

Executive Development and Succession Planning

Overview

“Brainpower has never before been so important for business. Every company depends increasingly on knowledge — patents, processes, management skills, technologies, information about customers and suppliers, and old-fashioned experience. Added together, this knowledge is intellectual capital: knowledge that exists in an organization that can be used to create differential advantage. It’s the sum of everything everybody in your company knows that gives you a competitive edge in the marketplace.”

- Fortune, 6/3/91

There is actually a good deal known about how to select leaders. There are now well over 7,000 books, articles, and presentations on leadership, and some reasonable consensus has emerged about the key issues related to the topic. First, a definition:

Leadership Persuading others to transcend their personal concerns and to pursue a collective goal that is meaningful for a group and that will further their collective welfare; it is persuasion, not domination; it involves creating cohesive and mission-oriented teams; and effective leadership has a direct causal relationship to team performance.

Research strongly points to the following set of predictors as the most reliable and valid indicators of leadership potential:

- **Effective predictor 1:**

Actual performance of the candidate’s team or organizational unit.

Therefore, evaluate real-time performance data.

- **Effective predictor 2:**

Peer, supervisor, and subordinate feedback on the candidate’s effectiveness has high predictive validity. For example, it’s been demonstrated that subordinate ratings are as effective as (and much less expensive than) assessment center data in predicting managerial performance seven years later.

Therefore, use 360° instruments as a key component of the assessment process.

- **Effective predictor 3:**

The presence of derailment factors in the candidate’s profile.

Therefore, look for tendencies to over control, exploit, micro-manage, resist using appropriate consequences, or to be arrogant, political, egotistical, irritable, passive-aggressive, vindictive, abrasive, insensitive, or aloof. All are proven correlates of managerial careers that flounder, stall, or derail.

- **Effective predictor 4:**

Cognitive ability and four specific personality characteristics account for most of the variance in leadership effectiveness.

Therefore, measure the following psychological characteristics:

"If potential is inherent in the individual, then why do we say that assessment of potential should be zero-base (i.e., a new evaluation each year)? Four reasons:

- People change
- Managers deserve more than one chance to demonstrate potential
- Some good people can be overlooked and lost if only assessed once
- Potential also interacts with available opportunity."

- Potts & Sykes
Executive Talent

- **Intellectance:** broad range of interests, creative, broad-minded, curious, open to experience, and raw intellectual horsepower.
- **Conscientiousness:** prudent, will to achieve, responsible, solid integrity, strong work ethic, planful and organized.
- **Surgency:** extraverted, assertive, high-energy, fluent speaker, desire to advance, eager decision maker, and persuasive – "leaderlike".
- **Emotional Stability:** self-confident, self-accepting, balanced, stress resistant, tolerant of uncertainty, graceful under pressure, flexible, and effective at handling conflict and negative feedback.
- **Agreeableness:** diplomatic, cooperative, empathic, friendly, effective communicator, trusting, and good-natured.

Succession Planning Process

I. Objectives

- Inventory key managerial candidates in terms of their leadership *styles, skills, gaps, and ultimate potential.*
- Design an *advancement plan* for each advancement candidate and incorporate it into their performance management process.

II. Analyze Top Jobs, Future Jobs, and Critical Success Factors

- Review current job descriptions and identify any needed revisions.
- Integrate key leadership competencies (from research, Leadership *Skills*, and/or Leadership *Styles*) with the job descriptions.
- Build a job profile: How critical is each success factor and how proficient must the job holder be in each factor?

III. Interview and Test the Candidates

- Test for the five key predictors of future success: intellectance, conscientiousness, surgency, emotional stability, and agreeableness and related sub-skills/characteristics.
- Test for vocational interest and preferences, likes and dislikes, and motivational determinants.
- Collect 360° data on Leadership Skills and Leadership Styles.
- Develop reports for candidate and management that detail strengths, gaps, and potential.

"Research over the past 15 years has illustrated that key development events in the work lives of managers have been as a result of: touch assignments (38%), role models (good and bad) (21%), hardships (19%), and course work (just 9%)."

- McCall, Lombardo, & Morrison
The Lessons of Experience: How Successful Executives Develop on the Job

IV. Feedback Meeting with Candidate

- Debrief each candidate on their report, focusing on strengths, gaps, and potential.
- Have each candidate design a development and advancement plan draft to present to their own manager for collaborative refinement and finalization.

V. Consult with Candidate's Manager

- Debrief manager on overall findings.
- Discuss key issues: strengths, gaps, development needs, potential/capacity, and options/opportunities for the future for each candidate.
- Prepare candidate's boss for collaborative meeting with the candidate re: development and advancement plan.

VI. Facilitate Advancement Plan Meeting

- Convene meeting with candidate, consultant, and manager to reach consensus on the individual's plan.
- Ensure that plan is fully linked with business' going-forward strategy.
- Identify high-impact development opportunities for each person.
- Set in motion a mechanism by which advancement plan is integrated into performance management process and audited on a regular basis.
- Build in feedback loop to ensure that advancement plan is updated and fine-tuned on a real-time basis.

VII. Exploit Exec. Development/Succession Planning (ED/SP) Best Practices

- Link ED/SP initiatives directly to the business strategy
- Focus on performance development and results
- Provide candidates with diagnostic feedback and then encourage self-development
- Define a clear role and responsibilities for the person's manager
- Use competencies as the platform
- Risk placing talented people in jobs or tasks for which they are not fully qualified; those fully qualified for an opportunity are least likely to develop in it.

"Our bottom line is that good executives do not grow on trees. They are "grown" by responsible corporations that provide, over a period of many years, the nurturing and developmental experiences necessary to equip individuals to master the ultimate executive responsibilities. It is therefore essential that each corporation has a system to grow its own executives."

- Potts & Sykes
Executive Talent: How To Identify and Develop the Best

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