ADAPT OR BECOME OBSOLETE:
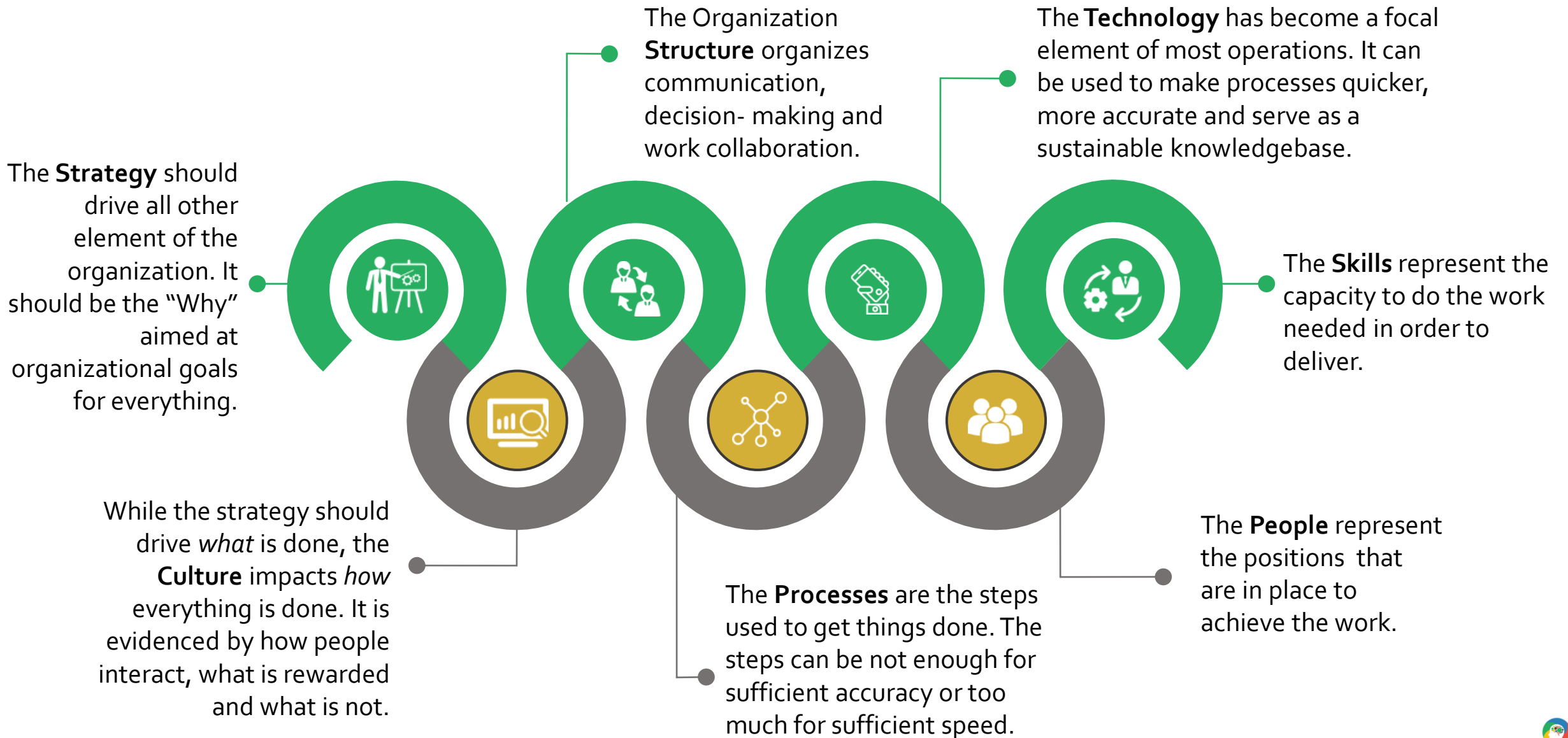
SUCCESSION PLANNING FOR MODERN TIMES

HCI

Lepora Flournoy, PhD,
SHRM- SCP, Prosci, CCL, SSBB, CSM, PMP

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Organizational Analysis Model

The Organization **Structure** organizes communication, decision-making and work collaboration.

The **Technology** has become a focal element of most operations. It can be used to make processes quicker, more accurate and serve as a sustainable knowledgebase.

The **Strategy** should drive all other element of the organization. It should be the "Why" aimed at organizational goals for everything.

The **Skills** represent the capacity to do the work needed in order to deliver.

While the strategy should drive *what* is done, the **Culture** impacts *how* everything is done. It is evidenced by how people interact, what is rewarded and what is not.

The **People** represent the positions that are in place to achieve the work.

The **Processes** are the steps used to get things done. The steps can be not enough for sufficient accuracy or too much for sufficient speed.

Learning Goals

To know how to **keep** your best and brightest stars through development and succession planning

To **integrate** Succession Planning seamlessly with other areas of Talent Management

To **develop** leaders for tomorrow

To **challenge** leaders to **examine** their succession planning, overall

To **understand** the trending direction of Succession Planning in order to **compete** for leadership talent effectively
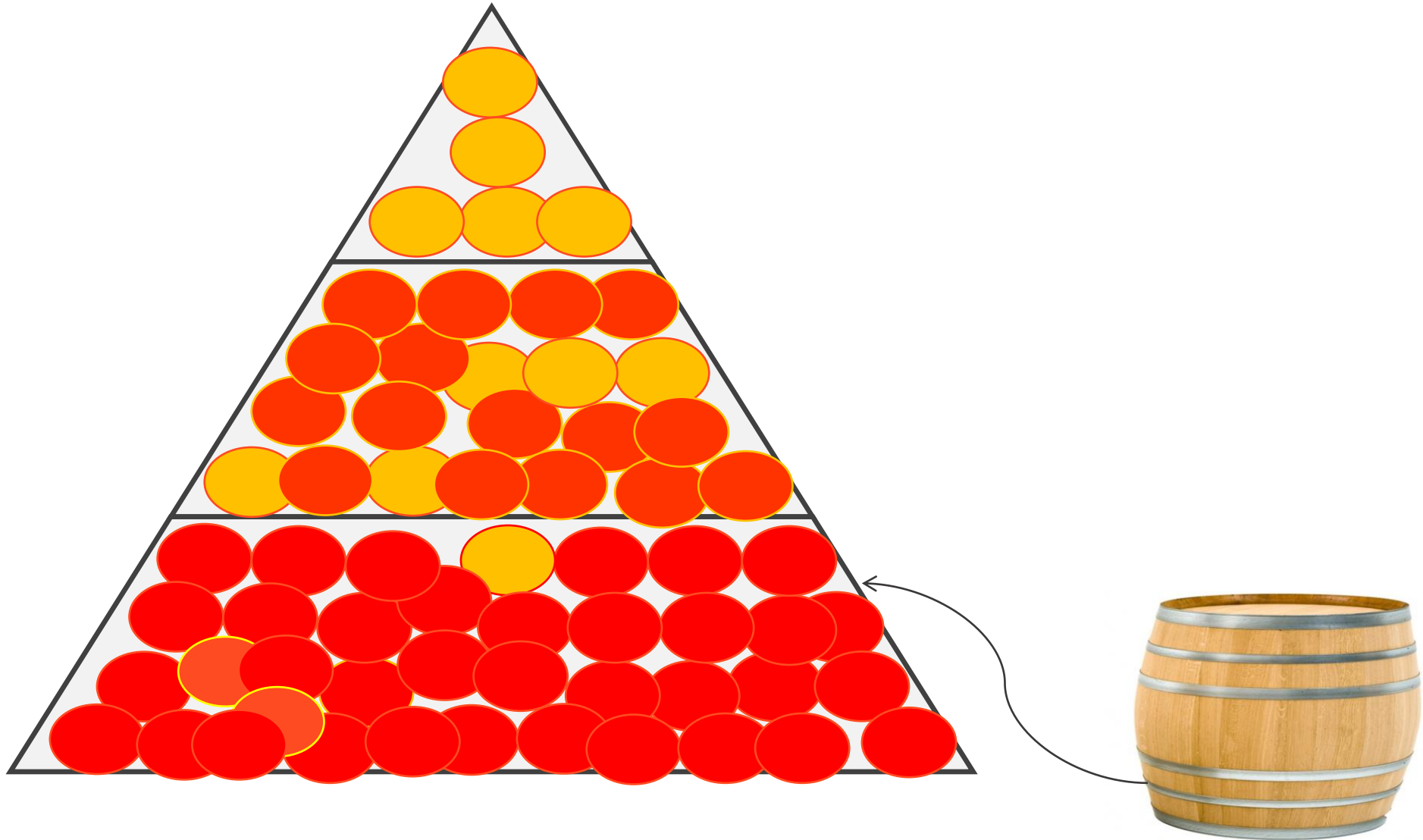
What Looks like the Ideal Picture...

often is not...

