retirements, etc. are “surprises”</li> <li>• No succession plans are created or utilized</li> <li>• No value or effort is made to upgrade skills and recruit employees for future need</li> <li>• The company shifts into fire drill mode, placing any warm body in the position whether internal or external</li> </ul>

How did your company fare? If you rated:

- **60 - 55 Points:** Congratulations! Your company is world-class; it is a model for others.
- **54 - 40 Points:** Your company is getting close; keep up the good work.
- **39 - 25 Points:** Your company has work to do; it needs to place more emphasis and effort on succession planning, etc.
- **24 - 0 Points:** Your company is in trouble; its future is at risk. Get help soon!

It takes a dedicated and forward-thinking leadership team to allocate the time and to develop a succession culture. Unfortunately, many companies don't make succession planning a priority until it is an emergency. That is not the time to plan - instead that is the time to execute the plan. If your company is not doing it, now is the time to start.

I am interested in reading your comments on how your company rated and why you think it did well or not.