

# A Guide to Succession Planning



ODGERS BERNDTSON

# A GUIDE TO SUCCESSION PLANNING

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# 1 Introduction

We are delighted to present the following guide on Succession Planning and hope that you find it informative and helpful.

As we have witnessed, the current level of organisational change is unprecedented, and many companies are dealing with this upheaval in a reactive manner.

The majority of this reactivity, especially when it comes to senior appointments, is unnecessary. At their best, flawed succession practices can lead to needless stress, wasted resources and time. At their worst, they can lead to excessive executive level turnover and significant value destruction for companies. Long-standing, trust filled relationships are at the core of all we do and people are a company's most precious resource.

We place huge emphasis on succession planning and wanted to provide you with a straightforward, concise guide that your organisation can use to both navigate and support succession planning going forward.



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## 2 Overview

# Succession Planning is evolving into Succession Management. In progressive organisations it has moved beyond scenario planning into an ongoing, integral part of how they manage talent. Consistent, considered action ensures a steady line-up of potential leaders.

This approach mitigates against uncertainty, shocks and external influence. It goes beyond a focus on the C suite. Burnout at the top had already become a crisis by 2020. Our Leadership Confidence Index 2020 (more below) identified an alarmingly low level of reassurance among executives in their leaders' ability to successfully steer them into the future. It found that agility, resilience and strategic thinking were qualities most needed to inspire and lead confidently, but deficient among top leaders. Vision and preparedness for change separated confident organisations from those lacking in it.

This couldn't have been more amplified during the pandemic that ensued. Though for most leaders the previous global recession was still a recent learning experience, this was different. The unexpected and unpredictable nature of the crisis brought about by the Covid-19 virus took leaders into new territory for which no-one had a map. Agility, resilience and strategic thinking were never more in demand.

### Uncertainty is a sure part of the future.

The seemingly interminable aspect to what became a new 'normal' wore down even the most buoyant. But like with all crises, the learning that ensues is embedded in our schemata; the different approaches needed to adapt become part of the business survive-and-thrive blueprint.

A fundamental part of this learning is in the purposeful structuring of talent and potential. To bolster leaders' strength, a supportive scaffolding of skill, expertise and fresh thinking is now a crucial layer beneath all organisation's top teams. Indeed, whole organisation talent management must now evolve to become part of every company's strategy. Decision making at the helm is most confident when underpinned by able, invested talent, who also evolve to become competent successors through involvement in real time challenges.

### Change is inevitable, we must plan for it as surely as we do for a known leader's departure.





## CEO's now do not have a choice – they must make succession management part of business

### How Succession Planning is evolving

1. Succession Planning, now an integral part of talent management, has become central not only to HR function, but to the CEO's agenda and whole organisation strategy.  
In 2019, the UK Corporate Governance Code entered new territory by directing the precise shape succession planning must take, stating that annual reports must “describe the nomination committee’s work in the annual report, including appointments, succession planning and pipeline diversity, linking this to company strategy and reporting the gender balance of those in senior management”.
2. It's not all about appointments to top layer; it's also about the scaffolding under them.  
In the past, succession planning was focused only on positions in the top executive team. But to maintain a strong talent pipeline, research has shown that career pathways for all talent, from entry level upwards, are crucial in the overall health of an integrated, loyal workforce who pull together and strive for more within your company. Retention and engagement increase when rising talent is invested in and shown a clear path to their advancement through company-wide succession planning. Strengthened roles and increased responsibilities future-proofs you with bench strength at all levels of your business.
3. Boards—a top down commitment is needed to minimise talent shortage and plan for growth.  
Directors' new awareness of the importance of organisation-wide succession planning has led to active, ongoing involvement and direction from boards. They are now acutely aware of the need to integrate HR strategy with all business objectives and ensure processes and pipelines are fulfilling the expectations outlined in overall strategy.

### 3 What is Succession Planning

**The pace of change, levels of disruption, unexpected crises and economic uncertainty that face all organisations in today's business world have never been as fierce. These factors put leaders and businesses under relentless pressure and strain. The new normal of work is a continual facing of challenge from one perspective or another.**

#### **Leaders under unprecedented levels of challenge**

Many influencing factors, both imagined and unpredictable, are outside of a company's control. When facing unprecedented challenges, and indeed foreseen ones, the character of leaders in key positions comes to the fore. All eyes look to those at the helm to ideate and inspire the solutions and new directions that will steer your ship into calmer, more fortuitous waters.

A profound case in point is the Covid-19 pandemic, causing the biggest macro-economic disruption in generations. It accelerated planned changes, particularly technological, and permanently shifted the shape of working lives. Its impact will continue to stretch far beyond the initial crisis and disruption. The pace of the corporate calendar in the midst of this crisis sped up in an unprecedented way. This tempo is unsustainable without the robust resources that keep a solid foundation in a company and supply fresh troops for the front line.

**Succession planning is an organisation's best strategy to futureproof in the face of continual challenge and rapid change. It enables you to build resilience based on reliable assets; a carefully prepared pipeline of the kind of talent that is built for adaptability.**





## Create the pillars that hold you steady, with reinforcements at the ready, whatever way the wind is blowing.

**Odgers Berndtson's Leadership confidence index 2020**, conducted in association with Harvard Business Review Analytic Services, found a surprising lack of confidence in top leadership. 95% of senior executives worldwide believe that managing disruption well is vital to the success of their organisations, yet a staggering 85% lack confidence in their own leadership team's ability to successfully navigate through disruptive times. Only 16% of leaders say disruption has been well managed.

The expectation of senior leaders for innovative thinking, solutions that solve operational problems and strategies for continuing involvement is great. For internal stability and to withstand external pressure, it is imperative for organisations to create a framework that secures a pipeline of robust leadership, providing resistance to the ongoing punches coming its way.

### Above and beyond the filling of vacancies

Adopting a succession planning strategy to methodically prepare for current and, more importantly, future requirements in CEO appointments, directorships and senior leaders creates a matrix which both discovers and nurtures your essential human capital. A structure on which to build your future vision becomes clear, and when you need to pivot, you have prepared the flexibility needed to navigate the way forward.

