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November 2006 — Succession Management: Who Will Lead?

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## ASK THE COACH

**Q:** We've had a number of successors not do well in their positions after being promoted—what's happening?

**A:** A common reason for successor turnover is poor fit between the individuals and the new role. If this is the issue, try these tips:

**Offer rewards other than promotion.** Many companies use promotion as a reward for strong individual performance. However, promotion is *not* an appropriate reward if the individual isn't a good fit for the next level job. Make sure your company has an effective reward and recognition program for top individual performers who aren't leadership material.

**Check your cultural messages.** In some organizations, talented individuals who don't aspire to move up are viewed as "unmotivated" or "burned out". Make it easy for people to be honest about their motivations when discussing career development. Don't pressure people who *lack the desire* to become successors for key positions.

## Is Your Succession Plan Ready for a Successor?

In baseball, a strong bullpen of pitchers makes a difference. A [study](#) conducted by *Baseball-Prospectus.com* found that teams with strong bullpens won 1.3 more games than expected, while teams with weak bullpens won about 1.6 fewer games than expected. In the business world, it's a strong bullpen of future leaders that gives companies a competitive edge.

**Succession management** is the ongoing process of ensuring that you have top leadership candidates in your bullpen at all times, ready to step in when key managers leave.

When is the last time you really examined your succession management process? Just like business plans, these processes should be reviewed and updated several times a year to keep them closely aligned with your company's changing business needs. Below are three guidelines for keeping your succession management process in shape.

### Look ahead.

What was required of leaders a few months or years ago may be different today. Yet many companies use old leadership criteria to identify successors. Any change in the marketplace, business structure or workplace environment may impact what is required of your leaders. For example, a company that restructures to become flatter must look at the impact on managers' job requirements. With more employees to supervise and wider spans of control, managers will likely require a higher level of strategic thinking and planning skill, as well as the ability to "let go" and delegate. Managers who tend to micromanage or get bogged down in details may have been successful in the "old" organization, but may struggle in the new position.

**To do:** Every time you have an open leadership position or work on succession planning, ask: *What skills, experience or personal traits will the successor need that the incumbent didn't need? What has changed in the marketplace, business structure and the position itself that may impact leadership requirements?*

### Don't assume that great front-line employees will make great managers, and vice versa.

We've all seen great individual performers fail as leaders. A stellar salesperson, for example, is rewarded with a promotion to sales supervisor, where he gets by...until he's promoted to manager, where he crashes and burns. The reverse can also happen. Very mediocre individual performers can make great leaders.

Jim Leyland, Manager of the 1997 World Champion Florida Marlins, took the Detroit Tigers to the World Series this year. Yet he started his career as a minor league catcher with a .222 career average. He wasn't major league material as a player, but he had what it took to be a leader. Leading and "doing" can be two very different skill sets. Your star players may not be your next star leaders; and your future leaders may be mediocre technical performers.

**To do:** Don't exclusively fish for leadership talent in your pool of top individual performers. Look for average performers who display skills and traits required for leadership.

### Avoid "mini-me" syndrome.

Austin Powers couldn't get by without his "mini-me." It's human nature to be attracted to people who share your background, look and viewpoints. Unfortunately, this often leads executives to choose successors with whom they feel comfortable, rather than the person who is the best fit for the job.

**To do:** Develop an objective profile of the knowledge, skills, personal traits and motivations that make leaders successful in your organization, and build your successor identification process around this profile. The profile should be created by someone without a stake in the outcome who can objectively assess leadership positions and requirements.

Most importantly, keep your eye on the ball when it comes to succession management. To stay competitive, succession management must be a top priority for every company.

