GLADEGY CONSULTING

Succession & Strategic Workforce Planning:
5 Steps to Ensuring Leadership Continuity

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INDEPENDENCE · INCLUSION · INNOVATION

Speaker

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Agenda

- Understanding the importance of succession planning
- Becoming Strategic about workforce planning
- Developing a succession plan
- Implementing and monitoring the plan

JFK once said:

"The time to repair the roof is when the sun is shining"

The number of people who left their job due to quitting, layoffs, discharges, or any other separation increased to 5.9 million people in December 2021.

A report by Deloitte found that 86% of business leaders believe that leadership succession planning is an urgent or important priority, but only 14% are confident in their organization's ability to develop future leaders.

Deloitte.

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According to a study by the Society for Human Resource Management (SHRM), 50% of organizations have a formal succession planning process in place.
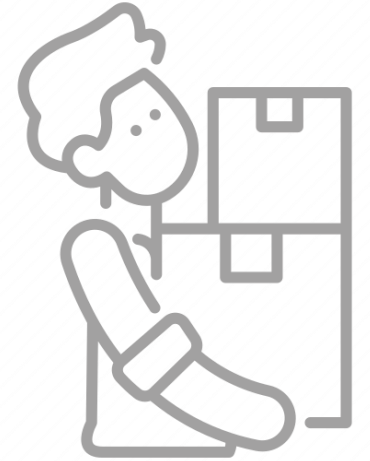
A survey by the National Association of Corporate Directors found that only **20%** of directors felt that their organization's CEO succession plan was adequate.

Another study by Challenger, Gray & Christmas found that CEO turnover in the US hit a record high in 2019, with 1,640 CEO departures announced throughout the year.

Succession Planning: What is It?

- Form of resource development to fuel the future

- Assessment of competencies, skills, and potential

- Readiness roadmap for mission-critical roles to ensure sustainability

- Opportunity to coach toward optimal performance

6 Attributes of cultures that value succession

1. Operating with a collective understanding that it's about ongoing efforts to ensure good leadership is in place
2. Completing a contingency operations plan
3. Implementing board-approved succession policies to prioritize these activities
4. Demonstrated competencies in basic human resources
5. Completing and managing from a strategic plan that pays attention to developing your bench strength
6. Assigning succession planning as part of a job responsibility

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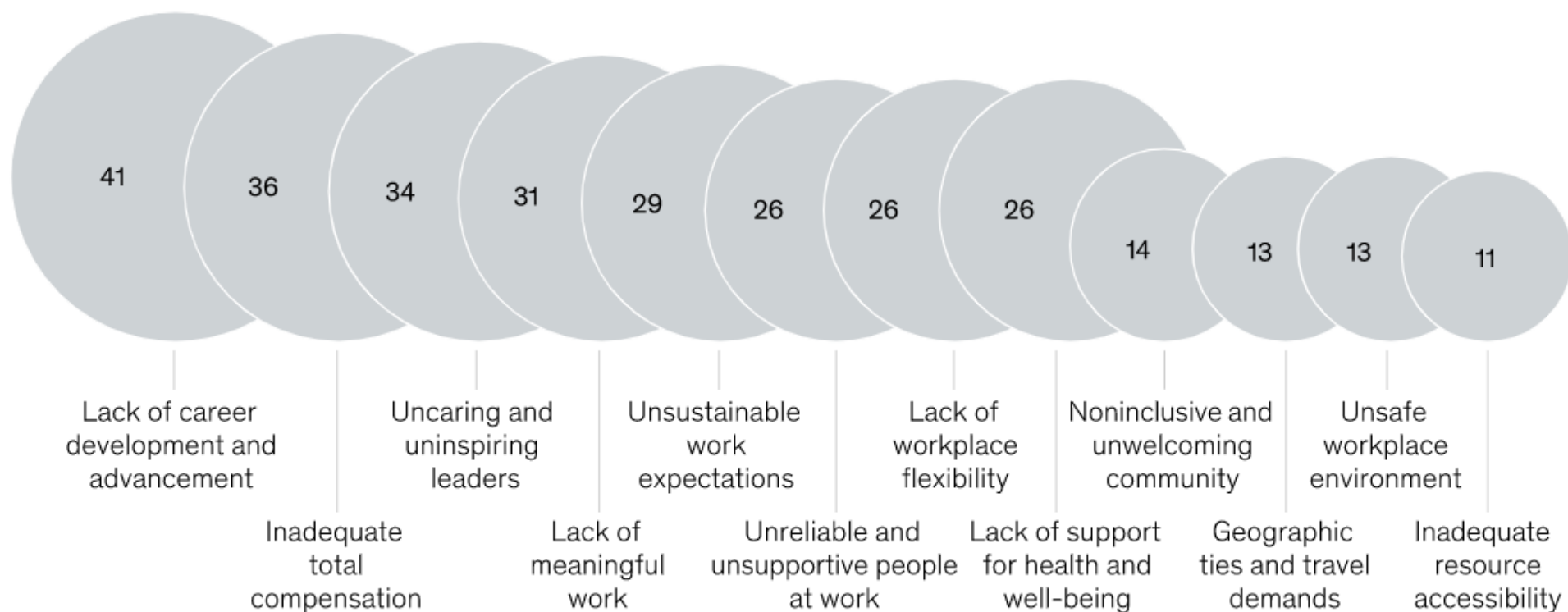# Succession Planning: Why is it important?