The future of work is in ever more co-creation and collaboration. Today's pressures are too broad and multifaceted for a select few to shoulder alone or in silos. Succession planning functions above and beyond the mere filling of vacancies. The ongoing assessment and promotion of human resources across your teams puts in place a long-term, strategic view of the potential composition of future leadership.

### Investment in people attracts loyal talent

Integrating ongoing succession planning strengthens and interlocks your internal culture of problem solving and innovation. When planned with vision and integrated with understanding, a succession planning culture lets your talented and ambitious people know there is a vibrant and active interest in their development and a plan for an upwards trajectory. Skill set gaps are identified early and developed; teams are more engaged and collaborative. The invested interest of an enlivened workforce that is unified leads to a level of creativity far greater than the sum of its parts.

High performing organisations distinguish themselves in understanding the benefits of an ongoing succession plan and wholeheartedly committing to its implementation, particularly for CEO succession. Directors themselves, however, are less likely to plan for their own succession.

### Reinvention keeps thinking fresh at the top

While stability on boards is welcome, as is the trust and collegiality developed during ample tenures, this can also lead to stagnation. The business landscape changes rapidly. New regulations, disruptive technology, innovating competition and market movement can mean new talent and fresh thinking is regularly needed to respond appropriately.

PwC's Annual Director's Survey 2019\* finds that 49% of directors think at least one fellow board member should be replaced. 43% say it is difficult to voice a dissenting view. Though some may see it as self-limiting, board responsibility is best served when members are open to the pivoting, adaptability and reinvention today's organisations need to thrive in a hugely competitive environment.

\*1,890 global respondents representing companies with collective turnover of over \$3 trillion

## 4 Why is Succession Planning Important

**According to research by Gartner in 2019, 60% of top companies in the US listed ‘Current and Future Leadership Bench’ as a top priority. 66% believed building critical skills and competencies was crucial. Almost half admitted they struggle to develop effective leaders and existing succession management did not produce the right leaders at the right time.**

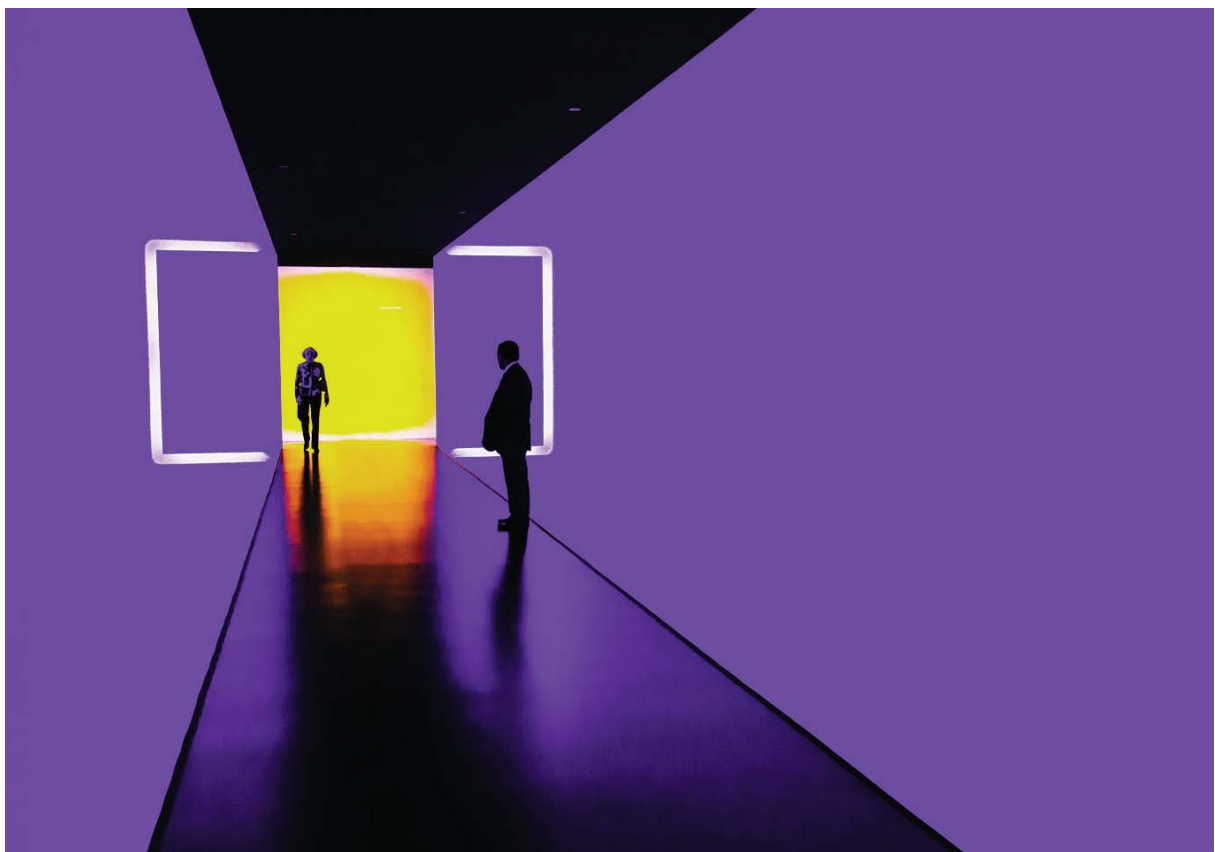
### Prepare for problems before they happen

Investments in high potential talent need to pay off. For leadership bench preparation to be successful, it needs to start early—long before positions need to be filled. Planning for upcoming, unforeseen and future key appointments in your leadership needs to be an integral part of your talent management plan.

### Vacancies

Vacancies in any leadership position, particularly a CEO, can mean vital responsibilities are neglected. It can cause ripples of uncertainty internally, a drop in brand loyalty and nervousness among shareholders. A prepared pipeline of successors, whose development is actively invested in, mitigates your risk of exposure to vacancies. Also, by looking at the totality of critical skills among your top team, appointments can be made using a ‘complementary leadership’ model, where collegial leaders can fill critical skills gaps quickly and immediately in the case of a sudden need.

