EFFECTIVE SUCCESSION MANAGEMENT
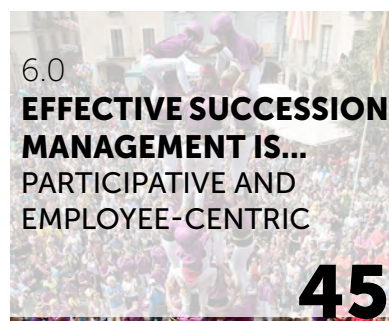
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EFFECTIVE
SUCCESSION MANAGEMENT

Molly Bolding

ABOUT **CRF**

Founded in 1994, **Corporate Research Forum (CRF)** is a membership organisation whose purpose is to increase the effectiveness of the HR function, in order to drive sustained organisational performance, through developing the capability of HR professionals. Through more than twenty years of research and the expertise of our team, we have developed a deep understanding of the ways HR can contribute to business outcomes, what works, what doesn't, and in what circumstances. With a network of over 220+ leading organisations, we continue to grow as the respected focal point and knowledge source for improving corporate and individual performance.

We support our members in enhancing their personal capabilities and building organisational effectiveness, guiding them through topics relevant to success, identifying actionable insights and practical recommendations, and facilitating networking opportunities. Our work helps organisations and the HR function make sense of the environment in which they operate, and develop capacity to deal with continuous uncertainty.

For more details on how your organisation can benefit from CRF membership please contact Richard Hargreaves, Managing Director at richard@crforum.co.uk. Alternatively, please visit our website at www.crforum.co.uk.

ABOUT **AUTHOR**

Molly Bolding is responsible for adapting and developing new resources for CRF's research team, for use in short and long-form content across the website and member communications. Prior to joining CRF, Molly spent three years as a freelance education journalist, inclusion consultant and online educator.

APS COMMENTARY

Succession management in any context is a challenge. In the current climate, where disruption and change are accelerating and predicting the future requirements of the organisation is increasingly difficult, this report shares research and practices indicating the need to align strategic direction with the associated people implications. Doing so can optimise the organisations systems' and lead to more impactful development.

Business continuity and planning is essential. However, organisations need to look at what they need for the future and go beyond what may be required for governance. Preparing your organisation for change – new products, markets, or competitors – may require new skills, ways of working, or a different organisational culture. In other words, at what point does a new approach and different leadership become essential to meet a new challenge? The data suggests that getting it right can be a source of competitive advantage, but, interestingly, most feel that there is an opportunity being missed.

Being clear about the purpose of succession management is key to ensuring that the right amount of focus is given to it. How does it link to talent overall and talent programmes? How does the process support the execution of business strategy? Drawing clear links between succession and the development of talented individuals ensures that the right people are identified, developing the right skills, and having experiences that will accelerate this. Finding ways for people to practise new skills in a safe environment is a key way to achieve this. This report clearly indicates the need to broaden the experiences leaders are given to prepare for new challenges, with research suggesting that the richest programmes include a diagnostic component at the outset, individual plans, and a flexible approach. Having data points that are understood and recognised can aid decision making. Coaching and mentoring can also increase the effectiveness of the development.

The case studies provide real insight into the challenges and successes that organisations are having and add to the impact of the report. Pitfalls to avoid, and opportunities to exploit, help clarify what is currently happening. Simple elements such as meaningful, ongoing career discussion, and providing quality feedback are essential. Getting the right external support is also important. This could be to use psychometric tools or to help deliver coaching. Support for the managers of chosen individuals is critical.

Identifying, assessing, and supporting the development of talented individuals to move within the organisation and develop their careers reduces loss of experience and allows for individual aspirations. Taking a structured approach and using the right tools can add real value and accelerate the process. Using thoughtful, structured succession management can support agile working practices: being proactive and ensuring the right people are in the discussion to begin with, helping to translate business strategy into talent strategy.

Rob Field, Learning and Development Director, APS

RHR INTERNATIONAL COMMENTARY

As the many challenges explored within this report suggest, best practices in succession management are elusive and fluid. The common questions we get at RHR as leadership and succession consultants suggest an HR profession in search of better answers: what's the right ratio of external to internal hires? What's better, a 'four-box', a 'nine-box', or no boxes? How open should we be with our plans? What skills are going to be important five years from now?

While valid and interesting questions, the suboptimal answer to most of these inquiries is, *"it depends."* Like in business strategy, people strategies have few, if any, 'right' answers. The accelerating complexities in the business landscape are reflected by a rapidly shifting talent reality. So, what's a trusted and purposeful HR professional to do? We don't have hard answers, but we have a few suggestions.

Prioritise flexibility over rigid process. While a certain degree of structure is needed to ensure rigour and fairness, it is easy to get lost in tasks and lose sight of the core purpose. Setting strong principles, educating leaders on good decision making, and nurturing honest dialogue are more valuable than any chart or plan.

Focus on what matters most. When the problems seem numerous, go to what's most important. What top three priorities is the CEO driving and what function will talent play in their success? Which roles drive most of our value, growth, and risk? What capabilities are most competitive in the market right now?

Leverage collective wisdom. As assessment experts, we sometimes quip that if people just said what they think, there would be much less demand for our services. Reality can be hard to see when looking down from the top, but the organisation knows. If you ask the right questions, your people will tell you what they need, who inspires them, and who is having the most impact.

Embrace creativity and targeted risk taking. In talent as in business, experimentation is the solution to an uncertain future. Test, learn, and adapt to see what works for your organisation. Create an environment in which it's safe for others to take risks on their people and their own careers.

Ultimately, leaning into complexity and learning to adapt to ambiguity will make us stronger and more grounded stewards of our critical human resources.

Jessica Foster, President of RHR International

EFFECTIVE
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EXECUTIVE SUMMARY

▶ Succession management is a core business process and is essential to execute strategy and sustain performance over the longer-term. Ultimately, it is the responsibility of the CEO, supported by the Executive Team and HR, to ensure there is adequate talent to run the business effectively in the future and replace key contributors while maintaining business results. In this regard, succession is far more than just an HR process.

▶ Part of the role of the CEO and executive team is to ensure that the organisational culture supports the development of successors and allows them to flourish. If a developmental culture does not exist, efforts to design and run an effective succession management process are unlikely to be successful.

▶ While the central purpose of succession management is to support the business strategy, it can deliver that purpose in multiple ways. On the one hand, succession management is a process focused on continuity, which can trace its roots to leadership theories from the 1840s, evolving through 'executive continuity' in the 1970s and 'replacement planning' practices of the 1980s, through to the 'succession management' practices of the early 2000s which are still in practice in many organisations today. In this regard it is focused on risk mitigation and conservation of knowledge, skills, and relationships. On the other hand, succession management can be seen as a dynamic process of change, focused on identifying the organisational capabilities required for future success and implementing plans to develop those capabilities. A key challenge for HR is to design succession management processes that are fit for purpose in a context of continuous change,

and that balance these different aspects of succession. From the future talent point of view, this means asking: *"do we want more of the same or something different?"* and designing succession management processes to deliver against the unique needs of that business.

In practice, many organisations struggle to manage succession well. Common pitfalls include focusing on 'box ticking' rather than really challenging the organisation's thinking about what capabilities will be needed for future business success, planning for the roles that exist today rather than identifying critical roles that will emerge, and placing too much emphasis on identifying successors at the expense of implementing actions to develop and prepare them for future roles. Too often, we hear that succession plans are disregarded when leadership appointments are made, or that people identified as 'ready in 2-3 years' never get any closer to being ready for the identified next move.

We identify some common characteristics of effective succession management practices as well as some emerging trends. Effective succession management is ...

- **Aligned to business strategy and supported by culture.** It begins with the future priorities of the business and works backwards to define the talent actions required to achieve the business' long-term objectives. It recognises that future leadership roles will look different to today's and that the capabilities that drive future success will differ from what drives performance today. Succession management needs to make explicit the connection between business strategy, the organisational capabilities required to execute the strategy, and the identification and development of successors. In practice this may require extending the planning horizon for succession further into the future. Organisations can use enablers such as strategic workforce planning and strategic talent mapping to identify critical roles that deliver outsize value and focus investment on them.

- **An integrated talent management process.** The most effective approaches are designed so all elements of the succession management system work consistently together and integrate effectively with the wider talent management system. This starts with a clear and articulated talent and succession philosophy and strategy with buy-in from senior management. It requires consistent criteria to be developed for assessing people and a common language for discussing talent. It requires careful consideration of which talent pools to develop as well as planning individual roles. It also means aligning internal resourcing and external recruitment so future talent can accumulate the job experiences needed to grow and external talent can be identified to plug gaps. It is also a developmental process that integrates learning, so people are adequately prepared to step into the role when the time comes.

- **Thoughtfully transparent.** Organisations must decide how much to tell people about the process of selection and what it means for individuals. Thoughtful transparency is posited as a framework of judgements, where the benefits of transparency are weighed against any potential drawbacks relative to the business' circumstances. Our recommendation is to be as transparent as possible, as it encourages frank dialogue, sets clear expectations, and benefits inclusivity. It may be necessary to invest in training line managers to improve their ability to handle sensitive career conversations.

- **Evidence-based.** Although the availability and use of data has greatly increased in recent years, the quality of data around succession remains largely poor and managers are often ill equipped to get the best from it. Identifying and strengthening areas that benefit from data use, such as assessment and talent reviews, can support leaders to make more accurate evaluations and better decisions. Evaluation of the effectiveness of succession processes and their outcomes is often overlooked or underserved. It's important to identify the metrics that best measure results against targets, not just track the progress or completeness of the process, and to be willing to test and improve processes between cycles.

- **Participative and employee-centred.** This emerging trend is based on the principle that people are authorities on themselves – their circumstances, their ambitions, their skills – and are best placed to direct their own careers. Being employee-centred means putting the tools and resources into employees' hands to manage their progression, and promoting opportunities transparently within the business.

- Participative succession management can also help build organisation agility, as it can support the development of a more responsive and adaptable workforce.

Future challenges for succession management include improving the use of technology to support the identification and assessment of talent and to support talent mobility. Businesses need to continue to focus on building responsiveness, adaptability, and future focus into their succession plans.

"In preparing for battle, I have always found that plans are useless, but planning is indispensable."

DWIGHT D. EISENHOWER, 34TH PRESIDENT OF THE UNITED STATES

1.1
WHAT'S THE ISSUE?

Succession management is one of the core processes in running a successful business. It is essential to executing strategy and sustaining performance over the long term. Ultimately, it is the responsibility of the CEO, supported by the Executive Team and HR, to ensure the mechanisms are in place to identify successors and replace key contributors and that those processes deliver the results the business needs. In this regard, succession management is far more than just an HR process.

Succession management is a practice that originates from the leadership theories of the 1840s, evolving into executive continuity in the 1950s and then into the recognisable form of succession management in the late 1980s.

Succession management, in all its many names, is essentially a continuity process. It is both an internal process and a governance requirement, which serves as a way to prevent risk to business continuity by ensuring that roles are filled and the current strategy as a whole isn't endangered by the loss of a particular person. In the words of CRF Chairman, Mike Haffenden, *"managing succession is a critical area of competence for Chairs and Chief Executives. It embraces risk mitigation, change management, talent management, performance management and effective governance. The HR function should have a key role. It should use its expertise to provide a critical advisory and guidance role in process management, information gathering, objective assessment, and key employee development."*

1.0
INTRODUCTION

Unilever is a good example of a business that has the size, scale, people, and resources to conduct thorough and effective succession practices, but when the moment came found themselves without an obvious successor. The recent announcement of CEO Alan Jope's departure after only 5 years in post, and the announcement in September 2022 that the search for his replacement would *"consider both internal and external candidates",* suggested that they did not have a clear succession plan for their top position. There is some irony to this: Jope's tenure should be a success story for talent management. In his 35 years with the company, he climbed from a junior position in the company in the 1980s to take on various senior leadership roles before CEO.

Multinational conglomerate Disney have also been through an interesting disruption in their succession process, where hand-picked CEO successor Bob Chapek has been replaced by his predecessor Bob Iger after less than three years.

Michael Antonelli, a market strategist at Baird, said Iger's return was *"probably the most significant piece of corporate upheaval since [Steve] Jobs went back to Apple",* but his new tenure will only last two years as the company again begins to look for a long-term successor for the role.

The question that Unilever and Disney are debating internally is one that is central to the idea of succession management: do we want more of the same, or something very different?

This paradox can be best alleviated by asking what the purposes of succession management are both, generally and with respect to your organisation's specific needs. Once you understand its purposes, and tailor them to your organisation, you can begin to analyse how this is best achieved.

RESEARCH METHOD

This report is based on the following data sources:

- Interviews with 23 practitioners, experts, and academics. We list the interviewees in the **Appendix**.

- An online CRF survey, completed by 44 respondents in September 2022. Respondents were predominantly Heads of Talent Management or Leadership Development or similar. They represented a broad spread of industry sectors. 31% worked for organisations with 1,000-4,999 employees; an additional 48% worked for organisations with more than 5,000 employees; and 27% had more than 10,000 employees. 75% were based in the UK, 18% in Europe, and the remainder in the rest of the world.

- A review of relevant academic and practitioner literature. **The Reading List** in the **Appendix** contains references.

In this report, which builds on CRF's 2020 report, *Careers, Development and Succession in a Changing Landscape*, we explore organisations' current use of succession management processes: what's working, what's not, and how you can optimise your organisation's system.

CHAPTER **2** we explore how succession management can help organisations to achieve their business strategy and promote growth and longevity.

CHAPTER **3** we think about the ways that succession management supports the overall talent management mandate and how an integrated approach can strengthen your processes.

CHAPTER **4** we balance the various merits and drawbacks of 'thoughtful' transparency and the difference between transparency of process and outcomes.

CHAPTER **5** we champion evidence-based practice in succession management and explore the most common barriers organisations can experience.

CHAPTER **6** we review a recent move towards 'participative' succession management: what it means, what it can offer, and how to work towards it.

CHAPTER **7** we offer conclusions and recommendations based on this report's key messages.

CHAPTER **8** we list our references and suggest further reading.

1.2
WHAT ARE THE BENEFITS OF SUCCESSION MANAGEMENT?

When surveyed, 90% of CRF member respondents suggested that they agreed that *"an organisation's succession management policies and practices can be a source of competitive advantage",* but only 32% believed that it was a source of advantage for them.

Studies suggest that succession management, done well, can have substantial benefits for all areas and levels of the business. Strong, well-defined, participative succession management has been shown to correlate with:

- Reduced CEO turnover and increased manager tenure
- Increased executive satisfaction with the leadership transition process
- General employee satisfaction and performance
- Increased feelings of job security, increased retention, and reduced general turnover

It is also generally considered cheaper and faster to fill a role with an internal candidate and they can get up to speed in the new role faster.

Unfortunately, too often, businesses either don't do succession management at all or don't do it well: they spread themselves too thin trying to cover lots of roles; put names on plans to 'tick a box'; or don't cover roles that hold strategic value. Another pitfall can be to rely too heavily on the passage of time and incidental experience: someone won't be 'ready in two years' if they aren't offered development to fill in their skills gaps in the meantime.

"What is worse, train the people and they leave, or don't train them and they stay?"

BURAK KOYUNCU, SVP HEAD OF LEADERSHIP DEVELOPMENT, LHH

Some doubt the necessity of what can be perceived as an outdated technique when business structures and contexts have changed so much. According to a systematic review by Obianuju et al. (2021), there has been declining interest in succession management research in the last five years. In addition, Mehrabani and Mohamed (2011) identify that *"in today's dynamic world where competition is high, work is fluid, environment is unpredictable, organisations are flatter, and the organisational configuration frequently changes, the old view of succession planning by defining specific people for the specific job does not work."*

For others, it's a problem of volatility: why make a typical, role-based succession plan when the talent pool, and even the nature of the roles themselves, are liable to change? High turnover, low retention, strategic change, and technical innovations can make it seem pointless to write up a plan, only to have to rewrite it three months later. Our survey suggests that succession management is hampered by short term business planning horizons. Just under 90% of respondents report that their business planning time horizon is less than five years, and 95% report that their succession plans extend less than five years ahead.

Some question the necessity of investing in identifying and developing people, who they assume will eventually leave the organisation and take that value with them. When time and money for development opportunities are at a premium, businesses want to choose the most effective recipients for that investment.

Realistically, a continuous outlay in assessment and development for succession candidates will come with some risk. The alternative is to not make the investment, save the money, and only address your people problems in the immediate term, leaving yourself open to the kinds of long-term leadership and critical role gaps that many companies are facing. This is certainly a common approach: our survey data reflects that respondents' succession plans and total business planning horizon both only typically extended one to two years into the future. *"What is worse,"* asks LHH's Burak Koyuncu while paraphrasing Henry Ford, *"train the people and they leave, or don't train them and they stay?"*

FIGURE **1**

What is the business planning time horizon in your organisation?

With regard to succession management specifically, how far ahead do your succession plans extend?
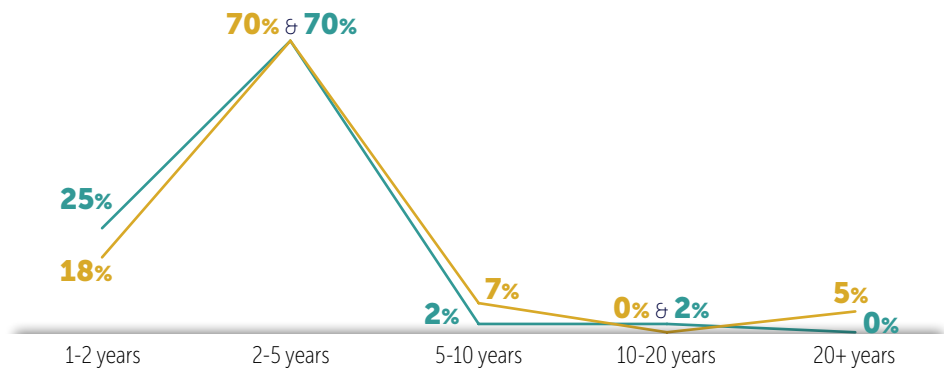
Source: CRF Effective Succession Management Member Survey 2022

After all, he explains, *"if you have your team who are really good, and some of them don't [succeed to the C-suite], but they're still around – that's going to help the company [and] help your reputation [internally and externally]".* In other words, strong, embedded succession management has benefits above and beyond setting up a pipeline for future talent.