Unexpected Attrition

Overestimated Supply

Ignored, so not ready
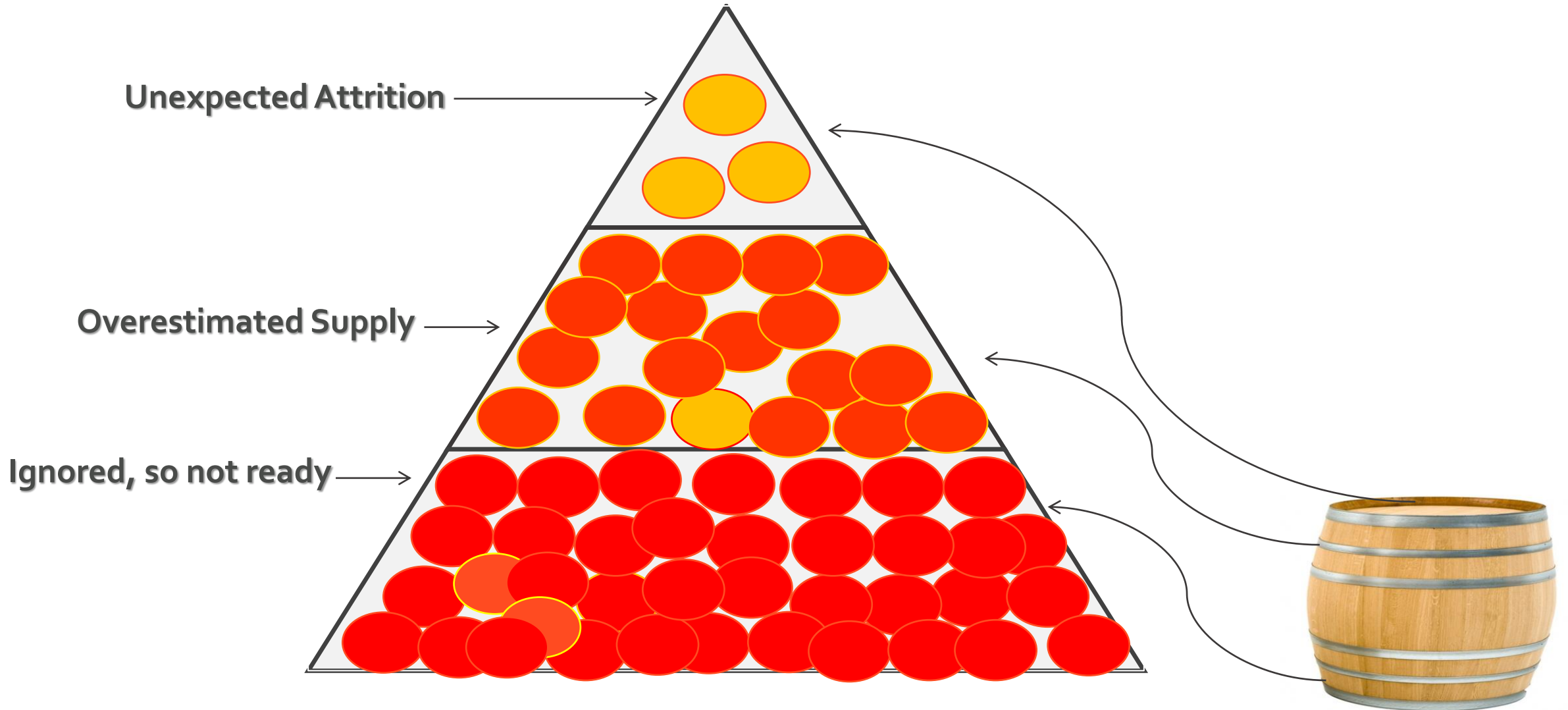
Are You Experiencing Difficulty Maintaining a Healthy Pipeline? What Are the Challenges?

Why the Urgency?

10,000
Baby
Boomers
Turn 65
everyday

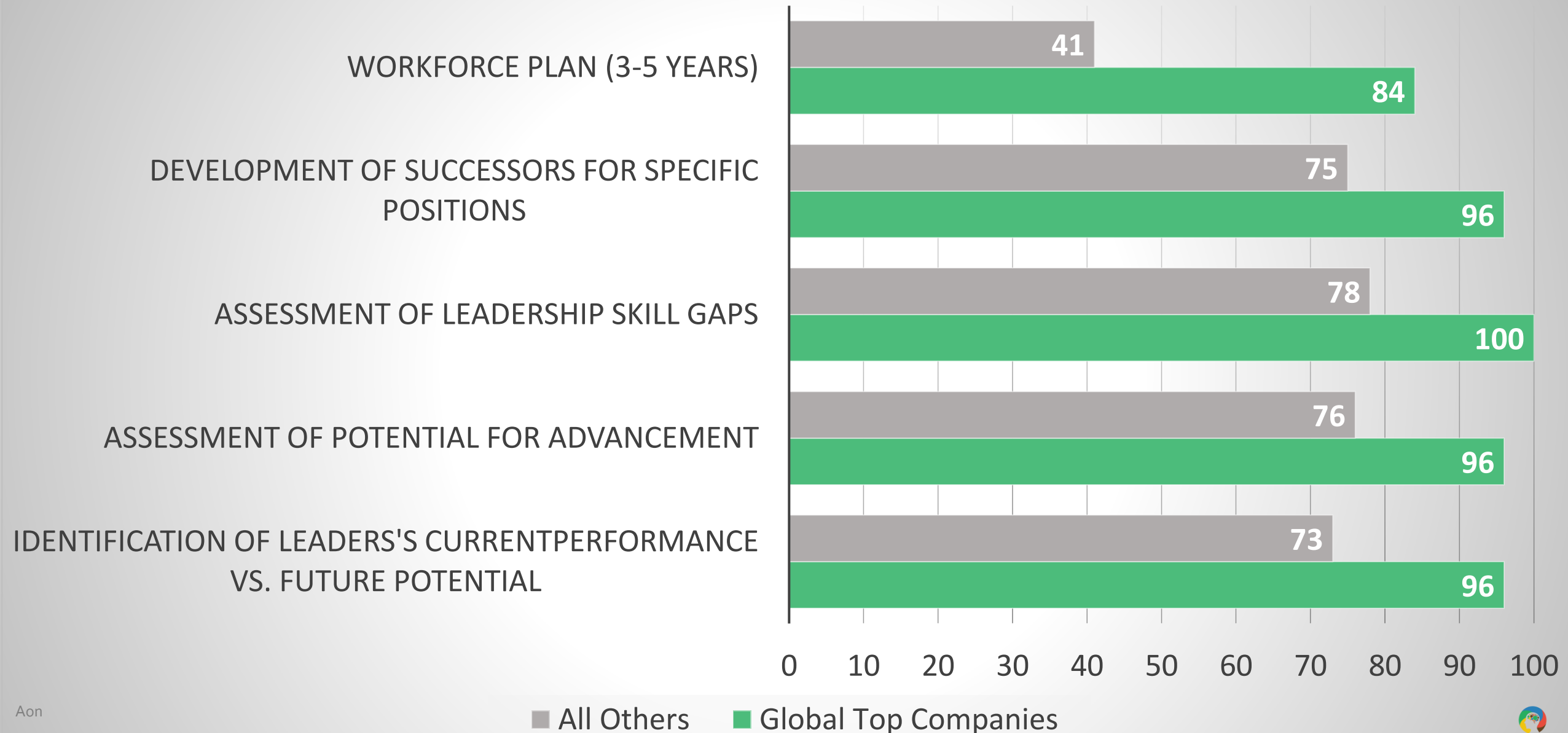CEO Average Tenure has decreased from 10 to 4.9 years since 2000

GLOBAL SKILL SHORTAGE

36%
of
U.S & North
American
Companies

34%
of
Companies
in EMEA

29%
of
Companies
in Asia
Pacific

78 million Baby Boomers left the workforce in 2020. This was an increase of 3.2 million from 2019.

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Global Top Companies are Serious About Succession Planning

Category	All Others	Global Top Companies
WORKFORCE PLAN (3-5 YEARS)	41	84
DEVELOPMENT OF SUCCESSORS FOR SPECIFIC POSITIONS	75	96
ASSESSMENT OF LEADERSHIP SKILL GAPS	78	100
ASSESSMENT OF POTENTIAL FOR ADVANCEMENT	76	96
IDENTIFICATION OF LEADERS'S CURRENTPERFORMANCE VS. FUTURE POTENTIAL	73	96

All Others ■ Global Top Companies

Aon

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Are You Experiencing Pain in Your Succession Planning Process?

4.

3.

2.

1.