**In researching leaders, Gartner found that out of 2,800 surveyed, just 50% believed they are well-equipped to lead their organisations into the future.**







**Committing to a long-term succession planning programme gives transparency to the potential among your human resources. It addresses many possible leadership problems before they arise.**

**Readiness**

Many high potential candidates have the capacity to fill leadership positions but lack readiness. Nurturing your pipeline of upcoming leaders involves a structured plan for preparedness including scenario planning, personal development and broad awareness of current and future business goals. Succession planning customises your internal development programme.

**Anticipation**

Your plans need to look above and beyond existing leadership roles. Evolving business priorities can mean future roles will need a different emphasis. Internal structural changes can require new skill sets or leadership approaches. An overall, strategic approach to talent needs to track your business strategy and anticipate new directions.

**Diversity**

The diversity in today's audiences needs to be reflected in leadership teams for brands to stay relevant. Sophisticated succession plans have inbuilt practices and processes that counter bias, increasing the promotion of a wider range of candidates. Countless studies show greater success in internal culture, business performance and profits when leadership is represented by a broad and diverse pool.

**Transparency**

Investing in a transparent, organisation-wide culture that encourages and supports ongoing career development allows for open conversations and active engagement in company goals. Visibly embedding succession planning as an integral part of career progression helps you to attract committed, ambitious and loyal people.

**Pre-pave with a 360° view of potential CEOs**

A 2018 PWC study of CEO turnover in 2,500 of the world's largest companies found that 83% of successions were placed from internal candidates. There is much safety in an internal hire. Nevertheless, according to Harvard Business Review, estimates suggest that between one third and half newly appointed CEO's fail within their first 18 months.

Though a largely known quantity, internal senior appointments can face devitalising challenges; performing in the shadow of their predecessors, moving in directions that stakeholders disagree with, leading former peers and distance from previously enjoyed collegial support.

Good succession planning can foresee where a mismatch in traits and skill sets might fall short of business needs. It looks at the range of talent needed across leadership for alignment with strategy, and plans for a balanced, long-term collection of relevant qualities tailored for business continuity. It is self-critical, continually tracking its own success and adjusting accordingly.

## 5 Essential Principles of Succession Planning

As we began 2020, The Conference Board's annual survey of 750 CEOs and 800 other C-suite executives reported that the number one priority internally was attracting and retaining top talent. Developing 'next gen' leaders was also a top imperative with widespread commitment to cultivating the leaders of the future. This trend has been growing steadily in recent years, reflecting the urgent need for resilient, capable leaders to withstand the numerous challenges in business today.

Effective succession planning should adhere to these essential principles:

1. **Linked with strategy:** It is an integral part of your organisation's overall strategic plan. Planning for future leaders can only work well with insight into the directions and strategies shaping your future. The talent resources in your pipeline must match where you are going next rather than where you are now. Succession planning must be a board level process.
2. **Commitment and resources:** Well-designed planning has the commitment of the board and senior management to the time and resources needed. Training to broaden skills and develop attributes of upcoming leadership potential needs to be an ongoing practice. Current leaders need to commit time and focus into the communication of plans to inspire engagement among ambitious people.
3. **Designated team:** A committee of your HR professionals and senior executives should be tasked with responsibility for overseeing the implementation of all aspects of your planning. Accountability is important to maintain momentum and oversee continual review.
4. **Progress is tracked and reviewed:** Current leaders use benchmarks to measure the progress of an overall plan. Pre-defined stages are regularly reviewed using tangible results and trends. Rather than an emphasis on penalising inadequacy, a culture of positive talent nurturing increases engagement considerably.
5. **Inbuilt flexibility:** It should provide a structure where abilities can be stretched and capabilities explored, in an encouraging environment where failure is safe and used to reshape directions. Established learning informs future plans and opportunities are balanced with support.
6. **Talent nurturing v resistance to change:** A transparent and proactive succession planning culture is vital in attracting and retaining talent with leadership potential. Ambitious people want to know their career progression is a priority. Resistance to change, on the other hand is also a common issue. This can be more related to social change than technical. Participation of your potential talent in the planning process has been shown to reduce resistance, which should be anticipated and inbuilt.
7. **Consistent communication:** Changes in the external market that affect your company and internal shifts in leadership positions can create ripples of unease. Consistent messages and aligned communication from leaders infuse trust that succession planning is designed to benefit the whole organisation and all its members. It can be shown to be a supportive rather than a judging practice.
8. **It is a journey, not an event:** When succession planning is ongoing and integrated continuously, a steady pipeline of well-prepared talent is ready not just for the next generation of leaders, but also for the positions behind them. It takes time and commitment for traits like good judgement and wise insight to ripen.