Jeff Lindeman, CHROI at WD-40 Company, echoed this sentiment: *"[if you leave] you're now a member of our alumni group, and we want to stay connected with you… [if we aren't in competition then] maybe there will be opportunities for us to learn together and share information and insights. So, even if we do lose a couple of people along the way, I hope it's because they have found other great opportunities that maybe we couldn't match, but that they would have walked away with positive lasting memories of their time with us, so that they're proselytising on our behalf about what a great experience and career opportunity WD-40 Company was for them."*

Doubting the purpose and efficacy of processes like succession management is partly a reaction to the lack of certainty in the current business landscape. *"It's part of a broader question about the future, because it's so uncertain",* says Adrian Furnham. *"Some people have responded to that by not managing succession at all… just working with whoever's there in the moment, because they don't have that many options. [Others] have responded by trying to institute quite concrete structures, which aren't working for them, because they're not research grounded or [up to date]".*

BENEFITS OF SUCCESSION MANAGEMENT

According to Michael Timms, author of *Succession Planning That Works* (2016).

Succession management can help:

1. Prevent a talent shortage at the executive level in the face of an ageing population

2. Prevent the loss of institutional knowledge

3. Support the execution of business strategy

4. Reduce external recruitment and the associated costs

5. Avoid reliance on temporary workers

6. Minimise risk

7. Increase retention

> *"If you keep filling roles with a safe pair of hands, or a trusted partner who fits our model today but isn't where you need to go, you won't have any places to play with change and bring in different thinkers. Then, when you do take a risk on someone new, the failure rate is really high because the organisational appetite never matches the organisational interest."*

JESSICA FOSTER, PRESIDENT, RHR INTERNATIONAL

1.3
WHAT ARE THE PURPOSES OF SUCCESSION MANAGEMENT?

Succession management's central purpose, like many other processes and functions, is to deliver on the business strategy. In addressing this core purpose, succession management can serve several functions. At one end of the scale, succession management is a means of ensuring business continuity, focused on risk mitigation and conservation of knowledge, skills, and relationships. At the other end, succession management can be a developmental process; a methodology for introducing change to strategy or culture; supporting the organisation in developing future talent; or building capabilities required to execute new strategies, as an element of strategic workforce planning. These different elements may coexist.

Depending on which purpose(s) succession management is required to address for a particular organisation at a particular time, there will be different choices around how to design different elements of the succession management process, such as definition of critical roles, configuration of talent pools, transparency, mobility, selection and assessment. However, our survey found that less than half (43%) of respondents have a clear definition of 'succession management' as it is used within the overall talent strategy, which makes it difficult to set clear objectives for succession management, design a process that addresses the key priorities, and evaluate whether the process is working as it should.

We discuss the different choices available to organisations throughout this report. For example, a risk management-based approach to succession might be limited to identifying immediate successors for a small number of critical executive leadership positions. In contrast, a developmental approach to succession management might involve a multi-faceted strategy

including tools to enable individuals to self-assess their potential and plan their career, training line managers to have developmental conversations, designing resourcing processes to encourage internal moves, and rewarding leaders for supporting talent mobility. Our research highlighted the following common purposes served by succession management:

RISK MANAGEMENT

Historically, the purpose of succession management was to ensure business continuity by managing risk, extending the successes of the present into the future. However, the reality is that many organisations will need something different in their strategy for the future: new people, skills, or perspectives. These changes are often key to a business' survival, by ensuring that they have the tools they need to deal with new challenges, but they can seem antithetical to the purpose of succession management as traditionally described.

The legacy of this thinking is that, too often, companies choose the safest and most familiar leadership options when managing executive succession, rather than taking a calculated risk on someone who might bring a different background or skill set. One significant reason for this is usually the board of directors, who hold the business accountable for succession as a people risk mitigation process.

Jill Foley, Managing Partner at On3 suggests that, *"when it comes to succession, the primary concern of most boards is mitigating risk – ensuring stability and protecting share price. This means that too often we look for the 'continuity successor', rather than considering who has the qualities to shape and lead future strategy."*

Jessica Foster, President of RHR International, is even more explicit about this risk: *"if you keep filling roles with a safe pair of hands, or a trusted partner who fits our model today but isn't where you need to go, you won't have any places to play with change and bring in different thinkers. Then, when you do take a risk on someone new, the failure rate is really high because the organisational appetite never matches the organisational interest."*

Managing risk is an important part of succession management, but this should not come at the cost of the business' overall future focus (see Chapter 2 for more).
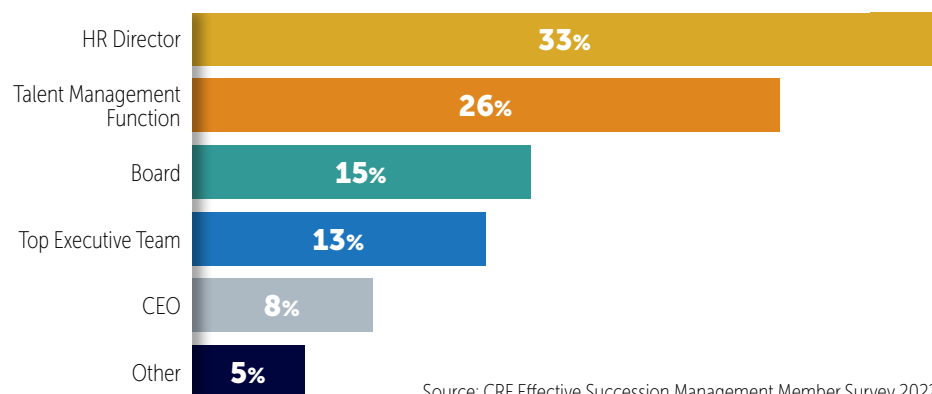
GOVERNANCE

Succession management is also, in many cases, a governance requirement, so companies can demonstrate their commitment to risk management. FRC's updated UK Corporate Governance Code was published in 2018, noting that *"the board should monitor the company's risk management and internal control systems".*

As a semi-external party, the board can be a valuable source of evaluation and accountability. They are expected, but also well placed, to weigh the business' strategic needs against the capabilities of the people function. The consensus among survey respondents and interviewees was that the board owns the outcomes of executive succession management, while playing an advisory role about general succession to critical roles, and the HR Director owns the process.

The compliance requirements for boards outlined in the Code contain several provisions on succession, including the creation of nominations committees and the accountability of boards for a diverse talent pipeline.

FIGURE **2**

Who owns the succession management process?

HR Director	33%
Talent Management Function	26%
Board	15%
Top Executive Team	13%
CEO	8%
Other	5%

Source: CRF Effective Succession Management Member Survey 2022

The UK Corporate Governance Code (2018)

Principle 1A of the Code provides:

'[a] successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.'

Principles 3 J, K and L of the Code address the importance of succession planning and Provision 17 provides:

'[t]he board should establish a nomination committee to lead the process for appointments, ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession.'

Beyond the requirements, boards can also offer an abundance of resources for succession management. They can support learning and development for internal candidates, by offering coaching, mentoring or training in their specialties, and set the example for senior leader successors around culture and values.

Boards should also themselves be diverse, with a particular focus on the appointment and tenure of women and people of colour, in order to support the diversification of the executive and general levels of the organisation. They play a key role in setting targets and checking and challenging biases which can increase the disadvantage faced by women, people of colour, and other underrepresented groups in company succession. Cranfield University research published in November 2022 warned about the slow progress of women being appointed to significant management roles, such as chair and CEO, and recommended that executive succession planning be taken more seriously at board level.

Sue Vinnicombe, Professor of Women and Leadership at Cranfield School of Management, says the *"lack of progress in terms of seeing women in these key executive roles is frankly appalling".* The Cranfield report recommends greater guidance for board nominations committees to make their role in improving gender diversity more explicit, underlining how important boards' governance responsibilities are.

DEVELOPMENT

A key purpose of succession management is to prepare people to progress in their careers and be successful in bigger and more complex roles. Learning and Development is what transitions replacement planning into succession management: filling candidates' skills gaps and offering opportunities to learn, grow, and fill experience gaps.

Work by Lombardo, Eichinger and McCall showed that an executive's ability to convert raw potential into real-life performance as a leader in larger, more complex roles, is dependent on their ability to extract valuable learning from the development experiences they have during their career. Because of the nature of succession, which requires potential successors not just to meet the requirements of a new role but to fit the unique requirements of that role in their organisation, external learning (such as executive education) alone may not deliver the active learning and practical knowledge needed to prepare them. Instead, potential L&D opportunities can be built into an employee's day-to-day work, such as shadowing, development assignments, and project work.

MOBILITY AS AN ENABLER OF DEVELOPMENT

A key enabler of development in the context of succession management is to create mobility. This supports people to move laterally, vertically, geographically and across disciplines or functions in order to diversify skills, prepare them for new roles, and fill internal gaps. Mobility is a way to help people build the right experiences over the course of multiple career moves and thereby achieve the required development to progress.

Rob Field, Learning and Development Director at APS, defines this vital principle of succession management as *"the identification and the preparation of individuals to successfully move within your organisation"*. As he explains, some may still approach it as moving people up in the organisation, but sometimes it's about preparing people. This may mean that assignments in other areas expose the individual to new challenges. As attested by Field, increasing mobility also has many secondary benefits: it helps to support overall development among talent; makes organisations more resilient to change; reduces talent 'hoarding' and perceptions of 'poaching' when people move; reduces turnover and the impact of people exiting the organisation; reduces internal 'time-to-fill'; and ensures that selected people are always being actively developed and rewarded for their commitment. The benefits of mobility are increasingly being acknowledged by major organisations. For example, Magda Male Alos, Director of Talent Management at Coca-Cola Europacific Partners says, *"we are specifically aiming to foster this culture of sharing and mobilising talent."*

These are just some of the purposes that succession management can serve: it is a useful tool for the business to determine the most effective allocation of development and governance resources to meet need. In addition, it's important to remember, says CRF Director John Whelan, that *"these purposes can co-exist. The trick is to understand what you are using it for at any one time and to integrate these elements into a talent strategy."*

Hirsh's 2015 framework for succession management, outlined below, offers some useful questions to help organisations tailor the purpose of their succession management and particularly prompts thought on how to tackle the process' goals, priorities and evaluation procedures.

### A FRAMEWORK FOR EFFECTIVE TALENT AND SUCCESSION MANAGEMENT

Wendy Hirsh (2015) has developed a framework for designing an integrated approach to talent and succession management, which brings together five key elements:

- **Purposes** – What is talent and succession management going to achieve? Will the emphasis be on attraction, development or retention; better internal deployment of people; or stronger early career pipelines of employees with potential? How will the organisation measure its success?

- **Populations** – For what populations or posts does the business need to identify pipelines of 'talent' and/or successors? Will individual posts be considered or broader 'pools'? Are you looking for short-term or longer-term successors or both? If you talk about individuals having 'talent', 'potential' or 'high potential' how will you define these groups of people, when will you spot them and what will they need to learn?

- **Principles** – Before more detailed design, it can help to agree some general principles, for example concerning transparency, objectivity, equality of opportunity etc.

- **Processes** – Talent and succession management encompasses several processes. What criteria will be used to identify potential/successors? Who will identify them, and how will managers work on this together? What career and skill development will be given, over what timeframes and how will it be facilitated? How will talent and succession management link with other HR processes? How will you build in evaluation?

- **Players** – What do line managers and top teams need to do? Which managers are responsible for different levels or groups of jobs and people? How is the employee involved in the process? Who does what in HR, centrally, locally and in learning and development or leadership development?

When surveyed, only 42% of respondents said their organisation has a clear definition of succession management as used within their overall talent strategy. When asked to expand on this, respondents gave a range of definitions.

Below, those definitions have been placed alongside the element of the process they most closely describe. The most holistic definition is at the end, while each of the others puts emphasis on a different element of the process.
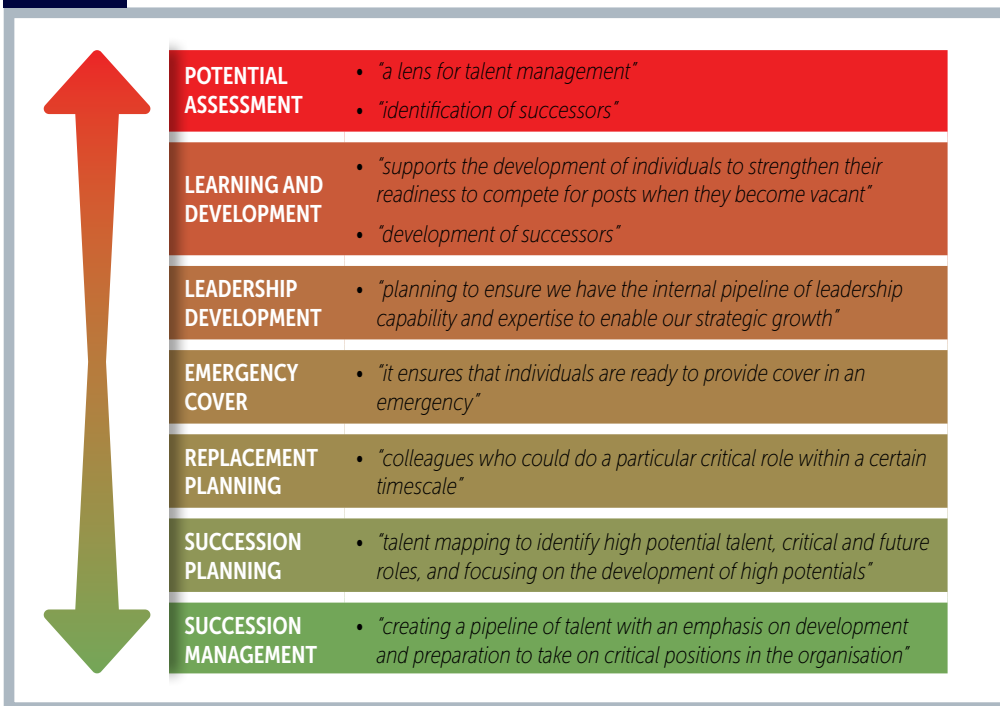
Each of the elements described above represents a development in the history of succession management and is a constituent part of today's succession management processes; some operational, some strategic. Overall, an integrated approach is required in order to ensure that all of the necessary elements are present and cohesive.

The following five chapters explore the key features of such an integrated approach, setting out critical success factors and emerging trends in succession management that emerged from our research, namely alignment with business strategy; integration with talent management; thoughtful transparency; an evidence-based mindset; and increasing interest in participative succession frameworks.

FIGURE 3

POTENTIAL ASSESSMENT	• *"a lens for talent management"* • *"identification of successors"*
LEARNING AND DEVELOPMENT	• *"supports the development of individuals to strengthen their readiness to compete for posts when they become vacant"* • *"development of successors"*
LEADERSHIP DEVELOPMENT	• *"planning to ensure we have the internal pipeline of leadership capability and expertise to enable our strategic growth"*
EMERGENCY COVER	• *"it ensures that individuals are ready to provide cover in an emergency"*
REPLACEMENT PLANNING	• *"colleagues who could do a particular critical role within a certain timescale"*
SUCCESSION PLANNING	• *"talent mapping to identify high potential talent, critical and future roles, and focusing on the development of high potentials"*
SUCCESSION MANAGEMENT	• *"creating a pipeline of talent with an emphasis on development and preparation to take on critical positions in the organisation"*

2.0
EFFECTIVE SUCCESSION MANAGEMENT IS...
ALIGNED TO BUSINESS STRATEGY AND SUPPORTED BY CULTURE

There are several ways that organisations can make the connection between business strategy and succession management more explicit.

Why invest in this? In the words of Bill Pasmore, Professor of Practice of Social Organizational Psychology at Columbia University, *"every strategic discussion has a people implication,"* so people risk mitigation is a core component of business strategy. The benefit to the business is the reason to have succession management in the first place: after all, *"like it or not, businesses are not in business primarily to develop people, and development will always be a secondary goal."* (Morrison, Lombardo, and McCall, 1988) Therefore, the business is responsible for choosing the priorities that succession needs to address; identifying potential threats to continuity; and working with HR to administer the process and evaluate the outcomes. HR's procedural oversight is required to ensure that all candidates have fair access to career development and that the process remains focused on future people needs. They can also support the business with job design and critical role evaluations, to ensure the people strategy is aligned with the business strategy's needs.

When succession management is not strategically aligned, it can lead to situations where people are developed and put on succession plans for a job that no longer meets these needs, so the job is redesigned and the internal candidates can't fill it. As explained by Mary Pender, Global Head of Talent at Abrdn, *"that is what ultimately reduces your fill rate – the people in the pipeline are good, but something different is required and nobody was able to have that conversation with them".* This is why buy-in from leaders and managers at all levels is so important: the clearer the understanding of future jobs and the more transparency there is with individuals about the needs of the role, the more effective the succession plans can be.
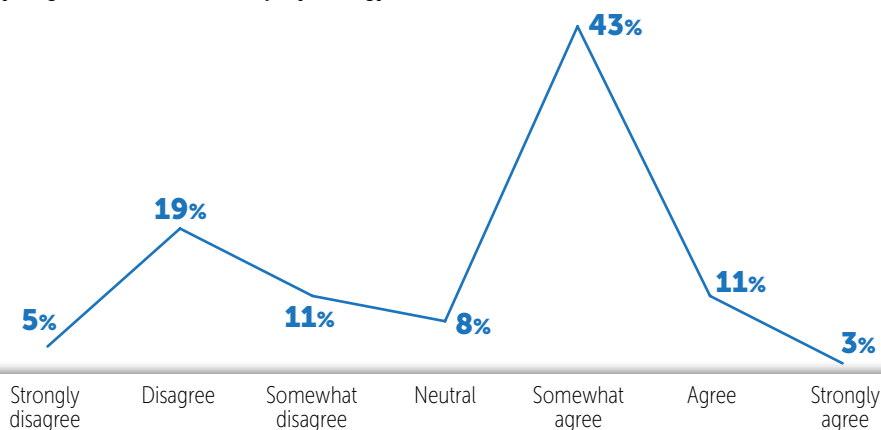
Examples:

- Associated British Foods (ABF) cites their devolved operating model as one of their strongest differentiators. Talia Nikpalj, Head of Executive Development at ABF, explains, *"it empowers people closest to the market and provides unique autonomy to our most senior leaders."* Hence, choosing the right business leaders and their teams is critically important. ABF has a long-term view of their businesses and thinks very carefully about the most important criteria and leadership characteristics to deliver growth for particular businesses and reflects this closely in succession planning. A number of development initiatives exist to support this, including an Executive Leadership Programme that is a highly tailored, high-touch suite of support across 18 months. For the most senior potential successors, *"we are increasingly focused on bespoke development experiences to support readiness".* The board and executive team place a high value on talent and succession management, which is discussed in depth at board and division talent reviews. See for ABF's case study.

- At TfL, mitigating people risk is a core pillar of their business strategy. Erica Moses-Neacy, Workforce Planning Specialist, says that they are *"trying to understand our current and future demands, the impact of critical roles on the overall service delivery, and on our overall business strategy."* They're facing major demographic challenges: *"the amount of young people (under 25s) coming into the industry has halved... and there's a big chunk of the railway industry population that will reach traditional retirement age in the next few years",* so they're *"looking at our critical and hard-to-fill roles and the skills that are associated with those roles".* See for TfL's case study.