- Ensures continuity of leadership

- Helps us identify and strategically develop high-potential talent

- Reduces risk

- Improves employee engagement and retention

Like fundraising, succession planning is an integral piece to future success

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Top reasons for quitting previous job, Apr 2021–Apr 2022, %

41	36	34	31	29	26	26	26	14	13	13	11

Lack of career development and advancement

Inadequate total compensation

Uncaring and uninspiring leaders

Lack of meaningful work

Unsustainable work expectations

Unreliable and unsupportive people at work

Lack of workplace flexibility

Lack of support for health and well-being

Noninclusive and unwelcoming community

Geographic ties and travel demands

Unsafe workplace environment

Inadequate resource accessibility

McKinsey & Company

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Step 1:
Have a Set, Clear View of the Business Strategy

- Understand the overall business goals
- Analyze the market and competition
- Identify the key success factors
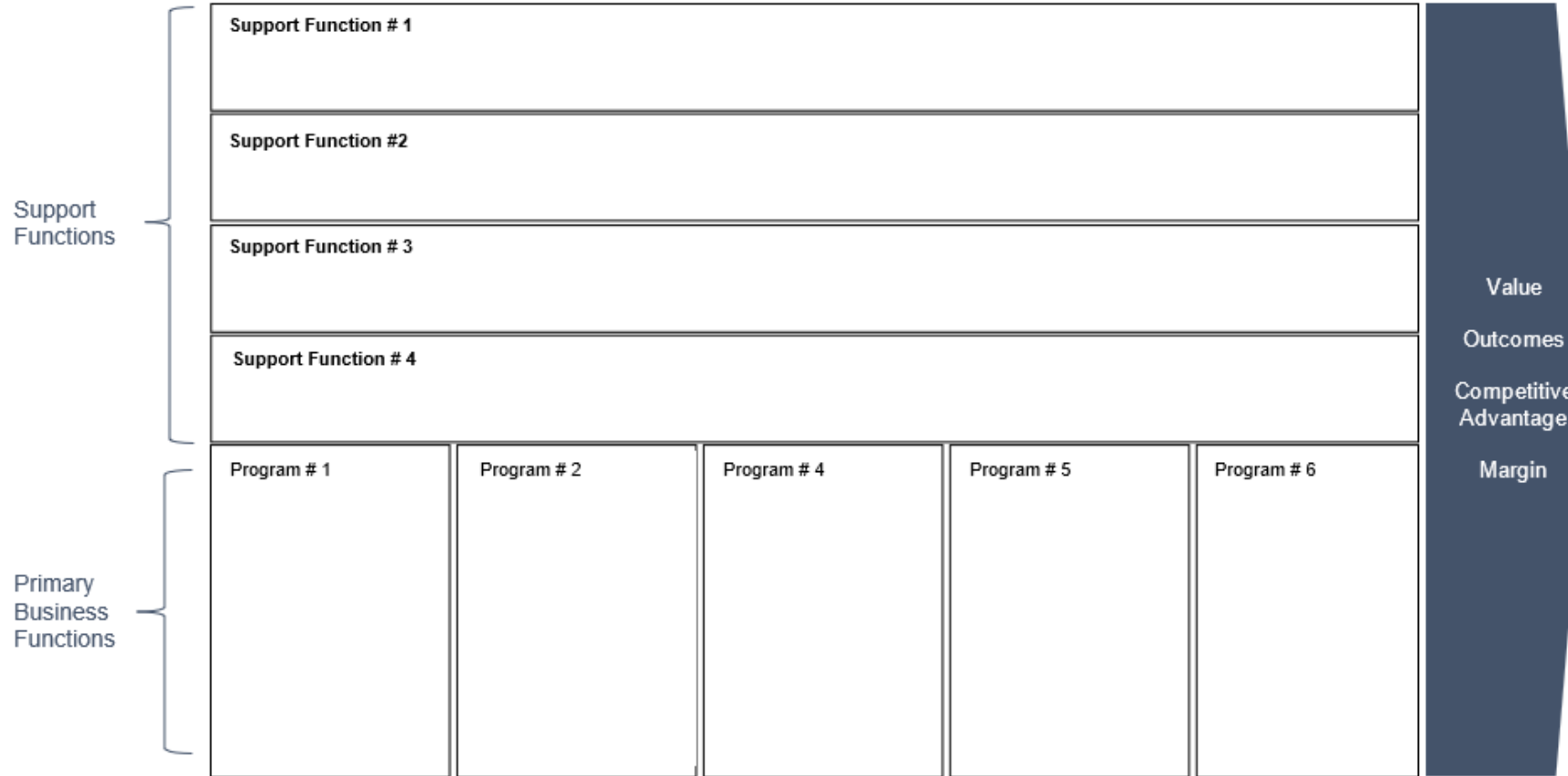- Define actionable goals and metrics

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How do we create value?

OPRA Sample Organization - Value Chain

Support Functions		
Support Function # 1		Value
Support Function #2		Outcomes
Support Function # 3		Competitive Advantage
Support Function # 4		Margin

Primary Business Functions					
Program # 1	Program # 2	Program # 4	Program # 5	Program # 6	

Do we have the right:

- Mindset

- Skillset

- Toolset

Strategic Workforce Planning

Having the right people in the right job-fit across an organization at any given time.

CEO

32% Job Fit

Executives
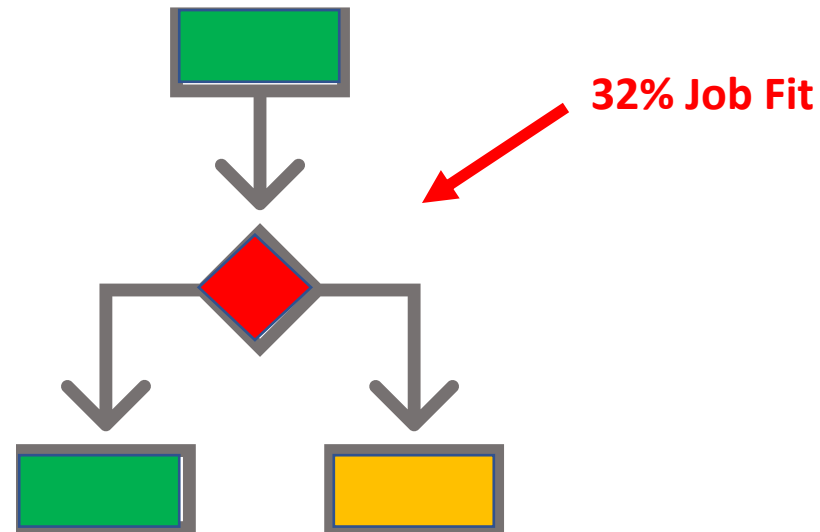
Employees who are well matched to their jobs are **2.5 times more productive.**