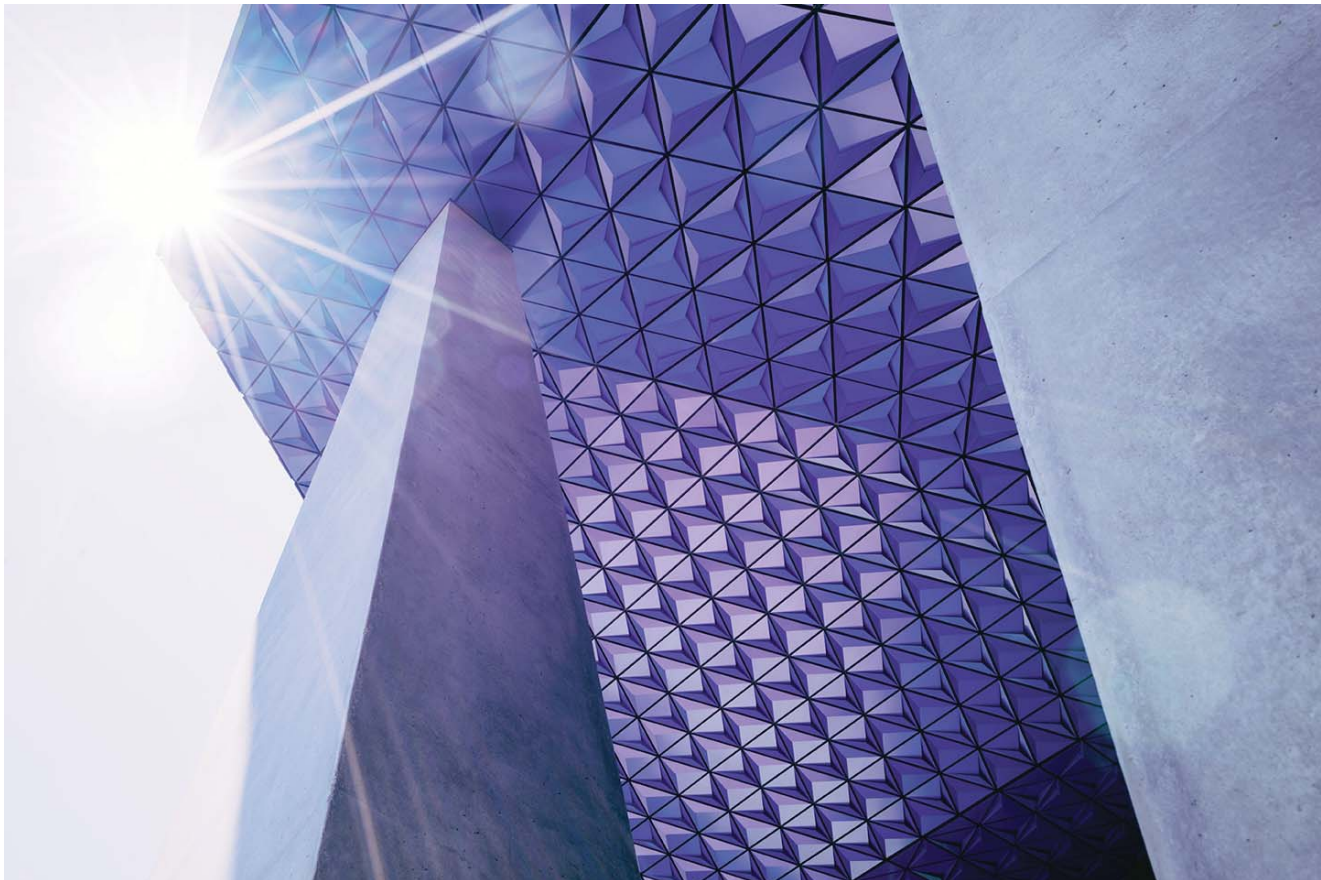
9. **Works with the big picture:** Development of individuals' skills is coupled with a broader plan which looks at issues like evolving organisational design and the transitioning of client relationships, usually maintained by senior leaders.

In 2020, the World Economic Forum said that by 2030, one billion people will need to be reskilled. By 2022, 42% of core skills to perform existing jobs are expected to change.

PwC's 2020 CEO survey of 125 Irish CEOs finds that 57% believe transfer and upskilling of employees is the most important way to close their organisations' skills gaps, up 30% from 2019. However, just 12% have progressed at implementing an upskilling programme.

It goes without saying that your organisation needs relevant skills and adaptable talent. A structured, continuous plan guarantees you keep your finger on the pulse of the skills needed for your company's future. Partnering with professionals in succession planning keeps fresh thinking on the table and keeps you abreast of the latest research.

**Pearson's Future of Skills 2030 report notes "History is a reminder that investments in skills must be at the centre of any long-term strategy for adjusting to structural change."<sup>4</sup>**



## 6 Competencies

**Every organisation is unique. The collection of competencies, motivations and potential of your leaders needs to be a good match for your company's goals and strategies. More than ever, your future success is dependent on your choice of leaders.**

**The strengths, core values and performance risks of potential successors to top positions need to be carefully and professionally assessed. You need to determine their ability to deliver results against your strategy, lead a high performing team and manage key relationships.**

**Our LeaderFit™ Model and Profile are designed to find world-class leaders who will thrive in a world of uncertainty, complexity and disruption.**

**Capture future growth opportunities with hand-picked leaders**

Integral to assessment for succession planning is to design a roadmap to nurture and develop high potential talent throughout your organisation on an ongoing basis.

Your future leadership team must evolve from a matrix which encourages, develops and improves personal attributes and abilities. Behaviours, skills and knowledge which positively impact organisational success are identified and nurtured through direct experience, learning opportunities, stretch exercises and coaching.

This will give you the reassurance of a continual progression of talent capable of stepping up to senior appointments, create a pipeline of able successors behind them and a structure of robust teams underneath. Your competency model can be applied at organisational level, at functional levels or for teams and individuals.

**A new business world needs new approaches**

Like our clients, we in Odgers Berndtson recognise that to meet current challenges, our approach to talent nurturing and succession planning must innovate, adapt and change. Based on up to date and directly relevant feedback from worldwide leaders, we developed our highly effective LeaderFit™ model to enable you to engage truly adaptive leaders to create your future.

Using specialist, in-depth training in this model our consultants astutely read the shifts and emphasis changes in your sector. They have the agility, expertise and leadership analytics to respond with a customised plan for your business. Our research found that mindset now carries a bigger weighting than skills and experience. To predict future performance, past experience alone is insufficient; leadership competencies and motivation have significantly more impact.

We help you to identify the perspectives and capabilities that distinguish world-class leaders. LeaderFit™ defines the critical competencies for performance and potential, i.e., stretch and agility, needed to be successful in demanding executive roles. For critical decisions on internal promotions, external hires or high potential identification, we benchmark your possible choices against our LeaderFit™ profile.

**A good competency model recognises that leadership qualities are not fixed.**

# 7 Implementing Succession Planning

## Let talent see your succession planning as an advantage

Over the past decade, succession planning practices have undergone welcome evolution and are now more transparent, positive and inclusive. Rather than an outdated approach in keeping programmes secret and exclusive to a nebulously chosen group, modern companies integrate an open, organisation wide system that encourages active, enthusiastic engagement.

## A transparent process attracts ambitious, capable people

Traditional succession planning was narrow and tended to tunnel-vision only on the next CEO or CFO appointment. It sought to correct skill gaps in promising executives, but failure rates in top positions still ran high. Research has proven that earlier preparation and wider skill development is essential to increase the chances of success for new leaders.

