

LEA Global



Succession Planning

Date 20- Feb. 2023

Presented By Mowafak Alyafi Ph.D.
Alyafi Group

Rising Star Association



INTERNATIONAL ACCOUNTING BULLETIN

Table of Content

- I. What is Succession Planning?
- II. Reasons for Succession Planning
- III. Guidelines for effective succession planning
- IV. Replacement vs. Succession
- V. Develop & Implement Succession Strategies
- VI. Succession Planning Process
- VII. Succession Planning phases

I. What is Succession Planning?

A deliberate and systematic effort by a firm to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage individual advancement.

I. CONT. What Is Succession Planning

Meaning:

"A defined program that a systemized firm use to ensure leadership continuity for all key positions by developing activities that will build personal talent from within."

I. CONT. What Is Succession Planning

Succession Planning is NOT

- A one-time event
- Decided by an individual
- Used solely for individual career advancement opportunities
- Reacting only when a position becomes open
- Line managers relying solely on their own knowledge/comfort with candidates.

II. Reasons for Succession Planning

- Identifying highly Talented Individuals
- Promoting Employee Development
- Refining Corporate Planning
- Establishing the Talent Pool.

III. Guidelines for effective succession planning

1. Customized to suit the needs of the firm
2. Driven by the line function and not HR executives
3. Identify key candidates, in anticipation of future openings
4. Training & Development
5. Firm's Culture
6. Succession Planning Analysis Stages:

III. CONT. Guidelines for effective succession Planning

1. Customized to suit the needs of the firm Summarized Position Template

- **Position**
- **Departure Date**
- **Required Skills**
- **Potential Candidates**
- **Years of Experience**
- **Qualification**
- **5 years' Annual Performance Ratings**
- **Key Projects Handled**

A sample succession plan template:

Department's Name			
Position			
Post holder			
Risk loss			
Replacement Difficulty			
Readiness			
Candidates Development (1-3 years)			
Required Key skills/ experience			
List key roles that generate successions			
Status			

III. CONT. Guidelines for effective succession Planning

2. Driven by the line function and not HR executives

- Knowledge, Skills and Abilities
- Self motivated and result oriented
- creativity and innovation
- Strategically Thinking
- Active in providing and receive feedback
- Demonstrate high standard of personal conduct
- Can learn the additional role required skills

III. CONT. Guidelines for effective succession Planning

3. Identify key candidates, in anticipation of future openings Candidates selection must be based on:

- ✓ Current skill sets.
- ✓ Shouldering bigger responsibilities
- ✓ Behavioral aspects in leadership and decision making capabilities.
- ✓ The timeline to fill the role

III. CONT. Guidelines for effective succession Planning

4. Training & Development

Set up a Development Plan

- Evaluate current skill sets and the new required skills for each leading role.
- Rate acquired needed skills.
- Chart out a timeline training plan to fill the role.
- Track progress on a regular basis.

III. CONT. Guidelines for effective succession Planning

5. firm's Culture

Consistent with the future strategic firm direction

- Review and update the succession plan regularly.
- Keep and check on high potential employees.
- An earlier identification of potential candidates ensures that they have enough time to get trained for the role.

III. CONT. Guidelines for effective succession Planning

6. Succession Planning Analysis Stages:

1

Strategy must drive all organization elements addressing the why on organizational goals

2

While the strategy drive what is done, Culture impacts how it is done. It is evidenced by people interact action, what is rewarded and what is not

3

Organization Structure organizes communication, decision- making and collaboration.

4

Processes are the steps used to get things done, the steps can be insufficient for accuracy or too much for sufficient speed

5

Technology become a focal element of operations. used to accelerate processes and serve as a sustainable knowledgebase.

6

People represent positions that are in place to achieve the work

7

Skills represent the capacity to secure accuracy to deliver needed work

•

IV. Replacement vs. Succession

Reactive	Pro-Active
Form of Risk Management	Planned Future Development
Substituting	Renewing
Narrow Approach	Organized Alignment
Restricted	Flexible

IV. CONT. Replacement vs. Succession

Succession past practice vs. succession future practice

Driven by an annual HR procedure

Driven by current and future business needs

Entitlement focus - bureaucratic/buddy payback system - decided in secret

Successors determined by an open process with multiple inputs and factors

identified development actions, with no accountability on development

- Development plans, development discussions and coaching to candidate, management, and mentors
 - others held accountable for progress and monitoring

V. Develop and Implement Succession Strategies

1. Implement recruitment and retention strategies
2. Implement development / coaching strategies
3. Ensure Communication planning
4. Determine & apply measures of success

