

## Global trends influencing succession planning

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*Succession planning* is the deliberate and systematic effort made by the leadership of organizations to recruit, develop and retain individuals with a range of leadership competencies capable of implementing current and future organisational goals. In an effort to stabilize the tenure of employees in organisations there is a need to embrace succession planning and management. This involves any effort which attempts to ensure the continued effective performance of an organization, division, or department by providing for the development, replacement, and strategic application of key people over time.

Today's aggressive world is highly competitive, work is fluid, the environment is unpredictable, organisations are flatter, and the organisational configuration repeatedly changes. As a result, the old way of succession planning which consisted of defining specific individuals for specific tasks has become somewhat redundant. These days the focus or shift is towards organisations creating and embracing *talent pools* or *acceleration pools* of high-potential future candidates, on all organisation levels, to fill any needs, at any time. Previously, organisations were busy searching for a substitute for employees when they were due to leave. Heinen and O'Neill in 2004 postulated that developing and retaining future leaders is important to make sure that those human assets are there and ignore any outside temptation to leave their organisations.

The following assumptions form the basis for succession planning and management:

- There is a need to identify a talent pool of many people who are willing to be considered for promotion and can be developed for other higher roles.
- The future is uncertain and because of this, the competencies required at each level may be different in the future than the present ones.
- Development occurs primarily on the job rather than by off-the-job training experiences

### *Global trends influencing succession planning and management*

1. **The need for speed**-Time is a resource easily wasted. There is a need to find high-potential talent more quickly and to accelerate their development time. The competitive advantage now goes to the organizations that move faster with better results. Most succession management issues are issues of today, not of the future.
2. **The market for the skills**-The market for skills has globally shifted from a seller's market into a buyer's market. There is a common thought that if organizations pay enough then they can always find the people they need to fill a position. In the current climate, some managers assume that workers should regard themselves as lucky to have a job. The view that talent will always be available in abundance is no longer accurate.
3. **The focus on talent pools**- Most succession management processes are focused on listing potential successors for individual positions. The trend now is to look more at the composition

and strength of the pools with candidates for clusters of strategic capabilities and related positions. If your pool is strong enough, you know you will be able to find people with the right profile when you need them.

4. **Reduced loyalty among employers and workers**-Back in the day employees aimed at obtaining a long career at one company that they could maintain till retirement. But as organisational conditions have changed employers are no longer making a long-term commitment to their employees. This has caused distrust from employees who now want immediate rewards for good performance performed in the present. Employees can no longer trust their employers to make good on promises of future advancement.
5. **Succession planning as a means to an end**- is a tool of knowledge management, a means of ensuring that intellectual capital is properly serviced, retained, cultivated, and protected. While traditional managers may view people as a cost of doing business, thought leaders realize that people represent the only asset that really matters in a competitive environment. Without people, the competitive game is lost.
6. **Drive towards transparency**- Succession management in the past was more of a secret process. Only the executive had a total insight (except when it came to their own position). Now more transparency and openness is required and beneficial.
7. **Increased employee involvement**- In the past, the 'subjects' of the succession management process were hardly involved in the process. They were sometimes consulted but most of the time their involvement was limited. Now more and more people are driving their own careers.
8. **Embracing technology**-Technology can ease the work but not remove it. More software than ever is available to support succession planning and management. This is in the form of talent management, talent development, workforce planning, or human capital software. With the help of modern technology and people analytics tools, it will be possible to redesign succession management in such a way that it is more effective and impactful. The software can facilitate decision making on competency identification, values clarification, 360-degree assessment, individual development planning, and identification of developmental resources to help build competencies (and thereby close developmental gaps). It can also help management track individual progress (and thus encourage accountability), inventory available talent, and even measure individuals' progress and the support provided by immediate supervisors.
9. **Considering external candidates**- Many good candidates are part of the network of companies, and not necessarily on the payroll today. It may be necessary to include them in your search and considerations.
10. **Growing awareness of similarities and differences in succession issues globally**-One size does not fit all. An all-too-common scenario is that the corporate headquarters will establish succession planning guidelines and then roll them out worldwide, forgetting that the world is a big place and national cultural differences play a role in effective succession planning practices. The result is that, whatever the approach, it is only partly effective. As globalization exerts increasing influence, these one-size-fits-all approaches will be increasingly out of step with good business practice.
11. **Consider individuals, teams and networks**- Most *succession management processes* focus on individuals. Today the networks the individuals have, inside and outside the organisation, are also very important. The goal is to be able to map these networks and attach value to them. Also, it might be worthwhile to sometimes transfer teams and not only individuals. If a team has been

successful in introducing a new product in market X, this might be the best team to repeat this in market Y.

12. **CEO succession-** CEO succession has also become a particular concern recently as CEO turnover globally has increased. Most experts predict that the pace and magnitude of change in the world will continue to increase. As that happens, corporate boards are likely to be more demanding—and less forgiving—of CEO performance. And shareholders are more likely to hold corporate boards accountable for managing succession if CEOs do not.
13. **Striving for objectivity-** More objective criteria is required. Success criteria are often not so clear. The assumption is that a high score on the leadership model and a good track record are good predictors of success, but this may be misleading. You would like to be able to develop a more objective view, based on available data. If you can use more objective data, you also become less dependent on the subjective opinions and limited line of sight of senior managers.
14. **From the usual suspects to surprising appointments-** If only the usual suspects are on the list, it might be that one aspect is overrated: the amount of exposure to senior management. Those who appear on the list have cleverly made sure senior management has noticed them. Are they the best candidates for new challenging opportunities?
15. **From a rigid to a flexible process-** The process should be flexible and adaptable. What is the strength of the leadership of the new company? Do you foresee short-term succession issues? If it takes months to gather the information, the window for the deal might be close.

Five key issues are essential to the success of succession planning:

1. Succession planning is aligned with business strategy;
2. There is a way to assess leadership potential;
3. Involve people in planning for talent;
4. Use a combination of methods to develop people; and
5. Cast a broad net for succession rather than assuming everyone should be promoted from within.

Succession planning and management must be carried out against the backdrop of increasingly dynamic organizations. Succession planning is an option that all businesses should be ready to take advantage of. In conclusion, it must not be ignored. “A person who does not worry about the future will shortly have worries about the present” (Ancient Chinese Proverb).

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