



**Head
Light**

Is Succession Planning
ready for take off?

part of our We think... series

Talent **Cloud®**. Breakthrough **software**. Raise **expectations**.



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Succession Planning is part of managing business risk

Identifying and developing a pipeline of people who can step up to become your future leaders and senior managers is sound business sense. Succession planning is often referred to in terms of high potential and career progression but let's not forget it is also a business risk management process designed to reduce risks associated with decision making, competitive advantage and business continuity. As a result, some employers have gone beyond the senior team and created succession plans for their specialist, business-critical or hard-to-fill positions.

But how effective is this in today's world?

You can understand the appeal. Having appropriate people who can perform in every role, especially the top ones, reduces the 'damage' that can be inflicted if a key employee leaves or retires. Importantly, it also creates confidence in the current leadership team, as it shows they've acted to safeguard and assure the future of the organisation. This is important because investment analysts and other key stakeholders are increasingly talent smart. They're not only interested in who's leading your organisation, they'll also pay attention to the understudies who can step up to senior roles. In a pharmaceutical business, for example, analysts would be interested in the pipeline of new drugs coming through. The same applies to talent. Analysts will be acutely aware of any talent shortages in your sector and they'll want to know what actions you're taking to ensure you're prepared for different eventualities and that your senior and business-critical roles are covered.

So if succession planning has a value, why the big debate? Surely it's simply about assessing the needs of the business, based on the future strategy; identifying key roles and their requirements; matching these with the capabilities and potential of employees and then plugging any gaps with development programmes or tailored work experiences to prepare the right people accordingly? It sounds straightforward but there are two key challenges that make this surprisingly difficult.

The two key challenges of Succession Planning

1. Identifying the right people

Many organisations look for 'potential' without having a clear definition of what that constitutes. Some organisations express potential in 'content' terms, for example whether someone has particular skills or behaviours. Others look for evidence of possible 'outcomes', e.g. ability to move up 2 levels in 5 years.

If you don't determine exactly what you mean by potential, your organisation will end up promoting the same 'type' of person. That's fine if your business isn't changing. But if it is, you'll need to look at the implications of your strategy. What skills, competencies and behaviours will your leaders require in the future? That should give you an insight into what 'potential' really means for your senior roles.

2. The talent market is changing

Up to now, talent management has been biased towards the needs of the organisation - and how individuals have to adapt and gear themselves up to deliver this. The implicit assumption was that individuals who were earmarked for future roles would happily bide their time in the organisation, taking opportunities to develop relevant skills en route, until the right positions became available.

That's no longer the case.

Now that the portfolio career model has gained prominence, organisations are realising that succession planning has to be more individual-centred, in other words focused to a greater degree on the needs of talented people. This power shift has been so fundamental - and talented individuals are now in such demand - that organisations are increasingly having to think about their talent as 'consumers', not as servants of the organisation. Effectively, this means that employers are now aiming to engage with talented employees and satisfy their career needs, in the same way that they try to meet the needs of customers.

Our view: guide and support through a shorter Succession Plan

The days of long-term succession planning are over. It's no longer realistic or practical to think of a five-year succession plan. But the concept of succession planning is still relevant. It just needs to be conducted over a shorter time span.

We think two years is a reasonable duration to identify and prepare successors for key roles.

We see succession planning in the modern world as somewhat similar to how air traffic controllers operate when guiding a plane to its final agreed destination.

Air traffic controllers don't try to control the plane at every step of the journey but set it off in a sensible direction, monitor it closely, pass it from one responsible controller to another and keep a reasonable set of options open until it reaches the 'final approach' at which point certain factors such as its heading, speed and altitude come into play. There may at times be factors such as bad weather or congestion which force the plane to change its flight plan – and sometimes an alternative destination may be found.

A succession plan has a destination role in mind. Those on this path are monitored, guided by line managers and mentors along the way and given more support when the final role is in sight, or offers alternative destinations should business, market or personal conditions change.

This is a practical compromise for succession planning which, importantly, meets the needs of talented individuals and the organisation. For example, a graduate starting out in the organisation needs to know the capabilities, values, attitudes and behaviours that are required to succeed in the business. When he or she is two years away from a suitable role, he or she will benefit from tailored guidance and support to help land that job.

But it creates a new challenge, as it thrusts line managers into the spotlight.

But are managers ready for the challenge?

Line managers will play a crucial role in facilitating an individual-centred approach to talent. They'll need to engage talented employees in a dialogue about their career, including their aspirations and their current capabilities. The issue here is that many line managers are either concerned about creating expectations that can't be met or they're uncomfortable in conducting career conversations.

HR can help in two ways.

Frame the context and oversee governance

HR's role is partly about championing a new model of succession planning but also about ensuring that the organisation's practices are justifiable. Without this, succession planning can be undermined by accusations of unfairness, nepotism or unconscious bias.

Help and support line managers to encourage confident career conversations

Key to this is having access to the right data. Talent management and succession planning software tools can not only compile information on people's capabilities, performance and potential, they can help line managers to understand and monitor what individuals want from their career, what drives them and what will keep them engaged. With the extra level of analysis that these systems provide, line managers can have a focused, empowered and personal career dialogue with each employee.

External appointments are notoriously risky. This new model of succession planning will suit organisations that want to manage this risk. But it can only succeed if line managers are able to engage, support and negotiate with talented employees.

Most failures in business stem from not listening to consumers. In the same way, most failures in succession planning will be caused by not listening to your talent.

Next steps

If you would like to talk more about taking succession planning to the next level in your organisation, please get in touch.

About Head Light

Head Light is an award-winning talent management software and consulting firm that works with clients to define and implement impactful talent management strategies.

Talent Cloud® is our cloud-based portfolio of integrated talent management software tools designed for those who expect the maximum return from talent management processes. Our training and consulting services uniquely complement our breakthrough software that engages employees, managers and senior leaders in the selection, development and progression of people in their businesses.

Companies in the FTSE 350, public sector, large and small, from retailers to high tech innovators have all benefitted from our tools, techniques and expertise. Founded in 2004, we are headquartered in the UK.

Head Light has attained the ISO27001 standard for Information Security.
Certificate No 217613.





How do I...

transition to Continuous Performance Management

How do I...

introduce robust Succession Planning

How do I...

spot High Potentials and Future Leaders

How do I...

drive Engagement through Career Conversations and Development

How do I...

embed new values and improve culture

How do I...

conduct Skills Assessments and a Gap Analysis