Not Enough Ready Now Talent

Confusion about Potential vs. Performance

Too much bought vs. built

Lack of Diversity

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A Major Component of the Business Strategy

Past

PRACTICES

Present

Next

- Limited to the CEO

- CEO & SLT
- Long-Term Business Strategy

- Select, *develop, assess, reward and retain leaders* who have competencies to deliver the **short & long- term** Business Strategy
- Make Succession Planning a **key** business strategic priority
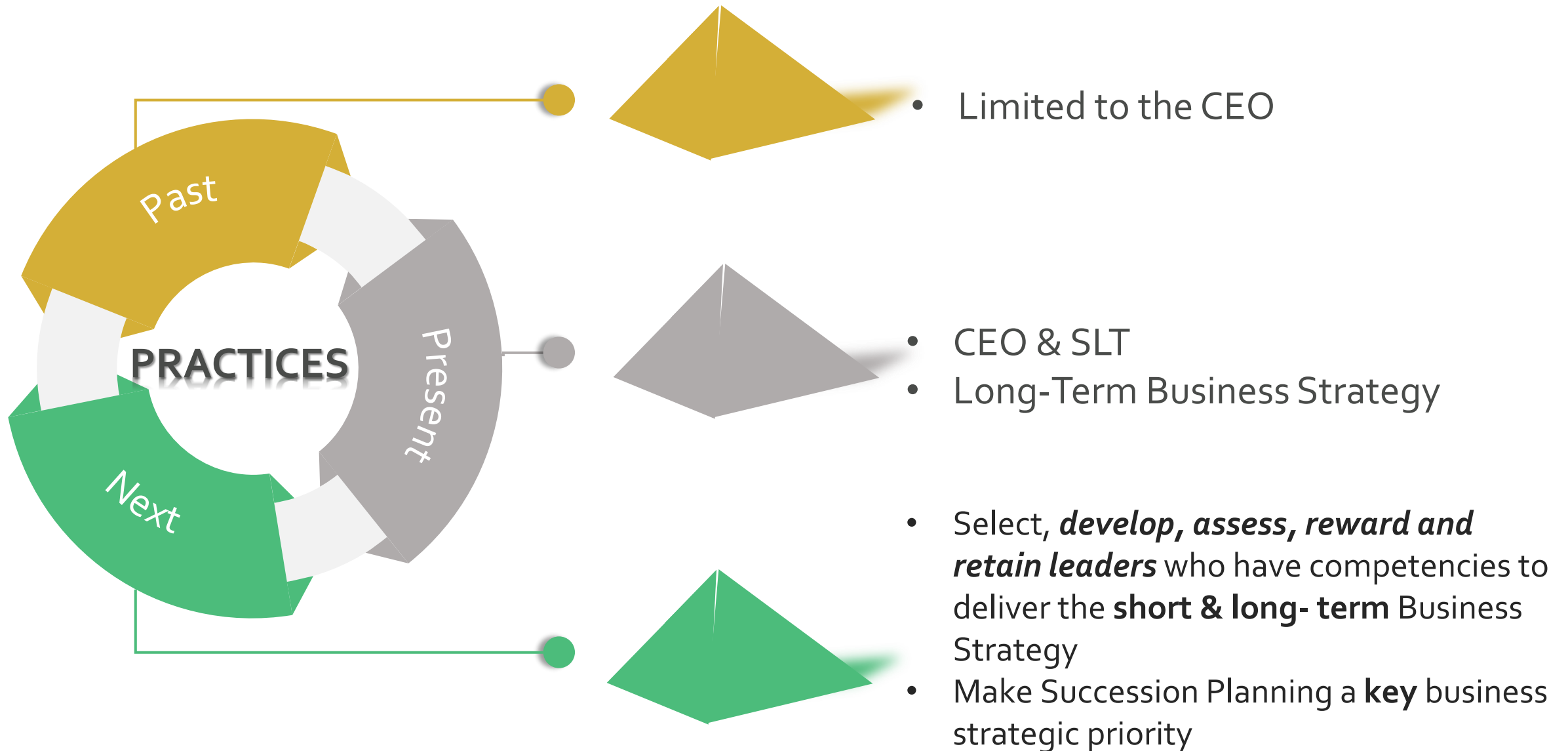
Practices are more linked to Business Strategy among Global High Performing Companies...

Chart comparing "All Others" (grey) vs "Global Top Performing Companies" (green):

Practice	All Others	Global Top Performing Companies
SELECTING LEADERS FROM WITHIN YOUR ORGANIZATION	41	72
ASSESSING LEADERS	42	76
DEVELOPING LEADERS	42	80
REWARDING LEADERS	42	84
RETAINING LEADERS	36	68

Legend: ■ All Others ■ Global Top Performing Companies

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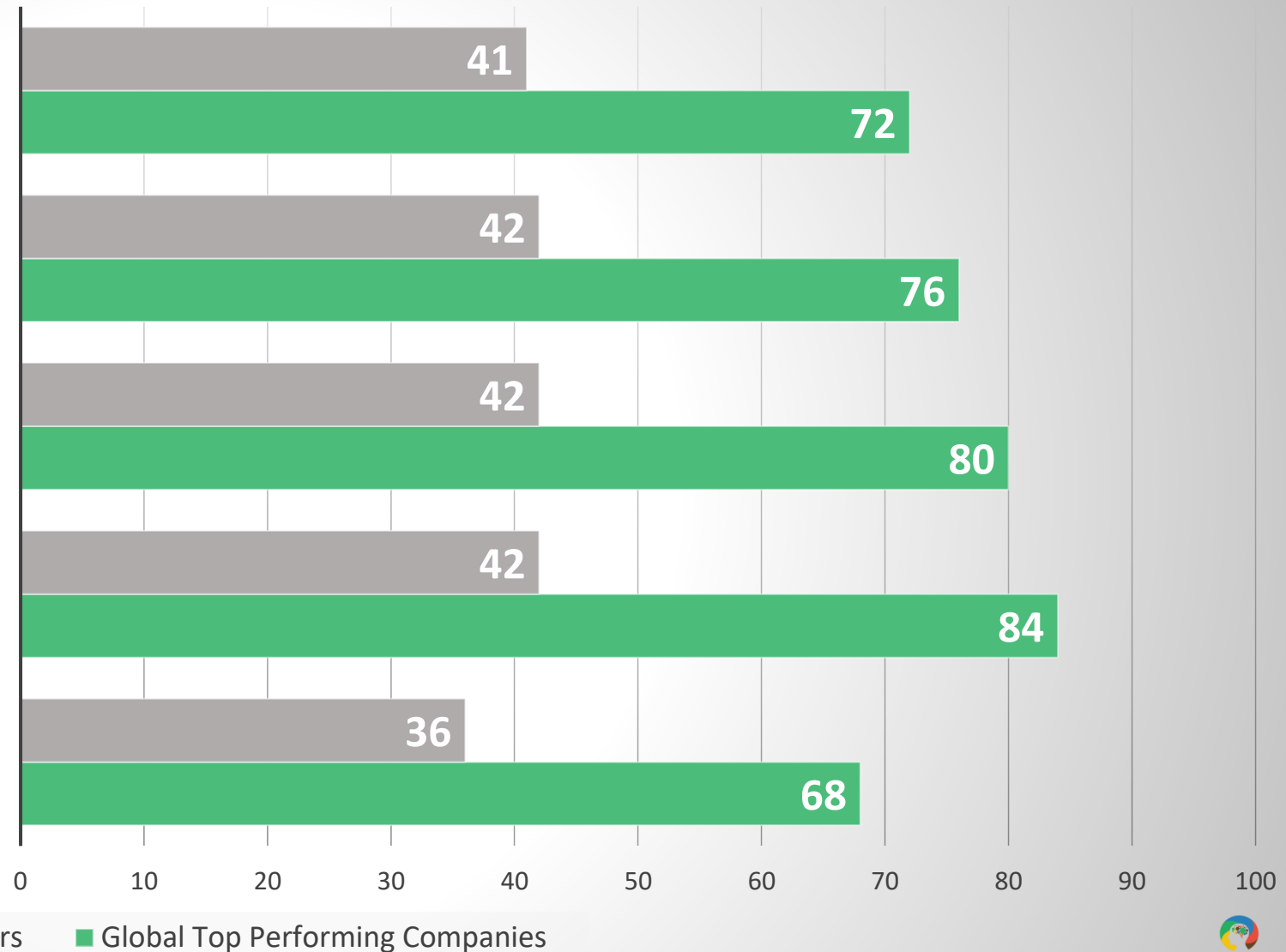
How Are You Retaining Your Employees?

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Leadership Accountability: Who is the Last Throat to Choke?

