Critical issues in succession planning

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Current approaches to succession planning are based on assumptions, which are largely unevidenced and insufficiently flexible to meet the demands of adaptive organisations and careers. This chapter highlights some of the issues, which HR needs to address in redesigning succession planning processes for the 21st century.

In early 2006, when facilitating a round table discussion with a group of senior HR professionals from large companies, I was taken aback with the vehemence, with which one of the participants dismissed his organisation's approaches to succession planning. What he said in essence was; "We are running 21st Century organisations with 19th Century ideas about succession planning. The more we try to control how we draw talent up the hierarchy, the faster we lose it. No sooner have we defined the competences we need in key roles – or even what the key roles are -- than the environment changes and we have to think again.

Is succession planning simply a chimera, or have we just got the wrong approaches?" This frustrated HR director was not alone. To varying degrees, each of the eight others around the table echoed his sentiments.

This conversation set me upon a journey, which will, if past form is a guide, lead to specific research and to a book. The journey involves interviews with dozens of HR professionals around the world about what does and doesn't work in succession planning; what assumptions are made and the extent, if at all, these are questioned; what evidence they have for the effectiveness of succession planning practice; how (whether) they measure the efficacy of succession planning; what they would like to see succession planning achieve; and so on. What I share here are some of the themes that have emerged from this peregrination to date.

HR professionals are in a dilemma. They know that the standard forms of succession planning are "clunky" and possibly even directly inimical to the development and promotion of talented people. They realise that what enables people to succeed is rarely as obvious as managers would like it to be. In his book Outliers, Malcolm Gladwell examines the careers of a range of high achievers from sport and business. He provides evidence, for example, that the most successful US sportsmen get to the top because they are born early in the year, when they have up to 12 months advantage in terms of strength and maturity over their age

peers in the selection process; and that the IT billionaires just happened to be born within a short opportunity window, when they had few competitors and were able to access computing time, which had never previously been available.

The suspicion that similar fortunate coincidences underlie the progress of designated talent inside organisations is hard to dispel – but the fear of what might be uncovered in seeking these patterns of hidden privilege tends to deter serious investigation.

Many, if not most succession planning programmes are limited in their effectiveness for a number of reasons. Among them:

1. They are overly reliant on line manager's perceptions of their direct reports' performance. Yet research shows this to be the least reliable predictor of future leadership capability. Comparisons of 360-degree feedback from managers' bosses, peers and direct reports shows a disturbing pattern that managers are much less aware of the strengths and weaknesses of their subordinates than of their own bosses!

2. They are embedded in inflexible competency frameworks that do not take sufficient account of the changing demands of jobs. People belong in the talent pool if they demonstrate:

a. Significant continued investment in their own development
b. A track record of assisting the development of others – for example, through coaching or mentoring
c. Ambition to achieve greater responsibilities

Without these basic competences, an employee is unlikely to develop the competences needed for more senior roles. Instead of viewing role or managerial level competencies as fixed and generic, organisations would do better to seek to fill roles with people, who have the ability to work out the competences that are currently and specifically needed and to adapt themselves accordingly.

3. They expect the individual to adapt to the job description. Yet talented employees rapidly shape the job to their own strengths and interests. The more detailed the job description, the more candidates it is likely to deter and the more likely that the new incumbent will be like the previous one. Yet the transition between one incumbent and the next is an important opportunity for new perspectives. A critical question for candidates is: "What can you bring to this role, that's different?"

4. They assume that the job role is relatively stable, but in reality, most knowledge worker jobs evolve rapidly, in line with:

a. Change in markets or technology
b. Change in the matrix of people around them (responsibilities shift as other people move around)

I now frequently ask groups of managers and professional employees to estimate how much their job roles have changed in the previous six months. On almost every occasion, at least half of them respond with "significantly" or other words of similar import. Similarly, the notion of work teams as relatively stable units appears increasingly untenable in many organisations.