- When asked about their priorities for improving succession management, Swiss Re suggested that they want to take a *"more dynamic view, away from static succession plans."* They also expressed an interest in performing succession processes *"more systematically at a lower level".*

- At Shell, succession planning is only undertaken for critical roles, which they define as roles that are critical to execute the strategy of a business and thus require high touch talent management. The business, supported by talent, owns succession management and the business leaders will confirm new succession candidates and provide a 'readiness' assessment. The business and HR partnership in this area is especially key: Mette Hersby, Manager of Leadership Succession, says *"the HR professional with accountability for talent in the specific business will support by identifying successors outside of their line of business, offer the functional expertise and maintain the plan, but ultimately, it's the business' decision whether a candidate is a credible successor and to guide their development accordingly."*

The rest of this chapter highlights various processes and frameworks companies can use to make the connection between business strategy and succession management more explicit.

FIGURE **4**

My organisation uses succession planning to support and execute key long-term elements of company strategy

- Strongly disagree: 5%
- Disagree: 19%
- Somewhat disagree: 11%
- Neutral: 8%
- Somewhat agree: 43%
- Agree: 11%
- Strongly agree: 3%

Source: CRF Effective Succession Management Member Survey 2022

2.1 STRATEGIC WORKFORCE PLANNING

Organisations are increasingly using strategic workforce planning as a way of making explicit the connection between the business strategy, the organisational capabilities required to execute the strategy, and succession management. Strategic workforce planning is a process which can help leadership teams develop answers to questions such as:

- What strategic capabilities will the business need to master to execute its strategy?

- Which kinds of job roles and kinds of people are critical to delivery of the strategy and likely to be difficult to get hold of? How do we define and shape them?

- Which roles will be most critical to future success of the organisation?

- How do we match talent to add value in those roles, by matching our best people to our most critical roles?

- What big bets or bold moves do we need to make to acquire the future capability we need?

- What are the risks if we fail to take action to develop relevant talent pipelines and how can we mitigate them?

The answers to these questions drive the design and execution of succession management processes. However, our survey suggests that most organisations still have significant room for improvement in aligning succession and strategic workforce planning. Only 5% of respondents 'strongly agreed' that their organisation maintains its succession management process in line with its overall strategic workforce planning approach, and a further 38% 'agreed somewhat'.

For a case study where strategic workforce planning directly informs succession practices, see the TfL case study on pages 48-49.

CRF's research report *Strategic Workforce Planning – Unlocking Future Capabilities* sets out our framework for strategic workforce planning.

2.2
STRATEGIC TALENT MAPPING

63% of survey respondents currently **have a process for identifying critical roles** for the purposes of succession

Having identified the organisational capabilities required to deliver the strategy, the next stage is to translate strategic imperatives into talent requirements, defining the critical roles and key actions needed to execute the strategy.

One element of this is to define the critical roles required, and to determine where and when they will be needed, which in turn drives the focus for succession management. Organisations often confuse the size of a role or its position in the hierarchy with its criticality. However, critical roles are those that create outsize value and contribution to business outcomes and sustaining competitive advantage. Correctly identifying and investing disproportionately in these roles should lead to better organisational performance. Our survey found that just under two-thirds (63%) of respondents currently have a process for identifying critical roles for the purposes of succession.

There are numerous definitions of critical or pivotal roles. Typically, this would be:

- **Value creation.** Value can be financial (e.g. sales) or qualitative (innovation, customer satisfaction).

- **Strategic impact.** Roles that make the greatest contribution to the organisation's competitive advantage, core capabilities, or future strategy.

- **Risk.** This might include critical roles that are high risk because appointing the wrong person could have disastrous consequences, or failure to have a suitably qualified person would shut down the business.

- **Scarcity.** Difficulty in hiring or developing.

Jill Foley, and her colleagues at On3, have developed a methodology for mapping roles – based on their contribution to future success and complexity – to determine which are most critical both long term and short term.

Foley's approach helps organisations to distinguish between four types of roles:

- **Pivotal** – 'game changer' roles, ones that have the potential to create disproportionate value in the future.

- **Growth driver** – focused on changing / scaling the business to drive up performance.

- **Sustaining** – focused on maintaining / optimising performance and continuous improvement – typically in stable, mature parts of the business. Often these are 'biggest roles' in the business or the roles that are accountable for short term performance.

- **Enabling** – the roles that make the work of the organisation possible.

By evaluating roles in this way, organisations can develop insight into where future success may be at risk and where action and investment is needed to build the right pipeline of talent for the future.

All four role types are vital to every organisation. No roles are 'more important' than others, but they contributed in different ways and require different leadership qualities. From a succession perspective, different types of roles carry different risks.

For example, if a senior leader in a 'sustaining' role becomes unexpectedly unavailable, there is likely to be only minimal disruption to the performance of their business in the short term. In stable, mature parts of the business, there will be a clearly understood blueprint for how work is done and there are likely to be others who can provide leadership cover in the medium term.

Contrast that with the disruption of an unplanned departure in a 'pivotal' role: there's a complex agenda, work that is unfamiliar to the organisation, and future performance may be jeopardised if the role is not delivered successfully. The risks here are much greater, even though consequences may not be felt in the short term.

A balanced approach to managing succession is required across these different role types. Yet, organisations still have a tendency to put the 'best people' in their 'biggest roles'.

2.3
CRITICAL ROLES

Transparency around the selection of critical roles ensures that the people making the selections within the business are doing so according to the same strategic priorities.

In the words of CRF's Nick Kemsley, *"critical roles should be identified by means of some agreed criteria… customer risk, knowledge risk, skills risk, leadership risk, multiplied by things like their scarcity or availability or difficulty in the market, multiplied by the ease or difficulty to develop or attract those skills into the organisation. So, if you apply a sensible critical talent lens to roles, what you end up with is a manageable number of roles for which you should consider applying succession planning."*

In the majority of organisations both surveyed and interviewed, succession planning efforts were focused on the C-suite and their immediate successors, either one or two levels down. Lower down in the organisation, succession management must be handled more selectively to ensure that the group of roles to plan for is not too large and that the roles that are included are the best investments in line with business strategy.

Some organisations solve this by not including any roles more than two or three levels below the C-suite, though this may create its own problems. Gordon and Overbey found in their 2018 book *Succession Planning: Promoting Organizational Sustainability* that *"an Ernst and Young survey of CEOs shows that in addition to lost productivity, a lack of talent in the succession pipeline results in an inability to take advantage of new opportunities. Moreover, '29% of CEOs thought they had missed out on revenue opportunities due to a lack of quality and quantity of talent'. Identifying the next CEO is a tough business, and 'succession planning is not just for the C-suite' (Connerstone, 2016). In fact, a business will become bankrupt if it loses its mid-level managers."* Extending formal succession into significantly lower levels of the company, where capacity allows, can be beneficial to the early identification of talent.

It is important not to confuse seniority with criticality and traditional job evaluation tools can often give the wrong answer. What's more, hard-to-fill roles may be a headache for HR but are not necessarily critical: the scarcity of suitable candidates may simply reflect a tight market or an unappealing employer brand.

In interviews, people described their processes for identifying critical roles, variously defined as roles with cross-discipline significance or those crucial to continuity.

- Abrdn define critical roles as those with *"substantial enterprise-wide impact"* and while other succession activity happens locally, these, along with ELT roles, are reported to the board. Global Head of Talent Development, Mary Pender, describes these roles as typically being *"roles that have the biggest impact across the group in terms of our revenue, clients and operations"*.

- Critical roles at a global natural resources company encompass the ELT and other roles of strategic value. For them, the process of deciding critical roles lies with heads of discipline, as they sit within distinctly different business areas that vary from mining activity to a sales and trading arm. Interestingly, they also track a group of 'problematic roles', which are technical, business critical, and hard to fill externally. As these roles are more junior, they have found that role-by-role succession planning was not suitable and are developing talent pools which provide a pipeline of people who can be flexibly allocated to these roles in line with business need.

- TfL also distinguishes between 'critical' and 'hard to fill' roles. Critical roles have *"legal or regulatory safety requirements"* and an *"impact on service delivery, through future skills or specific skills like tech or data"*. 'Hard to fill' roles, by contrast, are *"expensive to fill"* or they need to have a *"very unique skill set, like a specific licence"*.

ROLES COVERED
BY SUCCESSION MANAGEMENT

Our survey shows that succession management is predominantly focused on the most senior roles in the organisation. 82% of respondents report that succession management covers all positions in the top executive team. Our survey also suggests that for selected roles, succession management can descend quite deep into the hierarchy. Nearly three quarters (74%) plan succession for selected middle managers, 71% plan succession for selected functional or technical specialists, and 38% plan succession for selected first line leaders.

82%

of respondents report that succession management covers all positions in the top executive team

2.4
'FUTURE BACK'

FIGURE **5**

The Future-Back Model

© On3 Partners

A key part of business strategy is its view into the future, both in terms of goals and processes. Today's business landscape requires organisations to be resilient to macroeconomic trends and people challenges. Moreover, survey respondents felt that the nature of the roles they were trying to fill were as volatile as the available pool of talent. The need to keep both job design and successor selection relevant to the demands of the organisation will be an ongoing challenge.

There are many ways to employ a 'future back', or 'future focused', perspective in all stages of succession management.

- APS' Rob Field argues that assessment of the current talent's skills and behaviours can help to start conversations around *"what are the skills, capabilities and abilities that we're going to need in 12- or 18-months' time?"*

- When it comes to personal development or career development plans, a more regular review cycle, like that at TfL, can keep HR up-to-date with changes in employee aspirations, and inform the business that *"the skills that we might need in the future might change as well."*

See the full case study on **pages 48-49** for more details.

- RHR's Jessica Foster says that HR and the broader business need to be supporting leaders to make a wholesale change to the way they view their own role, the nature of their own work, and what the future will realistically require of that postholder. She says, *"inertia is the biggest enemy of progress on talent and succession planning, because it continues to perpetuate old models. [Progress requires people to] disrupt [their] own definitions, and that's a lot to ask of an individual leader."*

One of the issues that often hampers good succession management is that companies simply extrapolate forward when thinking about future leadership requirements. Against the backdrop of increasing disruption and fast paced change, for most businesses it is the case that the capabilities that have driven performance in the past will not be the same qualities that deliver success in the future.

Taking a 'future back' perspective can help overcome the natural continuity bias that we encounter when planning for succession. On3's Jill Foley has developed an approach
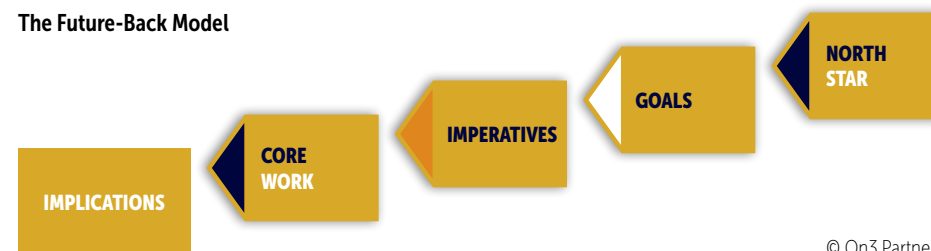
that helps executive teams to identify future capabilities and what that means for succession. It follows a structured *"demand-led"* set of questions which start from the strategic aims of the business and leads to implications for talent and succession.

North Star:
- What are our ambitions for the business? What does success look like (say) 3 years from now?
- What does success make possible? What would the consequence be if we don't reach our North Star?

Goals:
- What are our strategic goals and priorities? (both qualitative and quantitative)
- Put another way – what are the measurable milestones on the journey towards reaching our North Star?

Imperatives for success:
- What are the conditions we need to create to ensure that we can deliver our goals?
- What do we need to do to create those conditions? What are the things we need to initiate, change or fix for success?

Core work:
- What's the work we need to do brilliantly to deliver those imperatives?
- How does all of this change the 'graphic equaliser' of what is important, i.e. which activities should be 'dialled up' and which 'dialled down'?

From here you can start to discern implications – such as the scale of the difference between future work and current capabilities. Foley's approach involves mapping future work to determine:

- Where and when new capabilities are required
- The value that will be created by building that capability (and the risk of not building it)
- The size of the shift from where we are today, to where we need to be.

2.5
A DEVELOPMENTAL CULTURE

Efforts to harness succession management as a means of executing the business strategy through people are unlikely to be successful unless the organisation culture supports the internal development of talent. However, in practice organisational practices and philosophies are often at odds with development. For example, a prevailing view that 'the cream rises to the top' can lead to complacency about the need to plan for talent development. Also, internal politics can get in the way of making the sort of developmental moves that facilitate talent flows and support succession.

A 'developmental culture' is one where, faced with difficult decisions around balancing short-term results and longer-term development, the organisation is prepared to make tough calls to prioritise development. The best organisations take it as a given that a core part of being a leader is the requirement to develop others. Such cultures have qualities like:

- Tone is set at the top, or, as the saying goes, 'the fish rots from the head'. The top team needs to be visibly supportive of development, making the necessary time available in diaries and making the right calls when conflict arises between immediate results and investing in development with a longer-term but less certain payoff.

- Senior business leaders should drive key development processes – with support from HR.

- Leader selection should favour leaders who are focused on developing others.

- Managers who fail to support development efforts – through hoarding talent, for example – should be penalised.

- Treating all employees as developable talent, regardless of their level or potential status.

- Making training and development opportunities accessible to all, by providing the time, tools, covering the cost, and tailoring the offering to each individual.

- Supporting lateral and vertical moves at all levels and reducing the barriers to internal mobility.

- It may be necessary to build some slack into the system so there's capacity to take risks with people. Unfortunately, in seeking to create economies of scale, many companies have eliminated roles that used to be key preparation for top management positions.

- It's also important to consider the context for individuals who are considered as future successors. Are they in a role that plays to their strengths, gives them a degree of stretch and fully engages them? Do they have a manager who supports or hinders their development?

- Development-focused cultures accept that a degree of failure is inevitable when people are encouraged to learn through being stretched. Organisations can mitigate the risks by establishing the right support mechanisms and having a back-up plan.

Whether it falls within the existing formal definition of a 'learning organisation' (Senge, 1990) or a 'Deliberately Developmental Organisation' (Kegan and Laskow, 2016, *see opposite*), in a company where learning and development are readily accessible, aligned with strategic needs; and consistently outfit people with the knowledge and skills they need to progress, then succession management is more likely to be built into in the natural run of business.

Lindeman of WD-40 Company described their system as one which adheres to some of these principles and aspires to more of them: *"We are cascading some elements of this through the entire organisation, down to entry level, but managed locally and not from the top. We believe every employee is worthy of development and growth. In fact, we intentionally cultivate a culture of learning and teaching which we believe produces a highly-engaged workforce."*

As Koyuncu suggests, *"that type of an organisational culture can remove the need to worry about succession… But in the absence of it, companies need to help those individuals you're thinking of as successors to show their best potential, to realise what they need to fill the gap to the next level, and help them to achieve that."*

Deliberately Development Organisations (2016)

Kegan describes four deep underlying assumptions that 'Deliberately Developmental Organisations' (DDOs) hold.

- It's possible to keep growing psychologically into adulthood.

- Growth can be directly integrated and structured into everyday work.

- People can be helped to get the most out of giving and receiving feedback and coaching.

- People and business development can be made all one thing.

DDOs are designed to help people identify and address their individual limitations while also contributing to business profitability. *"There's a seamless integration of two pursuits as if they were a single goal: business excellence and the growth of people into more capable versions of themselves through the work of the business,"* says Kegan. DDOs engage people at their 'growing edge'. Leaders are directed towards enhancing the capabilities of their people, helping them uncover blind spots and questioning fundamental operating assumptions. Instead of working around people's issues, working on those issues becomes part of the job.

Read more on this in CRF's 2017 report here.

CASE STUDY:
ASSOCIATED BRITISH FOODS *(~175,000 EMPLOYEES)*

Talia Nikpalj, Head of Executive Development at Associated British Foods (ABF), explains how talent and succession planning works across the group.

ABF has multiple individual businesses in 5 segments, with 132,000 employees in 53 countries and customers in 100+ countries. Given the operating model, succession planning is a critical activity across the group. The businesses have their own talent and succession strategies, plans and processes: *"if all succession was managed centrally, then we risk diluting that autonomy and ownership".* The group centre, through the People & Performance team, works with the divisions and businesses on succession with the group CEO and Chief People and Performance Officer, holding talent and succession reviews with the CEOS and their People Directors twice a year.

Succession at the most senior levels is led from the ABF centre, given *"the essential part of our devolved operating model is choosing the right senior leaders and their teams in the first place".*

ABF takes a long-term view of their businesses and thinks very carefully about what are the most important factors which will support growth for an individual business when considering succession. A number of initiatives exist to support the development of

> *"The essential part of our devolved operating model is choosing the right senior leaders and their teams in the first place".*

internal leaders both to perform better in role and as potential successors for the most senior roles. One of those is an Executive Leadership Programme that is a highly tailored, high touch suite of support across 18 months. This includes developmental assessment, 360 interviews, psychometric tools, coaching and mentoring, three residential workshops, and case work on real business scenarios.

In addition, for the most senior potential successors *"we are increasingly focused on bespoke development experiences".*

The Board and Executive pay significant attention to talent and succession which is discussed in depth at talent reviews. These include a focus on the approach to succession planning, the development of talent and careers across the group, the status of diversity and inclusion reporting requirements and networking across the group.

3.0
EFFECTIVE SUCCESSION MANAGEMENT IS…
AN INTEGRATED TALENT MANAGEMENT PROCESS

> *"Ultimately, talent management is in service of succession, creating the best possible group of leaders we can acquire and retain, to get us where we need to go. The goal is to create continuity in the most critical roles, whether that's through plans to help people be successful in the roles they're in today or getting the bench ready for transition. [HR] has multiple levers to pull to ensure this continuity – performance management and accountability, compensation and rewards, targeted development programmes, and creative inside and outside talent moves."*

JESSICA FOSTER, PRESIDENT, RHR INTERNATIONAL

The most effective approaches to succession management not only flow from business strategy, as discussed in the previous chapter, they are also designed so all elements of the succession management system work consistently together and integrate effectively with the wider talent management systems within the organisation. In the words of In the words of one interviewee: *"Succession management is where the rubber hits the road from a talent management point of view, helping us answer the question: talent for what?"*

RHR's Jessica Foster says, *"ultimately, talent management is in service of succession, creating the best possible group of leaders we can acquire and retain, to get us where we need to go. The goal is to create continuity in the most critical roles, whether that's through plans to help people be successful in the roles they're in today or getting the bench ready for transition. [HR] has multiple levers to pull to ensure this continuity – performance management and accountability, compensation and rewards, targeted development programmes, and creative inside and outside talent moves."*

In this chapter, we dig deeper into various elements of the succession management process. We begin by considering some of the foundational elements, such as different options for segmenting the employee populations (talent pools vs role-by-role planning), how to identify and assess candidates for succession, and the purpose and effective running of talent reviews. We also review how succession integrates with other talent processes such as external recruitment and deployment.