Up to date approaches broaden and open the process to integrate talent management, leadership development and succession planning as natural, logical stages in the overall, fundamental goal, a plan for your future leadership team. This has a much greater chance of building an enduring, evolving framework that nurtures the right skills to be in the right place at the right time.

## Modern mindsets embrace broad succession management

In Simon Sinek's book 'The Infinite game', he saw that many companies' difficulties lay in leadership mindsets that were playing a 'finite game' rather than recognising that they were part of an 'infinite game'. Business is never aiming for a conclusion.

A company that integrates into its culture genuine interest in the personal progression of its members is practicing an 'infinite game' mindset and increases its competitiveness significantly. The cream of the crop in bright new talent is drawn to you, knowing there is an intelligent, focused plan for their future careers. The implementation of development and succession programmes is seen as a major perk of employment, rather than a system for harsh judgement.

Rather than the traditional focus on a fixed list of high-potential employees and the roles they may grow into, succession management is a supportive, flexible system focused on developmental activities; a merging of leadership development and succession planning that educates and ripens the skills needed at senior management and leadership levels.

Principles to underpin succession planning

- Clarify expectations, aims and outcomes which align with company strategy.
- Identify participating stakeholders, e.g. board members, HR, CEO. Full cross-functional engagement is imperative for success and a return on investment.
- Customise LeaderFit to ongoing needs and goals. Competencies and skills gaps are identified and a development plan designed to reach for ideal skill levels in all functions.
- Identify succession pools and organisation wide application of customised talent management programmes.
- Set communication guidelines for the transparency of developmental programmes and overall succession management among all team members.
- Schedule regular intervals for review of your plan and adjust to keep pace with organisational changes and market movement.



**“The leaders who embrace an infinite mindset, in stark contrast, build stronger, more innovative, more inspiring organizations. They have the resilience to thrive in an ever-changing world, while their competitors fall by the wayside. Ultimately, those who adopt an infinite mindset are the ones who lead the rest of us into the future.”**

Simon Sinek



### Steps for implementing succession planning.

#### 1. Identify Your Key Areas and Positions

Which sections and roles are critical to your organisation's strategic objectives and operational activities?

- Which positions, if left vacant, would make it difficult to achieve current and future business goals?

#### 2. Identify Necessary Competencies for Key Areas and Positions

Determining the capabilities needed for the areas and positions above will inform the selection criteria for your succession pool. They will also form the basis of a developmental programme and performance expectations.

- Identify the relevant knowledge, skills (including language), abilities, and competencies needed to achieve business goals.
- Inform employees about key areas and positions and required capabilities.
- Implement LeaderFit competency model for tracking and assessment.

#### 3. Identify Employees with Potential, Assess Them Against Capabilities

Who among your people is interested in and has the potential to fill key areas and positions?

- Open conversations with employees to discover ambitions and interests.
- Which candidates are potentially suitable to fill or strengthen key positions, with the appropriate development?
- Think ahead and allow for a pipeline of successors to all key positions.

#### 4. Plan a Development Programme including Knowledge Transfer

Embed in your succession planning strategies for learning, training, development, and the transfer of corporate knowledge into your succession planning and management.

- Define the learning, training, and development experiences that your organisation requires for leadership positions and other key areas and positions.
- Link employees' learning plans to the knowledge, skills, and abilities required for current and future roles.
- Invite employees to offer ideas on effective transfer of corporate knowledge.

#### 5. Evaluate Effectiveness

Monitor and evaluate your succession planning and talent management.

- Do you have succession plans for all key areas and positions?
- Are key positions being filled quickly?
- Are team members in key positions supported and performing effectively?

Look out for our next post for more on evaluation of your succession planning programme.

## 8 Evaluating your Succession Planning Programme

**Implementing a robust, organisation wide talent management strategy which is integrated with succession planning is your best insurance policy against dangerous gaps in able leadership, especially at critical times. Research has shown that focusing only on those nearing the top for succession appointments means you can miss out on identifying high potential talent elsewhere throughout your organisation.**

Our Leadership Confidence Index report 2020, in association with Harvard Business Review Analytics Services, discovered that 88% of participants believed disruption would increase over the next five years. (Compiled before the COVID 19 pandemic.) Just 24% of senior leaders were very confident in top leaders' ability to manage future challenges.

### **Succession planning must be measured and progress communicated**

Just like engineers must safety test an aircraft's airworthiness regularly to foresee and counteract any possible weaknesses, scheduled, critical evaluation of your succession planning programme is vital to the continuity of its success. We consider it essential to measure and communicate succession planning progress, along with demonstrating its value. It can take two to three years to embed the culture and see the results that an organisation wide programme yields.

At Odgers Berndtson, we are acutely aware of the speed of change our clients' businesses now undergo. We know how vital it is for us to keep pace with the corresponding change in their needs for specific talent. Evaluation is central to this.

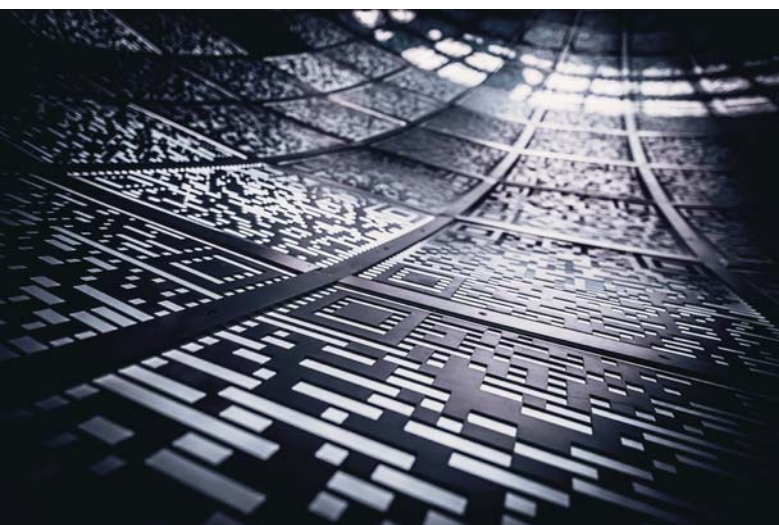
### **How to evaluate**

As your succession programme must be customised to your organisation, so should your evaluation process. Before deciding on your evaluation methods, think about:

- Who will put the results to use?
- In what way will the results inform action?
- What are the expectations from the programme participants?