PRACTICES

Past

Present

Next

- Board: CEO replacement

- HR then Leaders

- **Leaders** are held **accountable** for **healthy succession pipelines**
- *MBOs on Performance Reviews and Recognition*
- Collaboration among leaders

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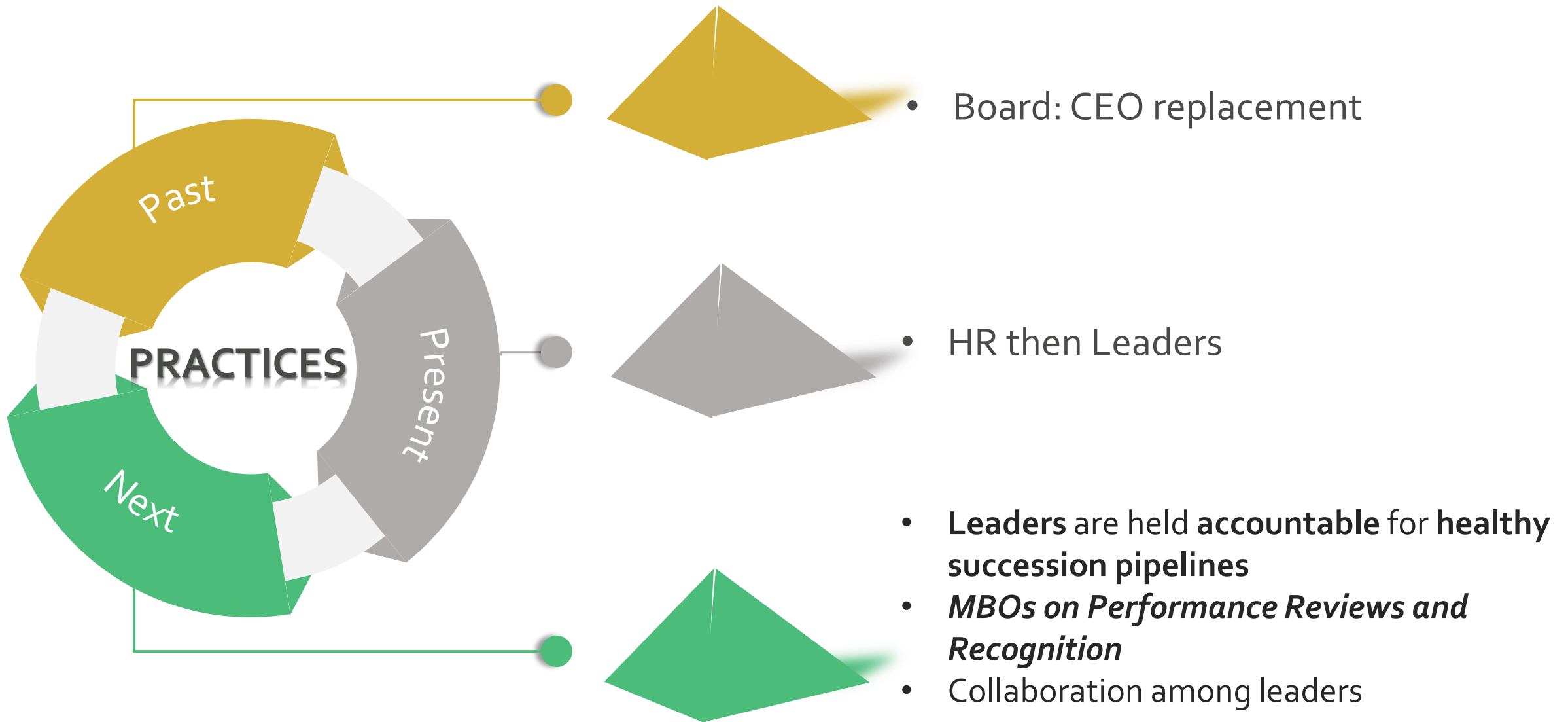
Leadership Accountability is the most important factor for Leader Development!

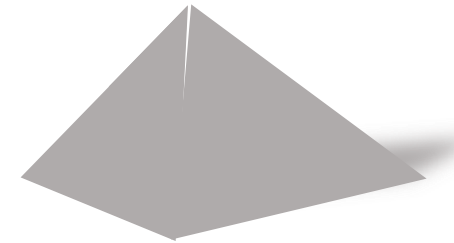**Lack of executive sponsorship** ranked as **top global barrier** to successful leadership development.

What is the Timing of your Succession Planning?

Past

PRACTICES

Present

Next

- Once a year

- Twice a year

- Regular Feedback
- Development Tracking
- Pipeline Assessment- Quarterly or more

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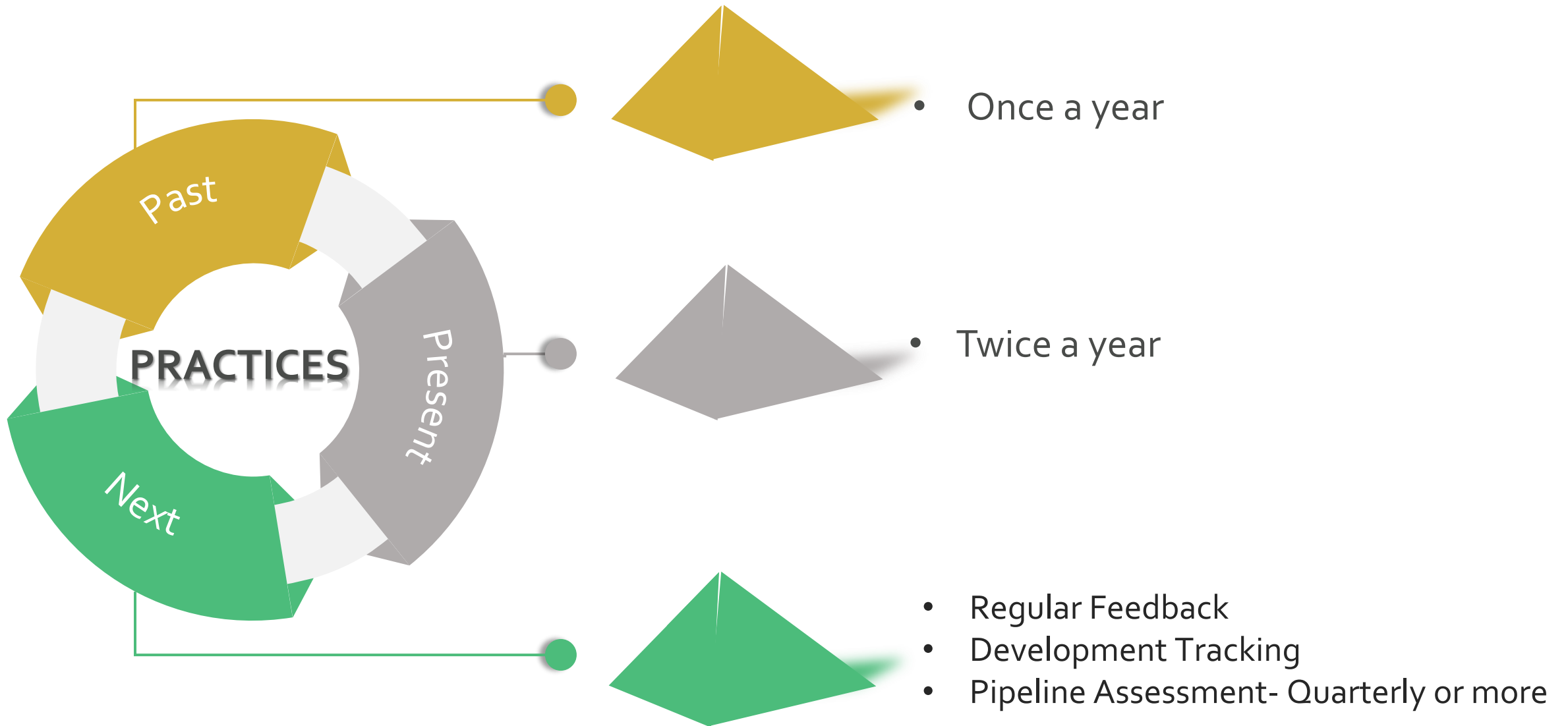
At what Position Layers do you Focus?