3.1
TALENT POOLS OR ROLE-BY-ROLE SUCCESSION PLANNING

One of the choices around succession management is how to structure the process. The two most common options are role-based and talent pools. Whereas role-based planning focuses on identifying candidates for current or future roles, talent pooling involves building pools or lists of talented individuals who have potential to progress more generally. Talent pools can be used to develop talented individuals more broadly for a wider range of potential roles. Participants in talent pools may be considered for multiple roles, offering organisations a wider range of options.
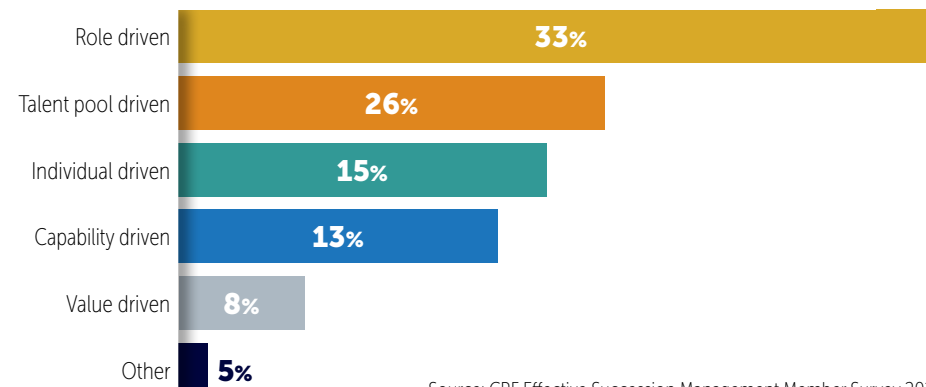
Talent pools can help overcome common criticisms of role-based succession management:

- When it comes to appointing a successor, many organisations either fail to consult their succession plans or find that none of the potential successors is good enough or ready enough to take on the role.
- Role-based planning tends to focus on roles as they are executed today, whereas often when it comes to appointing a successor, the requirements have changed.

Whilst CRF research has noted a move away from role-based planning over several years, our survey found role-based planning is still the most common approach (cited by nearly 80% of respondents). Perhaps one reason for this is that, in spite of the rhetoric about disruption, CRF members are experiencing relatively low volatility in their leadership roles. Less than a third (30%) considered the leadership positions they are looking to fill to be 'somewhat volatile'.

FIGURE 6

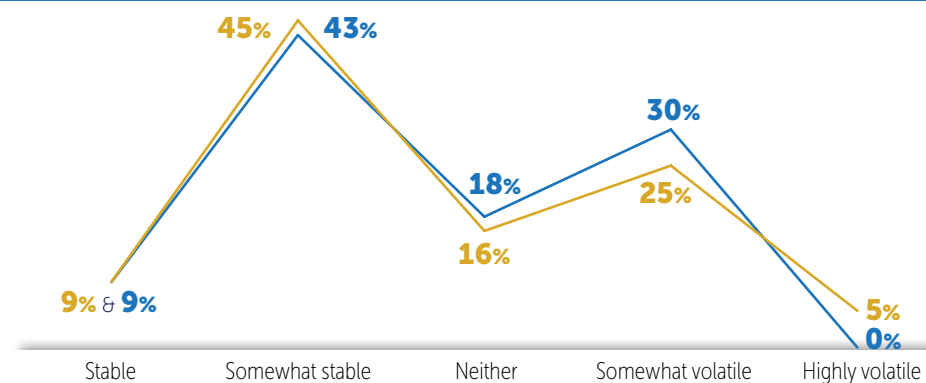**What approaches do you use for your succession management process?**

Approach	%
Role driven	33%
Talent pool driven	26%
Individual driven	15%
Capability driven	13%
Value driven	8%
Other	5%

Source: CRF Effective Succession Management Member Survey 2022

FIGURE 7

At your organisation, what is the volatility of...

...the pool of talent that you use to fill out succession plans? This may be described as the turnover in the talent pool due to people leaving the company, being removed from the pool, etc.

...the leadership positions you are looking to fill? This may be described as the types and natures of positions changing due to change in need over time.

	Stable	Somewhat stable	Neither	Somewhat volatile	Highly volatile
Talent pool	9%	45%	16%	25%	5%
Leadership positions	9%	43%	18%	30%	0%

Source: CRF Effective Succession Management Member Survey 2022

Some companies use role-based and pool-based approaches in tandem, which allows them to serve the differing purposes of executive and general succession. 44% of survey respondents use talent pools to identify potential successors for multiple leadership roles, meaning that many organisations use both talent pools and role-based succession management in combination. In practice, when it comes to governance, even if talent pools are the 'engine room' for developing successors, corporate governance codes will still require role-based reporting of succession plans to the board.

Some organisations conduct succession at two levels: talent pools at lower levels and role-based for more senior roles. For example, Abrdn operate role-based succession for the executive team and critical roles alongside broader talent pools *"we have one talent pool for senior levels and one for more junior levels, to cover every job or family of jobs."*

COMPARING **POOL-** AND **ROLE-BASED** SUCCESSION

Kemsley (2022) compared the relative merits of each approach:

TALENT POOLS	INDIVIDUAL/ROLE-BASED SUCCESSION
• More flexible • More agile and easily adapted • Someone might be a successor for more than one role • Easier to assess a cohort and fill broader skills gaps • May lose focus on individual development due to number of candidates	• More focused on individual development • Some danger of *"putting all your eggs in one basket"* without assessment of individuals • Traditionally lacks transparency and status may not be discussed with the individual • Often requires high geographical mobility at an executive level: if people say they aren't mobile, then *"they're seen to be opting out of progression"*
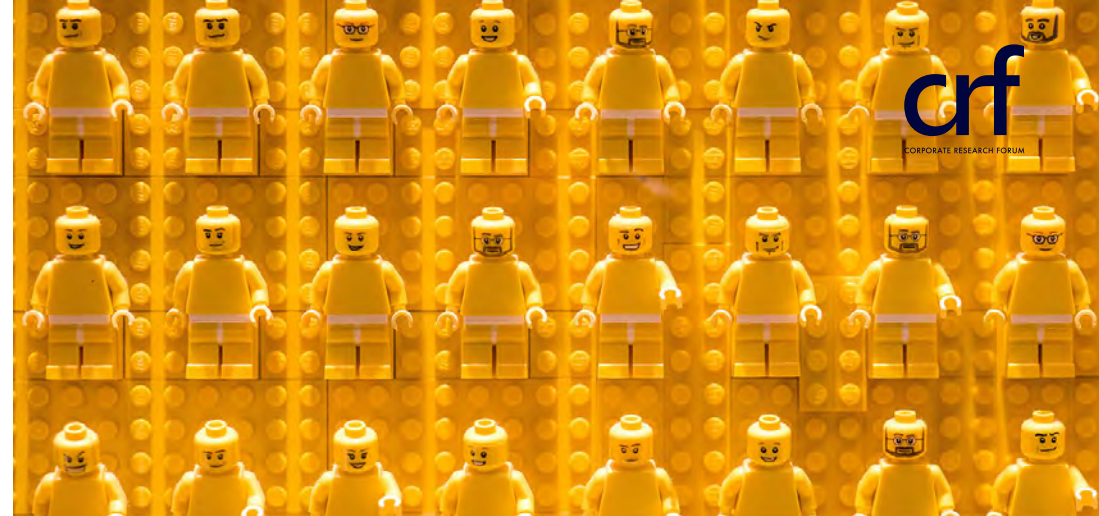
3.2
SELECTION, ASSESSMENT, AND RANKING

ONLY

26% of survey respondents **use a high potential framework** as part of their succession management processes

15% **use diagnostic testing to rank or rate** individuals chosen for succession plans

How to choose and rank those individuals who are included in succession management processes is a key choice in succession management. Typically, there are three elements to this:
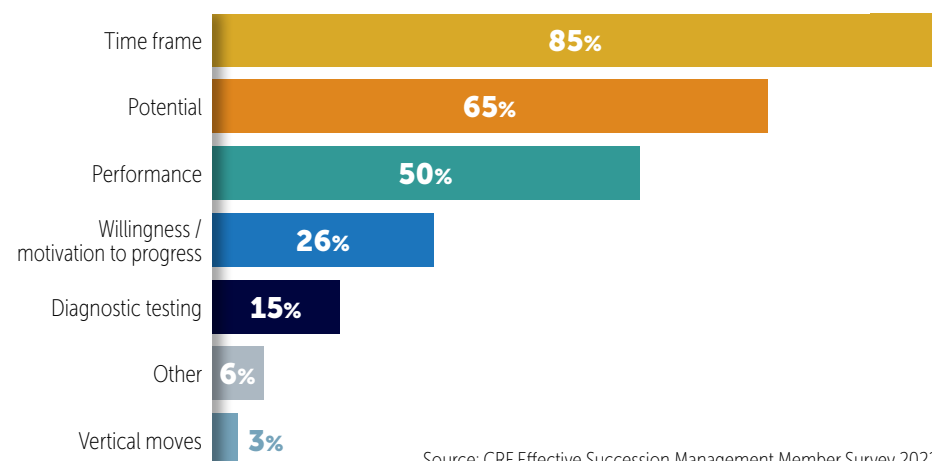
• Identifying individuals who might be considered to be a potential successor. Some companies use a potential model, definition or set of criteria to assess people consistently. For example, Shell's CAR model for assessing potential, developed and refined over decades, is used for assessment and development throughout the organisation. It assesses people according to three criteria: Capacity, Achievement, and Relationships. Line managers are trained in how to deploy the model to identify potential, with validated tooling (against performance outcomes, people survey scores, 360 and Hogan assessments) which ensures no adverse impact across diverse groups. Final calibration

across groups of individuals issupported by HR. However, in practice we find few organisations have an objective, evidence driven approach to identification. Only 26% of survey respondents use a high potential framework as part of their succession management processes. Identification is most commonly done by the line manager, although ratings may be calibrated by HR or in talent review meetings. The problem with this is that many line managers are not trained or skilled in identifying potential, and they may overlook high potential employees who don't fit their 'model' of what good looks like.

• Assessment, either for selection or development purposes, might involve psychological assessments, development centres or 360 feedback. Assessment tends to be reserved for more senior people, for those who have already been identified as high potential, or as a gateway to being selected for a succession plan, talent pool or development programme. Our survey found that only 15% of respondents use diagnostic testing to rank or rate individuals chosen for succession plans.

• Ranking, which compares different individuals and seeks to calibrate assessments so decision makers can make objective comparisons between individuals.

How do you rank or rate individuals or groups of people chosen for succession plans?

Time frame — 85%
Potential — 65%
Performance — 50%
Willingness / motivation to progress — 26%
Diagnostic testing — 15%
Other — 6%
Vertical moves — 3%

Source: CRF Effective Succession Management Member Survey 2022

Our research highlighted the following practices.

• The Nine-Box Grid that maps individuals according to performance and potential is the most commonly used framework in succession management, used by 79% of survey respondents. Although CRF research over many years has highlighted the limitations of the Nine-Box Grid, its simplicity is appealing. It can come into its own when it encourages a structured, objective dialogue about individual progression and development. However, in practice managers find it difficult to differentiate between past performance, future potential and readiness for promotion. It can provide spurious precision to an imprecise subject. Also, it can become a political tool, encouraging managers to 'talk up' their employees into the top right corner if they think this will allow them to access higher rewards or better development opportunities. The opposite may also be true, John Whelan, CRF Director notes: *"I have witnessed managers failing to identify people as highest potential for fear of losing them to other teams."* We would urge organisations to use it with caution.

• The most common ranking systems were time frames (ready now; ready in 1-2 years, etc), potential status (i.e. 'high potential' candidates), and performance assessments. Time frames, used by 85% of respondents, were by far the most common methodology for sorting candidates, but there is a limit to their usefulness. The passage of time, decoupled from active development, will not necessarily lead to candidates becoming 'ready' for the next role. So, for RHR's Foster, time frames really function as confidence indicators: *"the [real] question is, what do I need to see [in that time frame] to feel more confident that this person is ready to take on the role?"*

• Some organisations give employees the opportunity to rank or label themselves: a practice which gives HR more information about employees' needs and views, as well giving employees more ownership and agency in the process. For examples of this, see the TfL case study on .

TIPS FOR **IMPROVING ASSESSMENT OBJECTIVITY**

How can companies support line managers to improve the quality and objectivity of their assessments?

• Require managers to nominate people based on clear criteria that are proven to be strong predictors of potential to grow.

• Provide behavioural descriptors so managers know what to look for.

• Ask managers to provide evidence of behaviours that indicate someone's potential.

• Use as many data points as are available, for example supplementing managers' assessments of performance with data such as psychometric tests or 360s.

• Provide detailed, comprehensive training for managers, regular refreshers, and HR support.

LABELLING

One of the meaningful trends that emerged during this research is a move away from labelling people. Our 2016 research noted that labels such as 'low potential' are increasingly perceived as negative and demotivating, while the overall trend towards making potential status more transparent is making companies cautious about how they designate people. There is also a growing rejection of popular models such as the Nine-Box Grid, even within large businesses like Tesco who moved away from it several years ago. LHH's Koyuncu says, *"I strongly advise against putting people in boxes. It's incompatible with an inclusive culture and labels can end up keeping people in their boxes."* Research from other sectors, like education, has shown similar impacts: 'labelling theory', sometimes also called 'the Pygmalion effect' (1968), suggests that children who are labelled 'low ability' internalise this message and go on to perform poorly in future assessments. Instead, Koyuncu recommends treating everyone as high potential employees: give all employees the same opportunities for work and success, but for certain critical roles and certain extremely high potential people, use an accelerated process.

APS' Field agrees: *"Something like the Nine-Box Grid can facilitate a conversation, but it can be limiting. What does labelling 'ready now' or 'top right' actually mean to your organisation?"*

This is not to say that labels don't serve any positive purpose. RHR's Foster argues that *"there's good reason for segmentation, because you have to differentially invest, and you have to differentially attend to certain leaders. At the same time, work gets done by a very large group of leaders and employees who are all critical in various ways to the performance of the enterprise. There are many downsides to over-labelling or false dichotomy situations and almost all of them disadvantage women and people of colour and other forms of diversity unless you're highly intentional about how you use them."*

3.3
LEARNING AND DEVELOPMENT

Identifying potential successors is only a part of an effective succession management system. Developing people so they are ready to step into a role when the time comes is essential. However, many organisations find that, in spite of the work that goes into identifying potential successors, they still resort to external recruitment more often than they would wish. A key aspect of succession management, which is often underplayed in organisations, is what happens to develop those people who are listed in talent pools or plans. It's critical that organisations consider not only who should be on the plan, but also what development will help those individuals prepare for those roles.

Succession management needs to answer questions such as: What skills gaps need to be filled before that individual is ready? What actions will we take to fill the gaps? Who is accountable for making sure those actions are followed through? How do we measure progress?
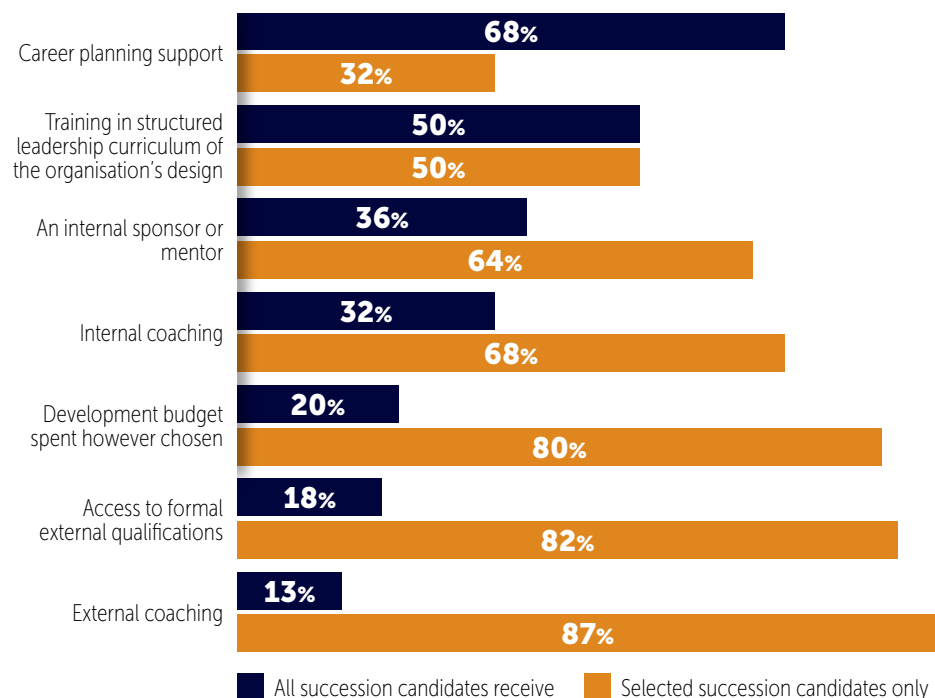
We can think about learning and development from two angles:

'LEARNING', i.e. having an appropriate, personalised learning 'curriculum' that helps high potential future leaders develop the capabilities they need to be effective successors to leadership roles.

'DEVELOPMENT', i.e. strategically relevant developmental experiences, stretch assignments, or new job roles which give people the experiences required to prepare them to be successors to critical roles.

FIGURE **9**

Once an individual or group has been chosen for a succession plan, do you offer any of the following resources in order to aid their development towards that role?

	All succession candidates receive	Selected succession candidates only
Career planning support	68%	32%
Training in structured leadership curriculum of the organisation's design	50%	50%
An internal sponsor or mentor	36%	64%
Internal coaching	32%	68%
Development budget spent however chosen	20%	80%
Access to formal external qualifications	18%	82%
External coaching	13%	87%

Source: CRF Effective Succession Management Member Survey 2022

Both serve important functions, but LHH's Koyuncu emphasises *"learning through doing"* as one of succession's most valuable tools. The most sophisticated organisations take a systematic approach to helping successors build those essential experiences. In order to develop a pipeline of talent, the organisation and the individual need to work together to build a portfolio of job assignments and career moves that help the individual gain the experiences needed to grow into critical roles.

