

# Succession Planning Guide

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So if you need additional support regarding how to implement succession planning within your organization, then please don't hesitate to contact us now.

Let us help you secure the future success of your organization.

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# Succession Planning Guide



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## Designed to support Human Resources Practitioners

This document is designed to support Human Resources practitioners who may require access to a distilled, high-level overview of how to structure and implement a succession planning process. It will provide:

- ✓ A definition of succession planning
- ✓ A 5-step succession planning process
- ✓ Recommendations to ensure process continuity

## How to Use This Document

This document is intended to:

- ✓ Distil leading-practice processes into an abbreviated format
- ✓ Provide a succinct overview of succession planning
- ✓ Guide practitioners in identifying knowledge gaps
- ✓ Help practitioners to ascertain where further support may be required

## How Not to Use this Document

This document is not intended to:

- x Act as an exhaustive or comprehensive guide to succession planning
- x Be used in isolation, separate from real-world expertise or consulting support
- x Address nuanced challenges or issues in succession planning

## Ongoing Support

For further support and any queries you might have about how to bring succession planning to life within your organisation, please contact:

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# Succession Planning

Succession planning is critical to a company's future progression. Businesses of all sizes need succession plans to ensure stability and growth. Unexpected departures of key positions can destabilise an organization, causing a loss of capacity, institutional knowledge, business strength, innovation, etc. This easy to follow guide will help you to establish the foundations of a succession planning process.

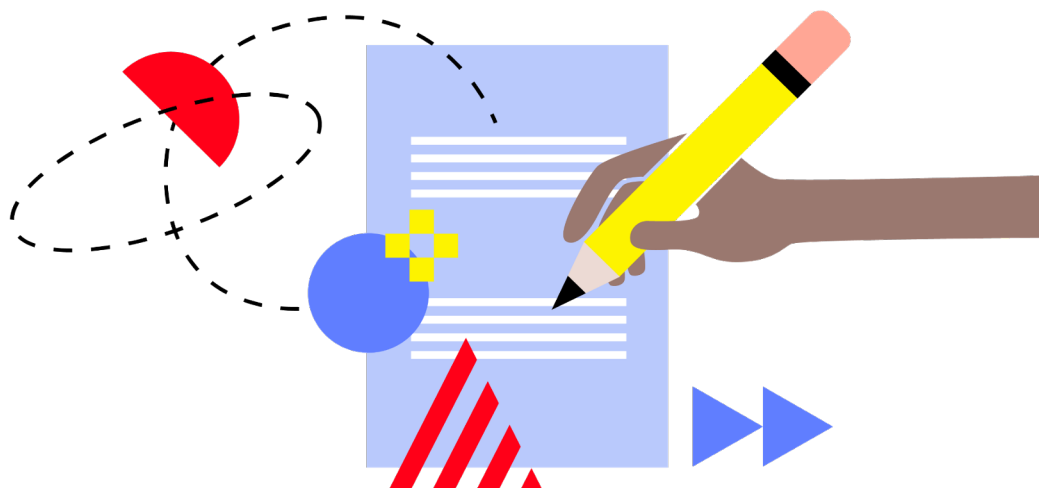
## What exactly is succession planning?

Succession planning is a conscious step taken by companies to foster and promote the development of employees and ensure ongoing stability of key positions within the business. It supports in the delivery of business objectives by identifying key business needs and strengthening the organisation's capacity to address emerging issues that will affect business continuity.

## Ensuring ongoing success

To ensure the succession planning is an ongoing, collaborative effort, rather than a fractured and burdensome process, we recommend:

- Obtaining buy-in and endorsement from the senior leadership team. Helping to articulate the 'why' of succession planning in terms of business impact will support the strength of your case
- Creating communications which succinctly articulate the main messages you wish to convey. Try to anticipate pain points or concern for employees and address these with transparency and openness
- Announcing succession planning as a company-wide initiative
- Introducing succession planning to employees during onboarding to ensure new hires understand that this process is part of the company's strategy
- Involving employees in succession planning for their own positions to increase relevance and enhance acceptance

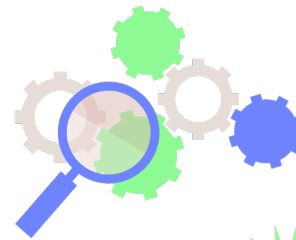


# The Succession Planning Process

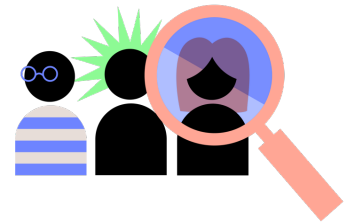
**01.** Identify key positions or key groups (current and/or future)



