

Leadership Guide



Building and Sustaining Leader-Full Organizations!

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Feature Article:

Building Strong Organizations Through Sustainability and Succession Planning

During these uncertain times, many organizations are beginning to realize the importance of sustainability and succession planning. It is not uncommon to realize that knowledge is not common. It's intellectual capital that exists among individual leaders and staff members. Often very precious knowledge is "locked up" in the heads of few, putting the organization in a highly vulnerable situation if it were to lose that employee, or if there were an unplanned absence. Before an emergency situation or an unplanned absence occurs, best practice suggests that organizations should have a written succession plan in place to handle how pertinent information becomes common knowledge, identify who will assist by carrying out specific key functions performed by an absent leader, and develop and prepare potential leaders for such instances.

When executives and senior managers neglect to develop the knowledge, skills and competencies of their short-term or long-term successors -- potential leaders within their organization -- they pass up one of the best opportunities to build strong, enduring organizations that are capable of achieving their mission, vision and strategic goals. Succession planning addresses three main areas:

1. **Leadership development** by helping an organization prepare for an unexpected event or an unplanned absence,
2. **Leadership sustainability** by addressing the needs of the organization as top and mid-level management mature in age and,
3. **Leadership effectiveness** by ensuring that the organization has the most talented employees working effectively and efficiently fully utilizing their skills.

Let's look at these in detail.

Leadership Development: Investment Potential Leaders

Succession planning helps organizations to identify individuals, internally, which the organization will invest financial resources, time and training into their professional

development. Those identified understand that this organizational investment in their development is in preparation of an unexpected event or an unplanned absence of an executive, top and/or mid-level manager, where they would assume the role to maintain departmental and organizational stability. Thoughtful and proactive advance preparation is imperative as it builds internal capacity for maximum sustainability and continuity of service delivery.

Succession planning can be an extremely powerful tool in motivating and retaining top talent within an organization as they are “groomed” for future leadership positions either on an interim or permanent basis. Rodney Fernandez, Executive Director of Cabrillo Economic Development Center, shares his success in succession planning through leadership development by saying, “Developing the capacity of staff and senior members has enabled our organization to groom and retain several key staff over the years. Some of our key managers have grown up in the organization and as a result we have significant retention in key spots ranging from 20 to 30 years with the company.” Such staff retention is critical in the overall sustainability and stability of organizations.

Some organizations fear that developing a pipeline of leaders who are strong and capable might be financially difficult for the organization because of the time and money required to develop potential talent. There are many institutions that offer high-dollar professional development courses, but there are others that offer comparable courses for a fraction of the cost. Other organizations have sought the expertise of consultants to assist in the development of an individual or group of individuals. Hands-on-training through cross-training has proven to be a resourceful and successful means of development as has professional mentoring and coaching. There is time and money, and there are resources available for those who creatively seek to find them and for those who are determined to have strong leadership to support the sustainability of their organizations.

Leadership Sustainability: Next Generation of Leaders

As leaders mature in age, the inevitability of retirement, poor health and death becomes a reality. Often times, founders and long-term executives are branded by the organization as the “face” of the organization because of their many years in leadership. It is important to recognize that those who have served within leadership roles for a long time have usually acquired additional responsibilities that go well beyond the written job description. With the acquisition of responsibilities, the current position may appear too cumbersome or simply “undoable” for the next leader. Therefore, many organizations have to carefully reflect on what the key functions of the position require and delegate the other responsibilities to other top and mid-level managers. This is often referred to as “unpacking the job,” looking at each function performed by the leader and determining what is absolutely key to the role of the leader. Once the key functions have been determined, the leader can begin implementing a succession plan which outlines the key functions and who would be able to assume control as the next leader of the organization either on a short-term or permanent basis.

Leadership Effectiveness: Changes to Leadership

Succession planning has been used successfully as a change-management tool by managing the growth and capacity of an organization and by helping to identify gaps in leadership. Organizations would do well to view identified gaps as genuine opportunities to develop existing staff. The advantages of developing existing staff for leadership positions include retaining existing intellectual knowledge, making the most of familiarity with the organizational culture, exploiting existing networks and relationships, drawing on insights from past experience and history with the organization, among others. Organizations typically focus on training to develop leadership for top-level leadership positions, but they also understand that even the best training programs may not provide the talent needed to effectively run an organization, especially if skill needs are immediate.

On the other hand, if there is no one internally who possesses the skills and competencies required to fill the gaps, the organization may be forced to go outside to hire top-talent. This course of action can likewise be beneficial to the organization because it can bring in talent with experience, knowledge, skills and competencies, as well as fresh perspectives to catapult the organization on a path of growth, innovation and success.

It's important to acknowledge that whether an organization makes the decision to fill leadership gaps with internal talent or recruit and select outside talent, the organization still invests time and resources to both efforts. For the internal talent, months may be required to properly groom and train an individual for an executive position or more senior level position than what they currently hold. For the external talent, the recruitment and search may take upwards of six months and acclimation to the new role, functions and networks may take another six months.

Succession Plan Implementation

There is no simple template or "one-size fits all" approach to developing and implementing a succession plan. Every organization is different and requires a succession plan suited to meet the needs and the culture of the organization. At the outset, succession planning may sound intimidating; it can be made easier by breaking it down into steps or hiring a consultant to guide you. The following are quick process steps which are crucial to having a successful plan:

1. Review current job descriptions and strategically update as needed to best align with key functions, skills and competencies required for the leadership position.
2. Develop a responsibilities list to ensure all critical events, items and matters are considered, such as events, licensing dates, reporting dates, audits, etc.
3. Clarify where important items are stored. Such items include keys, contracts, agreements, etc.
4. Identify internal and external critical relationships which must be maintained.
5. Provide fundraising efforts, grants/proposals and donor contact information which must be maintained.

6. Evaluate and identify current internal talent (potential leaders) and assess how they align with current and future organizational needs and growth.
7. Cross train those identified as potential leaders using formal training courses, mentoring or coaching.
8. Maintain potential leaders' skill sets by actively engaging them in some functions and responsibilities of the role in which they will be expected to perform in the event of an emergency or unplanned absence.

Succession planning can be complex which is why more organizations are seeking outside expertise by consultants to assist in thoroughly assessing the organization to see what exists, what's needed, and how to develop staff internally for leadership positions or hire externally for specific talents required to strengthen the organization.

Succession planning should be factored in as the organization prepares the annual budget, especially the staff development and training required to implement the plan when the need arises. When planning the budget, it may be necessary to also allocate funds for potential recruitment and selection of external talent to fill leadership gaps.

The succession plan can also be considered when preparing the strategic plan, outlining goals and aspirations for the organization and defining who might contribute to leading the organization to new heights in pursuit of fulfilling these goals. Like the annual budget and the strategic plan, a succession plan should be reviewed and updated annually.

Planning for the unexpected is worth the time, resources and effort. Once the information has been gathered and the plan is created and implemented, it will be easier to update in the future and the organization will benefit from planning ahead.

Keep in mind the famous quote by George Patton, "**A good plan implemented today is better than a perfect plan implemented tomorrow.**"

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