

"Being able to move seamlessly from one leader to the next is vital for an organization's success. This book is a goldmine of wisdom about succession planning, laid out in a simple-to-apply process."

—**Bob Burg** | International Best-Selling Coauthor of *The Go-Giver* Book Series

WHO COMES NEXT?

Leadership Succession Planning Made Easy

Who Succession
Planning Made Easy



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CHAPTER THREE

ANALYZING the Employee Impact

For those who believe succession planning only matters to the CEO (and the CEO in waiting), this chapter is important. Every single employee within a company feels the impact of changes in leadership. They want to know what's happening, and they have questions.

- *"Will the new CEO take the company in a different direction and eliminate our division?"*
- *"If the owner retires or leaves, will the company shut its doors?"*
- *"Will I still have a job?"*
- *"If my boss moves to another department, who will I report to?"*
- *"How will that affect my annual review and my bonus?"*
- *"Are there any legitimate opportunities for advancement here?"*
- *"How long am I going to be stuck in this position?"*
- *"What's the probability of getting a promotion at this company?"*
- *"What will it take for me to be promoted?"*

Employees care deeply about succession planning.

In a perfect world, a comprehensive succession plan would cover all jobs within an organization, providing a roadmap to the future with professional development plans for every employee. You can definitely get started on a smaller scale, but that's the ultimate goal.

From the employee perspective, broad-scale succession planning produces tangible benefits. Workers experience greater job satisfaction when they can see a path forward within an organization. Their confidence and self-esteem increase when they realize they are being coached, mentored, and prepared for a higher position. When employees are selected for new opportunities, they report greater levels of trust in the management team. Plus, loyalty increases dramatically when workers know the company is committed to supporting their professional development and helping them reach their career goals.

To capture those benefits through the process of succession planning, organizations need to make these actions a top priority:

BE TRANSPARENT

We discussed succession planning with one of our coaching clients, George, the CEO of a large firm. When we asked him if he had identified a successor, he told us he thought a woman at the company named Carrie would be a great candidate. She was a leadership superstar and had been with the organization for 12 years. Carrie was smart, poised, accomplished, and highly respected by her team.

We agreed that Carrie sounded like an excellent choice. The problem?

George had shared that information with us in confidence and didn't want anyone to know about his plans. He was concerned that Carrie might not work as hard if she knew that the top position would someday be hers.

As you might guess, that choice backfired. When Carrie was offered a CEO position with another company, she took it. She didn't know where she stood with George and assumed her career would be stagnant if she stayed there.

Lack of communication completely undermined George's plans to hand over the leadership torch to someone he trusted.

As you plan for succession, be diligent about keeping your employees informed. Transparency is a must. If you've decided to hire from outside rather than promote from within, be honest about that, too. Like Carrie, employees genuinely want to know where they stand in the bigger scheme of things within the organization. Keeping them informed will have a positive effect on attitudes and morale.

ALTER THE PERCEPTION OF TURNOVER

Humans tend to resist change. We love the familiarity of our normal routines, and we often feel uncomfortable when something smashes the status quo. It's just unsettling. That may explain why employees experience anxiety when it comes to the topic of succession planning.

One strategy to reduce that anxiety involves altering the perception of turnover among your teams. The U.S. military — known for its system of growing talent and promoting within the organization — provides us with great examples of **turnover by design**. ✂

Who Comes Next?

When most people join the military, they come in at a low level and work their way up through the ranks. Most service members will only stay in the same jobs for two to three years. The expectations are clear. They need to learn quickly, take on increasing responsibilities and acquire the skills needed for the next level. The current job prepares them for the next position. Constant training, mentoring, and coaching are required.

This model surprises many civilians. How do you function with a 33-50% turnover rate in personnel every year? The expectation of constant change and transition is embedded in the whole process. People know change is coming. Instead of wondering if and when they will be moved to another position, they know in advance. They can focus on making the greatest possible impact in the time they're allotted at that post, while preparing to take on new responsibilities and ensuring that the people coming after them are set up for success.

What do these frequent moves look like?

Generally speaking, when people in the military switch to a new job, they leave turnover binders for those who are stepping into their positions. These binders (physical or digital) usually include copies of relevant policies, plans, and procedures; a personnel roster; and a list of resources with key people to contact. In addition, the binders include summaries of any ongoing problems, such as lawsuits, grievances, or investigations. From day one on the job, people in the military are thinking about what information needs to be transferred when they leave to establish continuity at that position. It's fluid and flexible and *all very normal*.