**02.** Identify competencies



**03.** Identify and assess candidates



**04.** Development plans



**05.** Implementation and evaluation



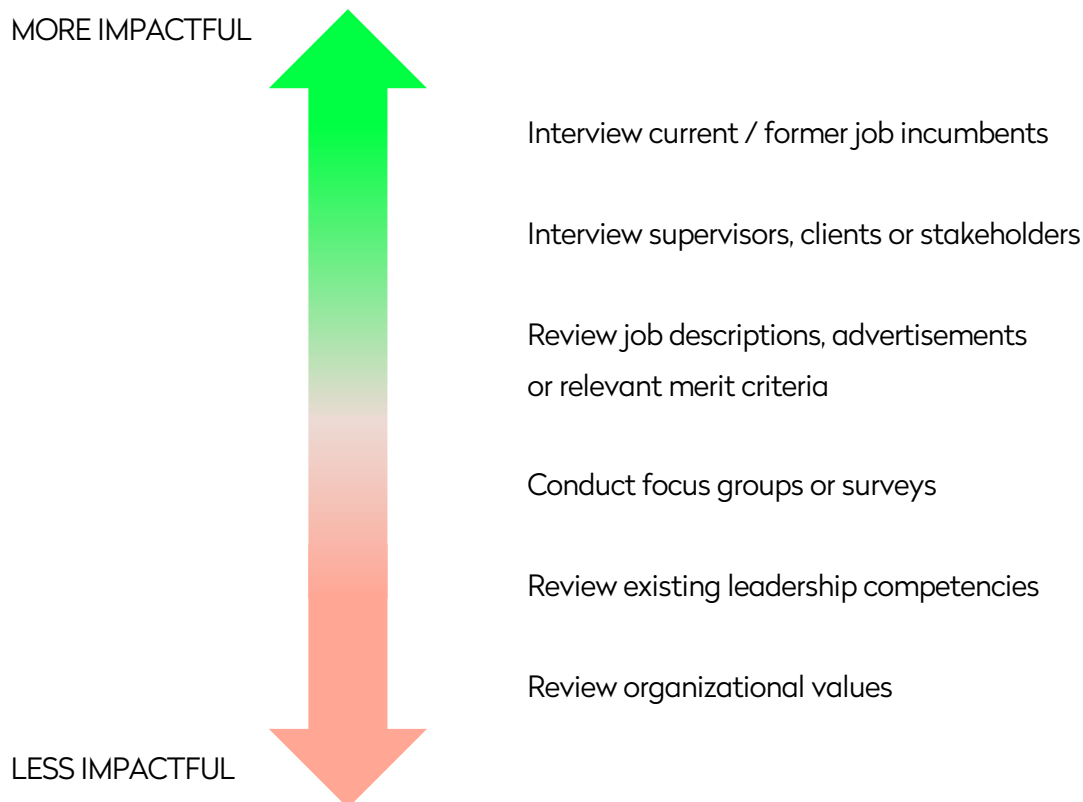
# Step One: Identify Key Positions

Three important criteria that should be considered when defining key positions are *criticality*, *retention risk* and *availability*. To improve your ability to categorise and identify key positions based on the above criteria, consider using quantitative ratings informed by the questions in the top row of the below table:

	<b>Criticality</b> Does this role have the potential to prevent the organization from achieving it's goals / objectives?  Does this job have a direct impact on clients / customers?  Score 1 ( <i>low</i> ) – 5 ( <i>high</i> )	<b>Retention Risk</b> What is the possibility of the job being vacant within 3 years?  What is the known retention risk for the current incumbent?  Score 1 ( <i>low</i> ) – 5 ( <i>high</i> )	<b>Availability</b> Is this role difficult to fill because of the required expertise?  Is there a projected labour market shortage for the relevant job skills?  Score 1 ( <i>low</i> ) – 5 ( <i>high</i> )	<b>Total Score =</b> Criticality + Retention Risk + Availability
Position				
e.g. Director, Strategy	4 (this role contributes significantly to company strategy & direction)	2 (current incumbent outlined intention to stay within the company for 5+ years)	3 (skills are not unique; however, being mentored by current VP of Strategy directly)	9

