

Building Leadership from Within: Effective Succession Planning in Three Basic Steps

By

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Leadership succession planning is inarguably a good idea. The alternative strategy is “keep your fingers crossed that someone talented pops up.” Highly experienced people leave organizations for a variety of reasons. Who will replace them? Can any organization afford to have unfilled gaps in its capacity or human capital? They must plan for succession today, especially with the large baby boomer population starting to retire, creating higher than normal departure of expertise.

Let’s de-mystify the concept. Leadership succession planning is simply a process to identify and develop qualified, talented and eager candidates in order to prevent competency shortages. It encompasses formal and informal leadership. The following three steps provide the basics of a solid succession plan.

Step One: Hire for any position with leadership potential in mind. Leadership succession planning is useful at all levels of any organization. The goal is to create as large a pool of potential successors for all roles as possible. Hire people with the potential to rise at least two levels of challenge. Even if the position is not a leadership position per se, people need to be able to step up beyond their current job descriptions if organizations are to thrive. And stepping up has to be an attractive proposition.

At Acapello Salons, staff members continuously take on roles they have not previously trained for. June Juliano makes the prospect of promotion attractive and accessible to all. She has structured formal leadership to fit with the artistic and service-oriented aspirations prevalent in the personnel. Had she stayed with the more traditional store manager positions, she would have had to hire from outside as she added sites. Instead, she centralized administrative and human resources duties, and promoted someone who has the potential and drive to excel in those. That person leads a team of people who are attracted to those functions, and who will be candidates to succeed her should she move on. The retail stores now have coaches. They are the cheerleaders, guides for ensuring world class guest services, and teachers of technical skills. These jobs are desirable for many staff members, so again, there is a large pool of possible candidates.

Androscoggin Bank has a new senior leadership team, comprised of young people with middle management experience. They are brilliant bankers whose challenges are to lead the organization at their new levels, and in new directions. This new team is comprised of six people, versus the traditional

three. David Pease says a three-legged stool can fall over if one leg is removed; the six-legged stool remains stable even if one leg is removed. David is mentoring the new senior leaders in developing their high-level leadership skills. These leaders are also expanding their capacities across the diverse businesses of the bank. Each of the new senior leaders is positioning to be a good candidate for the topmost roles, should someone leave. The bank is not looking for the next CEO; it is looking for a group of viable successors. David is also creating more opportunities for current middle-level leaders, to expand the pool of potential senior leaders.

Step Two: Choose candidates for succession based on attributes, not tenure. Choose them fairly and accurately for high potential. “Potential” can seem subjective and intangible compared to “performance,” but it is in fact observable. Give people chances to show different sides of themselves. Note how they approach learning situations, how they seek and use feedback. Measure how they perform compared to expectations; people with high potential aim to exceed expectations. Encourage and document their creativity. Observe how they demonstrate leadership in their current roles. People with high potential don’t wait for future opportunities, they make them happen.

Giving people feedback is vital to cultivating high potential and realistic self-appraisal. They need to see what they are demonstrating, as clearly as you do. June says “If you’ve worked with people closely, they themselves know if they are candidates or not. It’s important to know how they have performed and how they approach new levels of responsibility before you promote them.” David adds “I balance positive and improvement feedback in the proportion that I see it. I’m brutally honest. I select people with high potential and from whom I can learn. I look for diverse skill sets. I look for people to be open, honest, coachable, and accept feedback as a gift.”

Step Three: Develop people towards leadership. Give them interesting work and the power to do it well. Mentor them. Both Acapello Salons and Androscoggin Bank have cascading mentoring structures. Those in higher level positions mentor aspirants, throughout each organization. Mentoring is a vital part of the culture; it is business as usual. It encompasses the entire succession planning process.

Use the expertise of highly experienced people to grow new capacity for the organization. Structure a mentoring system that defines and selects high potential performers, shapes individualized goals with them, and helps them measure and assess their own performance. Give the mentors support and skill training. Address these six questions to structure a mentoring system that will meet your organization’s unique needs for succession planning.

1. What would it take to succeed the incumbent? Establish criteria, taking into account changing needs.
2. Who could succeed the incumbent? Identify high performing/high potential/high aspiration people. Establish criteria for what “high” looks like in order to ensure fairness. Everyone who meets the criteria should have opportunity to be developed in this way. There is risk in developing only one person- what if that person leaves?
3. Who could best mentor them to gain what it takes to succeed? It may not be the incumbent. Each potential successor may need more than one mentor. Experts may

not already know how to mentor. They may need training to learn how to set individualized goals, give and receive feedback, and evaluate progress.

4. What will the potential successor do to gain what it takes to succeed? The mentor and potential successor partner to set clear incremental goals and how they will be accomplished.
5. How will progress be measured? How will the plan stay flexible to reflect needs for change? The mentor and potential successor exchange feedback continuously. The potential successor learns to self-measure progress.
6. How will the mentor and potential successor remain energized? Celebrate milestones. These may culminate in the big promotion, or maybe something else.

In summary, succession planning avoids the significant expense of hiring leaders from outside, builds on talent already in-house, engenders loyalty, and stabilizes and increases organizational capacity. A good plan trumps crossed fingers, every time.