

Chapter 14

Succession Planning Challenges and Solutions

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OVER THE PAST DECADE, MANY ORGANIZATIONS AND CORPORATIONS HAVE implemented talent review meetings and succession planning to regularly discuss employee career paths and organization talent needs. This is still a new risk management function for many organizations. Some organizations have found these processes to be highly beneficial, but others have not seen the results they were hoping to achieve. So the question is—what are keys to success and what are pitfalls to avoid?

Over the years in my global work with organizations of all shapes and sizes, I have observed common challenges, pitfalls to avoid, and keys to success. This chapter explores these challenges and provide ideas for avoiding or overcoming them.

Challenge 1: Managers and Employees Do Not Always Follow Through with Development Actions to Develop Successor Candidates

If managers and employees do not follow through with development actions for successor candidates, they will not be ready for positions when they become vacant, and the organization will likely then hire an external candidate and complain that succession planning doesn't work. This is the most common succession planning challenge I hear from human resource professionals worldwide. There is no one magic answer to this problem; but there are a variety of solutions that can work together to address this problem.

Solution: Always have business leaders discuss and agree upon successor candidates and development actions for successor candidates in talent review meetings. Simply putting successor names on a list without talent review meeting discussions and calibrations will likely result in an ineffective succession strategy.

Solution: Project the notes onto a projection screen during talent review-succession planning meetings, so all participants can see the development action items agreed upon to develop each successor candidate. This may require a scribe at the meeting to take notes. It is certain that if no notes exist from the talent review-succession planning meeting pertaining to development actions, lack of follow-through on these actions will definitely be an issue.

Solution: During the talent review meeting, ask a specific person at the meeting to take responsibility for a development action. For example, the meeting facilitator can say to the employee's manager, "Karen, could you take it as an action item to ensure that Harrison attends the Eagle Leadership Program by a target date."

If the group has already agreed that Harrison needs to attend this leadership program, then Karen is going to agree, and you have then obtained your first level of accountability. Additionally, if Karen doesn't agree to this, it is better to bring up the objection at the meeting, and the group can determine a solution to the obstacle. Then, in the notes that are being projected onto a screen for everyone to see, the action item will be documented with Karen's name and a target completion date.

Solution: Provide a summary of development actions to business managers and to the training and development department after the talent review meeting. Some organizations have a talent system that contains and tracks the development actions for successor candidates, but if this does not exist, then the talent review meeting facilitator will need to provide a summary of the development actions to each manager and to anyone else (such as a training and development department or professional) to enable everyone to follow through with the successor development actions. A few organizations even have the managers submit simple talent progress reports that document development action progress, in the same way that the finance department asks managers to submit regular budget variance reports.

Solution: Hold regular brief meetings to check on development action progress during the year. Identify a way to check-in on successor development action progress during the year—otherwise, these actions will fall below the radar screen as other priorities are pressing daily on business managers. At minimum, hold a six-month development action progress check meeting. As an example, we will now check with business manager Karen to ensure that Harrison did attend and complete the Eagle Leadership Program by the target date.

Solution: Provide incentives and consequences to increase accountability for development action progress. Do your managers receive financial incentives in their compensation and/or bonuses if they achieve revenue goals, and/or if they adhere to their budget and control expenses? Most companies do reward managers for the achievement of financial goals. So why not also reward managers for achieving talent goals? Certainly, if a manager is only rewarded for financial targets and not for talent development and succession targets, they will be focusing on those financial goals at the expense of the talent goals.

And what happens to managers who don't submit a budget each year? They would not receive the funds they need to achieve goals. So, if managers don't participate in succession planning and/or don't follow through with development actions, then when a position becomes vacant, they should not receive the talent requisition they seek.

We need to learn from our financial departments, who have achieved a high level of accountability in business manager behavior. Most people would say that it is completely unthinkable that a manager would say, "I don't have time to do budgeting this year" while it is unfortunately not yet unthinkable that a manager would say, "I don't have time for succession planning or development plans." So look at the methods your financial department uses to increase accountability to ensure budgeting actions are completed, and determine what methods can be adopted to increase succession results and talent development follow-through.

Challenge 2: Business Leaders Don't Understand the Value of Talent Development and Succession Planning

It is not surprising that many business leaders don't understand the business value of talent development and succession planning, as these strategies are often not included in business degree programs. So it is important as HR professionals to have patience and to provide training and talent tool kits for managers on these topics. Here are additional actions we can take to address this challenge:

Solution: Start your succession strategy with business goals rather than with talent goals and ensure that metrics have been identified in order to measure results. For example, maybe your business is opening new corporate sites in the coming years—the business need is to have managers who are prepared to lead these new facilities. This is your top talent-succession priority, and you will identify and develop a talent pool of successor candidates for these roles.