— Phyllis Roteman, President, TLG

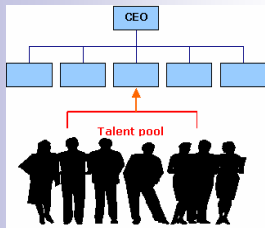
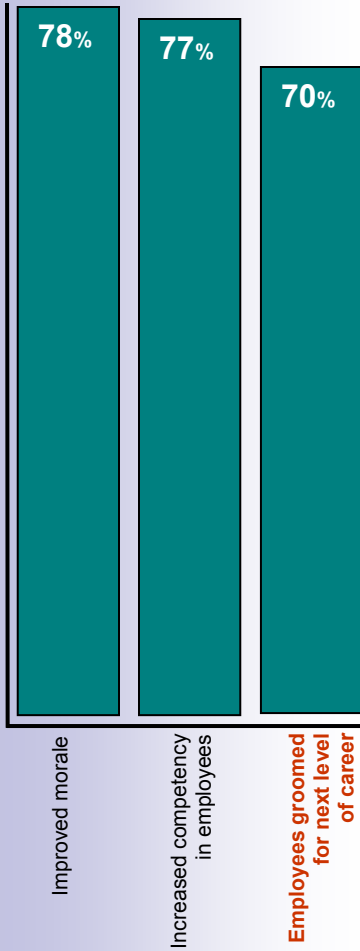


## Do you want to learn more about developing leadership bench strength in your organization?

An effective succession management system is an insurance policy for companies, protecting them from gaps left by management turnover. Click [here](#) to learn more about what TLG can provide to help you develop high potential leaders through a succession management system.

## Mentoring helps in Succession Planning

An HR Executive internet survey of over 400 respondents identified the top three benefits of internal mentoring programs. (Fall 2002):



## Generation Y: Going from New Hires to Executives

“Generation Y”, “Millennials” and “Echo Boomers” — whatever the label, these are the latest employees to enter the workforce. As a group of roughly 80 million, this generation is generally defined as those born after 1978. They are also now a key component of any company’s succession plan.

How do they affect the future of your company and what can you do to maximize their potential?

Statistics show that this new generation will soon become the majority of the workforce. In fact, this group is already 22% of the workforce and will outnumber Generation X by 2010 according to a [presentation](#) from Monster.com. This means they will eventually replace current executives and managers, if they haven’t already. This work group has often been described as “having a short attention span”, “not wanting to put in their dues”, “having no loyalty” and “being very tech-savvy.”

Here are some tips for developing high potential employees of this generation into future leaders:

**Keep Them Engaged:** The old style of five-year vesting programs and promises of promotions a few years down the line won’t readily appeal to this group. Break down goals into frequent smaller steps that they can actually see happening. Generation Y-ers tend to think in the short term—and you can keep them interested and loyal to your company by demonstrating small rewards in the present.

**Empower Them to Use Their Strengths:** Engage Generation Y new hires from the start by giving them ways to contribute to

the business quickly. This creates ownership of their role in the business. For example, ask them to update you on new ways to use technology to help promote a product. Because they feel valued from the very start, they are more likely to stay vested in your company.

*“I’m more interested in the type of projects that I am involved in and getting to influence decisions rather than promotions or titles...”*

**Entice them with responsibilities, not titles:** Vikram Sarma, 27, manages five employees for a large consumer-products company and has stayed with them for over five years – although he accepted the job thinking that he would stay for two years. The actual work he does day to day is more important than his Level III title of section manager. “I’m more interested in the type of projects that I am involved in and getting to influence decisions rather than promotions or titles. I get to do what I want to do, (be in a more entrepreneurial role), within an established corporate company.”

—Mitzi Chollampel is TLG’s Manager of Customer Loyalty

Old Succession Management	New Succession Management
Big promotions after a significant time on the job.	Smaller but more frequent goals and rewards.
Handing out a job description on Day 1.	Asking employees to help shape their role.
Promotion and title changes every 3-5 years.	Expanding responsibilities to develop employees.

## Coming Next Month: Customer Service in Crisis: Getting Back to Basics

- Whose job is customer service? Surprise—it’s everyone’s!
- Ways to think like your customer.
- Interview questions that identify service reps who care.

For more information, visit us at [www.theloyaltygroup.com](http://www.theloyaltygroup.com). We welcome all comments, suggestions and questions! Please email our thinktwice® Today editor Mitzi Chollampel at [info@theloyaltygroup.com](mailto:info@theloyaltygroup.com).

## Check out our corporate blog [The Learning Rap](#) to read about:

- “Bosses from Hell: What’s Trainable and What’s Not”
- “Managing Customer Loyalty”
- “Charisma...Are We Influenced?”
- “Hard to Hear Feedback”
- “What Makes A ‘Champion’ Business Leader?”
- *And much more!*



Post a comment—  
we’d love to hear about **your** experiences too!