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EXECUTIVE COACHING SERIES

Succession Planning and Talent Management: Key Questions

White Paper

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Succession planning and talent development are mission-critical processes in an organization. Yet there are still significant problems and concerns related to a 45% failure rate of the plans in place (Miles, 2009) and a Forbes.com survey with 60% of CEOs stating their organization had no succession plan (Forbes.com staff, 2008). There is no reason to think that smaller organizations with a limited human resources staff and boards that are stretched too thin would have a higher percentage of those with succession and talent management plans in place than larger companies with a multitude of resources. This is a serious problem facing organizations.

This white paper cuts through the literature establishing the basis for succession planning and talent management and goes directly to the questions that need to be answered in developing, executing, and sustaining a succession and talent development plan.

Key Questions

1. Who is accountable and has authority to design, implement, and execute a succession plan in your organization?
2. If you have a plan, is it working?
3. If you do not have a succession/talent management plan in place, what are the reasons (Forbes.com staff, 2008)?
4. What will it cost you not to have a plan in place?
5. How "ready" is each executive?

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6. What are the characteristics of the rest of the top management team?
7. How do all the skill sets of the team surrounding the candidate complement one another? How does this constellation of group skills affect the choice of the best candidate?
8. What does a company need in the next six months and beyond? Does this drastically differ from what was needed even in the last quarter?

Board Role

1. Does your Board or hiring authority run inside and outside searches concurrently?
2. How are boards of directors to blame when a CEO has to be replaced and someone isn't waiting in the wings?
3. When boards permit a happenstance approach to succession planning, have they effectively abdicated one of their most crucial responsibilities (Forbes.com staff, 2008)?
4. What intervention needs to be done with the board if they have abdicated their responsibilities related to succession planning and implementation?

Problems with Succession Planning Execution

1. One of the most common leadership development questions that I hear from executives is, "Why does succession planning feel like such a waste of time?" (Goldsmith, 2009).
2. If it feels like a waste of time, what are the factors in the organization that are contributing to this perception?
3. What elements of the plan or the execution need to be changed in order to be successful?
4. Who is accountable and has the authority to make these changes?

The Future

1. What are the most significant challenges the company and its industry are likely to face over the next four to six years?
2. Can you identify the skills and experiences that the chief executive will need to lead the company past those hurdles (Miles & Bennett, 2007)?
3. Who are the top five internal candidates based on skill sets, ability to manage, and think long term? How are they demonstrating their commitment to the organization (Miles & Bennett, 2007)?

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4. How will you identify outside candidates (Miles & Bennett, 2007)?
5. What selection methodology will you use in making a decision regarding internal and external candidates (Miles & Bennett, 2007)?
6. Does the methodology have anything to do with the actual skills and performance indicators required for the position (Miles & Bennett, 2007)?
7. What is your plan for “on-boarding” the person (Miles & Bennett, 2007)?
8. What is the time frame (Miles & Bennett, 2007)?

Intellectual Capital (Miller & Katz, 2007)

1. Is your organization capturing the wisdom and expertise of Baby Boomers before they depart the organization?
2. Can your organization afford to lose so much institutional knowledge in a 10 or 20 year period?

Talent Management and Development (Mines & Kent, 2002)

1. How is leadership continuity handled at all levels?
2. What ideas can be explored for organizing a succession-planning program?
3. What are the key positions in each functional area?
4. How would employees be replaced if they left key positions?
5. What positions are critical to the continued success of the organization?
6. How many key position losses have been experienced?
7. What was the impact on the organization?
8. How can talent and future leaders in the department or divisions be identified?

Furthermore, consider questions to ask in order to prepare a succession planning proposal that relates to both the organization and human resource strategies. Gear the questions to your organization.

Questions to ask might include:

1. How are the key positions defined in your organization?
2. How are the work requirements clarified for each position?
3. What is the view on employee evaluations?
4. How are evaluations conducted?

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5. How is your exceptional talent policy documented?
6. Have the requirements for key positions changed in the past few years?
7. What resources are needed to develop leadership in the organization?
8. What are the strengths and weaknesses of training practices?
9. How can the succession-planning be improved?
10. What is the formal system for evaluations?
11. What is the system in place to identify replacement needs from retirement losses?
12. Have layoffs or reorganizations overloaded key talent?
13. What is the level of motivation?
14. What is done when key people depart unexpectedly?
15. Do key people feel their skills are up to date?
16. What is the organizational structure's degree of security related to supporting a strategic succession plan?

Conclusion

These questions can efficiently help focus those engaged in the succession planning and talent development process. Mines and Kent (2002) noted that “organizations have different requirements for their succession-planning programs. Each design will be based on organization size, the type of organization, how long it has been in operation, and expertise available as well as any other factors that must be considered.” To be successful in executing a succession and talent management plan, top priority should be given to the goals of leaders and upper management, the strategic objectives of the organization, and human resource objectives.

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