PRACTICES

Past

Present

Next
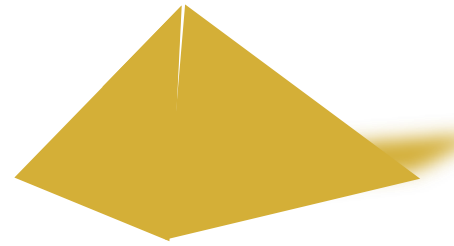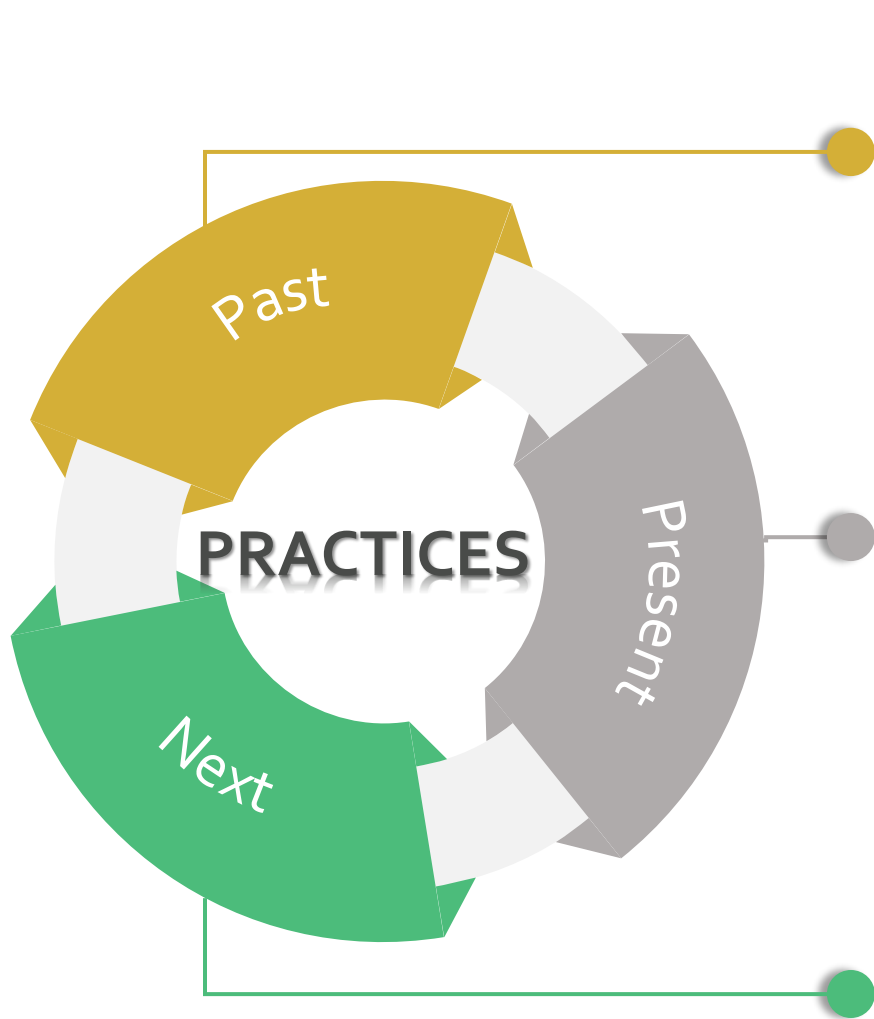
- There was a slate for the CEO/ Layer 1 only…

- Most major companies will focus on senior leadership roles (e.g., VP- 4 layers) up to CEO
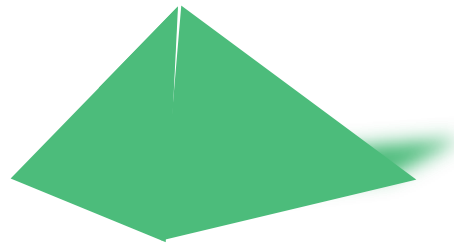
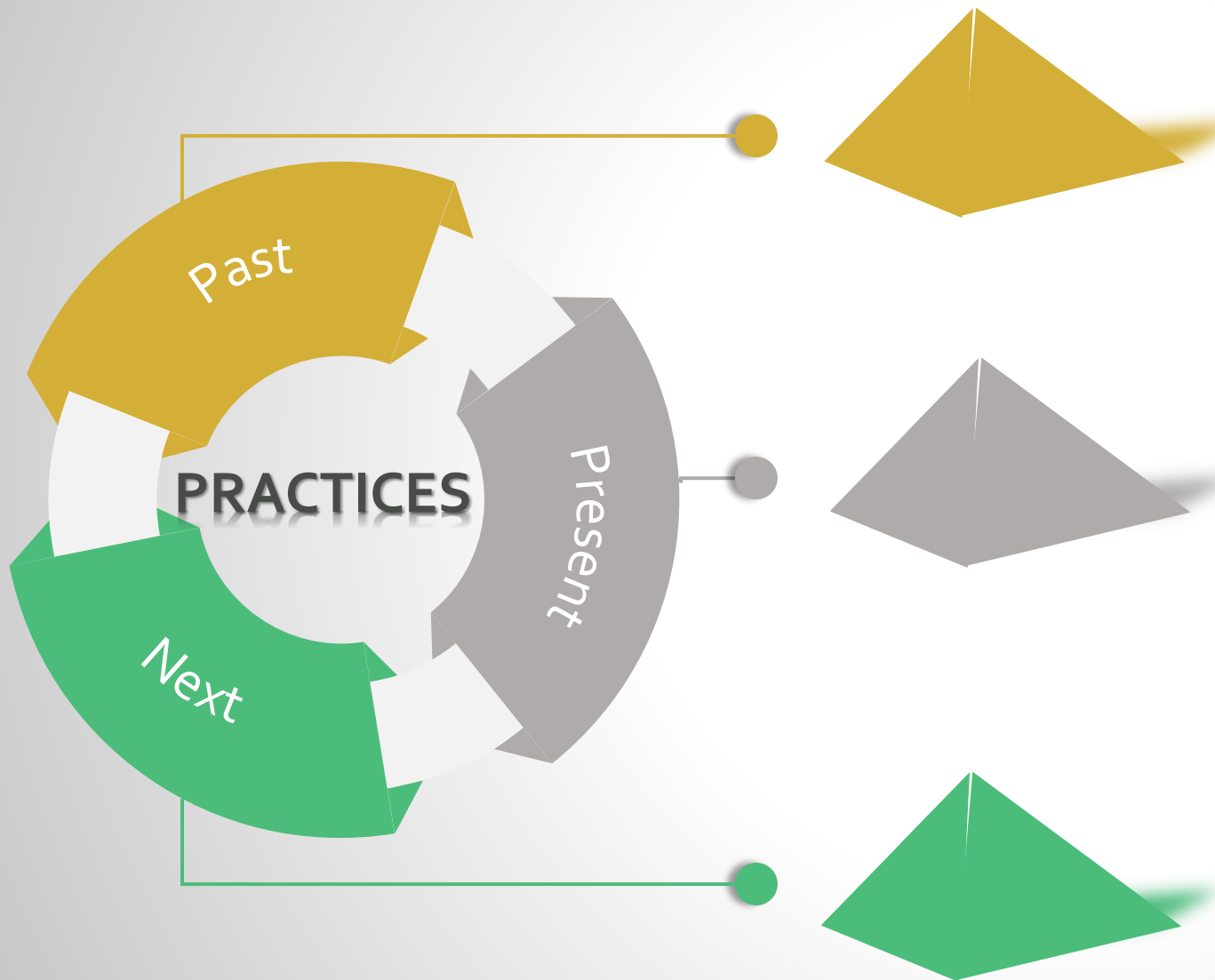- Emerging Talent
- Precedence on most pivotal/ critical roles
- Succession Pipelines are ideally applied to all the organization layers

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How are you defining your High Potential?

