

## Succession Planning Best Practices

by Dr. Stephen C. Schoonover  
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### INTRODUCTION

Succession planning is one of the most critical endeavors an organization undertakes. In our experience, different companies apply succession planning for different purposes (see Figure 1 for list of most common goals).

#### Figure 1: Succession Planning Purposes

- Development and replacement of key leaders
  - Clarification of key positions and the criteria required to fulfill them
  - Generation of a talent pipeline to fill key positions
  - Specification of leaders' strengths and experiences to accelerate leadership growth of individuals and a total talent pool
  - Provision of learning and development experiences to accelerate leadership growth of individuals and a total talent pool
  - Provision of a value proposition to motivate and retain key talent
  - Development of the leadership success criteria and practices to generate the talent required to meet business strategies
- Generation of a program to manage the leadership talent pool most efficiently (including who to retain; who to release; how to streamline structures and processes, etc.)



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Most organizations will focus on many of the goals simultaneously. No matter what the purposes, succession planning criteria and processes should stem from the clarification of key principles to guide the initiative.

### Our Approach

Schoonover Associates strongly advocates developing a succession planning focus or mission and a set of “guiding principles” initially. These principles should serve as design criteria for the program. Often succession planning is reactive, adhoc, and unstructured. As a result, the process has little credibility or sustained impact. In contrast, we suggest involving key stakeholders in answering a series of questions for the purpose of specifying guiding principles (see Figure 2 for sample design requirement questions).

Various companies make significantly different decisions around the above questions. Those organizations which succeed best ensure wide participation and buy-in (particularly from top management), produce alignment of practices with business strategy, specify

success criteria and the succession planning process, clarify roles and responsibilities to implement the process, and closely link the program to other HR processes.

At a more practical level, we have found that the criteria applied in succession planning should be multi-dimensional, simple to assess, and linked to “future” success. Frequently, we help companies develop customized success factors of the following types:

- **Critical Competencies.** Behavioral criteria linked to successful performance of a key role.
- **Key Experiences.** Specific work settings, assignments, or accomplishments required for growth and credibility of leaders across the career span.
- **Results.** Objective outcomes of negotiated goals and/or specific contributions to the team or organization.

This “balanced” scorecard approach provides a more accurate assessment of individuals and offers more clarity about developmental gaps.

In our experience, assessment data (both

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### Figure 2: Key Issues to Clarify

- How far down in the organization will succession planning reach?
- Is succession planning primarily position-based (I.e., focused on specific roles/jobs) or person-based (I.e., focused on a general pool of talented leaders)?
- To what degree is succession planning selection-oriented vs. development-oriented?
- How will development plans be planned and tracked?
- How much is the program focused on “inside” vs. “outside” talent?
- How is succession planning related to or integrated with other HR processes (e.g., assessment, career planning, performance management etc.)?
- Is succession planning a periodical event (e.g., annually) and/or a continuous process?
- What criteria will be used for identifying and selecting leadership talent (e.g., competencies (current vs. future), key experiences, results, etc)?
- What data will be used in the process to evaluate candidates (e.g., manager only, 360° input committee, assessment interviews, narrative data vs. numerical ratings)?
- What data review and decision-making process will be applied?
- How will the program be communicated and to whom?
- How will the program’s effectiveness be measured and what methods will be applied to update, refine, and sustain the process over time?

“scored” and narrative) accomplishes the following goals:

- 1.** It helps defines candidates who are “definitely ready” and “definitely not ready” for promotion.
- 2.** It holds those assessing individuals accountable for assessing specific criteria and

supporting ratings with real evidence and data.

- 3.** It provides a clearer picture of unusual strengths and development gaps.
- 4.** It offers a method for developing an overall “picture” of fit between an entire talent pool and required roles.

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We also believe that the assessment data related to specific criteria should only be a starting point for dialogue. Evaluations of individuals are always subject to rater bias, limited information, and other factors impeding performance (e.g., customer/market changes). Therefore, any successful program must employ a well-facilitated debriefing process to test and refine the initial assessment data.

### Summary

Succession planning should be a purposeful initiative that focuses on developing critical leadership talent. However, best-in-class companies structure and communicate clear principles, apply specific criteria, and implement a structured, sustained process. These institutions realize a significant competitive advantage by retaining key talent and generating a pipeline of leaders who can help the company fulfill its long-term strategies.