

## LEADERSHIP DEVELOPMENT

# Succession Success

If the CEO suddenly is gone, what happens to the company? What if the person leaving is a department head? Have you trained successors to take the torch? BY GAIL DUTTON



**T**wenty years ago, succession plans consisted of a name or two in an envelope. Today, that envelop has given way to detailed succession plans focused on employee development. Their goal is to produce a pool of people who can step up at a moment's notice, as well as people who will be ready for several different positions five or 10 years from now. That approach, particularly in today's topsy-turvy environment, helps ensure the continued success of the enterprise if a position must be filled unexpectedly, as well as its future success by priming employees for promotions as positions become available.

Many companies give lip service to the idea, but only 40 percent think they actually excel in succession management, according to data from Executive Development Associates. It may be a lack of practice. Todd Harris, lead researcher at PI Worldwide, notes that "most companies don't do much strategic workforce planning." Consequently, when people leave—either suddenly or as part of a long-term plan—companies often are unprepared.

Preparing for that transition is about more than offering a great course selection and persuading employees to sign up. It's about becoming a strategic business partner. Today's trainers "... know the business inside and out," Harris stresses, so they are uniquely positioned to understand the business challenges within the industry today and in the future.

## Planning Ahead

Such understanding starts with meetings with the CEO to clarify expectations of any succession plan, according to Linda Henman, Ph.D., CEO of the Human Performance Group and author of the soon-to-be-released book, "Magnetic Executive." "Other-wise, any plan will fail."

"Then," Dr. Henman continues, "get leaders in a room. Walk them through the process of revising the succession plan. Ask if it supports the company's mission, vision, values, and strategy. Identify future talent needs. Establish competencies for key positions."

That includes identifying the necessary people skills, leadership skills, and approach to the job, as well as technical expertise. The lack of any category of skills can make the difference between sparkling success and lackluster performance, as exemplified by many scientists who founded companies around brilliant ideas but lacked the leadership skills or business knowledge to take the company to the next level. "It's not just technical experts who need this, though," she points out. Use the resulting gap analysis to guide training for individuals and groups throughout the company.

It's also important to realize that the critical success factors for many positions aren't what they were 10 years ago, and that they will change again. Therefore, developing successors based solely upon today's business environment is short-sighted. As Jeff DeGraff, Ph.D., professor of management at the University of Michigan's Ross School of Business, and executive director and founder of the Innovatrium Institute for Innovation, advises, "When the future is clear, optimize. When the future is murky, diversify." That helps companies, and people, survive difficult times.

## Follow the Rabbits

Those difficult times, though, also provide an opportunity to rebuild, as organizations mold themselves for success in the 21st century. For training opportunities, Dr. DeGraff says, "follow the industry rabbits, the trend-setters."

That requires being aware of the business trends, one of which is a geographic shift in innovation. Design centers for electronics, for example, have moved from Europe and the U.S. to Asia, and now to South America and Eastern Europe, Dr. DeGraff notes. "Be mindful of where new knowledge is emerging, and have deep networks there," he advises. That's where innovative staff development ideas will emerge, and where many successors to today's leaders will be based. Tap into those networks.

Finally, training is moving toward personal career planning. Attracting and keeping employees is intrinsically linked to knowing what motivates them. "What do they seek? Freedom? Personal growth? Impact? If we don't know, we can't hold

them," Dr. DeGraff insists. "If the organizations set the pace for employees, they may opt out," he says, and logical successors are lost.

The trainer's role is to help identify needed skills and then identify strategies to help employees bridge their own skills gaps. "Look both internally and externally for expertise," Dr. Henman says. "Perhaps the CFO could teach a half-day class that could help people reach the next level by better understanding the regulatory requirements, or perhaps vendors have expertise that can be tapped."

Another option assigns promising employees to talented, compatible mentors. In that situation, trainers need to oversee the relationship to help ensure it remains on track and provides value.

Tapping in-house expertise is perfect for some training, but not for everything. Senior executives may find greater value in executive boot camps run by universities and associations. Or, for softer skills, they may benefit most from executive coaches who offer objectivity and distance from the organization. As Randall P.

White, Ph.D., adjunct professor, Fuqua School of Business, Duke University, points out, "It's hard to admit a weakness to somebody inside the company."

## All-Around Experience

Employee development programs from the mail room to the executive suite must strike a balance between long-term and short-term needs, Harris says. The goal is to develop a pool of people who can step into a variety of positions, rather than any single designated heir apparent for any given department. One individual, therefore, may be considered for multiple jobs. As Jill Biden famously told Oprah Winfrey in January, "Joe had the choice of being Secretary of State or Vice President." Although the gaffe was quickly clarified, the point was that he had the right type of experience to become either.

Vice President Biden's experience was gained through broad exposure to many aspects of government over many years. That broad exposure is something that's lacking among many employees today. "In leadership, we tend to turn our backs on teaching," Dr. DeGraff says. "We don't take junior people to the big pitch, for example." Consequently, "openings are available, but people lack experience." To resolve that, he advises trainers to encourage executives to let junior personnel shadow them.

That approach, adds Michelle Moylan, HR specialist for CheckPoint HR, "is also a way of transferring knowledge that will be lost when Baby Boomers retire in the next few years." ■

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### Quick Tips

- Meet with the CEO to clarify expectations of any succession plan.
- Get leaders in a room and walk them through the process of revising the succession plan. Ask if it supports the company's mission, vision, values, and strategy.
- Identify future talent needs.
- Establish competencies for key positions but keep in mind that the critical success factors for many positions will continue to change over the years.
- Help employees plan their careers and bridge their own skills gaps.
- Look both internally and externally for expertise. Perhaps the CFO could teach a half-day class or vendors have expertise that can be tapped.
- Assign promising employees to talented—and compatible—mentors.