How do you Assess Potential?
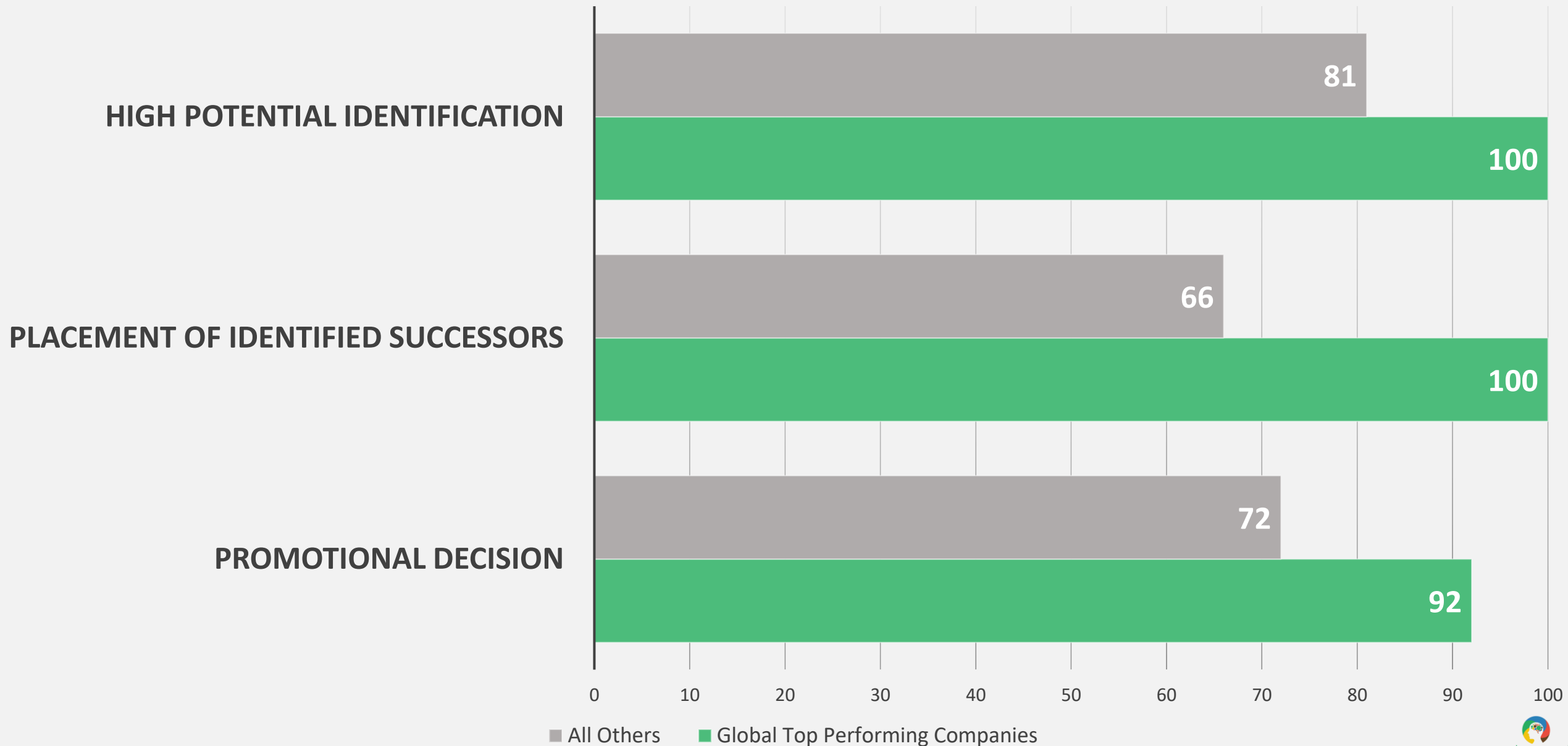
PRACTICES
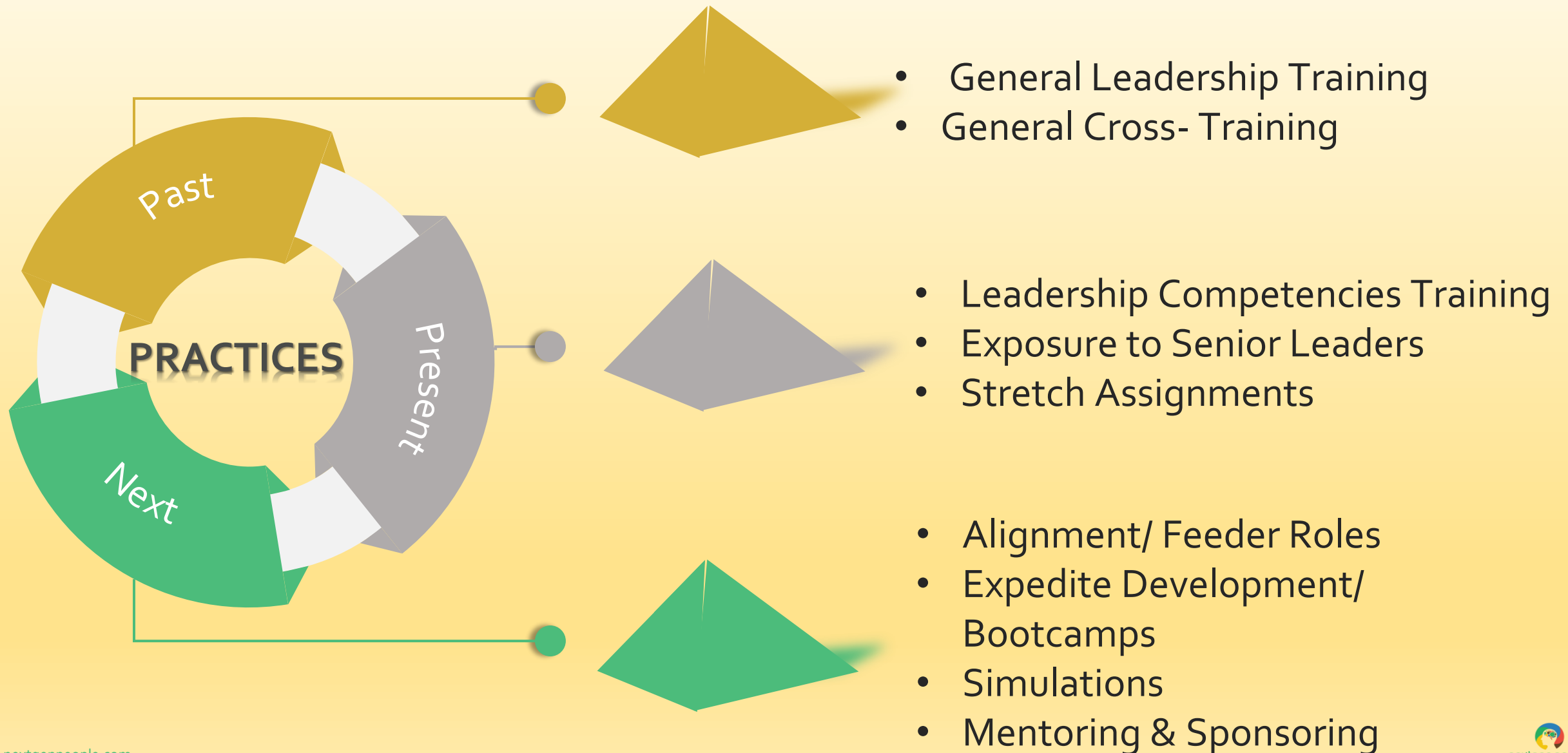
Past

Present

Next

- You're smart and we like you.

- Ability
- Aspiration
- Engagement
- Experience
- Competencies

- Agility
- Aspiration
- Influencing Change
- Values
- Calibration/ Collaboration
- Assessments & Simulations

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Development is an essential key for effective Succession Planning

PRACTICES

Past

Present

Next

- General Leadership Training
- General Cross- Training

- Leadership Competencies Training
- Exposure to Senior Leaders
- Stretch Assignments

- Alignment/ Feeder Roles
- Expedite Development/ Bootcamps
- Simulations
- Mentoring & Sponsoring

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What About Sponsoring?

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TOP 3 GLOBAL LEADERSHIP DEVELOPMENT PRIORITIES

Filling gaps in the leadership pipeline.

Developing leaders to drive strategic change.

02

01   03

Driving culture change.

Precedence of Leadership Development Approaches for Senior Executives

57% **Coaching and Feedback**

49% **Developmental** **Assignments/ Action Learning**

48% **Informational Exchange Sessions**

43% **Mentoring (one- on one)**

34% **Exposure to Senior Executives**

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How Transparent is your Succession Planning process?

Past

PRACTICES

Present

Next

- Zero Transparency

- Some transparency of good news only to direct recipients

- Clear Career Paths
- Transparent Potential Feedback regarding positivity and limitations
- Development needed for next step

