

Succession Planning: Five Costly Errors to Avoid

by Richard Oyen

As the global workforce experiences skills shortages and economic woes continue, employee turnover is starting to increase again. Companies that can withstand the unpredictability and maintain a strong talent base through effective succession planning will gain the greatest competitive advantage.

Succession planning is a multi-tiered task: Talent leaders begin by identifying and monitoring key positions within the company, and then ensure they have the internal bench strength available to fill those positions consistently over time.

The objective is to reduce the negative effects of unavoidable turnover while working to retain top talent through a focus on employee development. By planning ahead to promote from within, talent leaders can avoid the resource expenditures and discontinuity involved in hiring new employees when key positions become vacant. As a result, they not only strengthen the workforce, but also reduce related costs.

Knowing what succession planning means, however, is not enough. They must also put forth the required time and effort to design and execute effective succession plans. Moreover, they need to understand and avoid the pitfalls that can threaten to derail those plans. The due diligence now will ultimately position the organization for greater future success.

Five Common Mistakes and How to Avoid Them

1. No one works to incorporate succession planning into the corporate culture. Any organization looking to build competitive advantage knows the increasing importance of talent management. Yet, for some reason, management perceives a lack of alignment between the effort involved in succession planning and the company's strategic goals. The irony is that long-term strategic objectives cannot be reached without effective succession planning. Talent leaders must remind executives to have a strong, efficient talent foundation, or they will be repeatedly wasting valuable financial and other resources in filling key positions and training new hires. Changing corporate culture is no small endeavor, but the potential payoff is immense.



2. Not spending enough time on upfront planning or on defining desired outcomes. As is true with any major business undertaking, the amount of preparation talent leaders put into a project will often dictate their level of success. They must take the time to walk through their processes, communicate with key players and managers, and be sure everyone is on board. They must begin with a clear idea of how their succession plans will ultimately play out, and revisit those plans frequently to make updates as needed. Moreover, they must make certain they know how to define and measure success, so they can gauge progress and ensure updates are as efficient and functional as possible.

3. After a solid kickoff with a full team of players, planning often falters or ceases to exist. It takes a lot of work from a lot of people for a plan to reach fulfillment and be effective — and manpower resources are not easy to come by. But that's why succession planning is so important. Talent leaders have to have commitment to the plans they put in place to ensure their long-term success. They must be sure they have buy-in from key players and managers at the start, so they get the support they need to execute successfully and prevent fumbles along the way.

4. Once established, succession plans are often left unchanged and become outdated or irrelevant. All talent management objectives should be updated and consistently aligned with company objectives. This is particularly true when dealing with succession plans. To fill key positions appropriately — with little disruption or cost to the business — talent leaders need an accurate understanding of what those positions require and how they relate to current corporate strategies. If their plans don't match those strategies, they run the risk of pulling the wrong employee off the bench and keeping the right talent out of the game.

5. After benchmarking and talent identification, little emphasis is placed on employee development. If talent leaders are going through the process of succession planning, they have already done substantial legwork in determining which skill sets matter to certain key positions — and know who their critical talent is. Why stop there? Employee development is vital to retaining their key players because it engages their interests and proves a commitment to their strategic growth within the company. By incorporating development into their succession planning processes, they can cut preventable turnover substantially while also bolstering internal bench strength.

Unified Talent Management Optimizes Succession Planning

While some pitfalls are inevitable, talent leaders can eliminate many risks for error — and actually enhance the success of their succession plans — by working with a talent management suite that unifies learning and performance management tasks across the company. Unlike non-integrated solutions, a unified approach to talent management enables them to:

- Gain the ability to create and visualize an enterprise-wide talent pool or database of talent information, including links to stored performance appraisal data. It's easier to align corporate and talent management objectives when they have a clear view of their available resources. Likewise, when they have a more detailed view of the various competencies and skill sets required to fill key positions, they can better focus on developing and engaging existing employees. They will have the ability to bridge skill gaps with learning programs as needed, and their decisions will be more quantifiable and objective.
- Establish a vital link between development plans and other training activities. A unified solution also enables talent leaders to generate reports using performance and learning management data, so they can see how their development efforts are paying off in terms of coursework and training

completion. They can map the progress of specific employees as they augment their skills, update development plans as required and even identify new valuable players to watch.

- Connect HR with other organizational development/learning groups. A unified software suite facilitates communication between all relevant parties in the succession planning process, so talent leaders know who's on board and in the loop. As such, they can mesh HR's role in the performance management process with the organizational development and talent management group's role in employee development, so they can streamline data sharing between organizations and keep all objectives current and aligned.
- Automate the process for a disinterested audience. Redirecting corporate culture and engaging workers is much easier when many of the tedious administrative details are managed automatically. A best-of-breed, unified software suite not only puts a user-friendly interface on succession planning efforts to boost plan adoption and involvement, but it also offers an intuitive approach to many of the tasks involved in executing plans and promoting ongoing employee development.

As we forge through rough economic times, most companies are realizing the rare value of a committed, skilled workforce. Hiring and on-boarding are expensive, time-consuming processes, and the loss of key players can be highly detrimental to achieving corporate objectives. Through effective succession planning that incorporates employee management strategies, businesses can help bypass much of the turmoil caused by turnover, while improving their ability to engage employees and impact retention rates. Moreover, by implementing a unified approach to talent management, companies can work to avoid many common mistakes and help ensure succession plans achieve optimal success.

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