5. They have inadequate definitions of talent. Common assumptions include:

a. Talent is transportable (in reality, it is often circumstance/ organisation specific – being seen as talented in one organisation is no guarantee of being seen in the same way in another)
b. High performers at one level will become high performers at the next. (Good salespeople don't necessarily make good sales managers. The best sales manager may be a middling salesperson, but he or she may not be considered for the role.)
c. A person may be talented at their current level. They may never progress to higher managerial roles, but are invaluable where they are. They can still respond to stretch, in the form of opportunities to develop in their current or similar roles, or to coach less experienced colleagues.
d. People develop at different speeds. For example, research in the US shows that black and white employees have very different career trajectories or patterns of slow and fast movement in their job progression. Current rate of progress is not an accurate indicator of whether someone is talented or not.

6. They do not take enough account of gender differences. Ambition may be expressed in different ways in men and women. Men are more likely to expect to pick up skills once they achieve a new job role; women to expect to gather the skills beforehand.

7. They ignore work-life balance as a factor in people's decisions to go for more senior jobs. So innovative solutions, such as job sharing, don't get considered. Smart people make conscious decisions about the kind of lives they want to live; smart organisations try to accommodate a variety of working options at senior levels.

8. They fail to ensure employees gain experience of both functional specialist and generalist roles at an early stage. So when managers are promoted into roles, where they need to adopt an integrative, cross-functional approach, they lack the appropriate experience and skills.

9. They assume employees will remain for the long term, when all the evidence suggests that they will leave after a few years. (Talent will out, in more ways than one!)

10. They impose a uniform talent development process, which conflicts with the instinct of really talented people to set their own course for development. If you want creative changedrivers, you must allow them the freedom to define and manage their own development path and give them just enough assistance that they will not feel you are interfering. An interesting lesson from current research into coaching and mentoring is that talented people often require most help in working out what they want to achieve and why;

once they have made this conceptual breakthrough, they are content (if not determined) to do the rest for themselves.

11. They place people in boxes, often rationalising arbitrary decisions on who belongs where.

The allocation process typically ignores the fact that the biggest impact on the performance of an employee may be the leadership competence of their boss, or a restraint imposed by the organisation (for example, lack of logistics support). As soon as the employee is boxed, his or her horizons adjust accordingly and the performance level becomes a self-fulfilling prophecy. The primary impact of boxing procedures appears to be to demotivate two-thirds of the workforce.

12. They focus succession on specific roles, with a small number of candidates, rather than developing large clusters of roles, which may be filled from a larger pool. This encourages narrow specialisation and restricts the potential for people to grow within the job. Every time a vacancy occurs, it is an opportunity for fresh thinking. Yet, if the new broom is designed on the old one, not much will change! Research into plateaued managers some two decades ago identified that one of the most significant indicators of whether a manager would become plateaued was the length in the role of the previous incumbent!

13. They do not take sufficient cognisance of the differences in attitudes towards careers and career self-management between generations. Successive generations are increasingly different in the way they think and in their expectations. (Martin & Tulgan, 2001, 2006; Stanton-Smith, 2008) The world, as seen by millenials (people who were born after 1980) is a very different place to the one I and other baby boomers (born 1946 to 1964) recognise. To baby boomers, work and achieving at work is fundamental to our sense of identity. To millenials, work takes a lower priority than family. They seek to work on their own terms, in the way they want to, with the minimum of stress. They see technology as integral to the way they work and live, rather than an option or tool. They are less reliant on face-toface contact, can't see the point of emphasising spelling, expect any request they make in or out of the working environment to be dealt with immediately or at least rapidly (instant response), want to understand why they are being asked to do a task, have low tolerance for repetitive work and have a much more negative attitude towards business generally. They expect to be rewarded for their potential as well as their performance; and for what they achieve, rather than how they approach the task. Failure to understand the perspective of this generation fuels their apparent lack of organisational loyalty.