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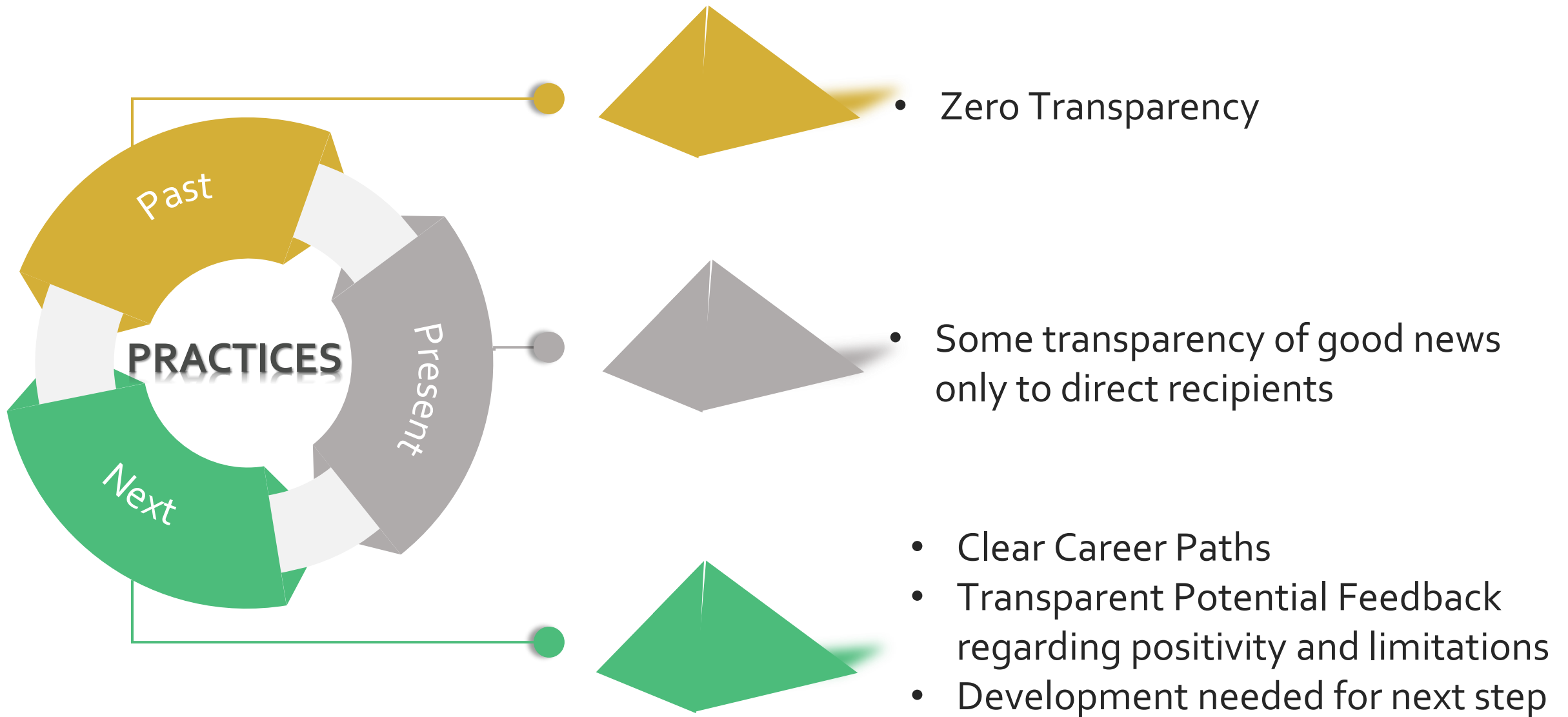
Transparency is Ultimately Healthy for Your Organization
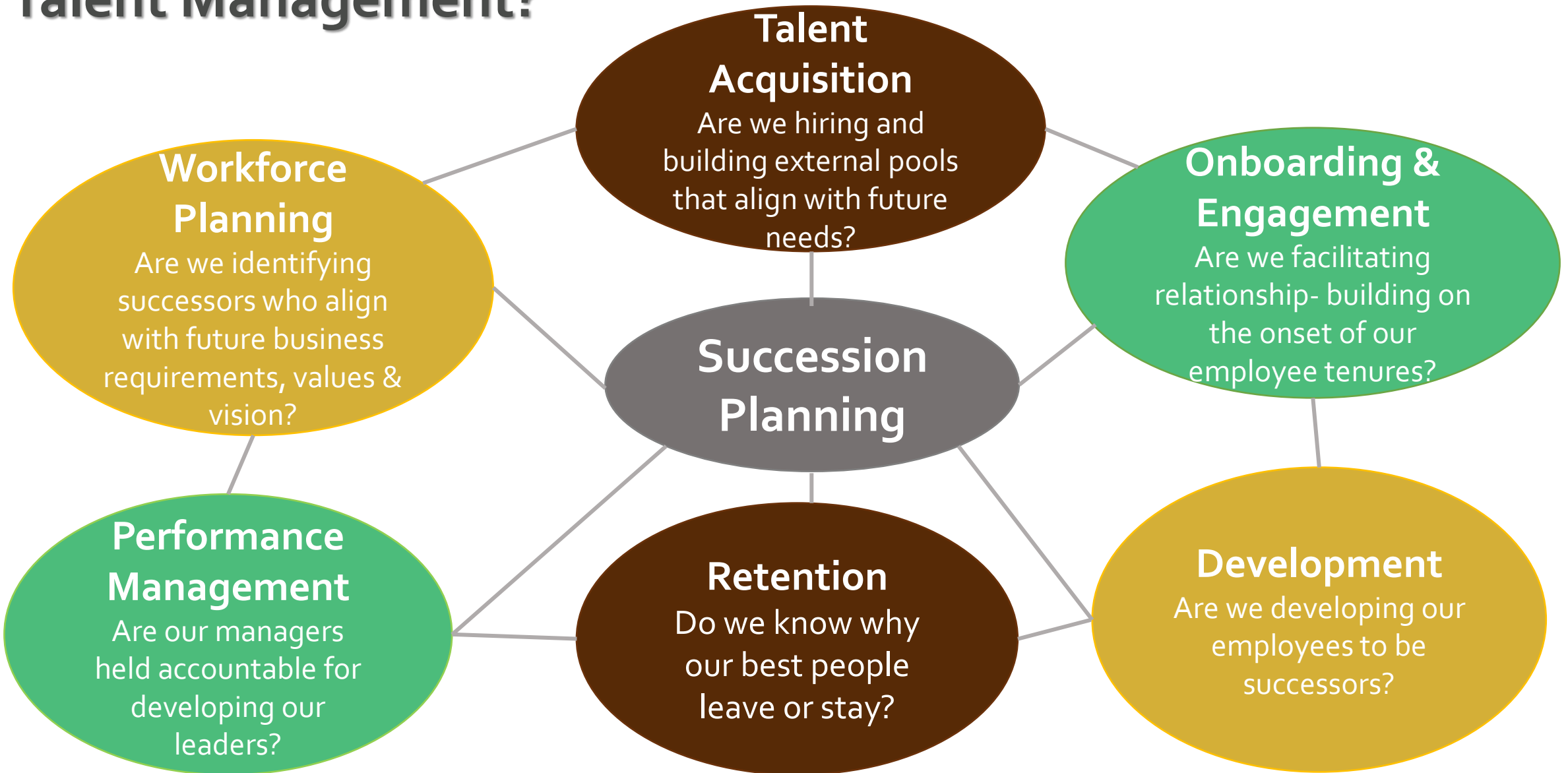
CLARITY

FOCUS

TRUST

BRAND

Top Companies are more likely to **communicate** to an individual when he or she is no longer considered high potential (71% versus 33%).

Is your Succession Planning integrated into the rest of your Talent Management?
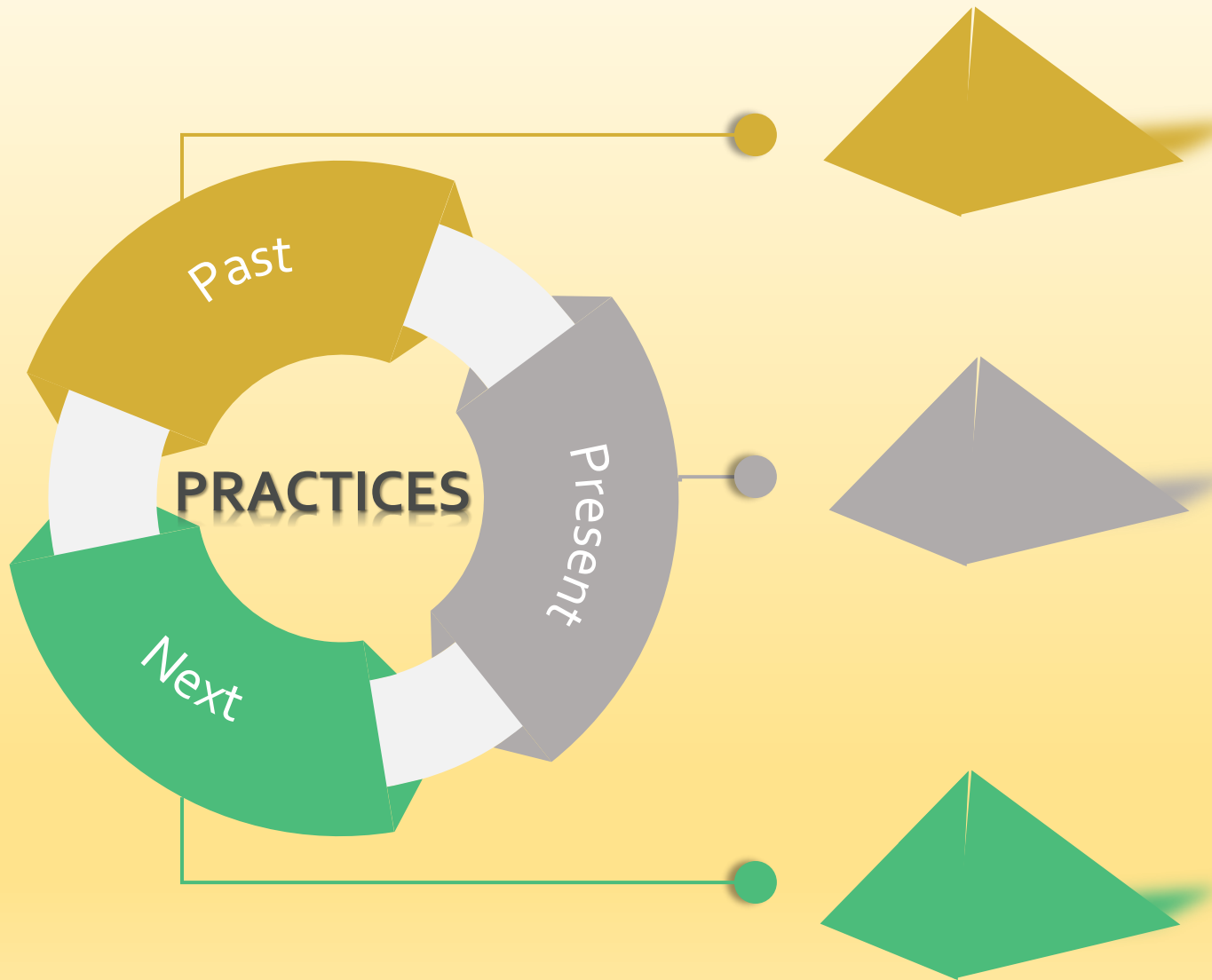
PRACTICES