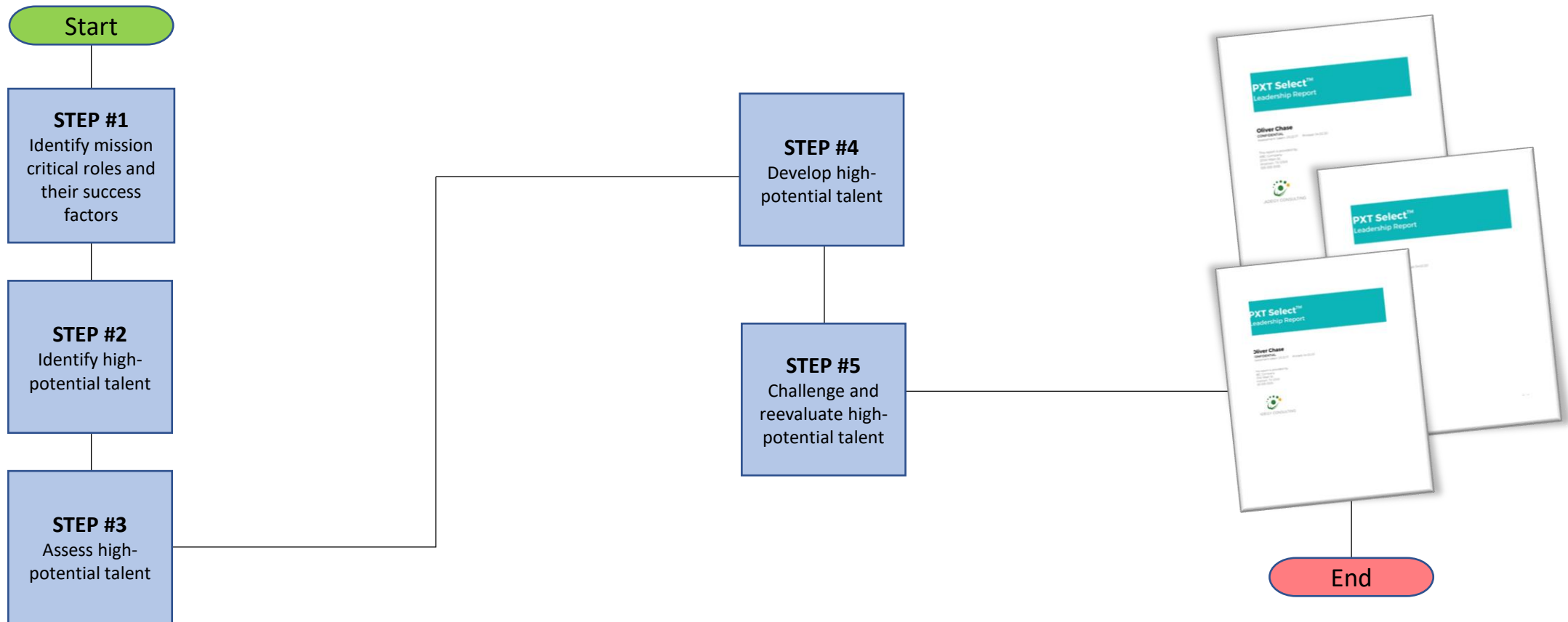Directors
Managers

-Harvard Business Review

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Step 2:
Establish a Succession Planning Process

- Clearly define the business strategy

- Create a job analysis for mission-critical positions
  - Include all senior-level positions

- Conduct skills assessments

- Conduct a gap analysis

- Use data analytics and forecasting

Sample Process

This process could be data-informed

Keep a Database on Hand

- Spreadsheet
- Human Capital Management System (HCM)
- Cloning

POSITION	CEO	SVP, HR	SVP, FINANCE	SVP, OPERATIONS	SVP, MARKETING	SVP, TECHNOLOGY
CURRENT	Joe Smith	Lane Brody	Dennis O'Neil	Clare Crosby	Lara Sample	Ed Letty
Tentative Retirement Date	Jan 2017	May 2020	N/A	June 2018	May 2020	N/A
UP-NEXT: Ready NOW						
	Clare Crosby	Peter Jones		Lane Brody	Gabby Raines	Oliver White
	Ed Letty					
ON-DECK: Ready 1-3 yrs						
	Lara Sample		Khloe Yettle			Don Cherry
	Dennis O'Neil					
	Lane Brody					
HI-POTENTIALS: Ready 5+ yrs						
	Gabby Raines	Chris Letter		Ralph Fiennes		Anna Code
	Oliver White					