# Step Two: Identify Competencies

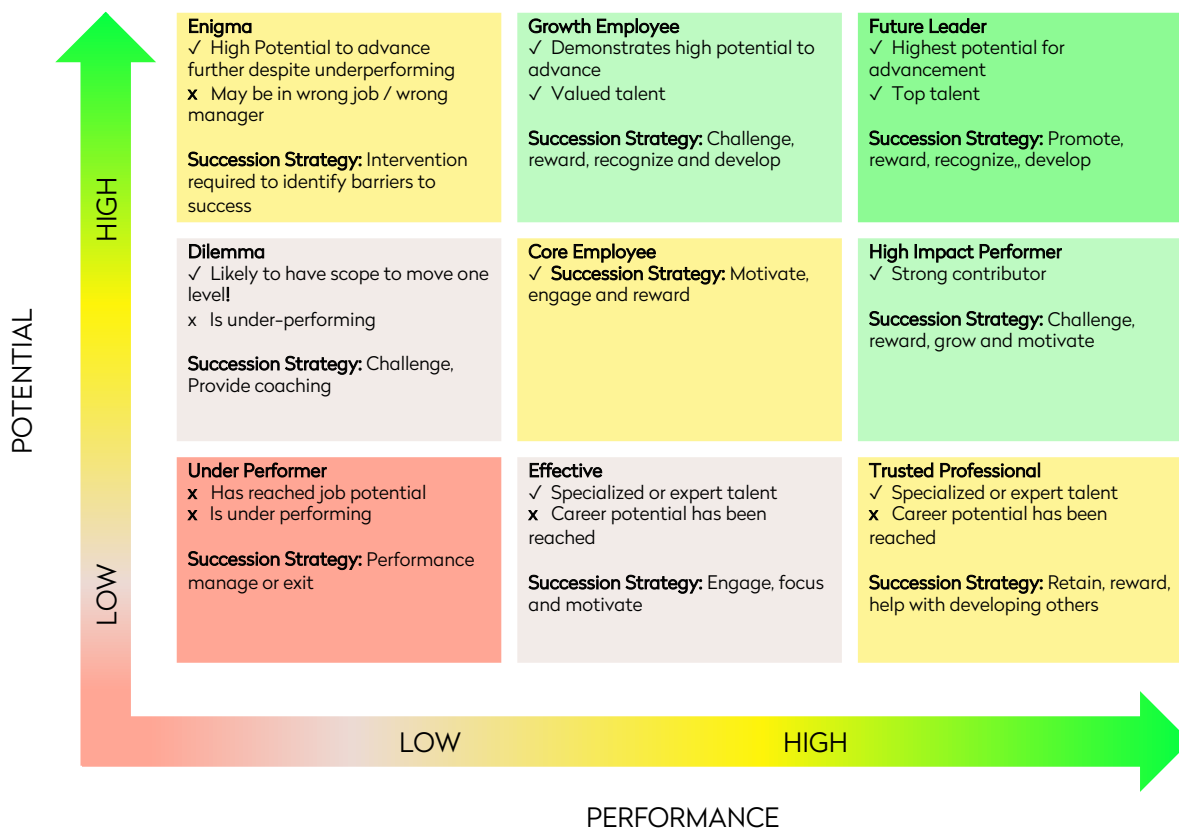
All positions have required knowledge, skills and abilities that are expected of employees who are fulfilling that function. To ascertain what to look for in prospective future candidates, you must understand the competencies that contribute to the current incumbent's job success. We recommend you undertake several of the following steps in order to determine the competencies required for a key position:



This will allow you to create a baseline for assessing potential candidates, and support in identifying any skills gaps that require closing.

# Step Three: Identify and Assess Potential Candidates

Assessing employees against core job competencies can be tricky. We recommend leading succession planning processes using the principles of transparency and accountability. To this effect, basing your assessment process on objectivity, merit, fairness and respect will help maintain the actual and perceived integrity of your process. Results of assessed employees can be placed into a 9-box matrix<sup>1</sup> for better visualization:



These assessments are ascertained by action learning sets using a combination of the following approaches, which can be separated into measures of performance and potential:

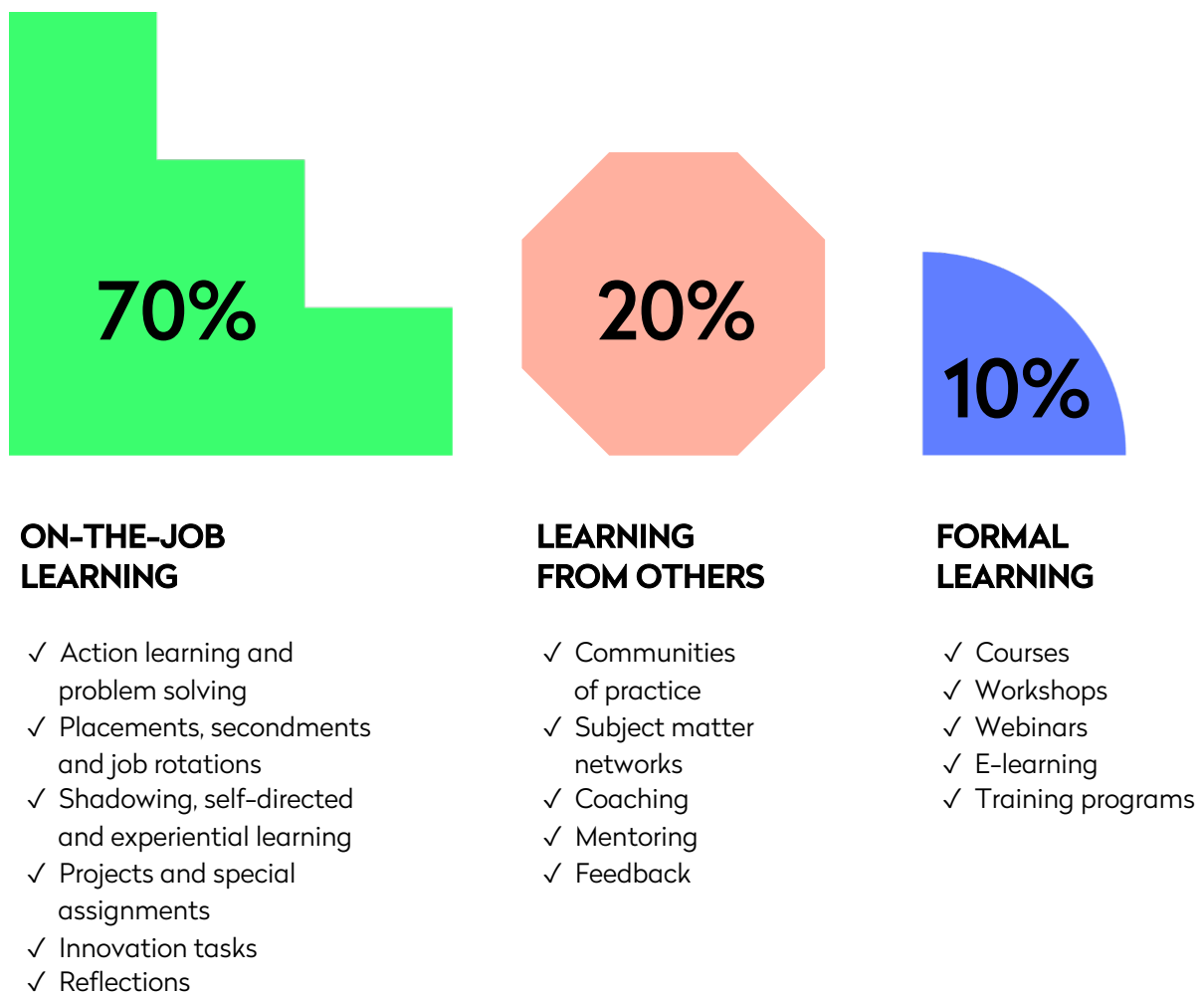
- Performance reviews (Performance)
- 360-degree surveys (Performance)
- Written exams (Performance)
- Candidate interviews (Performance and / or potential)
- Simulated work exercises (Performance and / or potential)
- Personality Assessments (Potential)
- Cognitive Ability Assessments (Potential)
- Leadership Potential Assessments (Potential)

<sup>1</sup> McKinsey & Company, 1970.

# Step Four: Development Plans

When identifying potential successors to a key position, self-identification via expression of interest or employee check-ins with supervisors are a solid starting point. This will allow you to gauge which employees are interested in leadership roles, career advancement or moves. Once relevant candidates have been identified, the organisation must ensure that these employees have access to focused learning and development opportunities to close any identified gaps. Consider that there are multiple ways to develop employees which can include formal training, coaching, job-shadowing, job rotations and stretch assignments. If the organisation's budget is limited, do not fear.