14. They do not appear to take cognizance of how people make the transition from one level of the organisation to the next. In a study I conducted in the mid 1990s, one of the conclusions was that talented people constantly expanded and adapted their responsibilities – if they were allowed to – taking on elements of roles in the hierarchical layer above. Only when the majority of their work had eased over this invisible line, were they typically recognised as ready for promotion. We likened the phenomenon to one of rising and expanding bubbles – it's important for the individual to find the convection currents, which will allow them to absorb other bubbles and take them upwards.

15. It takes inadequate account of how "adult" people are. Managers show a wide range of levels in their socio-emotional perspective (how they perceive themselves and their values in relation to the world around them) and their cognitive ability (the level of complexity, which they are able to engage in their thinking – not the same thing as IQ). It could be argued that a high proportion of corporate failures and poor decision-making is related to having executives, whose level of socio-emotional and / or cognitive maturity is wrong for the role they hold. US-based psychologist Otto Laske makes a powerful case for HR to be proactive in assessing the maturity of executives and for intervening directly in helping managers make the transition from one level to the next.

16. They fail to take a sufficiently systemic perspective. Although Anglo-Saxon business cultures talk a lot about teams, they place much more emphasis, in reward systems, in appraisals and in decisions on who to promote, upon the perceived achievements and performance of individuals. It's true that an inspired leader can turn around a lacklustre or poorly performing team, but in more prosaic circumstances it is far harder to identify the specific differences a leader has made. Organisations frequently attribute too much of the success or failure of a team to the leader. Taking a more systemic perspective would help the manager and the organisation understand what kind of future roles would suit them best and focus on skills development that would widen that range of roles.

These are just some of the major themes that have emerged so far. I expect to identify and explore more, and I hope to find examples, with regard to each issue, of organisations, which have recognised the problem and experimented with innovative ways to overcome it. Already, many of the HR professionals I have sat down with recognise that it's time to ask some fundamental questions about the nature of succession planning and its role in a dynamic organisation. Among these questions:

• Does our current approach reveal all or most of the talent in the organisation?
• Does the way we perceive talent limit or enhance people's perception of what they could achieve?
• How can we find the right balance between consistent processes and the need to respond to individuals and their peculiar circumstances? (We strive to do this for customers, so why not for employees!)
• How can we make the shift from an employer driven process to one driven and owned by both the employer and the employee?

As is so often the case, the answers may lie in the quality of dialogue between the organisation and its employees. How open can they be with each other? (In most companies, saying "I'm here for three years, then I expect to move on…" tends to be counterproductive to being regarded as a talent resource.) Only through such dialogue will they be able to integrate individual and corporate ambition in ways that will benefit both.

Unfortunately, organisations in general aren't very good at dialogue. Discussion, debate and transactional communication skills are much more deeply embedded into day-to-day practice. Over four decades of exploring dialogue in the workplace, my personal observation is that there are several reasons why there is so little emphasis on dialogue:

- Lack of skills (dialogue is more intellectually and emotionally demanding)
- Lack of opportunity (meeting schedules and processes typically preclude dialogue) and
- Fear (because dialogue stimulates insight and change)

Some of the practical ways, which our research so far suggests may increase the quality and quantity of dialogue, include:

- Greater emphasis on coaching and mentoring, both internally and externally resourced builds the skills of dialogue and raises all sorts of career-related issues (both specific to the individual and more general to groups within the organisation), which might otherwise remain hidden
- Building on 360-degree feedback to engage a wider audience in the developmental planning and support for managers and leaders
- Creating forums, where the organisation and groups of employees can explore openly the succession planning processes and their impacts – making the succession planning process something that is done with employees rather than to them

I am not suggesting here that increased dialogue on its own will be a panacea for organisations' succession planning woes. We need in addition better systems of talent identification, support and reward; and more effective links between succession planning and the day-to-day functioning of the organisation. I am encouraged, however, by the increasing willingness I find to discuss these issues and that leads me to believe that better ways to align organisational and employee career ambitions will emerge over the next decade.