Succession planning for businesses

Victoria Ramsden - Leadership specialist and Founder of Integrity Executive Coaching

INTEGRITY
EXECUTIVE COACHING

Why succession planning matters

- The top reason employees leave positions is a lack of opportunity for career development (Gallup)
- 55% of CEOs say developing the next generation of leaders is their top challenge (Gallup).

INTEGRITY
EXECUTIVE COACHING

Why succession planning matters

- The UK Corporate Governance Code is clear: "The 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 the senior management positions, and oversee the development of a diverse pipeline for succession.” (Grant Thornton)
- Leaders need to better connect and support the team through group development aimed at improving trust, relationships and psychological safety (LHH).

INTEGRITY
EXECUTIVE COACHING

Threat (without succession planning)

- Succession planning is a business continuity risk. If you care about the survival and future success of your business, you need to consider succession planning
- Acceleration of digital technology is creating a skills gap, in all sectors
- Widespread skills shortages already exist across most sectors
- Engagement and retention of leadership talent is more challenging in a highly competitive market
- Hybrid working requires different leadership skills and greater focus on team leadership and team performance.

INTEGRITY
EXECUTIVE COACHING

Strengths (why now)

- UK Government commitment to a healthy economy will bring initiatives to support workforce productivity
- Change in working and commuting patterns means talent is available locally, bringing new skills and professions to local communities
- Service sectors remain the biggest sector, investing in people is ever more important
- Robust economic and business partnerships & networks in place - these can nurture talent and deliver quality development opportunities.

INTEGRITY
EXECUTIVE COACHING

Strengths (Cont...)

- Struggling FE and HE establishments will need to innovate and collaborate with local economies to survive
- Greater focus on management, leadership and employability from HE into the workplace, through CMI (Chartered Management Institute)
- Cross sector projects create peer to peer development opportunities
- Vibrant and diverse communities in the UK bring a wealth of different experience and insight - scope to recruit “not the usual suspects”.

INTEGRITY
EXECUTIVE COACHING

Challenges (things that make succession planning difficult)

- Inflationary pressures and budget constraints - no budget for costly development programmes
- Not a priority: current economic, political and global issues squeezing long term issues out of focus
- Lack of ROI data on effectiveness of leadership development
- Workforce needs to quickly adapt and operate differently with digital technology and innovation, and do the day job at the same time - how to manage this?

INTEGRITY
EXECUTIVE COACHING

Challenges (Cont...)

- HR depts are pressured, not much scope to think strategically and plan for the future
- Low levels of employee engagement across the whole workforce
- Non-linear and non-traditional career/progression pathways means spotting talent to nurture can be less obvious.

INTEGRITY
EXECUTIVE COACHING

Opportunities (benefits of succession planning)

- Begin now, plan effectively to minimise risk and disruption and mitigate sub-optimum outcomes
- On the job learning and coaching - key parts of leadership development (lower cost than formal training programmes)
- EQ and Critical Thinking ever more important in complex environments. Coaching & Mentoring are effective ways at developing both
- Leverage economic partnerships and networks already in place to deliver - relieve pressure on HR departments.

INTEGRITY
EXECUTIVE COACHING

Opportunities (Cont...)

- Peer/group learning is valued (cross-dept/sector pollination) cost effective way of generating fresh insight
- Digital assessment tools - low-cost way of assessing talent before investing in leadership development
- Aptitude and EQ tests eliminate bias from line managers. Aptitude tests can be a good indicator of adaptability in fast paced environments. Personality assessments are a good indicator of culture fit.

INTEGRITY
EXECUTIVE COACHING

Considerations to get you started

- Succession planning must be linked to strategic planning
- Be clear on the long term skills requirements: Managing complexity and navigating uncertainty, ambiguity and risk require different inherent leadership traits compared to technical competencies and people leadership skills
- Identify early those business critical roles and functions, and those at risk of being difficult to recruit to
- Get the balance between technical skills and experience, and the right behaviours and values.

INTEGRITY
EXECUTIVE COACHING

Considerations (Cont…)

- Get the right balance between nurturing internal talent and attracting external talent
- Assess for decision making skills and ability for effective cross functional working
- Look for (and assess for) future potential, not just past achievements
- Ensure succession planning activities are transparent and fair
- Create safe and low-risk opportunities for talent to “fail well” and embrace new projects and skills in a “test and learn” environment
- Evaluate for what has been learned from “failure” and mistakes not just the results achieved.

INTEGRITY
EXECUTIVE COACHING

References

- Hirsh, W. (2000) Succession planning demystified. Brighton: Institute for Employment Studies
- Appendix 2 Succession Planning A suggested approach for Bury Council : An outline proposal
- Succession Planning: The Top 5 risks, Ten Minute Takeaways, Thomas, 2022 Appendix 2 Succession Planning A suggested approach for Bury Council : An outline proposal
- Succession planning Factsheet, CIPD, 16 Dec, 2022
- Future-focused succession planning below board level, Karen Brice, Grant Thornton, October 2022
- Introducing a Succession Management Framework to the Board Template, Gartner, 2019
- LHH Leadership Development Trends, LHH, 2023

INTEGRITY
EXECUTIVE COACHING

Integrity Executive Coaching is a mission driven business. Victoria is an Executive Coach working with ethical, responsible and sustainability-conscious leaders to achieve greater impact.

Victoria works in an inspirational and thought-provoking way enabling her clients to:

- Get clear on their purpose
- Lead the business or team they are proud of
- Achieve the impact they desire.

You are welcome to find out more about working with Victoria. Contact details on the following slide.

INTEGRITY
EXECUTIVE COACHING

victoria@integrityec.co.uk
07739728779
https://www.linkedin.com/in/victoria-ramsden-abb8a45/
https://integrityec.co.uk/

Subscribe to my mailing list:

INTEGRITY
EXECUTIVE COACHING