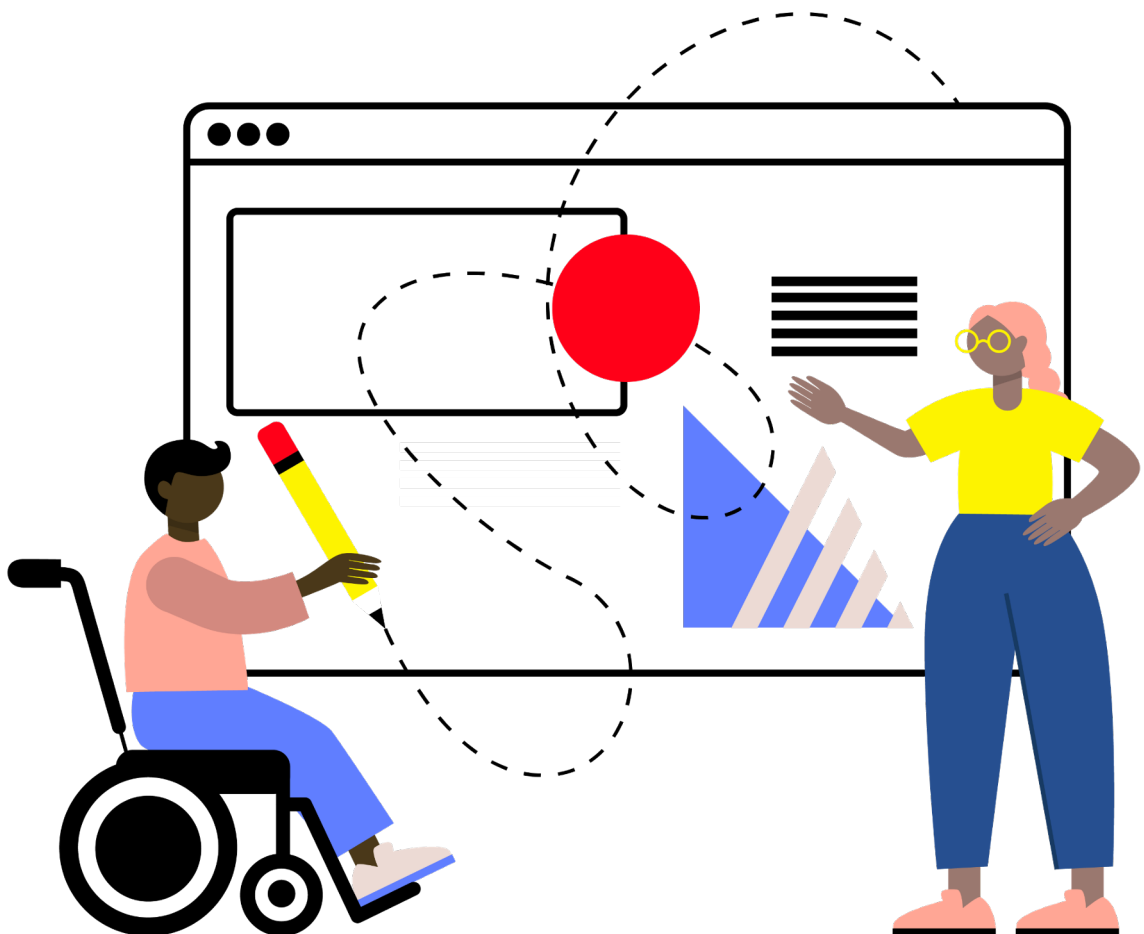
The most widespread current model of adult education (70-20-10 model, below) suggests that the majority of adult learning is done through action, rather than single-event learning. As such plenty of options are still available to your staff, including:



# Step Five: Implement and Evaluate

The evaluation of initiatives is not a strong suit of many organizations. In designing an evaluation approach, consider:

- Have all key jobs been identified and do they have succession plans?
- What is the impact of succession plans on business continuity in key positions?
- Are successful candidates performing well in their new roles?
- What is the impact of learning and development plans? Are employees improving in terms of their ratings of performance or potential?
- Is the candidate pool diverse and reflective of employment equity values?
- What are the areas for improvement in the succession planning process?



## Ongoing Support

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