One person with significant expertise in this area is Eric C. Holloway, a retired captain in the U.S. Navy. During his 30-year career in the military, he was directly responsible for 2,000 highly trained personnel, physical

assets of more than \$40 billion, and the readiness and performance of nearly half of the nation's survivable nuclear arsenal. He was a commander of the U.S.S. Nevada (SSBN 733/Blue) and Submarine Squadron 20.

"Some say a commanding officer's legacy is the ship's performance six months after the change of command," Holloway explained. "On one hand, that underestimates the impact of the new commanding officer and the crew's ability to improve or atrophy quickly. However, that statement does highlight the Navy's deep commitment to succession planning.

"One of our main goals in any position is to make sure the person who follows us is highly successful. Outgoing commanders often start planning for change a year in advance, and incoming commanders at all levels are trained on the technical, non-technical, and leadership aspects of their jobs."

Holloway emphasized that departing leaders should complete a thorough assessment to identify strengths and weaknesses within themselves and their teams well in advance of a transition.

"The objective is not to achieve perfection before the change of command," he added. "The pursuit of such an unobtainable standard could demoralize the crew. Instead, knowing these weaknesses gives leaders insights into the relative degrees of risk that may require mitigation strategies, including training and qualification plans, focused supervision, and formal education. Incoming commanders can benefit from those insights and experiences, which elevates their potential for success.

"When outgoing commanders turn over detailed qualification plans with contingencies and backup strategies," Holloway concluded, "the new commanders are much more likely to reach their goals in a shorter

time period. In addition, the strength of support from their predecessors leads directly to increases in daily performance, quality of life, and job satisfaction. The key to succession in the military is involving the entire organization rather than just selected individuals. It's a unique approach with a rich history of success."

Retired Navy Commander Theresa Kelly succinctly summarized this attitude. "Something my first Chief taught me was to lead so that, if you didn't show up one day, everything would run perfectly. When you make yourself irreplaceable, you are letting your organization down."

Companies in the civilian world could benefit by taking a page out of the military's succession playbook. We've provided you with a **Succession Turnover Checklist** ✕ to get the ball rolling.

If corporate cultures were structured to help workers move regularly to new jobs — through promotions or cross-training opportunities — the employees would feel a greater sense of urgency and purpose. Professional development would become a pressing issue rather than something to do whenever the chaos dies down or the big project is finished. Employees would also feel more accountable to inform and educate the people who come behind them to fill their positions. Most importantly, they would approach change and turnover as an expected, even welcome, shift.

MAKE IT COLLABORATIVE

Employee input should be the heartbeat of a comprehensive succession plan. If organizations skip over the collaborative component of the process, they've completely missed the opportunity to make continuous improvements..

A company's human resources are its most valuable asset, so inviting them to provide feedback about a process that defines the future of those resources makes perfect sense. When you establish a channel for ongoing, open dialogue with your employees about potential leadership changes, you demonstrate a sincere respect for their opinions. Trust grows. Morale improves. Relationships flourish.

We recommend giving workers at every level an opportunity to take part in creating, developing, and improving a succession plan to increase your odds of success. Here's why: People who provide feedback on a project feel a greater sense of connection to the goal and a higher level of motivation to help it succeed.

We'll talk more in Chapter Six about the best way to collaborate with employees on this critical issue. Succession planning matters to employees, and their involvement is critical for organizational success.



ACTIONS

- ✓ View the future of the company from your employees' perspectives — their wants, needs, attitudes, and motivations.
- ✓ Be transparent about all aspects of the succession process, keeping the employee point of view in mind.
- ✓ Explore ways to alter any negative perceptions of turnover, perhaps applying lessons from the **military's proven approach**.
- ✓ Use the **Succession Turnover Checklist** to help enable more seamless transitions.
- ✓ Create a channel for dialogue with employees to make succession planning a collaborative effort.



TOOLS

- **Turnover by Design: A Military Approach** (p. 130)
- **Succession Turnover Checklist** (p. 131)



RESOURCES

- "The Time to Start Succession Planning is NOW!" By Mary Kelly (article available at ProductiveLeaders.com)
- "3 Strategies to Get Your Succession Plan Moving" by Meridith Elliott Powell (article available at MeridithElliottPowell.com)
- **WhoComesNext.com** (Online Course and Free Webinar)