A framework developed by McCauley and McCall (2014) demonstrates the ways that job experience can be used systematically to develop leadership capability. *"The underlying principle is if [candidates] are given the opportunity to take part in strategically relevant experiences, and something is done to ensure they learn the lessons of these experiences, it increases the probability of having the leadership talent necessary to lead the business strategy."*

In order to develop succession candidates effectively, it is vital to think systematically about how the processes for identifying successors connect with other people processes such as leadership development, reward, internal appointments and retention. It's important to consider:

- What happens when vacancies arise for critical positions? Do identified successors get priority over other internal candidates? Are all vacancies open to all employees or are some only available to people in talent pools? Who decides which are 'open' and 'closed' vacancies, and how? HR needs to develop carefully considered, coherent policies on these issues.

- What development opportunities are available to people identified through the succession process? This might include a range of things, including opportunities to attend leadership development programmes, being assigned a mentor, and being offered a rotational assignment. Again, this is where business strategy and the future talent needs of the organisation must drive choices.

- How actively does the organisation manage the careers of people identified as potential successors? Where does the balance lie between individual and organisational responsibility?

- How does the organisation ensure that the reward trajectory of an individual matches their career path and eventual aiming point?

In 2022, the most common L&D opportunities offered to all succession candidates were career planning support; access to internal training; and an internal sponsor. The most common L&D opportunities offered to selected succession candidates were external coaching; formal external qualifications; and their own customisable development budget.

EFFECTIVE **DEVELOPMENT PROGRAMMES**

Our research has found that the richest programmes tend to have the following features:

- They are self-directed, providing a range of tools and options, but not overly prescriptive. One test of whether an individual realises their potential or not is how driven and motivated they are to progress, so this way it's possible to provide development options while testing whether they are 'up for it'.

- Diagnostics at the outset, followed by detailed individual development planning and regular check-ins to make sure the individual is progressing towards their plans.

- Opportunities for deep reflection, often on a programme away from the day-to-day job or working together with a coach.

- There is usually something prestigious on offer, such as an external business school programme or a highly sought-after internal programme.

- Participation in a project or task force whose objective is to tackle a tricky business problem or develop a new business idea. There is often a strong innovation focus to this, such as developing new products or opening up new markets.

- Assistance in building an external network.

- Mentoring by a senior manager.

3.4
TALENT REVIEWS

83% of survey respondents **use talent review meetings to review succession plans**

ONLY

8% spend **most of a talent review meeting on planning development actions** for people on succession plans

The talent review is typically the forum where everything comes together from a succession management point of view. The key players, including the CEO, senior line leaders and HR, are present, data is provided on the performance, potential and aspirations of the individuals being discussed as well as information on the business strategy, future roles in consideration, and development opportunities for individuals. Our survey found that 83% of respondents use talent review meetings to review succession plans for individuals or groups of jobs.

The purpose of talent reviews is to consistently and systematically review the talent in the organisation. This includes mapping current and future talent needs onto the existing workforce, identifying who is ready or needed for a vertical or lateral developmental move; considering roles where successors need to be identified; exploring whether any bespoke or programmatic development would benefit talent pools or successors; examining retention risks; and assigning mentors or sponsors from the senior management team.

For individuals, discussions might focus on their performance and potential; identifying whether they are ready for a vertical move; what development they might need to get them to that point; and to flag any changes in their personal status (ie change in mobility, career aspiration etc).

Agreed development actions for individuals should be a key takeaway. However, our survey suggests that in many cases, insufficient time is spent on planning development actions for people on succession plans. Most respondents (59%) spend only approximately 20-30% of

their talent review meetings on planning development actions for people on succession plans. 21% said that they spend around half (50%) of the meeting doing so, and just 8% said they spend most (70-80%) of the meeting on such discussions. This suggests many organisations need to reconsider the purpose and agenda for these meetings, to ensure sufficient time is allocated to discuss development.

Our research found talent reviews tend to happen at two levels:

1. Company-wide to review critical enterprise-wide talent, typically led by the CEO or CHRO.

2. At a local level – usually led by business unit or functional leaders and their direct reports, supported by HRBPs or talent management specialists.

Some organisations, particularly those with a strong matrix structure, segment their workforce in multiple ways. For example, Coca Cola Europacific Partners runs talent reviews at multiple levels by location, function, and business unit. This means some individuals will be reviewed more than once depending on where they sit in the organisation matrix. Integrating and harmonising these viewpoints is then critical.

Reviews typically include the following.

- Set the business context for the discussion.
- Review the quality and depth of talent in the part of the business being reviewed.
- Identify individuals with potential to advance.
- Provide relevant data on individuals' performance, potential, career history and aspirations.
- Discuss critical roles and potential successors.
- Agree who should and shouldn't be included in talent pools.
- Agree actions such as development moves, assigning mentors etc.

We would highlight the following critical success factors that differentiate the most effective talent reviews.

1. **Follow through.** Actions need to be agreed, noted and regularly followed up, both outside the meeting and at the next session. The focus needs to be on identifying and committing to development actions, and holding managers to account. The most effective reviews result in career moves, development assignments or other development actions. Assigning sponsors or mentors from the more senior management group (and potentially out of the direct management line) can help to ensure that development actions are delivered.

2. **Make it a sequence of ongoing discussions rather than an annual event.** More sophisticated organisations tend to conduct talent reviews more frequently than once a year, particularly for key talent pools. Our survey found that around half (49%) of companies run talent reviews on an annual cycle. Others tend to run more frequently, with a third taking place every six months and 11% on a quarterly basis. Succession has tended to be run as an annual process, so it was interesting to observe a definite shift towards more agile talent reviews, every 3 or 6 months, at an increasing number of organisations. One respondent also specified that they have a general enterprise-wide talent review every year but are moving to more frequent local talent reviews.

3. **The right people should be in the room, with the authority to make decisions.** Attendees need to be well briefed and armed with the information that allows them to make appropriate decisions about the individuals being discussed. People should only be allowed to express a view if they have worked with the person in question. The meetings should be facilitated by a senior HR person with good business understanding, credibility and expertise in the talent processes. Part of the HR leader's role should be to check that criteria such as potential ratings are being consistently applied.

4. **Use consistent criteria to consider and discuss individuals.** Rankings should be calibrated for consistency, not just within business units but also across different parts of the organisation.

5. **Involve peers from other business units.** This can often enrich the quality of discussion, including through pushing for evidence to support a position. It may also lead to opportunities for sharing talent across organisational boundaries.

6. **Include relevant personal information,** such as mobility, career ambitions, destination roles etc. Many organisations now have dynamic talent systems that allow individuals to complete this information for themselves and can also be accessed live in the meeting.

7. **Bring in information on relevant job openings that the people under discussion may be considered for.**

8. **Make provision for individuals to receive feedback on discussions after the event.** It is easier for individuals to take ownership of their career progression if they are aware of what the organisation has in mind for them. This doesn't need to be a verbatim record of who said what, merely the headlines.

9. **Provide training and ongoing support for managers,** both in terms of how to run the meetings and how to provide feedback and ongoing development support to their people.

AVOIDING THE **COMMON PITFALLS OF TALENT REVIEWS**

- Discussions don't go beyond the superficial. Senior leaders quickly tire of talent reviews if they feel they have learned nothing new about the people being discussed.

- Discussion descends into a gossip session. The meeting facilitator must keep participants focused on evidence and actions.

- Too much time is spent on assessment and not enough on action and follow up. A common complaint we hear goes something like this: *"80% of the discussion is focused on identifying who is 'talent' and why. Only 20% of discussion and effort is spent on thinking about how to develop them."* Meetings can easily become a box-ticking exercise.

- A climate of fear or the presence of a domineering personality will lead to honest views left unsaid, and tacit agreement in the room followed by subversion of the process outside. Discussions need to be open and honest.

- Insufficient data. As many objective data points as possible should be included to avoid vague discussions. These might include performance ratings over multiple years, engagement survey scores, sales figures, feedback from customers, 360-degree assessments and input from potential assessments and psychometrics. Managers need to provide evidence to back up their opinions. It is a critical role of HR to ensure that the relevant data is available in the talent review and to robustly counter speculation and ill-informed judgements.

ATTENDANCE

Board and executive level talent reviews, should be attended by the Board (or the Nominations Committee members), facilitated by the CHRO/CPO or Head of Talent/ Leadership and chaired by the Nominations Committee Chair or Board Chair.

The Executive would be expected to participate in Talent Reviews for the senior management/specialist pool, again facilitated by the CHRO/CPO or Head of Talent/ Leadership and Chaired by the CEO.

For other Talent Reviews, it is always advisable to have diverse representation and for Senior Leaders to be engaged to ensure that a broad view is taken and local prejudices are avoided.
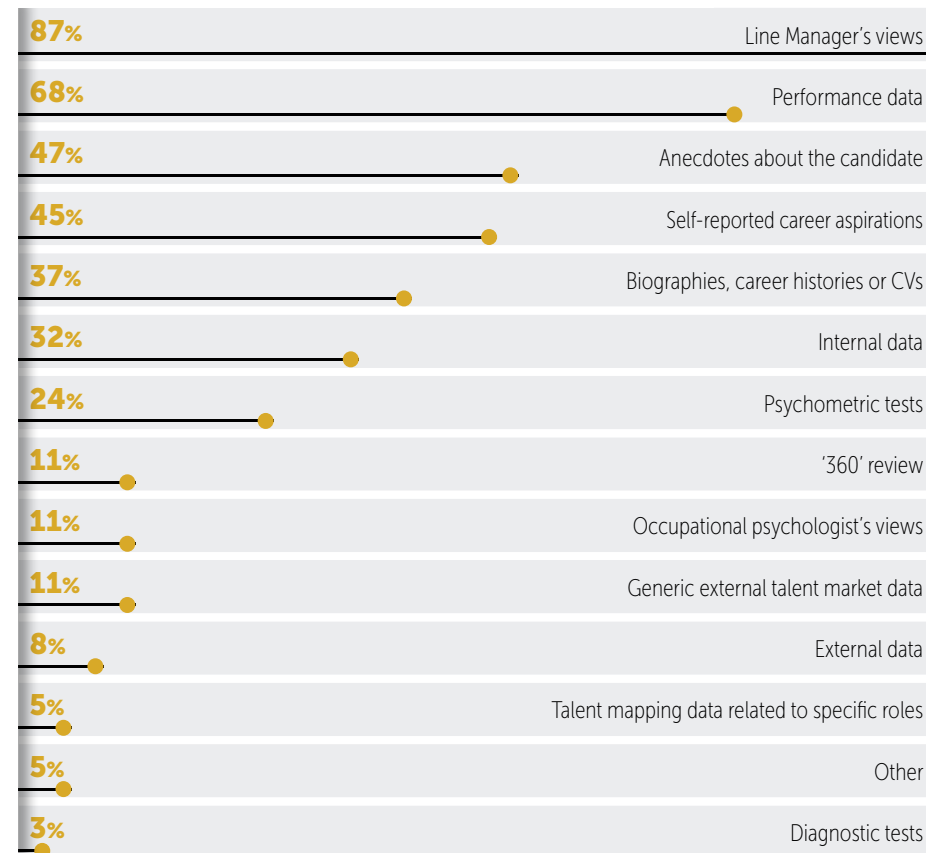
Finally, it's important to consider having an impartial voice in the room who can help the executive team follow due process and avoid groupthink. Sometimes a consensus can emerge in discussions that needs to be tested. Talent reviews can become a haven for *"yes men",* and sometimes an honest broker is required to raise concerns that others may hold, but feel unable to raise. For example, *"We've been saying for the last three years that X is 2-3 years away from being ready for a step up. Why are they not making progress, what should we do, and should we consider removing them from the succession plan altogether?"* External advisors such as business psychologists can play this role.

> *"You naturally gravitate towards the most efficient, most expedient ways of getting things done which can create something like a proximity bias, if you don't have time to sit back and reflect on who's getting development experiences… so it's hugely valuable to have that challenge from HR."*
>
> **JC TOWNEND, CEO OF CAREER TRANSITION AND MOBILITY, LHH**

FIGURE 10

What data is presented/used at talent reviews in terms of evidence or information?

87%	Line Manager's views
68%	Performance data
47%	Anecdotes about the candidate
45%	Self-reported career aspirations
37%	Biographies, career histories or CVs
32%	Internal data
24%	Psychometric tests
11%	'360' review
11%	Occupational psychologist's views
11%	Generic external talent market data
8%	External data
5%	Talent mapping data related to specific roles
5%	Other
3%	Diagnostic tests

Source: CRF Effective Succession Management Member Survey 2022

The quality and objectivity of data on candidates is an issue for talent reviews. Our survey found that line managers' views and anecdotes about candidates were ranked as two of the most popular forms of data used in talent review meetings, alongside performance data. These types of data can be more vulnerable to personal prejudices, particularly unconscious biases, which can disadvantage women and people of colour, and can also unfairly impact remote and hybrid workers.

JC Townend, CEO of LHH's Career Transition and Mobility (UK & Ireland), describes how, as an executive, *"you naturally gravitate towards the most efficient, most expedient ways of getting things done which can create something like a proximity bias, if you don't have time to sit back and reflect on who's getting development experiences… so it's hugely valuable to have that challenge from HR."* Similarly, a Korn Ferry report from 2022 describes the tendency not to offer certain groups the development needed to reach C-suite positions until explicitly encouraged to move beyond the typical candidate pool: *"unless companies give women the right development and leadership experiences to be ready, that talent will remain untapped."*

However, when offered additional data, like psychometric testing or external research, some managers will need additional support to assimilate this new data into their thinking and judgements. Abrdn found that when they *"piloted an additional psychometric for use in talent reviews for succession management, some managers loved having additional data points but others felt very nervous about interpreting and using this new information in their conversations."*

However, even in less mature business areas or departments where managers and leaders don't have a confident grasp of the data, the alternative analysis it provides can help to stimulate more objective conversation. Mary Pender, Global Head of Talent at Abrdn suggests that *"the less sophisticated conversations are where leaders don't feel safe to check and challenge. Either they don't know the people in the talent review meeting, or they don't feel comfortable saying, 'I disagree that this person is talent'. The more data points we as HR can fill in, the safer it makes it for people to raise their challenge."*

CASE NOTES

Some examples of current practice from interviews includes:

- **Swiss Re:** *"As part of our annual organisational talent review (OTR) every business unit leader has an individual meeting with the CHRO and our CEO to discuss the talent pipeline and focus on succession planning. Every line manager has the obligation to identify the potential of their direct reports and also looks into mobility, career aspirations, risk and impact of loss."*

- **Tesco:** *"At the most senior level, we would have talent sessions with the board at least once a year, the nominations committee two or three times a year, and the Executive Committee at least three times a year – they are essentially talent review meetings."*

- **Abrdn:** Talent reviews are run *"as leadership team meetings… typically to be led and facilitated by the HRBP or Head of Talent, it's not often a business lead [except in more mature business areas], so it's the HR person's responsibility to structure the conversation."*

In summary, effective talent reviews are frequent, either on a regular cycle or prompted by a common trigger such as business planning; evidence-based, using a range of data which pulls from broader objective sources than line managers' views; and action-focused.

3.5
INTEGRATING SUCCESSION MANAGEMENT WITH OTHER ELEMENTS OF THE TALENT SYSTEM

"For critical roles at senior levels, our succession plans are intended to give a credible view of succession to enable us to proactively take action where we have gaps. If our planning exercise reveals that coverage is low, we work directly with our resourcing organisation to implement interventions to address the gap. The insights achieved through succession planning also allow us to consider longer term succession when we hire externally, enabling us to discuss with the candidate both the job they are coming in to do and the opportunities beyond that."

METTE HERSBY, MANAGER OF LEADERSHIP SUCCESSION, SHELL

The most effective succession management systems are not only linked to the business strategy, they also ensure that the different elements of the system are themselves integrated. In practice this means also considering the following:

1. **Resourcing and Assessment.** Are the criteria we use for hiring externally and moving people internally consistent? Should we use the same criteria for identifying high potentials when we recruit externally? Is the recruitment function aware of the talent strategy and priorities? Are they simply hiring for immediate vacancies or are they looking further ahead? For example, at Shell, succession management and external recruitment are explicitly connected. Mette Hersby, Manager Leadership Succession, says: *"For critical roles at senior levels, our succession plans are intended to give a credible view of succession to enable us to proactively take action where we have gaps. If our planning exercise reveals that coverage is low, we work directly with our resourcing organisation to implement interventions to address the gap. The insights achieved through succession planning also allow us to consider longer term succession when we hire externally, enabling us to discuss with the candidate both the job they are coming in to do and the opportunities beyond that."*

2. **Deployment.** Do our internal deployment processes assist potential successors to get the job experiences they need to drive their career progression? Do we take into account individual development plans when preparing shortlists for internal positions? Are there mechanisms for individuals to declare what job moves they would like to make to support their career progression?

3. **Retention.** Do the people in critical talent pools or succession plans have retention plans? Do they have a stretching role, clear objectives, and is their contribution clearly recognised? How well embedded is critical talent in the organisation, for example through strong relationships with the CEO and executive team? Do we understand the factors that lead to key talent being more engaged and more likely to stay with the organisation, and do we act on that?

In designing the right approach to succession management, there is considerable scope for over-complication, particularly where succession plans and talent pools have to connect. We suggest focusing on the following priorities:

- Making sure your approach is driven by the strategic priorities of the business.
- Focus on identifying and following through on actions to develop – not just identify – future successors.
- Keep lists and plans fresh and up-to-date with regular reviews.
- Make sure the process is owned by the business, not HR.

CASE STUDY:
SHELL *(~86,000 EMPLOYEES)*

Shell, the global energy company, is a good example of an integrated approach to succession management. It's designed as an end-to-end talent management system, with the process underpinned by data throughout.

The objective of Shell's succession management processes, according to Hersby, is *"to have adequate resources in place to support our business aspirations, realistic cover in terms of talent for critical positions and visibility of any gaps."* As the energy sector moves through significant transition, Shell is also transforming how they approach talent management.

A digitally supported succession planning tool allows Shell to take a groupwide view on talent to guide long-term planning and development. *"Our ambition is to become one of the most diverse and inclusive places to work in the world. Our succession management process and systems are key to that ambition, enabling high quality, diverse, leadership appointments and focused leadership development."*

The approach combines succession planning for individual roles, such as the most critical roles (e.g., senior leadership) globally and the creation of 'succession pools' for generic roles. For example, for the most senior leadership positions the approach is one of high touch talent management. It is done with a five-year horizon, and includes succession planning for the individual role and development planning, with focus on experience gaps, potential career moves, and destination role(s) for the individual candidates.

Data and people insights are key. Shell's talent strategy is underpinned by its internally developed model of potential, which is used to identify and assess talent across different segments of the workforce. The model assesses three factors: Capacity, Achievement and Relationships (CAR). CAR has been in place for decades and is regularly validated to check for effectiveness and bias. The CAR model is embedded in people processes from graduate recruitment to senior manager development, and individuals' potential is reassessed throughout their career. HR triangulates data on performance ratings, potential and progression to understand the trajectories of high potential individuals and enabling intervention where required.

