

The Paradoxical Nature of Succession Planning

By

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Organizations with the greatest possibility of success also have the greatest possibility of failure. That is, the same behaviors and characteristics that exploit a company's probability of notable success also maximize its probability of failure. The status quo stands firmly at odds with innovation, and the commitments of today often don't align with the reality of tomorrow. In the past, we have relied on past performance to predict the future. Now we can't. Past performance still plays a role, but only those companies that develop crystal ball accuracy in their predictions will outrun the competition. We can no longer base decisions on traditional best-practice questions like, "Does this person's talent fit with the organization's core competencies and culture?" because we don't know if the competencies and culture of today will match the challenges of tomorrow. As Yogi Berra once said, "The future ain't what it used to be."

The assumptions we once made about our workforces no longer apply. Demographic changes continue to happen so rapidly that business leaders can no longer base talent decisions on tried-and-true approaches. Gone are the days of someone entering an organization in the mailroom and rising to the CEO position. You can't assume you'll have the same talent for thirty years the way business leaders once could.

Similarly, you don't want that same talent. As your organization responds to the rapid changes happening around it and to it, you'll find that you need different kinds of specialists, depending on the nature of your products and services. "Retention" will no longer serve as a universal goal or gold standard of excellence. Instead, retention of key players and top performers will become the new battle cry and leveraging that talent an evolving strategy.

But the gods will conspire against you in your attempts. As the need for specialized talent evolves, we will see more foreign students in our graduate technology and science programs—students who intend to take their talent and education back to their countries of origin. In the near future, our public schools will continue to disappoint, and many of our students won't be able to compete for positions in our universities. Simply put, not enough people have been getting ready for the top positions.

During the recent recession, in some industries we took a four-year time-out. For example, construction ground to a screeching halt, and those who should have been preparing to take over from the retiring Baby Boomers didn't get ready. The senior people who have specialized experience, like renovating a large hospital, will be retiring. There are few on the bench who can step up.

The eminent retirement of senior Baby Boomers also means that those with the corporate knowledge and industry history won't be available for mentoring the future leaders. We will have lost a succession-planning advantage we've long taken for granted.

Adding to the confusion, researchers tell us that there has been a sharp increase in the number of companies complaining that competitors are trying to recruit their top people. Yet too few companies have changed their approaches to retaining them. Consequently, competitors have started to pirate the industry stars, a practice we once held in disfavor.

Social media, in particular, and technology in general, have played significant roles in the poaching. In a given industry, two degrees of separation now divide the star performers from the recruiters. Penetrating today's organization and gaining information about key contributors have

never been easier, and sites like LinkedIn will even supply the names of people who can do introductions. The negative implications for an organization's bench strength and leadership succession are apparent.

To our detriment, we became too reliant on Human Resources for recruiting and hiring. They have implemented detailed, often daunting hiring practices that take too long. Recently, after I had just delivered the keynote for an association, an audience participant asked what his company could do to speed up the six-month hiring process. My first comment, which drew applause, was to "Quit letting HR serve as your business prevention unit." My second comment was to change the six-month process to a six-week or six-day system. Only then will you position yourself to attract the talent you'll need.

But the basic assumption that HR should be the hiring body has to change too. Now, senior executives need to identify the kinds of people and the specific people they want to hire. They need to add to their impressive list of responsibilities "Talent Magnet." All this cooks up a recipe for new, unprecedented opportunities and challenges for businesses—especially those involved in cutting-edge research and development.