Or maybe you find that 30 percent of your executives will be eligible to retire in the next three years, and so succession planning at the executive level will be your first priority. Or maybe you have very high turnover in your professional level positions, resulting in a problem developing experienced professionals into first-line managers, so your first priority may be to create an emerging leader high-potential program to retain and to develop top talent professionals into new managers. You could then measure the results of this program by comparing the baseline turnover of the eligible employees *before* implementing the program and then continue to monitor turnover in this group to determine if levels are decreasing. Additionally, you can obtain the baseline metric of the internal fill of first-line manager positions *before* implementing a program and then monitor the internal fill (versus external fill) of first-line managers over time. The number of internal candidates filling these positions should increase, which can be translated into a return on investment resulting from decreased external recruiting expenses.

It is important to communicate business issues so that managers don't feel that they are just being asked to do "another HR thing" that they see as a waste of their time. Additionally, it is important to regularly communicate results and progress so that managers know that business and talent needs are being addressed.

Solution: Provide clear, written definitions and selection criteria for successor candidates, for high potentials, for key experts, for high performers, and so on. Maybe we think these terms are easy for everyone to understand, but in my experience, even experienced HR professionals have trouble explaining the difference between a high-potential employee and a successor candidate, or explaining the difference between a high-potential employee and a high-performing employee. If the concepts and terms used in your organization's talent-succession strategy are not clear, this is a foundational problem that will affect the entire strategy. It is critical to provide training for the entire HR team (so all team members are answering questions from managers correctly and consistently) and to provide training for the business leaders.

Solution: Create a talent tool kit and an intranet site for business managers and the HR team to access information, definitions, and tools. Many organizations could benefit from creating a printed and/or online talent tool kit that managers can refer to as they are selecting and developing successors. The talent tool kit can be placed on a company intranet site and printed in booklet form for managers to use while they are traveling. This increases consistency (especially across large and global organizations), and it increases understanding of the talent review and succession planning programs.

Challenge 3: Adequate Resources Needed to Achieve Success in Our Talent-Succession Strategy Are Missing

Many organizations have more employees (and contractors) working to recruit external talent than they have working on internal talent development and succession strategies. As an example, an organization may have several full-time and contract recruiters who are working to hire a small number of external new employees, but the organization may not have even one full-time employee working to retain and develop thousands of internal employees. While external recruiting is an important business function, it would make more business sense to invest more people, budget, and systems into the *great* people you have already hired and who are already serving customers, rather than investing more people, budget, and systems into external people whom you don't even know!

Solution: Make the business case for the resources you need for your succession strategy by identifying the high costs of external recruiting. One of the first steps I take when working with clients on their succession strategy is to have them gather data pertaining to their costs of external recruiting. Sometimes we find that the organization is spending an excessive amount of money on external search fees, contract recruiters, executive hiring bonuses, and the like. We can make the business case that increasing

the internal fill of leadership and executive roles even by a small percentage can pay for a talent management system, or for the salary of a new talent management professional to lead the succession strategy.

Solution: Explain the risks of not having a succession management online system to store and to access talent data. If you do not have a talent-succession system, you and your managers will e-mail highly confidential information and attachments that contain information about your top talent employees. There is risk in this, as employees who should not have access to this confidential information could accidentally obtain access, and even worse, the information could be e-mailed to your competitors or to external recruiters. So it is important to treat your critical talent information just as you would any other highly sensitive company proprietary data and protect it from getting into the wrong hands. An online talent management system enables setting up security levels by field and by screen so data are viewed only by those who should be viewing it.

Solution: Teach your external recruiting staff how to help lead succession planning processes. If you have employees who are currently responsible only for external recruiting, enlist them to learn internal talent management and succession planning procedures. This way, you have employees with competencies in both external recruiting and internal talent management who can move between these functions as needed.

Solution: Create a talent council composed of business leaders and HR professionals. Involve business leaders in steering of your talent-succession strategy by creating a talent council that meets regularly to make decisions about the talent-succession strategy and to communicate challenges and results. This group can then authorize resources needed to achieve the goals that the talent council agrees need to be achieved.

