

# Succession Planning

**Your organization's long-term health depends on it.**

**By Vincent Schera**

ONE OF THE MOST SUCCESSFUL EXAMPLES of leadership transition was the transition of power from Moses to Joshua. Moses recognized Joshua's inherent leadership qualities early on. He gave him opportunities to develop his skills, personally mentored him, entrusted him with increasingly sensitive tasks and exposed Joshua to his interactions with God on Mt. Sinai. Over a period of 40 years, Joshua earned the trust of the Israelites and moved smoothly into his role as their leader.

Few organizations today have the luxury of a 40-year succession plan, but many of the same principles apply when thinking through a succession strategy.

## **WHAT IS A SUCCESSION PLAN AND WHY DOES YOUR ORGANIZATION NEED ONE?**

Simply put, succession planning is the process of developing those high-potential employees who have the ability to play leadership roles within the organization. It involves careful evaluation of staff capabilities and development of a process that includes training, mentoring and skills development.

Jim Collins, author of *Good to Great* (HarperBusiness, 2001) and co-author of *Built to Last* (HarperBusiness, 1994), has written extensively on leadership development and business success. Collins maintains that companies that have successfully stood the test of time and weathered changes in management have crafted a carefully thought out succession plan designed to identify and invest in talent from within to assure continuity in leadership.

Succession planning begins years before an executive is departing. Current data on leadership transition reveals that the most effective leaders are those who have an intimate knowledge of how the organization works and are familiar with upper management. A 2010 study entitled "Managing Succession: Global Insights on Current Practices" by Right Management, a leader in global workforce solutions, asserts

that when internal promotions are well executed, they can have a considerable and beneficial impact on an organization's future success. Collins' own research supports these findings, and he indicates that the most visionary companies "homegrow their management" and rarely select CEOs or executive leadership from outside the company.

The importance of active involvement by the board of directors cannot be overstated. The board has a responsibility to ensure continuity by collaborating closely with senior leaders to design a succession plan and by providing valuable oversight as the plan unfolds. It is essential for board members to become familiar with potential successors and have knowledge of their strengths and growing edges. They can offer insights to the CEO and upper management about the skills that need to be cultivated to increase a candidate's readiness. Board members also must remember that the CEO or executive director is not the only position that requires a successor and need to plan accordingly with other "C-Suite" positions in mind.

## **CRAFTING A SUCCESSFUL SUCCESSION PLAN:**

### **1. Consider your context**

In order to design a plan that meets your organization's needs and specific context, you have to carefully evaluate your ministry. What are the core values that drive your sense of purpose? What is the overriding vision that connects those values? What is distinctive about your ministerial focus? How do you see God leading your institution into the future? What do you offer that is different from other, similar agencies? Who is your organization serving and how does that impact your approach to ministry? What challenges is it facing? What skills do your leaders need to meet these challenges?

Evaluating the dynamic nature of your organization will give you a strong sense of what values, vision and skills you want your prospective leaders to have. The needs of a small community organization will be vastly different from a large national nonprofit. Yet,

as senior managers identify the key skills needed in their context, they also need to craft a plan that can remain fluid and respond to shifts in their organizational model or goals.

## 2. Assess the high-potential talent

Once you know what positions and skills will be needed in the future, begin by doing a talent assessment that evaluates potential and performance. Who do executive managers consider to be their successors? What degree of readiness do you observe in them? What skills do they need? Individuals who have high potential and are high performers typically exhibit exceptional standards of excellence in their roles and demonstrate exemplary leadership qualities. To step up in responsibility and leadership, however, most people still need to be coached and mentored.

As a Christian organization, it is imperative that leadership candidates prioritize service to others as an important impetus for their work. A commitment to building the kingdom of heaven on earth and making a difference in people's lives should be evident. They should welcome the opportunity to be contributing to Christian mission and service on a personal as well as an institutional level.

In a healthy organization, leaders are always on the lookout for standout performers and are able to grow people from within who have internalized the core values, are committed to preserving them and can also recognize the areas in which change is needed. Board members want to know there is a sufficient talent pool not only at the management level but even one or two levels below, assuring them of the foundation for stability and the potential for consistent growth into the future.



## 3. Nurture the talent

A critical aspect of developing talent is implementing a sound retention strategy. But keeping gifted employees requires more than salary increases and a good benefits package. While these are important incentives, it can be challenging for smaller organizations to provide them and people are motivated by a much broader range of considerations.

Among the top factors cited by The Conference Board (2014 Survey of Job Satisfaction) that affect employee satisfaction is recognition. Staff members want their skills and talents to be acknowledged. Those in faith-based organizations also want to see the results of their efforts and understand how what they do contributes to the organization's ministry. Staff also value work/life balance, flexible

work hours, workplace diversity, employee engagement and inclusion, and employee training and development.

Opportunities for learning and development are especially important. High-potential employees want to learn new skills and expand the scope of their knowledge. They thrive best when they are given challenging assignments. Training should involve more than increasing aptitude in their current role; it should also expand their experience into other roles and tasks. A mentorship program that pairs high performers with senior management who will invest time and offer valuable feedback and wisdom contributes greatly to increasing retention. At the same time, high-potential employees need to be given responsibility for high-visibility projects they can spearhead.

## 4. Evaluate the succession plan

One common method of assessing individual talent is the 9-box chart. The chart is a very effective tool in succession planning because it helps managers identify talented individuals within the organization and determine the extent to which they can contribute to the company's growth. The vertical axis arranges people according to three levels of leadership performance and the horizontal axis places employees according to three levels of growth potential. When these characteristics are combined, individuals are placed in one of the nine boxes.

To get the most out of the 9-box system, begin by rating a person's performance — what they do and how well they do it. Then decide whether you would categorize them as a weak, solid or strong performer. Next think about the professional level that individual is capable of reaching with continued training and mentorship, given their current performance.

Bear in mind their innate ability, enthusiasm and initiative, and their level of engagement with the team or organization. Should they remain in their current role, or are they in the wrong position? Should you consider a future lateral move or a promotion up one level, or are they ready to be promoted higher than one level? Finally, look closely at whether there are skills that need to be developed before they can be promoted. Can they acquire those skills within the next year or will they need more than a year to hone the necessary skills?

The 9-box chart can be a powerful tool that clearly reveals future leaders. It helps senior management to discuss key characteristics of leadership and gain critical insights about an organization's talent pool. But it should not be misused as way of branding employees, particularly those who are underperforming. Handled skillfully, it serves as an excellent way to determine an individual's training needs, to assign projects that stretch one's ability and manage employee development at all levels within an organization.

Carrying on the good work Christian organizations do requires planning for smooth transitions of leadership. While you will not have the 40 years Moses used to prepare Joshua to take his place, you can begin today to consider who on your staff has the capacity to play a larger role in your organization and to begin preparing them for this expanded responsibility. ●

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