

Why African Businesses Hate Succession Planning and How to Fix it

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In most African businesses it's rare to see a top executive with less than 15 years in the same executive position. Have you ever wondered why African leaders, be it in business or in politics, cling to power for so long? Handing over power has become one of the most difficult things a leader can do. Now the question is why is it the case? Is it an issue of being unprepared for life after work or a lack of succession planning?

Many companies have only the vaguest idea of what they would do if one of their key personnel had to be suddenly replaced. Some companies have never even thought about it. The wisest companies, however, have not only thought about it, but they also have created a strategic plan for such events. That plan is known as a succession plan. In most African businesses it's rare to see a top executive with less than 15 years in the same executive position. Have you ever wondered why African leaders, be it in business or in politics, cling to power for so long?

Handing over power has become one of the most difficult things a leader can do. Now the question is why is it the case? Is it an issue of being unprepared for life after work or a lack of succession planning? Many companies have only the vaguest idea of what they would do if one of their key personnel had to be suddenly replaced. Some companies have never even thought about it. The wisest companies, however, have not only thought about it, but they also have created a strategic plan for such events. That plan is known as a succession plan.

What is a succession plan?

According to Talent Guard, 'a succession plan helps businesses identify the key roles in their companies and the employees best suited to fill those roles in the future. It establishes a trajectory for each role, highlighting the skills needed for optimal performance in each role and how those skills can be acquired. It also helps identify top talent in an organization.'

Africans typically don't like to think or talk about death, grave misfortune or permanent disability and in business, the idea of the founder retiring. The best time to find a successor with the right level of commitment, vision and zeal to lead a business beyond the lifetime of the founder isn't when the founder retires or is on his/her deathbed. African businesses hate or usually do not consider the idea of succession planning due to the following reasons as outlined by Tim Sackett (2018):

1. Financially, succession planning is a huge burden on organizations, if done right. Leaders are paid on the financial success of your organization. Succession Planning will get pushed to next year, then, next year, then, next year... You see Succession Planning is really over hiring.

Preparing for the future. It's a long term payback. Very few organizations have leadership in place with this type of long term vision of success.

2. Leaders get too caught up in headcount. Most are unwilling to 'over hire' and do succession in a meaningful way.
3. Leaders are like 18-year-old boys. They think they can do it forever! Publicly they will tell you they are planning and it is important. Privately, they look at some very intelligent 35-year-old VP and think to themselves, there is no way in we can ever let that 'kid' take over this ship!
4. Most African businesses are family businesses or were at the foremost family businesses, for example, McCain & Pick 'n' Pay. The idea of a succession plan is never dealt with in such business setups. According to a study conducted by PwC South Africa in 2016, the key potential failure of family businesses was succession planning, with only 17 percent of family entities having a succession plan in place compared with 13 percent in the 2014/15 survey. Internal family conflicts have been noted to be a hindrance and undermining future growth, profitability and ultimately the existence of the business. The lack of a succession plan has been seen to adversely affect most African businesses especially those that are family businesses.

So what can be done to remove the failure of businesses due to a lack of succession planning?

If your company does not have a succession plan, then you are opening up your business to unnecessary risk. (We all have heard nightmare stories of a company's decline after the founding CEO retired.) The problem with failing to create an orderly plan for succession is that change happens fast. Your company may not get a second chance if it fails to adapt quickly after a key player leaves the company. You can't plan for disasters, but you can plan what to do should a disaster strike. While succession planning may seem like a time-consuming process, these plans can significantly benefit your organization. The following are the *benefits of having a succession plan*:

- **Disaster-proofs your business**

Many business owners get so busy with the day-to-day operations of their company that they fail to make succession planning a priority. These leaders may think they're too young to be hit with a serious illness. Or they forget that a key player (or several) could be lured away by another company that needs their skills and is willing to pay a lot of money for them. Any of these scenarios can leave a business uniquely susceptible.

Succession planning is simply another step in your senior leadership's strategy to protect the company – whether you are physically there for its long-term success or not. Think of it as business continuity insurance that requires grooming employees.

- **Identifies your most-qualified future leaders**

Formal succession planning requires your company to:

- Identify those positions most critical to the future success of the company. These might not all be C-suite positions.
- Identify internal candidates with the values, skills, and desire to take on those critical jobs.
- Talk to potential candidates about their interests and career plans.

These crucial steps in succession planning lead to several benefits. First, a thorough look at your organisational chart helps your leadership better understand potential vulnerabilities and can bring a sense of urgency to cross-train key employees in certain roles. On the other hand, if there are truly no internal candidates who seem right for leadership positions, then you know to begin an external search. Most importantly, succession planning lets ambitious, less-experienced internal candidates know their hard work and skills have been noticed and appreciated enough to be considered for advancement. This can be an incredible retention tool and motivator for junior managers and subject matter experts who want to advance their careers into management.

- **Creates a structure for training and development**

Once your company has identified individuals are interested in moving into senior positions, you can identify any competency gaps and begin grooming them for their eventual succession. Other positions may even require the candidate to go back to school to get additional education or professional certification. By tapping potential successors early, you give employees time to acquire the skills and experience they'll need to perform well in their senior roles. You also let employees know that you're willing to invest in their growth as well as the company's.

- **Maintains brand identity**

By identifying and grooming an internal successor, your company ensures it will be led by someone who shares its values and deeply understand the company's brand promise, its customers and its employees because they've lived it themselves.

- **Helps the company plan for the long-term**

Change happens fast. When your company knows where it's going, your team can plan for the future. If you position succession as part of your company's overall growth plans, you create a path for retiring employees to hand off their years of hard-earned knowledge and transition important working relationships before they leave.

Succession planning is a process that ensures your company is prepared for the future. That way, when a key employee leaves, you already have someone in mind to fill their position (who, hopefully, has been groomed for this eventuality). And such plans serve as an excellent tool for retaining your strongest

performers, who often tend to be the type of employees who need to know where their career is headed. Succession planning t's a process that, once you start, you need to continue. It's something your company should revisit annually to make sure people are on track and to see if there have been any changes or movement within the organization.

The following are tips of how you can develop a successful succession plan:

- **Know who you are as a company**

To get the most benefit from succession planning, your company's top management must begin with a clear idea of who your company is in order to plan properly for its future.

- **Look at your entire organization**

Assess your current workforce to identify key positions and key employees, recognizing that sometimes key employees are not in upper leadership but in support positions. The key to a successful succession plan is that you take a look at all of your employees and make sure you haven't missed any important person or position.

- **Determine your succession planning strategy**

Consider these questions:

- Do you want a complete succession plan that includes every position and employee in your organization? Or, do you want a succession plan that covers only upper management and other important leadership positions?
- Will identifying and grooming successors be incorporated into your managers' performance reviews?
- Does your company have particular vulnerabilities, such as a large percentage of retiring employees in a particular division?
- What's your ultimate goal? What outcome are you hoping for?

- **Identify your rock stars**

Once you have identified key positions, you need to find two to three employees who would make good successors for each of those critical roles. This requires you to look at employee performance objectively and to take personal attachments out of it.

- **Tackle tough decisions and discussions**

You also need to have conversations with your employees to find out what their career goals are, where they see themselves in the future, and what development they (and you) feel they need in order to get there. Be prepared to find that some employees you consider to be a high potential for advancement aren't interested. That's okay. You need solid performers at every level of the organization.

Done right, succession planning can be a powerful recruitment tool, helping your organization improve retention and company culture.

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