> *"We want to understand our workforce on a much more granular skill level so that we can better work with both internal and external applicants on identifying the best fit role and to highlight suitable development opportunities for employees."*

Skills is another dominant data and insight theme in Shell's evolving talent management approach. Hersby notes, *"we want to understand our workforce on a much more granular skill level so that we can better work with both internal and external applicants on identifying the best fit role and to highlight suitable development opportunities for employees. Developing our skills technology will enable us to respond to changes in business models and the external environment, enable more flexible sourcing and deployment of talent, and to deliver more personalised resourcing and learning support to employees."*

An important element of Shell's philosophy around career development and succession is that experiences are at the heart of how people develop. The company is becoming more explicit about how experiences drive development. Shell expects people to rotate jobs every few years. However, this doesn't mean rigidly defined career paths. It's about the individual amassing experiences that are complementary and accumulative, enabling individuals to work and learn across the Shell Businesses to develop the breadth and depth of experiences required to run and lead an integrated business.

Whilst HR has the talent management tools and capability, it is enabled by a leadership culture that views talent as an enterprise resource, with strong collective responsibility among the leadership for talent management.

CASE STUDY:
TESCO *(~345,000 EMPLOYEES)*

Rachel Forbes, Talent Manager at Tesco, described the succession framework which underpins a vast employee population, how it has been adapted over the last two years, and how succession connects with other talent processes.

Succession planning at Tesco takes place at many levels, owned at the most senior levels by the CPO and CEO. Everyone, at all levels of the organisation, has the option to discuss their career at any point, supported by an *"individual career plan",* which functions as a *"a mix between a succession and development plan".* This includes *"emerging talent",* who are *"colleagues at lower levels in the organisation"* who may have the potential to progress upwards. Individuals identified as high potential are included in talent pools.

Career planning is supported by a suite of learning modules called 'Own Your Career', which gives colleagues the skills and resources to confidently take control of their career. The plans, and the discussions that they necessitate, are designed to encourage fairness and transparency about progression options. People can discuss the learning and tools available to them, which are bespoke depending on individual needs. An example of this is their 'Director Development Toolkit', which contains a whole range of tools and learning for Directors to choose from depending on their development needs. Although the main emphasis is on bespoke learning, there are some development programmes such as for people in the same role in different geographies (e.g. Store Managers on a career path to Store Director) and also the Diverse Talent Community which is for colleagues with potential who are from an under-represented group.

Because the difference between levels in terms of role and responsibilities is fairly large, the more senior succession is managed centrally, and the remainder is managed within market or function. Executive succession involves regular talent review meetings with the board (annually), nominations committee (two or three times a year), and the executive team (at least three times a year).

> *The organisation meshes internal job posting with succession, by using open posting at lower levels and succession planning for anything from director level and above. At lower levels, even if you're in the talent pool and you're on the succession plan, you still have to apply for the job.*

Other changes have made their succession management more inclusive:

- Pushing succession planning and talent pools lower in the organisation, for example including *"emerging talent"* on plans.

- Moving away from using the Nine-Box Grid to map people, as it was incompatible with inclusion. Not everyone was happy with being labelled or put in a box, especially if they didn't have aspirations to progress, they would ask *"why are you talking about me in that way?"*

- Being more open and transparent with individuals on successions plans, whereas in the past people may have been put on plans that they didn't know about or aligned for jobs they didn't want.

- Always having a diversity lens on succession plans and talent pools

The organisation meshes internal job posting with succession, by using open posting at lower levels and succession planning for anything from director level and above. At lower levels, even if you're in the talent pool and you're on the succession plan, you still have to apply for the job.

crf
CORPORATE RESEARCH FORUM

4.0
EFFECTIVE SUCCESSION MANAGEMENT IS…
THOUGHTFULLY TRANSPARENT

EVENLY SPLIT

43% of survey respondents said their organisation **informs individuals who are chosen for succession plans** of their status

43% **do not**

Transparency is one of the major considerations when designing succession processes. To tell people or not to tell people – and how much to tell them? It is also a topic that evenly divides practitioners. 43% of survey respondents said their organisations inform individuals who are chosen for succession plans of their status on those plans, and 43% do not.

With this dilemma comes some important questions about company values, culture and people policies. 'Thoughtful transparency' is posited here as a framework of judgements, where the benefits of transparency are weighed against any potential drawbacks relative to a particular business circumstance.

The first consideration is that of transparency of process versus transparency of outcomes or decisions. Transparency of process, such as the selection criteria for critical roles or individuals in each type of role, is generally encouraged, for the reasons given in the table.

BENEFITS	DRAWBACKS
• Ensures that processes are consistent, strategic and reliable	• May cause privacy or data sharing issues if not handled sensitively
• Promotes integrity by holding the organisation to account for consistent application of process	• May cause an increase in distrust if stated processes are not consistently followed or exceptions are regularly made
• Makes diversity and inclusion efforts and outcomes easier to evidence	• Can highlight a lack of progress, which is perceived as negative by employees
• Empowers managers and leaders to discuss succession more frankly with their direct reports	• Evaluation of individuals and their succession routes may (and often do) change over time, which can create demotivation as individuals discover that they are no longer on a succession path
	• May cause privacy or data sharing issues if not handled sensitively

However, transparency of outcome – how people are rated or who is chosen for roles or pools – is a different story. On the positive side, transparency lets high potential people know they are valued by the organisation and can be used to engage them in ongoing dialogue about the plans the organisation has for them and the development opportunities that are available. This can lead to higher commitment and engagement, and also more honest conversations about whether the company's plans align with the individual's motivation and aspirations. Being transparent about individual status can help ensure that the criteria are applied fairly and consistently and highlight when it is not the case. Keeping people's status secret can also disadvantage minorities, as they are often less well connected to the informal networks that give access to senior leaders and help them advance their career. For RHR's Jessica Foster, transparency can be *"a double-edged sword: a lot of transparency starts to create these alliances and competition, but a lack of transparency creates a void that a narrative will fill. And sometimes that narrative isn't any better than the truth."*

On the negative side, some employers worry about setting expectations they can't meet, or are concerned that 'talented' people will let their designation go to their heads, or make them more likely to leave. In fact, previous CRF research found that people who are made aware of their status are less likely to leave. If people perceive that there is a disconnect between the purported selection criteria and the selections they see happening, this can reduce morale and create distrust. Another concern is that the majority of the employee population who aren't judged to be 'talent' will be demotivated. We suggest the way to tackle this is to have a compelling employee proposition whereby all employees have opportunities to develop and grow people's potential, performance or succession status is a tool only for HR's benefit. The reasoning for this is that people's performance and capacity can change over time, so telling people that they are not currently being considered as 'high potential' or as a successor may put them off, even though they might otherwise develop the performance or capacity they need to qualify over time.

Foster concludes: *"sometimes, the opposite of transparency is I don't say anything. But that means I didn't have to have the hard conversations, which doesn't feel right or ethical. But transparency that discredits and discourages some leaders, or prematurely draws conclusions, doesn't help anybody… I would tether our level of transparency to our values and our principles, not to transparency at any cost."*

The reality is that, whether you tell people or not, they (and others) are likely to be aware of their status. The benefits that go with being designated on succession plans, such as accelerated career development or access to certain development programmes, are evident.
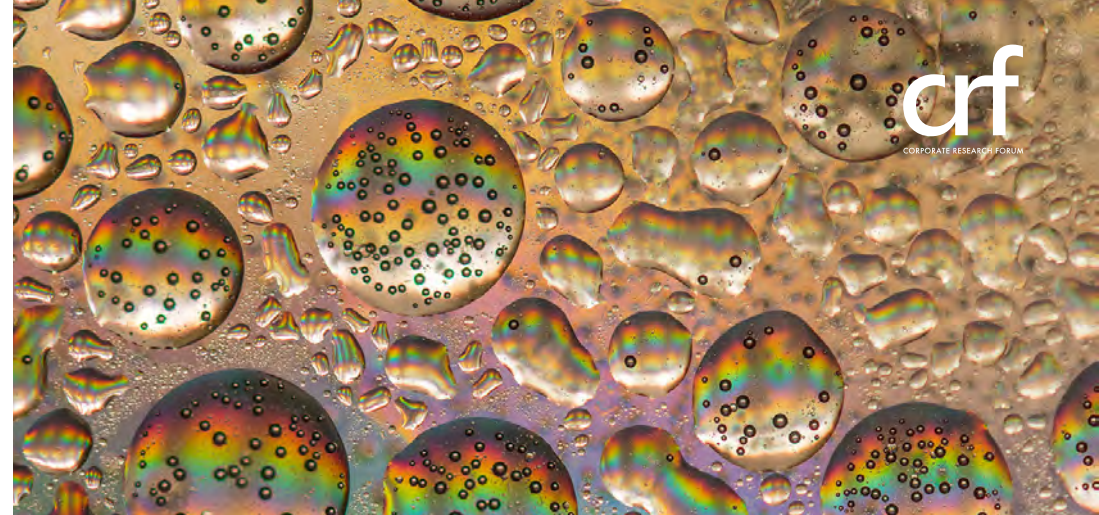
4.1
THOUGHTFUL TRANSPARENCY IN ACTION

Being thoughtfully transparent means looking at transparency from three angles.

1. **Organisation culture, principles and values:** Decisions on transparency of succession plans should flow from the organisation's overall culture and talent philosophy. Consider the following questions:

   • How important is transparency as a general principle for our organisation?

   • What objectives are we trying to achieve by being more or less transparent?

   • Have we weighed up the unintended consequences of being more or less transparent? For example, greater transparency might lead to more scrutiny of decisions that have been taken. Less transparency might hamper our efforts to create a more inclusive organisation.

   • Are leaders prepared – in terms of awareness, communication skills etc – to answer questions about how transparent you have chosen to be?

2. **Process transparency.** Overall, we would recommend that you be transparent about your processes and criteria, even if you choose not to be transparent about individual succession plans. Questions to consider include:

   • Have the criteria used been validated and can they be objectively justified?

- Are we clear about the talent 'deal' that flows from choices about how to apply the criteria? Which development opportunities are available to all, which are limited to specific populations? Are there clear, fair, consistently applied criteria underpinning these decisions?

- Is our talent deal sufficiently compelling for all staff so those who are not selected don't feel short-changed?

- Are we clear about the implications of being labelled one way or another, i.e. it doesn't necessarily restrict someone's capacity to grow in the organisation?

3. **Individual transparency:** Where possible, we suggest being transparent about succession status with the relevant individual, whether or not this information is shared more widely. However, transparency does not necessarily mean full disclosure where it is not helpful or necessary.

- Can we be confident that an individual's succession status will not change significantly year on year? If not, exercise caution in sharing that information.

- Do we inform everyone of their individual potential status, or do we only inform people who are listed on a succession plan, or those labelled as 'high potential'?

- Can we deliver on the commitments we are making about that person's development if we share their status?

- Are we encouraging individuals to be transparent about their hopes, expectations and practical circumstances such as mobility status? Are we checking they are up for it?

- Are we having grown-up conversations about what succession status means? For example, discussing the commitments on both sides by clarifying what the organisation is prepared to invest and what it expects of the individual in return; emphasising that while it will give access to specific development programmes, it is no guarantee of promotion.

- Who has the conversation with the individual – their line manager, their bosses' boss, HR? Are those individuals equipped to have good development conversations?

"We are very transparent about the process and what's on offer as it helps people understand the company's commitment to investing in people and what we do to deliver on that commitment."

SAM SCREPIS, HEAD OF LEARNING, TALENT DEVELOPMENT AND ENGAGEMENT, EASYJET

CASE NOTES

- **easyJet** makes its talent process openly available to employees on the intranet. The information includes how performance and potential is defined, and what that leads to in terms of development programmes that are only available to employees nominated by their functional leadership, and those that are available to all. Sam Screpis, Head of Learning, Talent Development and Engagement, says: *"We are very transparent about the process and what's on offer as it helps people understand the company's commitment to investing in people and what we do to deliver on that commitment."*

- **Swiss Re** is shifting towards *"a more dynamic model, where we have full transparency across the whole succession pipeline…and we discuss that with both the GEC members and the individual succession candidates on a continuous basis."* They believe that full transparency benefits the business, helping *"to identify potential overlaps [between talent in departments] and to share talent across the organisation"*. This increases the likelihood that they will find the right person for the job from within, because leaders are more aware of the talent that exists across the entire organisation.

CASE STUDY:
SWISS RE *(~15,000 EMPLOYEES)*

Jan Schlueter Head Executive Development; Christine Jordi, Head Talent Management; and Laura Mackie, People and Culture Development Consultant, explain how a shift towards transparency is helping to diversify the talent pipeline throughout the organisation.

The five-year strategic agenda is broken down into specific strategic goals, which helps direct conversations around succession. *"We are always looking at succession management. So, what are the capabilities needed, three to five years down the road? What are the implications? For example, one of our muscles is that we need to strengthen our underwriting capability as a reinsurance company. This has an impact on the succession pipeline in underwriting, so we have begun to define for every position how we expect that role to develop over the next three years. What are specific competencies required from a business and leadership perspective? We now have a comprehensive overview across 13 business units which can be now met with potential candidates."*

They have also made their overall HR system more transparent, using dashboards which allow them to analyse their succession management to identify bench strength; the number of people who are on succession plans; where people are on several succession plans; and a focus on whether the pipeline is diverse enough.

Assessment has had a particularly strong impact on transparency in the succession management process at Swiss Re. In 2018, they began offering executive succession candidates the opportunity to undertake comprehensive potential assessment in face-to-face and virtual settings combining behavioural, competency and psychometric analysis where they would give candidates a debrief, identify skills gaps, and establish individual development plans to make them ready for either promotion or a lateral move. The

> *Full transparency benefits the business, helping "to identify potential overlaps [between talent in departments] and to share talent across the organisation".*

feedback has been *"very, very positive"*. They noticed that *"[people] value very much the assessments, the debrief, but also the support they receive in development…[it has a] very positive impact on the number of promotions [as] we really could support them in the progress in their career."*

At Swiss Re, talent reviews are held at several levels: *"As part of our annual organisational talent review (OTR) every business unit has an individual meeting with the CHRO and our CEO to discuss the talent pipeline and focus on succession planning. Every line manager has the obligation to identify the potential of their direct reports and looks into mobility, career aspirations, risk and impact of loss."* In addition, the company is moving towards a more dynamic model where we have full transparency across the whole succession pipeline and we discuss that with both the GEC member as well as the individual succession candidates on a continuous basis. They believe that full transparency benefits the business, helping *"to identify potential overlaps [between talent in departments] and to share talent across the organisation".* This increases the likelihood that they will find the right person for the job from within, because leaders are more aware of the talent that exists across the entire organisation.

ONLY

11%

of survey respondents agree that their organisation **has a strong culture of making decisions based on analysis data and evidence**

CRF research over many years has shown that HR struggles to take an evidence-based approach to defining the process for succession management and assessing its impact on business outcomes. This is reflected in our survey. Only 11% of respondents 'agree' or 'strongly agree' that their organisation has a strong culture of making decisions based on analysis of data and evidence rather than gut feel or opinions of decision makers, and a further 22% 'somewhat agree'.

Here, evidence-based practice is taken to mean informed decision making based on the collection, appraisal, and use of a variety of internal and external forms of data, including stakeholder views, surveys, and research. Being more evidence-driven can give us confidence that the people who are identified as potential successors are indeed the best candidates, help us understand what the most effective ways are of preparing those people for future roles, and make sure that succession management processes are achieving the desired business outcomes.

Our research highlights two main areas where the application of evidence can be strengthened, and which in turn can positively impact the outcomes of succession management – improving the quality of data in the system and improving the capabilities of line managers to manage the process.

5.0
EFFECTIVE SUCCESSION MANAGEMENT IS…
EVIDENCE-BASED

5.1
DATA QUALITY

> *"It's really in the last 12 months or so that we've started to get better at tracking this information, primarily because we've now got technology that enables us to do this without it taking up a full-time person's job."*
>
> **CRF RESEARCH INTERVIEWEE**

Data is a challenge for organisations, whether it's the quality of the data on individuals, roles, and business plans, that underpins succession processes, or the confidence of HR and business decision makers in using data to make decisions. In our survey, over 60% of respondents said that the data they are provided in talent reviews is only 'acceptable', with an additional 16% marking it 'poor'. We also heard that managers often do not feel confident justifying their decisions about selections.

The best approaches to assessment in the context of succession management involve a multi-trait, multi-method assessment methodology which allows comparisons to be made across multiple data points and can also be used to give employees targeted and objective feedback. It's important to include as many objective data points as possible in the succession process. This can include performance data over multiple years, sales figures, customer feedback, engagement survey scores, 360 assessments and psychometric and other assessment data. It can also include external data, for example benchmarking individual succession candidates against external data sets that predict an individual's capacity to progress, such as RHR's Readiness for Scale^{SM}.

The latest talent systems and advances around people analytics are making it easier to tie together data across a broader range of sources. One interviewee commented, *"it's really in the last 12 months or so that we've started to get better at tracking this information, primarily because we've now got technology that enables us to do this without it taking up a full-time person's job."*

It can help to narrow down what the most useful questions to ask will be. For example, when surveying employees to learn more about things like career aspirations or mobility status, the questions need to be specific. There can be a temptation to leave space for ambiguity in questions to get more appealing results, but accurate data – which you can then use to build effective strategy to tackle difficulties – is more valuable. One organisation we interviewed surveyed their employee population to ask about mobility. People could answer 'mobile' and 'not mobile', but were also given a third option of 'mobile, with constraints'. Almost everyone selected the third option, but left without structured answer formats they provided such complex explanations of their personal situation that the data was rendered effectively useless.

It's also becoming easier to give individuals access to assessment and performance data to help them manage their own careers. For example, Swiss Re began to offer executive succession candidates the opportunity to do personality assessments online and face to face in assessment centres, where they would give candidates a debrief, identify skills gaps, and establish individual development plans to make them ready for either promotion or a lateral move. This was well received and has subsequently been extended to lower levels in the organisation, leading to a positive impact on the number of internal promotions.

Where many organisations struggle is how they apply the data they have. As RHR's Foster says, *"getting good data and insight is 25% of the battle. The remainder is helping a leader integrate that data with their own experience and come to good and robust conclusions about the people on their teams and the decisions that they want to make."*

She suggests that data analysis, whether internal or external data, should be accompanied by scenario planning, where the information gathered is applied to a range of positive and negative possibilities. This helps to make succession processes more agile and can help to visualise a range of different potential moves as well as identify risks or opportunities for change.

One approach that can help is to develop a common language for describing people that's applied consistently wherever succession is being discussed.

5.2
LINE MANAGER CAPABILITY

Line managers act as a linchpin in ensuring discussions around succession translate into tangible actions with impact on individual development. Managers create micro-cultures that can either support or work against succession strategies. In the best organisations, managers feel ownership for talent development across the whole enterprise, not just in their own team. However, manager capability can be one of the biggest barriers to success in managing succession. There are a number of issues that arise.

