

Real Succession Management

This article, which appears in a shortened form in HRZone, as part of Lisette Howlett's regular column, examines the broad scope of succession management, and points out the common mistakes that can be made and some of the key factors needed for an effective succession process.

I have found that in practice within companies, the terms succession planning and succession management can be used to mean broadly the same thing. My choice of the term succession management for this article was, however, deliberate and aimed at demonstrating the broader, strategic framework that needs to be put in place and 'got right'. I chose the word 'real' because I have a bit of a personal crusade around the whole area of succession management and how it could be better done.

To briefly define the terms, succession planning is the critical management process of identifying people who are suitable or potentially suitable – in the short or longer term – for critical jobs within the organisation. Generally – and for obvious reasons – the focus is on senior jobs but it can also be equally important in key skill areas, and where the organisation size justifies this you can have a cascaded system which goes quite deep into your organisation. It is this deep reach that identifies you 'possibles' (people 10+ years away who are showing only a glimmer of suitability at that point).

Succession management is much broader - it is ensuring that you have the people to fill your key jobs (or indeed all your jobs) at the time that you need them so it covers areas such as resource planning (looking at demand and supply over time), resourcing strategy, capability development, selection, appointment, retention, management development, organisation design etc. Basically everything you need to do to ensure that your organisation has the right number of people with the right skills to meet its future (and frequently unknown) future demand.

The four most common errors in succession management are:

- Falling into the trap of thinking that the succession plan is the goal rather than the means to the end. Executed well a succession plan will include some of the key succession management elements described above but the emphasis is still too much on the form and box filling. If you are measuring your succession planning effectiveness by the numbers of names in each box you may find that you are falling into this trap.
- Over complicated tools and techniques that do not take the organisation context into account. The requirements for a 70 person company and a 7000 person company are quite different. Review your current processes to ensure that they are absolutely fit for purpose.
- Confusing high performance with high potential. These are quite different and HR people and managers need to be able to differentiate between these two elements
- Planning for the known positions of today rather than the unknown ones of tomorrow. The former is compelling and possible; the latter is much more challenging but much more beneficial.

The issue with the first two areas is that they can detract from the real purpose which is to develop people so that we have our future organisation needs met. If managers are overly focused on the inward looking discussion around definitions and box filling they will lose sight of the actual people facing activities such as coaching, mentoring and development. How many times have we found that identified development actions have not been delivered during the gap between succession management meetings? If this is the case look at what

you can do to simplify the process and contract with managers that they will spend the freed up time doing these actions.

Looking at real succession management there are a number of important elements and if you look at the areas suggested above it can cut across a number of HR specialisms which can mean that in larger organisations you need to coordinate activities across functions such as resourcing, learning and development, talent management, organisation development etc. Unless you take an organisation wide view and align all the elements you will at best have a decent plan and at worst be wasting a lot of time and effort.

Some of the key elements that need to be included in succession management include:

- Resource planning is a critical but frequently overlooked activity within an organisation. To be successful in succession management you do need to do this. It need not be huge complex spreadsheets which the old term 'manpower planning' brings to mind but it does need to take place. At the strategic level ask yourself some key questions. What is your ideal blend of internal appointments vs outside hires? Where are your key skill shortages likely to be in the future? When are your senior managers likely to leave the organisation? What is your attrition rate in key cohorts (graduates, top talent, senior management etc)? This gives you the necessary background to shape your resourcing strategy.
- In terms of your resourcing strategy you should be thinking about how you can create natural opportunities through recruitment to bring people into the organisation that will meet your future needs. Look at key entry points within your organisation. Do some light touch career mapping. Ensure that you are achieving the right levels of flow into the organisation at the right levels to meet your succession requirements. You need to avoid both too little and too few candidates. If you know that you will not have any senior jobs for a number of years recruit people who will take longer to develop into those senior roles. If you know you will need someone next year recruit people who are possibly a bit too experienced for the immediate vacancy but who offer good promise for the next position. This sounds obvious, which it is, but the trick is getting this across the whole organisation and part of the organisation culture.
- Organisation design activities should take succession management into account. Ask yourself how you design the organisation, department, team so as to create development opportunities, retain key talent, prepare for a different future, etc.
- Focus on organisation wide capability development – think about the foundation skills and competencies which will prepare you for changes in precise roles in the future.
- Identify your top talent and cling onto them no matter what. I used to be asked to 'close the deal' for most of our senior recruitment in my last company. So basically the individual will have been selected and my job was to negotiate their entry to the organisation. Some of this was about pay, relocation etc but most of this was about the job that they wanted to do. How could I give them the experience and job satisfaction that they wanted to make it worth their while taking a risk of 'jumping ship'. This approach needs to be adopted within your organisation with your existing people as well

The problem that I think occurs in many companies is that HR people and managers fall into the trap of thinking that the succession plan is the goal rather than the means to the end. Executed well a succession plan will include some of the key succession management elements described above but the emphasis is still too much on the form and box filling. Indeed common succession planning metrics illustrate this. Surely the only measure of the effectiveness of your succession plan is how many times the job on the plan is filled by someone not on the plan? Yet we spend time measuring a number of other things such as the existence of a plan, the number of candidates in each 'box' (so ready now, ready later for a job), organisation bench strength etc.

Let's do an exercise. Close your eyes and say the words succession management. What do you see? I will be the first to admit that I see tables with jobs on the left, three boxes – ready now, ready later, possibilities – and names in each. If I acknowledge that visual and let it go I see successful people flowing in, around and out. And I would suggest it is the second visual that we should be aiming for.

I think that some of this is our training as HR people – we absolutely believe in what we are doing but can find the need to have 'professional props' to give us a sense of confidence and credibility when dealing with our management partners. And succession planning tools are one of the props that we learn and apply diligently. I participate on the CIPD community forum and frequently see questions from people about implementing succession planning and looking for systems, processes, tools and techniques. On questioning, however, I frequently find that they are talking about organisations of 50-70 people. With an organisation that size you do not need any particular forms or tools – you just need to understand your people, and understand your organisation needs now and in the future and support the growth and development of both. Identify the handful of key people and work hard to keep them and develop them. For bigger organisations you need systems and processes because you cannot personally 'touch' everyone and everything.

Lisette Howlett

Lisette has worked at a senior level for a number of global companies and as well as successfully launching and running her own human resources consultancy (www.mlhconsulting.co.uk) she is also behind the first ever website that enables employees to rate their experience of using recruitment agencies, <http://www.HireScores.com>