In assessing your overall programme, there are three guiding principles:

1. Match evaluation to the programme's original objectives. The work undertaken to highlight the strengths, weaknesses and potential in your C suite and bench before implementing your programme can be used as a benchmark with which to judge your current team.
2. Assess your current and previous skills gaps. A detailed report should show where you now excel, what individual members of your team are fulfilling expectations and what skills and qualities are still needed.
3. Analyse your performance. The raison d'être of your programme is to improve your success and bottom line. Reports on business performance need to be tracked along with position changes, development and training within specified periods to assess the success of programme elements.





### Metrics provide grounded, transparent evidence

As part of the programme design, define the choice of metrics which will reflect the goals of the plan. These can then be generated and compiled at regular intervals to form part of evaluation and will greatly strengthen the process.

**Objective metrics**, in other words hard numbers, are compelling, e.g., retention, numbers of positions filled internally or length of time it is taking for chosen high potential individuals to be ready to take a C suite position.

**Subjective metrics** are less definable, but also important. They assess the changes in company culture, job satisfaction and engagement among team members. Employees personal development and the quality of relationships between leaders and teams are crucial, but less measurable. We can work with your HR heads to design effective temperature testing that is tailored to your goals.

### Drilling down through your development initiatives

One of the most trusted methods of evaluation of your investment in training and development is the Kirkpatrick Model. It uses four levels of evaluation:

#### Level 1: Reaction

The degree to which participants find the training favourable, engaging and relevant to their jobs

#### Level 2: Learning

The degree to which participants acquire the intended knowledge, skills, attitude, confidence and commitment based on their participation in the training

#### Level 3: Behaviour

The degree to which participants apply what they learned during training when they are back on the job

#### Level 4: Results

The degree to which targeted outcomes occur as a result of the training

### How often and how in depth?

#### Anecdotal evaluation

Anecdotal evaluation is akin to using testimonials in evaluating training. It examines the operation of the succession planning programme on a case-by-case basis. Anecdotal evaluation dramatises especially good and bad practices. It also suffers from a lack of research rigour.

#### Programmatic Evaluation

Programmatic evaluation is usually carried out by a formally appointed committee and examines the succession planning programme comprehensively against its stated mission, objectives and activities. It is an in-depth programme review and resembles the human resources audit that may be conducted on all HR activities. Representatives of key line management areas, as well as the CEO or members of the corporate board of directors, may also be members.

#### Periodic Evaluation

Periodic Evaluation examines components of succession planning at different times, focusing attention on programme operations at present or in the recent past. Rather than evaluate critical incidents (as anecdotal evaluation does) or all programme components (as programmatic evaluation does), periodic evaluation examines isolated programme components. For instance, the succession planning coordinator may direct attention to:

- The programme mission statement
- Programme objectives, policy and philosophy
- Methods of determining work requirements for key positions
- Employee performance appraisal
- Employee potential assessment



## 9 Governance

**Once a succession planning process is established its strength and success is dependent on a strong and consistent governance structure. The best way to support your programme is to appoint a talent board.**

### What are Talent Boards?

Talent boards are governance structures that manage your talent by running and monitoring development and succession initiatives. The members should represent management and leadership at different levels throughout your business. They meet at least twice yearly, but preferably four times in 12 months. In the first year of a new programme, up to six meetings may be scheduled.

#### The main objectives of a talent board are to:

- Govern and ensure that talent is managed effectively in line with business objectives.
- Embed a talent mindset and ensure that there is consistency in managing talent.

#### The activities of the talent board include:

- Reviewing business priorities and challenges and identify implications for people capacity.
- Reviewing organisational and talent capacity in line with business priorities.
- Placing employees on the 9Box Talent Matrix.
- Agreeing on development and retention actions.
- Developing strategies for increasing diversity, where appropriate.
- Agreeing on succession plans at all levels.

The roles and responsibilities of members of the talent board are:

#### Chair

The role is held by the head of the business unit, CEO or senior director. Their objective is to convene and chair talent board meetings, own the board's decisions and ensure implementation and follow up. Additionally, the chair will be involved in resolving disputes.

#### HR

The role of the HR representative is to guide and support line managers with preparation for meetings, guide and facilitate the talent board meeting, compile resulting action plans and ensure follow through.

#### Line Managers

The role of line managers is to prepare for talent board meetings by ensuring that: talent profiles are completed, career and development discussions take place with all staff beforehand, employees are mapped on the 9 Box Talent Matrix and succession plans developed for their business units.

#### Guidelines and principles for talent board meetings

- An annual meeting calendar outlining issues to be discussed should be developed and agreed at the beginning of each financial year.
- Discussions should be exclusively on talent management issues and opportunities.
- The chair may call special meetings where necessary to address urgent talent issues.
- The meetings should be used to track implementation of talent management strategy, make talent management decisions and make recommendations for the adjustment of the strategy.
- Proceedings and decisions taken by the talent board shall be recorded in minutes and be kept confidential with access provided based on approved authorisation.



# 10 Accelerated Leadership Development

MIT Sloan's Advanced Management Program is based on the simple view that there are two ways to improve leadership abilities: learning and practice. Research has found that up to 80% of learning that leaders integrate comes from practice—on the job learning. This doesn't diminish the value of the other 20% of development, which comes from:

coaching,

- Coaching
- Mentoring
- Internal development programmes and
- Formal external education.

Each strand combines synergistically in a mutually-supportive way.

Languages are best learned in a similar way; first, total immersion in the terrain of the language. Once a practical grasp is achieved, formal learning and fine tuning deepens mastery by learning its structure, application and nuances. This model can also work well when applied to leadership development.

