

Enterprise Development

What are the practices of effective talent management for succession?

In the article, *Best in Class Succession Management: Who will take the Baton* written by Aon Hewitt, it stated “In a recent benchmarking survey conducted by the Conference Board, 44% of companies reported that developing top talent to support their organizational goals was the greatest challenge they would face in the next 12 months. According to another survey conducted by the Conference Board, one-third of responding companies had 31% to 50% of their workers within five years of the company’s average retirement age. Yet, only 29% reported having a human capital strategy in place to address these retirement issues.”



The imperative to develop leaders is clear – the survival and success of your enterprise requires it. And, building an enterprise for developing leaders begins with Leaders focused on developing leaders, and a high level of development transparency.

Leaders Developing Leaders

The people and careers impacted by a leader is their real legacy. As such, talent planning is not the job of one person, a talent management team, Human Resources, or any single entity. It’s the responsibility of every leader in the organization. As leaders fully understand the vision and impact of their development efforts, they usually readily accept the accountability for developing their successor and exporting talent to the organization. This requires that thoughtful development plans are in place for each member of their team.

Driving a continual focus on leadership development usually takes an incentive (e.g. formal performance objective), and a routine (e.g. regular one-over succession development review). This brings discipline and appropriate focus to the stewardship each leader has for their talent.

Transparent Plans

Managing succession plans for future leaders should be as open and transparent to participants as the organization can manage. However, succession is often a secretive process, and in fact, many of the promotable people on succession tracks are not aware of their status and what they need to develop in order to move upward. Inversely, many professionals and leaders assume that they are considered promotable and work for years under the erroneous assumption that they can move up in the organization if they keep working hard.

Greater transparency is a best practice. Each person deserves to know their status and benefit from the succession feedback. The succession data and evaluation empowers each leader to build capability, make career choices, and even prove the organization wrong if they do not agree with the assessment. For your organization, the question is: how open are you willing to be with leaders with their succession assessment?

Setting the Foundation for Your Talent Management Strategy

Establishing your talent management strategy requires you to answer some critical questions to assist in building the baseline framework and approach:

- What is the organization's current and future business strategies?
- What are the key gaps between the talent in place and the talent required to drive business success now, and in the next five years?
- What is the plan designed to close the talent gaps?
- How do we ensure accurate hiring and promotion decisions?
- What percentage of internal promotions is optimal to ensure that leaders are promoted and that there are fresh perspectives from outside the company?
 - For some companies, it is as low as 25%, others as high as 90%
 - Best practice falls in a range of 70%-80%

Once these core strategic questions have been answered, proven talent management practices can help refine your enterprise talent development engine.

Practices of Talent Management

In order to manage talent for succession planning purposes, there are best practices that can ensure you have a sustainable enterprise approach to managing and developing talent. The article titled, *Nine Best Practices for Effective Talent Management*, by DDI offers an excellent set blueprint for your organization:

#1: Start with the end in mind—talent and business strategy must be tightly aligned

- Matching talent to business needs is powerful. Proactively addressing talent needs with consideration between talent and strategic plans is essential.

#2: Talent management professionals need to move from a seat at the table to setting the table

- Give exposure and decision making latitude to those deemed to play important roles in succession planning.

#3: You must know what you're looking for—the role of Success Profiles

- Identify what defines success for the particular role. An outstanding employee doesn't always convert into the best one for a different job.

#4: The talent pipeline is only as strong as its weakest link

- Invest in developing internal people far in advance to ensure you have readily available talent when needed

#5: Talent Management is not a democracy

- Some companies try to give equal development to all but in some cases investing even more in your best may yield the greatest reward. Customize as needed to offer the solution that best fits the needs of the individual and the end goal of the company.

#6: Potential, performance and readiness are not the same thing

- Think of yourself as an athletics scout seeking the best player for your team, consider all dimensions and timing for when each is needed.

#7: Talent management is all about putting the right people in the right jobs

- Know that not everyone can be developed. Use validated tools and comprehensive evaluation methods to determine the right fit for your roles.

#8: Talent management is more about the “how’s” than the “what’s”

- Managing talent development for a succession plan means being able to quantify what’s working in talent management, why those initiatives are effective, and what impact they have on the organization.

#9: Software does not equal talent management

- Software is designed to support the process but will not give you the desired outcome without gathering the data necessary to support and make decisions for the appropriate development and succession planning, ensure all key decision makers are involved.

In Summary

Succession does not happen in a vacuum. Succession is fluid and embedded in the organization where assessments are ongoing and development never ends. Human resources can shepherd the process in working with senior leaders to set the pace; and support leaders at all levels in building their development practices and capability.

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