Past

Present

Next
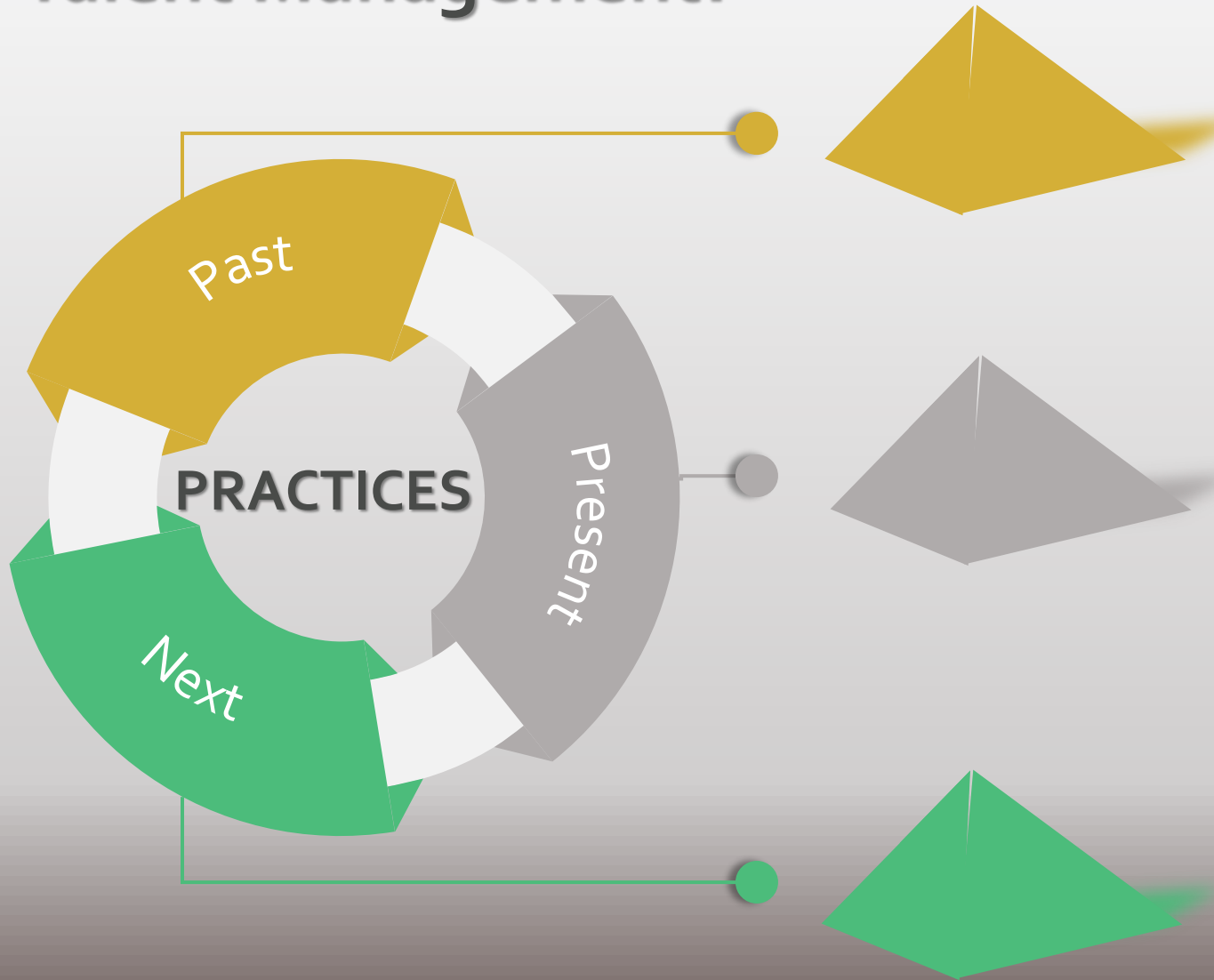
- No integration

- Some **targeted development** toward Succession Planning
- Some **Performance Management** ratings are incorporated into Succession Planning decisions

- **Integration with:**
  - ✓ Talent Acquisition
  - ✓ Onboarding & Engagement
  - ✓ Development
  - ✓ Retention
  - ✓ Performance Management

Is your Succession Planning integrated into the rest of your Talent Management?

Talent Acquisition
Are we hiring and building external pools that align with future needs?

Workforce Planning
Are we identifying successors who align with future business requirements, values & vision?

Onboarding & Engagement
Are we facilitating relationship- building on the onset of our employee tenures?

Succession Planning

Performance Management
Are our managers held accountable for developing our leaders?

Retention
Do we know why our best people leave or stay?

Development
Are we developing our employees to be successors?

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Is Diversity a Targeted Element of Your Succession Planning?
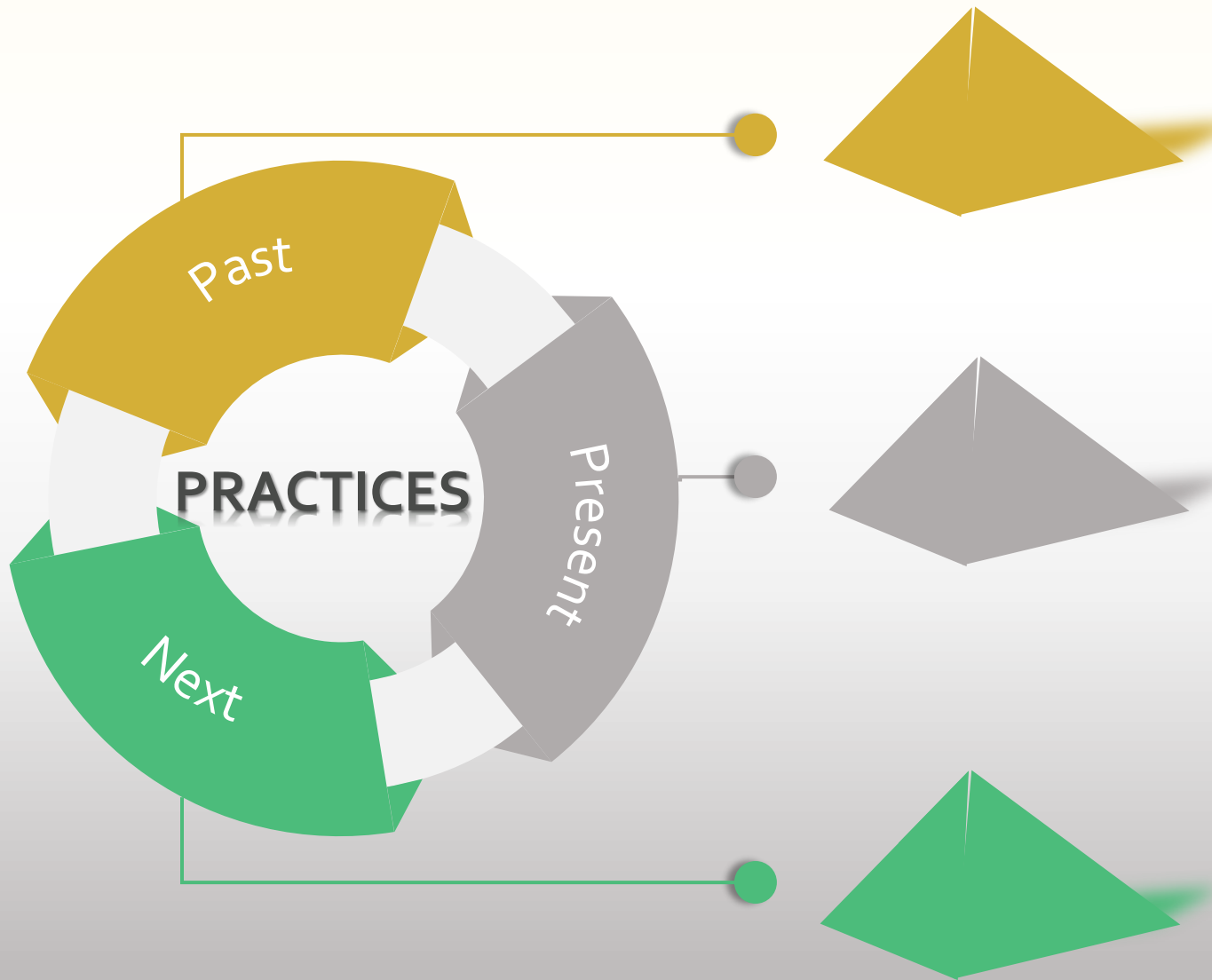
PRACTICES

Past

Present

Next

- Good old' boy network

- A stated desire for most major organizations
- Measurement across various areas

- Goals
- Mentorships
- Sponsorships
- Require diverse slates
- Objective assessments

Are you best utilizing Metrics in your Succession Planning?

PRACTICES

Past

Present

Next

- No measurement

- Lag measures
- What has already been done, e.g., internal hires

- Lead measures
- Also, forecast what we are likely to accomplish (e.g., retention risk of HiPos)

Rigorous Succession Planning is worth it.

Strong Leaders

Business Continuity =Increased Productivity

ROI/ Increased Profits

Happy Employees = Retention

Business Growth

Re- Hire Cost Savings

Thank You!

Contact Information:

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