Solution: Communicate the part everyone needs to play to create success in succession planning. Talent management professionals must work with business leaders to establish the talent-succession strategy, goals, and metrics, and to create the communication tools and training. It is the managers' responsibility to follow through with their talent review meeting preparation actions, to participate fully in talent review meetings, and to work with employees to follow through on the development actions after the talent review meetings. And the employees are responsible for voicing their career interests and development needs, and for working with their managers to follow through on development actions. It is critical to communicate that successful succession management is a team effort!

Challenge 4: We Need More Skilled Talent Review-Succession Meeting Facilitators

Another common challenge is having enough experienced and qualified employees who are able to consistently facilitate talent review-succession meetings to meet the internal need to review hundreds or thousands of leaders and key experts across an organization.

Solution: Create internal talent review meeting facilitator certification that provides the training and practice that facilitators need to be confident, credible, and successful as talent review facilitators. First, these individuals need to participate in a training course to ensure consistent and thorough knowledge of all talent-succession strategic plans, project plans, tools, and concepts. Second, the fully trained individual should serve as a scribe at a talent review meeting that is being facilitated by an experienced or certified talent review facilitator. Next, this individual should serve as a talent review meeting facilitator with the experienced facilitator serving as a scribe in the same meeting, so the experienced facilitator can help if the less experienced individual encounters a challenge and needs assistance. The experienced facilitator can then coach the less experienced facilitator after their first meeting, providing feedback about what the individual did well and what the individual can do to improve. Finally, when the experienced facilitator determines that the new facilitator has reached an appropriate level of competency, the new facilitator will receive an internal designation as a talent review meeting certified facilitator.

This process can serve to (1) increase consistency in the facilitation of talent review-succession meetings across the organization, (2) increase the skills and the confidence of talent review meeting facilitators, (3) provide a way for employees to obtain new skills and to be rewarded for taking on new responsibilities, which also increases retention and engagement, and (4) increases the number of employees in the organization who are skilled and ready to facilitate talent review meetings.

Solution: External experienced consultants can be used to increase the organization's ability to facilitate more talent review-succession meetings across the corporation. Just as most organizations often hire external executive coaches to extend their ability to provide internal coaching services for their business managers, the organization should also consider hiring consultants to help facilitate their talent review meetings. An additional benefit of having external consultants facilitating talent review meetings is that they can be objective, and the internal HR professionals can participate in the meeting discussions, adding their data points rather than facilitating the meeting.

Challenge 5: We Don't Have Enough Career Movement Options for Top Talent and Successors

In smaller organizations, and in organizations with low turnover, a common challenge is trying to retain people and keep them challenged while they are “waiting” for a position vacancy.

Solution: Remember that succession planning is a risk management strategy—not just an employee replacement strategy. Therefore, we want to look at all the different ways we can work to protect the organization from talent loss, while also working to keep employees challenged. These strategies include:

- Placing top talent on cross-functional or other challenging project teams to help them continue to learn and to be engaged in the organization.

- Encouraging lateral career moves and financially rewarding employees for lateral career moves. Why do we only provide compensation (raises or bonuses) for employees taking on promotional career moves? It is riskier for the employee to take on a lateral career move because the employee has to move outside of his or her comfort zone; the employee will learn more in a cross-functional move, the employee will gain a broader understanding of the organization, and lateral moves provide more career options for employees, especially when promotional moves are not currently available.
- Enlist top talent to develop and deliver training courses pertaining to their areas of expertise providing visibility and a leadership opportunity, and an opportunity to share knowledge with others in the organization.
- Create job rotational or job shadowing assignments for employees to give them new experiences on the job. In a small company, two employees might be able to switch jobs for a period of time in order to learn each other's job. This can serve to challenge employees and to increase their skills, while also reducing talent risk for the company because now each employee knows how to do another job, if called upon to do so.
- Ask employees, "What can we do to keep you?" Avoid guessing what actions might help retain employees because every employee is different. Discuss ways to retain the employee with the employee making them a partner in their career growth.

Everything worth doing in a business will have its challenges. The key is to continue to review your progress, look for improvements, and continue to enlist the cooperation and assistance of others to create success in your succession strategy. After talent review meetings, send the participating managers an online feedback survey to identify what they find valuable in the talent review-succession strategy and what needs to be improved. Create a talent council composed of both business managers and HR professionals to create the strategy and to monitor the progress, sending the message that this is an important business strategy. Measure and communicate progress and results. Join local groups and Linked In groups to participate in discussions with others who have an interest in succession planning.

Most of all, recognize the important work you are doing that benefits your organization by reducing talent loss risks and reducing external recruiting costs. Note also how you are benefitting benefits employees by providing career discussions with managers and development resources to expand knowledge and competencies that can lead to career growth and opportunities.