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SUCCESSION GAP ANALYSIS AND DEVELOPMENT PLAN

Position: Executive Director - 78% Job Fit

Current Title: Chief Operating Officer

Skill or Behavior	Description	Link to Leadership Skill	Currently Within Range	Gaps	Goal
Thinking Style					
Composite Score	A reflection of overall learning, reasoning, and problem-solving potential	Develping Strategies	A reflection of overall learning, reasoning, and problem-solving potential		
Verbal Skill	A measure of vocabulary		A measure of vocabulary		
Verbal Reasoning	Using words for reasoning and problem-solving		Using words for reasoning and problem-solving		
Numeric Ability	A measure of numerical calculation ability		A measure of numerical calculation ability		
Numeric Reasoning	Using numbers as a basis for reasoning and problem-solving			Using numbers as a basis for reasoning and problem-	Increase by 1 - Becoming more data-informed
Behavioral Traits					
Pace	Overall rate of task completion	Ensuring Results	Overall rate of task completion	Overall rate of task completion	Decrease by 1 - Becoming more steady
Assertiveness	Expression of opinions and need for control	Ensuring Results & Being Approachable	Expression of opinions and need for control		
Sociability	Desire for interaction with others	Inspiring People & Being Approachable	Desire for interaction with others	Sociability	Increase by 1 - Becoming more outgoing
Conformity	Attitude on policies and supervision	Developing Strategies	Attitude on policies and supervision		
Outlook	Anticipation of outlook and motives	Inspiring People & Mentoring Others		Anticipation of outlook and motives	Increase by 2 - Becoming more trusting
Decisiveness	Use of speed and caution to make decisions	Creating a vision & Ensuring Results		Use of speed and caution to make decisions	Decrease by 2 - Becoming more deliberate
Accommodation	Inclanation to tend to others needs and ideas	Being Approachable & Mentoring Others	Inclanation to tend to others needs and ideas		
Independence	Level of preference for instruction and guidance			Level of preference for instruction and guidance	Decrease by 2 - Becoming more reliant
Judgment	Basis for forming opinions and making decisions	Creating a vision & Developing Strategies	Basis for forming opnions and making decisions	Basis for forming opnions and making decisions	Increase by 3 - Becoming more factual
Interests					
Enterprising	Enjoyment of leadership, presenting ideas, and persuading others	Inspiring People	Enjoyment of leadership, presenting ideas, and persuading others		
People Service	Enjoyment of collaboration, compromise, and helping others	Mentoring Others	Enjoyment of collaboration, compromise, and helping others		
Creative	Enjoyment of imaginative and artistic activities	Creating a vision	Enjoyment of imaginative and artistic activities		

Development Activity	Topic	Resource	Date
Training	Numeric Reasoning Tests - iPhone App	https://apps.microsoft.com/store/detail/numerical-reasoning-tests/XP9KJ153SL1NFB	Ongoing
Behavioral Coaching	Becoming more steady	Executive Coach	1/1/2022 - 6/30/2023
Behavioral Coaching	Becoming more outgoing	Executive Coach	1/1/2022 - 6/30/2023
Perceptual Coaching	Becoming more trusting	Executive Coach	1/1/2022 - 6/30/2023
Behavioral Coaching	Becoming more deliberate	Executive Coach	1/1/2022 - 6/30/2023
Behavioral & Perceptual Coaching	Becoming more reliant	Executive Coach	1/1/2022 - 6/30/2023
Training and Behavioral Coaching	Becoming more factual	https://www.udemy.com/course/data-driven-decision-making-and-leadership/	1/1/2022 - 6/30/2023