- Unless they are extremely well trained and supported, most managers find it difficult to distinguish between performance and potential, leading to talent pools being full of current high performers rather than genuine high potentials. Many leaders do not have the expertise to have the quality of objective conversations required to have an effective talent review.

- Mobility can be compromised by managers who hoard their best talent.

- Succession can be highly political. Managers may prefer to rely on their own judgment rather than objective models of potential: *"I know it when I see it."* Often, it is the people who are good self-promoters, or individuals who the manager thinks might be considering resigning, or the person 'whose turn it is this year', who are put forward.

- Managers feel uncomfortable delivering a tough message to someone who may be a good performer but is seen as not having potential to progress further.

- Moving towards a more data-driven approach can be a big culture shift for managers. One of our interviewees commented: *"Culturally, we're shifting from a very hands-on HR approach towards data-guided decision making. You have to remember that you're now asking a group of leaders to succession plan or make decisions based on aggregated data insight, but who themselves grew up in a system that did it in a different way."*

Actions organisations can take include:

- Make it clear to all line managers what their responsibilities for developing their people are, and reinforce this in job descriptions, goals and incentives. Consider how to recognise and reward good people developers.

- Select managers on the basis of management skills, not technical proficiency.

- Identify the best talent spotters and look to deploy them in ways that allow them to use their skills more widely, such as mentoring newly appointed line managers who are learning the ropes, or giving them responsibility for career development within their function.

- Encourage managers to have ongoing dialogue with team members around development rather than making it an annual event.

- Teach managers how to spot potential, how to distinguish between performance and potential, and how to support development of individuals in the team. Provide them with tools and data to make these judgements.

5.3
EVALUATION

> *"The data behind the scenes allow us to see where the trends are, to check and to challenge. We track a number of benchmark KPIs around succession planning related to talent identification, fill rate and retention. We report these to the board who are ultimately accountable to deliver against these criteria."*
>
> **MARY PENDER, GLOBAL HEAD OF TALENT, ABRDN**

Finally, evaluation is a crucial part of an evidence-driven succession process. Organisations need to evaluate the outcomes of their succession management, not just the process. The process may work smoothly or appear effective, but not deliver the necessary outcomes. Through partnership with the business, HR needs to establish meaningful criteria for success, e.g. number of internal appointments made minus any strategic external hires, rates of internal mobility, and collect data around these criteria.

This is a key way that HR can demonstrate commercial understanding and translate process into organisational performance. It's also important for HR to not only produce data but use it to persuade leaders to take action. 'Storytelling' through evidence is a vital skill for HR to develop.

At Abrdn, Mary Pender says *"the data behind the scenes allow us to see where the trends are, to check and to challenge. We track a number of benchmark KPIs around succession planning related to talent identification, fill rate and retention. We report these to the board who are ultimately accountable to deliver against these criteria."*

The question of how to evaluate succession management is a vexed one for HR. There are many *measures* available, but they generally give an incomplete picture about the outcomes that can be directly attributed to talent management activities, and at what cost. Ideally, it would be possible to determine some sort of financial measure that compared costs versus outcomes, but this is virtually impossible to do with any degree of certainty.

Measures which are commonly tracked by organisations include:

- Percentage of critical roles where there are internal successors
- Numbers of internal hires and external hires measured against talent strategy goals
- Percentage of appointments from succession plans to role
- Engagement metrics
- Succession coverage for critical roles (although that says nothing about the quality of candidates)
- Rates of turnover for critical roles
- Whether leaders are getting 'more ready' year on year

- Percentage of people on succession plans or in talent pools who receive a promotion within a defined period, such as 2-3 years
- Diversity of successors on plans

These measures can be helpful in tracking how effective the organisation is at attracting, developing and retaining critical talent, and in highlighting the direction of travel. However, it is also important to clearly define at the outset, what objectives and outcomes succession management is being asked to deliver, in order to determine whether the actions taken are delivering results in line with what the organisation expects.

The process for evaluation should be defined up-front and built into succession management processes from the outset, not as an afterthought. The following considerations can be taken into account in designing a method for evaluating the outcomes of succession management.

- What business outcomes would we expect to achieve, if our succession management processes are working as they should? What outcomes would constitute 'success'? How do they connect to the organisation's strategic priorities?

- What baseline are we measuring against?
- What data do we need to measure and how can we make sure the process allows for that data to be collected? Can we connect the measures to tangible business outcomes such as reducing costs, increasing profitability or decreasing time to market?
- What's the feedback loop between the outcomes of the process and making further improvements?
- Which stakeholders will be most critical in determining whether the system is delivering business value? What are their expectations?
- Were the results achieved in line with what we expected/predicted?

CASE STUDY:
WD-40 COMPANY *(~600 EMPLOYEES)*

Jeff Lindeman, CHROI at WD-40 Company, shared insights about what they learned from an eight-year selection process for their new CEO.

Lindeman is all too aware that succession is an essential tool for preparing for the end of an executive's long tenure: whether it's winning the lottery or catching a serious case of COVID-19, *"you're one life event away from a change".* The most recent outgoing WD-40 Company CEO had been in the role for over 25 years – five times the tenure of the average CEO of a publicly traded US corporation – and choosing his replacement took over eight years.

How did they draw up the shortlist? *"It was looking at the performance and track record of individuals who had demonstrated a capacity to learn and grow. Our new CEO likely won't be in his role for 25 years, we're probably looking at something closer to half that time… the conversations we're having with the board now are, 'here are the handful of candidates that we believe will be ready. If we needed them today, here is the most likely. We're going to work with all of them over the next several years to further strengthen their candidacy. Here's the handful of others we think are a second generation of candidates for future CEO. They may become ready and join the first generation's eligibility. Over the next 8 to 10 years, we're going to be working with all of them to strengthen and develop their competence and capability.' So, the board has as many options as we can provide them realistically."*

Their selection process ultimately took 8 years, in which time their primary CEO succession candidate moved geography and in seniority to learn and expand his understanding of the business' global offering. *"A development plan was put together to give him exposure outside of his European expertise… there was a new role created, President and COO of the company, which [he] stepped into. It's a role that has been used in the past for succession and development purposes to prepare the next CEO."* To experience the role for himself, he also shadowed the existing CEO: *"all of the regional managing directors and presidents reported into [President & COO] and as part of that process, he rode in the sidecar alongside [the outgoing CEO] in things like investor relations."*

Their HR department uses the Nine-Box Grid at all levels, alongside a developmental time horizon visual tool. *"In the business, every officer in the business – our head of legal, our*

> *"The premise is that not everyone will be CEO. But, how awesome would it be for our business if more people could think about the entire enterprise the way a CEO has to?"*

head of finance, etc – will be required annually to complete a Nine-Box Grid minimum for the level below them, and then those people would complete the exercise for the two levels below them. [We've also] added a visual image for each level that shows time horizon of who's ready now, who would be ready in two to four years and those that are five years out that you think would be on a development path."

However, Lindeman is skeptical of the overuse of such tools. Frameworks like the Nine-Box Grid need to be handled with care: a structure can be helpful, but *"arguing about what's on the X axis and the Y axis was just not the most productive use of time."* Realistically, what is needed is guidance on *"how do we help people learn and grow to be ready to do more at the scale and pace the business needs?"*

Once they chose the new CEO, how did they know they had found the right candidate? Lindeman explained that *"Steve demonstrated an extraordinary capacity to stay connected to the global business through his relationships with leaders around the globe, to understand what was happening market by market with lockdowns and restrictions on our ability to conduct business, as well as the rising demand for our products during the pandemic."*

The CEO candidates' development demonstrates the importance of the link to Learning and Development. As Lindeman explains, *"the premise is that not everyone will be CEO. But, how awesome would it be for our business if more people could think about the entire enterprise the way a CEO has to? So, we give individuals the insights needed on leadership development, focusing on scalability. We focus on helping people to grow their competence; how do you go from being a department head to being maybe a geographic regional head to being a larger geographic regional head to maybe having global scope?"*

6.0
EFFECTIVE SUCCESSION MANAGEMENT IS…
PARTICIPATIVE AND EMPLOYEE-CENTRED

An emerging trend we are seeing in some organisations is succession management becoming more devolved and less the preserve of certain privileged candidates. In other words, a bottom-up participatory process that opens up career development and succession to a wider and deeper audience of talent. This reflects broader organisational trends towards greater employee centricity, a move away from top-down command and control leadership, and the desire to create more inclusive talent pipelines. Doing so increases the likelihood that talent will be available when needed.

In what ways do these more participatory processes differ from traditional approaches to succession management? Traditional models tend to focus on select individuals or pools of talent who are earmarked for enhanced talent management support through line manager identification or assessments. Participative succession management tends to have the following features:

- Everyone is considered talent, regardless of potential or ambition.

- Tools and resources to support career development are made available to all employees as a general resource. For example, individuals can self-select to take part in talent programmes, or potential assessments are made available to all employees. This puts employees in the driving seat in terms of their development.

- A core principle is to treat people as authorities on themselves. Succession management can benefit from creating the circumstances where talent is treated as adults with agency to make informed choices around career progression and mobility.

- The barriers to internal mobility are reduced. For example, project roles and internal opportunities are openly advertised on internal talent marketplaces. Coaching and mentoring is widely available to employees. Participative succession management requires that organisations create opportunities for talent to move vertically and laterally to learn and develop, while reducing barriers for diverse talent.

- As with many HR trends from the last few years, participative succession management may also offer benefits related to organisational agility. Organisations with looser, less concrete structures leave room for individuals to move, respond and adapt to new market circumstances faster and more effectively.

- Employee-centric planning can help increase availability of talent, increase employee satisfaction, and reduce friction between HR's less transparent processes and employees' desired outcomes.

- It increases the visibility of talent within the organisation as people are able to self-identify and share their talent profiles and ambitions.

6.1
EMPLOYEE-CENTRIC PLANNING

> *"We really have tried to shift our culture… the employee-led approach will slowly get people through [the transition] and make it part of everyday language"*.

ERICA MOSES-NEACY, STRATEGIC WORKFORCE PLANNING SPECIALIST, TfL

Recent research from the last two years suggests that employee participation – treating people as agents rather than resources – can help succession processes to be more effective and place more internal candidates. Matias and Franco (2020) suggest that *"a bottom-up participatory approach",* with the employee's needs and views at the centre, *"[is] the most effective strategy for holistic succession management in organisations".*

Traditionally, many companies sought to control succession processes centrally, assuming that individuals will willingly accept whatever role the company deems to be a suitable next career move, or remove much of the control of the process from their employees, only factoring in career aspirations or lack of mobility preferences when they are explicitly expressed. This can lead to issues where people who say they aren't mobile are seen to be opting out of progression, or where people are identified as successors to jobs they don't want.

One company transitioning away from this is Tesco, whose HR department have historically done much of the planning behind the scenes using tools like the Nine-Box Grid. Now, explains Rachel Forbes, Talent Manager, they don't use those tools because *"colleagues didn't like being labelled"* or being put on plans that they didn't know about. A common criticism HR received was *"why are you talking about me in this way?"* (See the case study, on **page 35**, for more details).

Plus, as LHH's Townend points out, *"it's never a good idea to put someone into a role where they're not excited and energised about being there specifically for that role. That is a recipe for disaster, because you need the people to be performing, interested, and engaged in their roles."*

The most notable example of employee-led practice is at TfL (see the case study, **pages 48-49**, for more details). In the last two years, they have overhauled their talent strategy and approach to succession management to tackle the significant workforce losses they will face over the next few years, as experienced employees retire. Their new process puts the employee in the centre, with line managers acting as facilitators, and HR only steps in when there are discrepancies between self-evaluations and manager evaluations. This has put the onus on employees to articulate their career plans, while providing more resources (such as training on effective career conversations to support managers to have quality conversations). Erica Moses-Neacy, Strategic Workforce Planning Specialist at TfL, states that *"we really have tried to shift our culture… the employee-led approach will slowly get people through [the transition] and make it part of everyday language."*

6.2
MOBILITY

A core component of employee-centred succession is the prioritisation and promotion of mobility: laterally, vertically, geographically, and across disciplines and functions. There are several benefits of increasing employee mobility, including:

1. Supporting vertical moves for business advantage

Ensuring that people have the opportunity to demonstrate their ability to take on greater responsibility, increase the scope of their projects, or move into larger markets, is vital for finding and elevating strong succession candidates at all levels.

At WD-40 Company, the selection of the right CEO candidate took over eight years, as that person moved through several roles of different seniority in different geographies. Jeff Lindeman explains that *"it was identification of the capacity to learn and grow"* that let them know that they had found the right person, *"coupled with a performance track record that indicated a capacity to step into the stretch assignment of being a CEO."*

Supporting and monitoring these moves can also help to ensure alignment between different levels of management. One company has 'Managers Once Removed' (MORs) who are responsible for talent development to support succession management; that of the direct reports of their direct reports."

2. Supporting lateral moves for development

Moving across business units, functions or geographies can help talent to fill skills gaps, proactively gather new experiences, and provide cost-effective development opportunities through stretch assignments, shadowing or mentoring.

As LHH's Townend describes, *"sometimes current leaders have grown up into a role almost through serendipity, or through a single pillar of the organisation. When you're consciously and actively planning succession, you have the opportunity to give those potential successors a broader experience base than even the current manager set."*

3. Increasing diversity at middle and senior levels

Greater mobility means more chances to boost the profile of underrepresented groups, to build their skills, and counter the traditional barriers that they may face in the workplace with accelerated development and experience.

For one global natural resources company, mobility in succession management is helping to tackle gender bias, but also to fulfil their responsibility for elevating the profile of historically disadvantaged South Africans.

4. Reducing risk by ensuring knowledge is shared, skills are developed, and services can be provided continuously

Active succession management reduces people risk of all types, not just continuity in the traditional sense of people in jobs. It also helps to anticipate risk in the form of knowledge and skill gaps, so people can proactively train their colleagues and share their networks as they move through the organisation.

At a general level, that is useful for creating continuity and smooth transitions: for example, TfL will use their performance and readiness system to track all roles that will require knowledge transfer for people entering or exiting that role.

At an executive level, particularly in light of an ageing workforce and increasing retirement rates, this will be vital: Michael Timms suggests in his 2016 book, *Succession Planning That Works,* that *"effective succession plans provide a way for those senior managers to pass on their knowledge before it disappears when they retire"*.

Two emerging trends are supporting organisations as they seek to increase mobility in their talent and succession processes:

- Deploying technology that increases visibility of opportunities and enables people to get experiences and build skills without having to move roles. Talent marketplace platforms such as Gloat and Fuel50 allow people to define their career goals and learning objectives and the system matches them to relevant internal vacancies, short term assignments, project experiences, and learning resources. For example, Unilever has rolled out its FLEX talent marketplace to over 60,000 employees in over 100 countries. It has enabled the company to democratise access to the internal network as people can freely access opportunities which previously would only have been available through word of mouth.

- The widespread adoption of Agile working practices and methodologies for getting work done means individuals can develop their careers by building experiences of working across different project teams, rather than relying on permanent job moves for development. In this way the accumulation of experience that's required to progress can be uncoupled from the organisation hierarchy. See CRF's report *Talent: Careers, Development and Succession in a Changing Landscape*, for examples of how companies are using Agile working to support mobility.

CASE STUDY:
TRANSPORT FOR LONDON *(~25,000 EMPLOYEES)*
PUBLIC SECTOR

Erica Moses-Neacy, Strategic Workforce Planning Specialist, and Mollie Jarrett, Organisational Development & Leadership Specialist, both at Transport for London, shared insights about how TfL's employee-led inclusive talent approach is helping them to create cost-effective succession management to proactively counter future talent and skill shortages.

- In the last two years, TfL has undergone a major change in the way that it manages talent. One of the major challenges of this change is that *"we really have shifted our [whole] culture towards an inclusive, employee-led talent approach. Concurrent with that was the development of a new set of values; Open, Caring and Adaptable also drive the employee led approach. A thorough lessons learnt review was carried out with encouraging results …and we're still working on embedding that, but so far it has gone well for first year of implementation."* They are also hoping that *"the employee-led approach will slowly make it part of everyday language: that is a stepping stone to getting better at succession management".*
  - *"The approach is employee-led (and inclusive to all), where we recognise all our people have different talents that we value. We want to make sure everyone can work, grow, and move to support their own career paths to deliver their best work. Our overarching talent principles define how we approach succession management: it should be open and transparent, with individuals taking responsibility for sharing their career aspirations; and evidence-based, where your readiness state helps determine whether you are ready to move into a new role."*

- A significant part of this transition has been about making their *"resourcing more proactive rather than reactive".* The railway industry is facing some serious demographic threats: *"the amount of young people (under 25s) coming into the sector has halved… and there's a big chunk of the population that will reach traditional retirement age in the next few years."*
  - As a result, they are *"trying to understand our current and future demands and really understand what the impact of roles is on the overall service and the delivery of our projects, but also on our overall business strategy".*
  - *"We have an ambitious action on inclusion and growing our own diverse talent is key. We are embedding inclusive leadership into all recruitment, assessment and development activities."*

> *"We really have shifted our [whole] culture towards an inclusive, employee led talent approach. Concurrent with that, was the development of a new set of values; Open, Caring and Adaptable".*

- They started by *"looking at our critical and hard-to-fill roles and the skills that are associated with those roles",* as part of a skills audit to understand where succession would be most beneficial. Even once the initial selection criteria were created and critical roles identified, they are *"constantly reviewing those plans, because the skills that we might need in the future might change."* They ran a pilot to test this methodology in Tech & Data which is a business area that struggles with attraction and retention. They were able to see the process through to the end. With the success of it seeing the re-introduction of an apprenticeship scheme to ensure they are bringing in a robust talent pipeline.

- Critical roles include those with *"legal or regulatory safety requirements"* or a significant *"impact on service delivery, through future skills or specific skills like tech or data".* There is also a strong link with our business plan and the skills needed to deliver it.

- 'Hard to fill' roles are those which *"are expensive to fill… as a public sector organisation, we might not necessarily be able to pay what our competitors can pay"* or those which require a *"very unique [or technical] skill set, like a specific licence".*

- HR and line managers can use a version of SAP Success Factors system, rebranded 'My Journey', as TfL's 'one stop shop' for all things performance and development: used for logging objectives, development, feedback, critical roles, or employees as a flight risk. Line managers *"have all this information at their fingertips",* and is a significant technical change from previous standalone Sharepoint documents.

- Once you get into the succession approach, the most valuable aspect is that it is employee-led and transparent. *"This model empowers individuals to take accountability and ownership for their own career and learning paths, with the line manager offering support with continual development throughout that journey."*

- This has many benefits: primarily, that it prevents people being put on succession plans who don't want to be there and gives people greater control over their career planning.
- It also ensures that everyone who puts themselves forward to be chosen as a successor is genuinely keen to move and grow.