Pace is naturally the defining characteristic in accelerated development. The luxury of time taken to grow into roles through traditional development is forsaken for the reward of preparing an ample succession pool quickly. Through a talent management programme, those showing interest and potential for more responsibility and leadership are identified. A fast-track programme of role experiences (functionally and possibly geographically), challenges and personal development is then designed, tailored to the chosen individuals.

The success or otherwise of accelerated development has become transparent through growing expectations within organisations for business results from trainees along the way. This can add a stress factor to a situation where performance is measured while still getting to grips with a function or project and needs skilled handling. Readiness to step up to the next level is contingent on doing well in the current one, but when skills and qualities are assessed in the round and not just on results, a broader picture of competency can be seen.

**“The design of a leadership development initiative should be grounded in succession management, anchored in the organization's strategy and feasible given the organization's size and resources.”**

SHRM

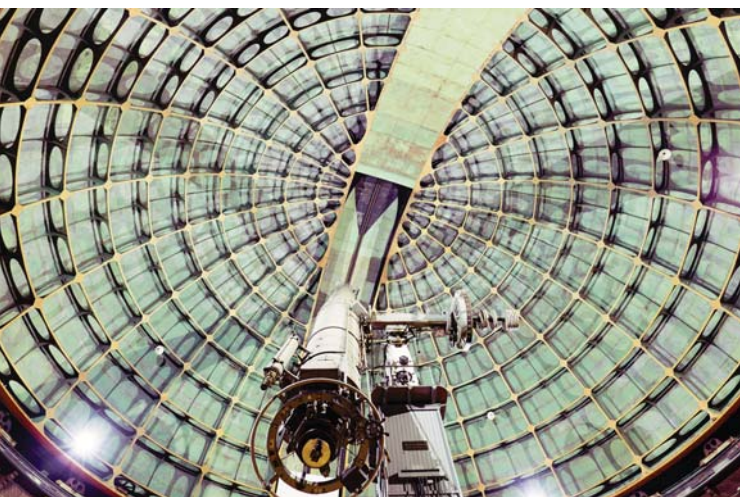
Mastering technical and managerial competencies can be relatively easily tracked and measured. Less so is the development of identity and the necessary personal skills, now more essential than ever to develop. Moving from a managerial role to a leadership one requires an identity transition, an abandonment of the old identity and adoption of the elements that will form a new one, capable of taking on necessary leadership qualities.

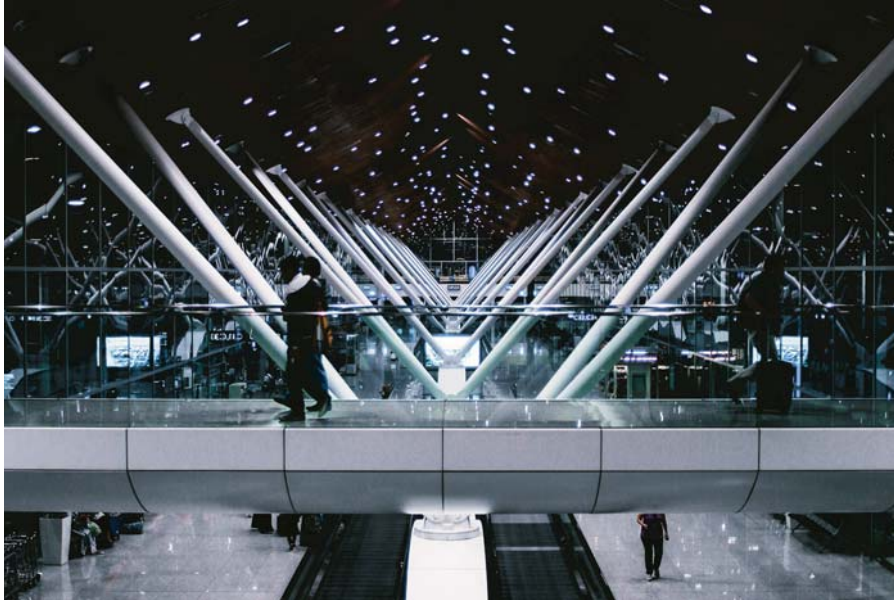
Preparation for this transition is central to development. Candidates need to be comfortable with influencing others, good at motivating teams and sensitive to culture and currents. It involves a significant degree of personal change that stretches far beyond the work-related context. For a young person to transition to a position with, traditionally, a more mature identity, suitable preparation and supports are a must.

Closely related to this, personal development has now become heavily weighted in the necessary qualities in leadership, alongside technical skills. Daniel Goleman's groundbreaking work on emotional intelligence has continued to gather momentum in the business world. Goleman's building blocks to high emotional intelligence are:

- Self-awareness
- Self-management
- Motivation
- Empathy
- Social skills

Leaders now need to have a can-do rather than pessimistic outlook. They need to be active listeners, solution-finders not fault-finders, be resilient and practice perseverance. It can take maturity for many to come to this level of emotional intelligence, but coaching, mentoring and external self-development programmes can greatly advance these practices. The benefits to organisations as a result, and to individuals' development, are very significant.





Once an executive has shown the ambition and capability to be considered in a succession plan, the plan must include continual learning. Needless to say, the choice of new learning opportunities can be designed to fill gaps in experience or develop anticipated skills needed from here on.

### Coaching

Coaching works best when invested in high potential people who are willing to make a concerted effort to change—highly motivated people who want to accelerate the trajectory of their careers.

The further along a career path, the more isolated a leader becomes and the bigger the pressures. Coaching as part of succession planning is primarily focused on building current strengths, eliminating unhelpful patterns and discovery of hidden attributes. Good coaches work through an executive's talent layer, from pragmatic, strategic ability and day to day business acumen to less tangible but vitally important personal strengths and awareness and ultimately, his or her vision and goals.

It provides a confidential space where an individually tailored programme is designed to give the participant the insight and tools to grow and strengthen into his or her path ahead. Where one area is either dominant or underdeveloped, focus is placed to strike a balance. Emotional intelligence has become a priority among top leadership and needs to be a central part of a coaching programme.