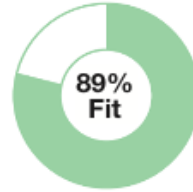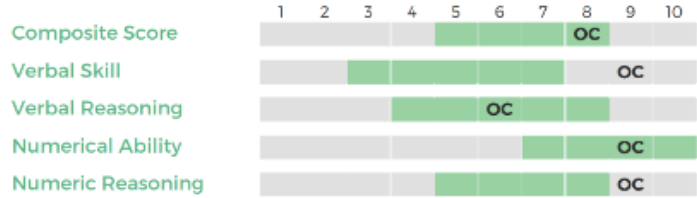*Succession Planning is an Intentional Process*
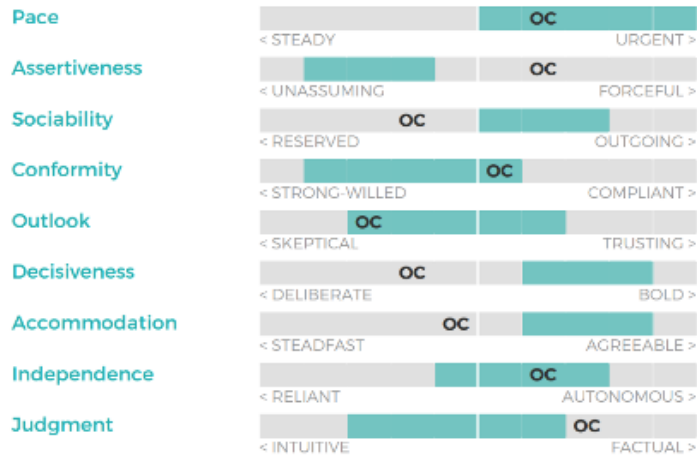
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Step 3:
Develop Leadership Competencies

- Define the ideal:
  - Thinking styles
  - Behavior traits
  - Interests
  - Leadership skills
  - Industry knowledge
- Job analysis
- Job fit

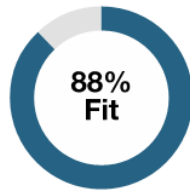*Link between skills and leadership capabilities*
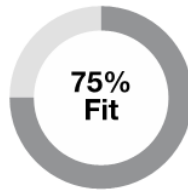
Breakdown of Scoring

89% Fit

Thinking Style
- Composite Score
- Verbal Skills
- Verbal Reasoning
- Numerical Ability
- Numerical Reasoning

88% Fit

Behavior Traits
- Pace
- Assertiveness
- Sociability
- Conformity
- Outlook
- Decisiveness
- Accommodation
- Independence
- Judgment

75% Fit

Interests
- Technical
- Creative
- Financial/Admin
- Enterprising
- People Service
- Mechanical

Chief Operating Officer
Oliver Chase

Overall fit: 84%

Step 4:
Foster a Culture of Leadership

- Define your leadership characteristics
- Encourage leadership at all levels - Not a club but a culture
- Recognize and reward the display of leadership characteristics

Defining Leadership Characteristics - Example

10 CHARACTERISTICS OF A GOOD LEADER

1. INTEGRITY
2. DELEGATION
3. COMMUNICATION
4. SELF-AWARENESS
5. GRATITUDE
6. LEARNING AGILITY
7. INFLUENCE
8. EMPATHY
9. COURAGE
10. RESPECT

Center for Creative Leadership®

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Step 5:
Monitor and Evaluate Leadership Performance

- Develop goals based on gap analysis

- Coach for performance
  - Behavioral coaching
  - Perceptual coaching
  - Skills coaching - Hard/Soft

- Reassess over time for comparative analysis

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Leader As Coach

Behavioral coaching focuses on helping individuals modify their behaviors to achieve specific goals or improve performance.

Perceptual coaching is centered around helping individuals shift their perspectives, beliefs, and interpretations of situations.

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Review:

1. Have a Set, Clear View of the Business Strategy
2. Establish a Succession Planning Process
3. Develop Leadership Competencies
4. Foster a Culture of Leadership
5. Monitor and Evaluate Leadership Performance

Reminder: "The time to repair the roof is when the sun is shining"

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