- So, how does it work? First, individual employees rate themselves on their readiness throughout the year and their performance once a year: using up-to-date, regularly reviewed data *"gives us a real sense of who's ready to step up into those roles, which mitigates our risk around gaps that we have for delivery of projects."*
  - They give themselves a 'Readiness' state, out of 3 categories:
    1. Strengthen – Looking to further develop and grow in your current role, building capability to continue having maximum impact
    2. Stretch – Finding and taking on new, broader challenges that take you out of your 'comfort zone' within current role, gaining critical experiences to shape future career path
    3. Move – Ready to progress into a new lateral or promotional role. Using time now to undertake development supporting readiness for that move.

- Internally, the business also has 3 succession plan descriptors to help place who could be ready, when:
  1. Immediate – someone who could be an immediate *"caretaker"* for that role.
  2. Short term (1-2 years away) – *"some development and knowledge required."*
  3. Long term – They would be *"talking about the skills and knowledge that they would need to gain over the next few years and they can be working towards that on their development plan".*

- At the end of the financial year, employees and line manager come together to have an End of Year conversation. This is the final conversation for the year and is a culmination of the frequent and ongoing conversations had throughout the year.

- This conversation will discuss achievements, performance, wellbeing and Readiness (including career aspirations and development actions) – and employees and line managers will agree on a Performance Rating and appropriate Readiness state.

- To ensure fairness and consistency across ratings – line managers, peers and HR meet to do a sense check of ratings and discuss exceptions (any disagreement between line

> *"Everyone should be having great quality continuous conversations that are open and honest with their line manager."*

manager and employee that haven't been resolved as part of conversations) to ensure ratings have been applied consistently. Line managers then discuss emerging people risks and opportunities; using the data to make the right decisions and put in place the right actions that are fair and inclusive. This helps with identifying skills gaps and development opportunities aligned to these – examples including shadowing, webinars and stretch assignments.

- The end of year rating reviews for local leadership teams gives them a chance to refresh critical role thinking, based on the conversations they've just had about career aspirations, retirement plans and new developments in their business areas.

- In line with the report's key themes, one of the most important relationships that TfL relies on for their succession management approach is between line managers and direct reports. *"Everyone should be having great quality continuous conversations that are open and honest with their line manager."*

  - *"The guiding, overarching principle, is having good quality continuous conversations… outlined in our pan-TfL approach 'Conversation Matters'…there's a lot of training and support available for them, and we have a new framework for people leaders we are about to launch outlining the key expectations of what it means to be a people leader in TfL. Through the 'Our People Leader' framework, we aim to reinforce the importance and get greater consistency in the way colleagues' performance, development, career and well-being is supported. We also want to change the language from 'line manager' to 'People Leader' to reflect the cultural change we are aiming for."*

- Their succession management evaluation process uses *"typical viewpoint surveys"*, alongside a number of other tools. *"We can track the movements and promotions with business areas, which can give us a very specific idea of how long it's taking individuals to be promoted"*. In addition, *"not having any immediate resourcing challenges"* will be an indicator of the broader success of the process.

EFFECTIVE
SUCCESSION
MANAGEMENT

CONCLUSIONS

▶ Succession management can be a key enabler of organisational resilience and sustained longer-term business performance. Done well, succession management can have substantial benefits in terms of reduced leadership turnover, effective leadership transitions and improved employee satisfaction. Unfortunately, too often businesses don't manage succession at all or don't do it well. Common pitfalls include planning for today's roles rather than looking to the future, failing to focus on critical roles, putting names on plans to 'tick a box', and failing to develop those who are identified as potential successors. Too often, succession plans are overlooked when decisions about executive succession occur. Done badly, succession management generates a lot of activity for an uncertain outcome.

▶ The central purpose of succession management is to support delivery of the business strategy. In practice, it can address that core purpose in different ways. At one end of the scale, succession is a means of ensuring business continuity, focused on risk mitigation, and conservation of knowledge, skills, and relationships. At the other end, succession management can be a developmental process, supporting the organisation in preparing for the future and executing new strategies. Depending on which purpose(s) succession management is designed to address for a particular organisation at a particular time, this will require different choices around how to configure the various elements that make up effective succession management.

7.0
CONCLUSIONS AND
RECOMMENDATIONS

▶ Our research found that effective succession management processes share a number of common features:

- They take as their start point the strategy and future priorities of the business, not where it is today.

- They identify the capabilities needed to proceed to the organisation's intended destination, effectively connecting business strategy, strategic workforce planning and wider talent strategies.

- They are seen as a business, not an HR process, run by leaders who are committed to taking action to not just identify successors, but also to support people in building the experiences required to realise their potential.

- They take a joined-up view of talent management, effectively integrating internal resourcing and learning and development with external recruitment.

- They are increasingly becoming participative and employee-centric, putting the tools and resources into employees' hands to manage their own careers, and promoting transparency of opportunities within the business.

- They are evidence-based, with decisions founded on high quality, objective data, which empowers managers to have more open conversations.

- They are flexible, adaptable and agile, creating multiple options that support the creation of a more responsive workforce.

▶ The future challenges for succession include making better use of technology to support the identification and assessment of talent and to support talent mobility. Businesses need to continue to focus on building responsiveness, adaptability, and future focus into their succession plans.

▶ There is no 'right' answer about how to manage succession. Each organisation needs to work out the most suitable approach, based on its unique business context, strategy, and culture. It's important to focus on sustained action and follow through. Effective succession management requires executive sponsorship, clear objectives, commitment, and continuous improvement.

RECOMMENDATIONS

▶ **Determine what purpose(s) succession management needs to serve in your organisation.** Do you need more of the same people you already have or something radically different? Is the emphasis on continuity, making sure that critical roles have adequate emergency cover, perhaps to meet regulatory or governance requirements? Is it about creating options or bringing agility into the process by developing cohorts of potential successors for as yet unspecified future leadership roles? Is it about fostering a strategically critical future capability such as customer centricity or data analytics? Or diversifying the leadership pipeline? Clarifying purpose leads in turn to different strategies and choices around process design. Depending on which needs are being addressed, the relative emphasis on identification, development, internal deployment, retention, and external recruitment will be different. Remember that your processes may need to address different purposes simultaneously. HR should facilitate discussion with the senior leadership to understand and agree the purpose(s) of succession management as part of defining the business talent strategy.

▶ **Make sure there's a clear connection between business strategy and succession management processes.** Ensure that processes and outcomes – your criteria for success – are aligned to business priorities for today and tomorrow. Are you clear about what your business strategy means for skills and leadership capabilities? Does it articulate future capabilities required to execute the strategy? Do your processes for succession prioritise these capabilities? Be aware that the time required to embed succession processes may mean extending the planning horizon further into the future than current practice. Previous research has suggested that as much as a 10-year horizon can be useful for assessing skills gaps for senior leadership roles, but CRF survey data suggests that most organisations are only planning succession with a 2-year horizon. Succession management is, in effect, an element of Strategic Workforce Planning: for more detail on this, see CRF's 2021 report, *Strategic Workforce Planning – Unlocking Future Capabilities*.

▶ **Develop a clearly articulated talent and succession philosophy and principles which are actively endorsed and supported by senior management.** To what extent do you expect to meet your succession needs through internal development vs external hiring? Is everyone considered 'talent' or only a select few? Are you clear about when positions are openly advertised internally vs hired from a succession plan? How much do you communicate to people about their status and the outcomes of talent review discussions? Consider whether the level of effort and investment you make in different aspects of succession such as learning and development and external talent mapping aligns with these objectives.

▶ **Clarify who is covered by succession management.** Will the process cover individual roles, broader pools, or both? Consider the relative merits of role- and pool-based succession: more flexible structures such as talent pools offer greater scope for agility. Are you looking for short-term or long-term successors? Are there specific technical job families that are future business critical, as well as key leadership roles? The answer to these questions drive different choices in terms of activity and levels of investment.

▶ **Develop clear definitions and a common language for talent.** Do you have a framework, model or language for assessing and developing potential successors? Is it well understood by all the stakeholders who are involved in identifying and developing successors, and is it used consistently to discuss individual performance and progression? If not, it can be extremely difficult to take a consistent, objective view of people, and make comparisons across different parts of the organisation. Shell's CAR model, described on page 34, is a good example.

▶ **Focus on critical roles.** Do you have clear criteria for defining critical roles? Do they go deep enough in the organisation, for example covering technical specialists whose skills are critical to your competitive advantage? Do critical roles have succession plans? Do successors to critical roles have clear development plans to prepare them? Are the successors aware of their status and bought in to the organisation's plans? Do you need to move people currently in critical roles to open up opportunities for talented people to develop?

▶ **Consider how you can bring greater objectivity into your identification and assessment process,** for example by adopting a multi-trait, multi-method approach. Can you supplement (often unreliable) line manager judgments with more objective methods? Build a strong calibration process that includes multiple data points and the views of multiple stakeholders.

▶ **Engage senior stakeholders.** Although HR's role is to facilitate, the outcomes of succession management are ultimately owned by the business, and business leaders need to buy into the criteria for success. Consider the degree to which key stakeholders are bought into the objectives and approach. Are they prepared to take action, for example to facilitate movement of talent across the organisation? How will you make sure they are held to account?

▶ **Equip leaders to develop their people.** Do your criteria for appointing people into management and leadership positions include consideration of their ability to develop others? Do you provide training? Do you evaluate leaders' performance around talent development? Do you know who your best talent developers are? Do you recognise and reward them?

▶ **Make succession plans action-oriented.** Identifying possible successors is only one element of succession management. The more difficult part is to earmark and follow through on development actions to prepare individuals to step into those roles at the appropriate time. Do succession plans identify tangible development actions for all individuals on the plan? Are they followed up and is progress tracked? Do business leaders know what's expected of them to deliver the plan? Are individuals making progress or are they stuck at 'ready in two to three years' for several years? Do people on the plan actually get appointed when the position is vacant? Do you have a good view of potential external successors? Do plans take account of how roles are likely to change?

▶ **Focus on experiences as the platform for development.** Can you define critical experiences for critical roles and career paths, to help people map out the possibilities for themselves? Is it clear how individuals can go about acquiring those experiences? Are there processes in place to get talented people into the right experiences at the right time in their career? In what ways might you use technology to increase visibility of opportunities?

▶ **Consider what 'thoughtful transparency' should look like for your organisation,** and how much information about talent discussions you are prepared to share with individuals. Balance the relevant factors when deciding the degree of transparency of outcomes. Consider making the process for succession management, assessment criteria, and the career 'deal' for high potentials transparent to encourage fairness and promote diversity. Do individuals know their status on the plan and what's expected of them? Be aware, if you choose not to communicate with individuals about their status and the organisation's plans for them, they are likely to find out in any event. Consider potential unintended consequences of your policy around transparency.

▶ **Consider making your process more participative and employee-centred.** Invite feedback, ask clear questions when employee input is needed, and re-interrogate the use of standard frameworks and labels if they are not producing quality outcomes. Make sure top-down succession processes and bottom-up career development activities are joined up.

▶ **Make your evaluation metrics purposeful:** they need to reflect the reality and efficacy of the outcomes, not just the progress of the process. Set a baseline against which to measure progress and consider the design of the evaluation process up-front.
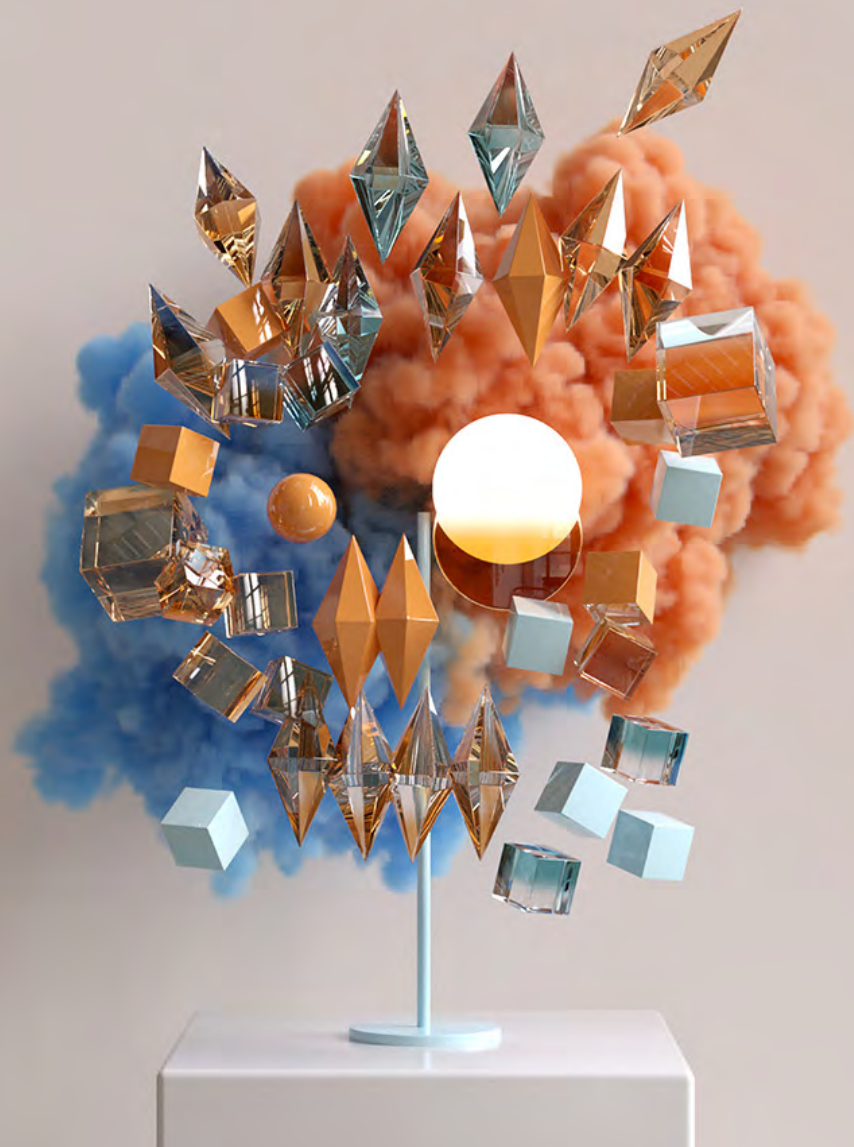
8.1
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8.0
APPENDIX

8.2
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8.3
TIMELINE

'Manpower planning'

optimisation of human resources

"Manpower planning [is] a system with five stages: [objectives; gross manpower requirements; in-house manpower capability; net requirements; and programming to meet these]. [It] operates as an integrated system and requires feedback and control…"
B. P. COLEMAN (1970)

1980s

'Replacement planning'

identification and development of candidates to replace current leaders

Publication of the *Financial Aspects of Corporate Governance*, or *Cadbury Report,* with recommendations around responsibility for succession
FRC (1992)

"The development of future leaders requires that current leaders have a tangible vision for their organization against which to assess the kind of leaders already being created and to determine what the future will demand."
MCCALL (1998)

"Corporations don't have career plans for future presidents. You have to design the plan to get there… Don't expect the personnel department to plan your career."
FOX (1998)

"By the early 1990s the benefits of succession planning seemed elusive, and many of the practices had grown bureaucratic and procedural-bound."
KESLER (2002)

1970s

'Executive continuity'

self-sufficient maintenance of essential business functions

"Effective executive continuity insures that each executive position is filled with a competent executive at all times… the enterprise, therefore, rarely has to go outside to fill its top positions."
MAHLER AND WRIGHTNOUR (1973)

"[Companies should recognise the need for] time, perhaps as long as five years, to implement a replacement planning program and to realise the benefits of such a program… two essential objectives[:] deciding the position to be covered [by identifying critical roles]; and the person to be included."
CARNAZZA (1982)

"Developing people to replace current executives."
ARTHUR X. DEEGAN II (1986)

"The primary responsibility for effective management development resides in the managers themselves."
MORRISON, LOMBARDO, AND MCCALL (1988)

1990s

'Succession planning'

identification and development of candidates for key leadership roles generally

"Succession planning [sits within] a very much wider set of resourcing and development processes which we might call succession management. This encompasses the management resourcing strategy, aggregate analysis of demand/supply (human resource planning and auditing), skills analysis, the job filling process, and management development (including graduate and high flyer programmes)."
HIRSH AND IES (2000)

"Seven-Pointed Star Model: Make the Commitment; Assess Present Work/People Requirements, Appraise Individual Performance; Assess Future Work/People Requirements; Assess Future Individual Potential; Close the Developmental Gap; Evaluate the Succession Planning Program."
ROTHWELL (2001)

"Succession planning needs to be refocused away from replacement planning to include a more comprehensive set of assessment and development practices that support the entire pipeline or flow of talent."
KESLER (2002)

"The accelerated development of a select group of high-potential individuals for both current and future roles that may not be identifiable at present."
BUSINE AND WATT (2005)

"A bottom-up participatory approach as the most effective strategy for holistic succession management in organisations." [sic]
MATIAS AND FRANCO (2020)

"...if the 'going concern' principle of organizations is to be achieved, management must make deliberate efforts to formalise the [succession management] process with the clear understanding that it is a continuous, transparent and participatory process, and thus a crucial management imperative."
ANTHONIA, ABBAS AND MUSTAPHA (2021)

"Today, organisational systems are challenged by the lack of consistent workforce planning which has affected the strategic succession planning for top management as well as middle management employees. Succession planning is unexpectedly turning into a key strategic planning device for human resources management to develop a plan for the inevitable succession of key employees and managers at all levels."
BANO, OMAR AND ISMAIL (2022)

2010s

'Succession management'

holistic system of development of talent at all levels, accelerating those aligned with leadership and technical roles

2000s

'Succession management'

holistic system of identification and development of candidates for significant roles at all levels, especially leadership and other business-critical roles

"[It has] shifted focus from replacement planning in which specific people are identified to fill certain jobs, usually through open competition, to a 'succession management' approach [which focuses on accelerated development]."
FINK (2010)

"In today's dynamic world where competition is high, work is fluid, environment is unpredictable, organisations are flatter, and the organisational configuration frequently changes, the old view of succession planning by defining specific people for the specific job does not work."
MEHRABANI AND MOHAMED (2011)

"If organisations have so much trouble bringing in qualified candidates at the top, it stands to reason that they're having even more trouble one or two leadership levels down."
DROTTER, CHARAN AND NOEL (2011)

Current UK Corporate Governance Code published (see page 13*)*
FRC (2018)

2020s

'Succession management'

holistic system of identification and development of internal talent at all levels, accelerating those aligned with business-critical roles of all kinds, using a combination of strategies like role-based and talent pool succession, sometimes aligned with an external resourcing framework