Coaching creates a much needed and welcome environment that allows executives to express candid views, ambitions and vulnerabilities without scrutiny from peers, superiors, staff, clients, competitors or press. Stepping out of the pressure of board, shareholder and superiors' expectations allows room for uncluttered reflection and focus, benefitting executives and the roles they're tasked with.

It can have a far-reaching impact, leading to more authentic leaders who find comfort in their innate talents, recognise behaviours that are not serving them and have learned the tools to continue self-improvement. It also helps build the resilience needed to deal with the unexpected.

### Mentoring

According to a study quoted in a 2019 Harvard Business Review article, 75% of professionals want to work with a mentor but just 37% have one. It also suggests that if the mentor focuses on the whole person rather than that person's career advancement only, the impact is greater and longer lasting. This is naturally a much more in-depth and personal approach but goes deeper and has produced transformative results.

Many internal corporate mentoring programmes are widely experienced as uncomfortable, forced and disappointing in their outcomes. The dynamic in a professional, one-to-one relationship allows for meaningful, focused exchange, with emphasis exactly where it's needed. Gaps in the mentee's skill set can be filled with help from a mentor who's experienced in these.

The advice, strategies, connections and suggestions for reflection can be career-defining in an effective mentorship.

An emerging and effective mentoring style is one where there is a reciprocation of value between mentor and mentee. Naturally, mentors will come to the partnership with a level of experience, skill and insight that is of great value to someone less advanced in his or her career, but the different life experience, talent and perspective the mentee brings can often turn student into teacher adding value in a reciprocal way. A trusting, open professional relationship that has mutual respect and curiosity for what the other brings has the best chance of an enduring impact.

The best mentoring partnerships have these essential ingredients:

- The mentor has relevant expertise, skills, knowledge that the mentee does not, and will benefit from.
- The mentor is generous in his or her willingness to share these and invests in the mentee with an eagerness for his or her advancement.
- The mentor is objective enough to give constructive feedback, even when this is unwelcome, in a kind but clear way.
- Mutual respect is essential. Harsh criticism can be unproductive and an inability to heed advice can block progress. Attentive listening, openness and a considerate style of engagement sets the tone for each partner in the relationship to benefit.
- The mentee commits time, effort and genuine willingness to change throughout the process and sees the mentor as an ally.

#### **Internal tailored programmes**

Internal education programmes should be designed to increase knowledge and ability where it's needed. Courses can be tailored for groups or individuals and content can be specifically designed for relevancy to the company and its needs. It can be a useful way for a HR department to get to know potential talent and reveal succession pools.

#### **On the job development**

The most obvious place to start developing your people's potential is in their current roles. An experience-driven culture builds learning agility, a valued competency in itself. Your HR team can help people to notice what should and can be learned from all aspects each role they are given the opportunity to experience. This kind of learning is not an add on, but one that capitalises on the learning potential inherent in your company without additional investment.

#### **Job rotation**

Executives benefit from getting to know the nuances of roles related to their current one through strategic job rotation. A move to an unrelated position, but which teaches perspectives from a new discipline adds a new dimension and depth of knowledge. These moves should be for a predetermined period and outcomes reviewed regularly.

#### **Strategic projects**

Whether on a solo task or within a team project, specific assignments test and develop capacity in a myriad of ways. Similarly, international projects, when overseas or global trade is relevant to an organisation, broaden understanding and set the foundation for future relationships and investment skills.

#### **Action learning**

Action learning is working on real issues, usually in a group, which puts emphasis on thinking that leads to taking action. It is a structured way to give direction to problem solving and illustrate the learning that ensues from a defined process.

#### **Stretch assignments**

Stretch assignments are high intensity, high profile projects that are designed to be challenging and probably uncomfortable, given an executive's current skill and experience. They require the assignee to rapidly develop new technical, business or leadership skills. A large majority of successful leaders find this a more valuable form of learning than action learning, mentoring or formal training.

#### **Acting positions**

This gives an albeit temporary opportunity to step into the shoes of a position that's beyond or different from the current scope of an executive's capability so learning can prepare him or her for this or similar positions in the future.

#### **Knowledge sharing**

There are a number of ways to take advantage of inherent assets within an organisation, e.g., through sharing knowledge. When leadership develops a culture of open sharing of information, this leads to a willingness to share established knowledge. This can be a huge asset; it helps continuity, creates a shared vision and good teamwork among your people and reduces competition. Existing expertise is passed on and individuals or teams can be inspired to take this further with new ideas.



## Shadowing a senior leader is an immersive way to experience up close what the role involves.

Shadowing may be short lived but can give insightful glimpses and allow for intelligent questions on strategy, communication style, forecasts and perspectives. The leader being shadowed also benefits from the perspectives of his junior and it supports an internal leadership development culture.

### **Professional courses (external)**

The business world changes quickly. To keep pace with developments and to keep thinking fresh and relevant, external professional training is a wise investment. A recognised, respected professional qualification from a business school adds weight to credentials. Top courses like MBAs are an obvious statement on ambition and commitment to leadership and give a superior level of skill and confidence when moving towards or into a leadership role.

It can be a big advantage to step outside of day to day operations and management to develop a vision inspired by external influences and new people. The ability to deal with complex and unexpected situations is another invaluable skill. Training externally also has the big advantage of forming relationships and connections with a network of equally ambitious and dedicated others which can be lifelong and benefit both executive and organisation.

Countless studies have shown that training the whole person, i.e. including personal development, has better results than focusing on tangible skills alone. The most respected qualifications now include skills to help executives communicate more effectively, form productive and harmonious relationships, both in and out of the office and deal with stress in healthy ways.

## At Odgers Berndtson, we work with different organisations to build outstanding leadership teams. In the process, we help transform our clients and the lives of the people they hire.

We deliver executive search, assessment and leadership development to businesses and other organisations in 30 countries.

We have a moral responsibility to our clients and candidates. This is central to our values because:

Nothing is more important for every kind of organisation than recruiting, motivating and retaining the best possible people in key jobs. Exceptional leaders are scarce, and we believe that finding and attracting them adds more value than any other professional service.

Few things have more effect on any individual's life than being in the right job, so we keenly feel our responsibility to candidates as well as clients.



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