V. CONT. Develop and Implement Succession Strategies

5. Link succession planning to HR processes

- Performance management
- Compensation
- Recognition
- Recruitment & retention
- Workforce planning

6. Implement strategies to maintain Talent Management

V. Develop and Implement Succession Strategies

1. Implement recruitment and retention strategies

A. Alignment with Business strategy is a key.

Old Practices

Limited to the CEO

Present Practices

- ✓ CEO & Senior Leadership Team (SLT)
- ✓ Short-term Business Strategy

Developed Practices

- ✓ Select, develop, assess, reward and retain leaders who have competencies to deliver short & long-term Business Strategies
- ✓ Consider Succession planning as a key business strategic priority

V. CONT. Develop and Implement Succession Strategies
1. Implement recruitment and retention strategies

B. What is the Timing for Succession Planning?

Old Practices	Present Practices	Developed Practices
CEO – Once a year	CEO and VP+ Once a year	<ul style="list-style-type: none">✓ Regular Feedback✓ Tracking Development✓ Quarterly Pipeline Assessment-

V. CONT. Develop and Implement Succession Strategies

2. Implement development / coaching strategies

A. Top 3 global leadership development priorities:

- 1. Developing leaders to drive strategic change**
- 2. Filling gaps in the leadership pipeline**
- 3. Driving culture change**

V. CONT. Develop and Implement Succession Strategies

2. Implement development / coaching strategies

B. Development is essential for proper succession planning

Old Practices

- ✓ **General training for leadership**
- ✓ **General Cross- Training**

Present Practices

- ✓ Leadership competencies training
- ✓ Exposure to senior leaders
- ✓ Stretch assignments

Developed Practices

- ✓ Alignment/Feeder Roles
- ✓ Expedite development/ Boot camps
- ✓ Simulation
- ✓ Mentoring & Sponsoring

V. CONT. Develop and Implement Succession Strategies

3.Ensure Communication planning

A. The New ERA



**The New Era of
Succession
Planning**

Fluid

Flexible

Fast

V. CONT. Develop and Implement Succession Strategies

3.Ensure Communication planning

B. How transparent is the succession planning process?

Old Practices

- ✓ Zero transparency

Present Practices

- ✓ Some transparency of good news only to direct recipients

Developed Practices

- ✓ Clear career paths
- ✓ Transparent potential feedback regarding potential capacity and limitations
- ✓ What is needed for next step

V. CONT. Develop and Implement Succession Strategies

4. Determine & apply measures of success

Metrics of succession planning

Old Practices

- ✓ No measurement

Present Practices

- ✓ What has already been done e.g. internal hires
- ✓ delayed measures

Developed Practices

- ✓ forecast what is likely be accomplished (e.g. retention risk of high potential employee (HiPos))
- ✓ Principle measures

V. CONT. Develop and Implement Succession Strategies

5. Link succession planning to HR processes

A. Leadership Accountability is the most important factor for leaders development

- **Lack of executive sponsorship is considered a top barrier for successful leadership development**

V. CONT. Develop and Implement Succession Strategies

5. Link succession planning to HR processes

B. How to Assess Potential Candidates

Old Practices

You're smart and we like you

Present Practices

- ✓ Ability
- ✓ Aspiration
- ✓ Engagement
- ✓ Experience
- ✓ Competencies

Developed Practices

- ✓ Agility
- ✓ Aspiration
- ✓ Influencing Change
- ✓ Values
- ✓ Calibration/ Collaboration
- ✓ Engagement
- ✓ Experience
- ✓ Competencies

V. CONT. Develop and Implement Succession Strategies

5. Link succession planning to HR processes

C. Leadership Accountability: Who is the most responsible?

Old Practices

Present Practices

Developed Practices

CEO replacement

Often Owned by HR

- ✓ Leaders are accountable for proper succession pipelines
- ✓ MBOS(Management on performance/ objectives
- ✓ Reviews and recognition
- ✓ Collaboration

V. CONT. Develop and Implement Succession Strategies

6. Implement strategies to maintain Talent Management

A. Does succession planning integrates into companies talent management ?

Old Practices

- ✓ No integration

Present Practices

- ✓ Some targeted development toward succession planning
- ✓ Some performance management ratings are incorporated into succession planning decisions

Developed Practices

- ✓ Some targeted development toward succession planning
- ✓ Some performance management ratings are incorporated into succession planning decisions

V. CONT. Develop and Implement Succession Strategies

6. Implement strategies to maintain Talent Management

B. Alignment of Employee and Organizational Goals with the Business Strategy Was the Number One Factor for Initiating Integration of Talent Management Strategies in Organizations

Factors that Lead to Integrating Talent Management Strategies



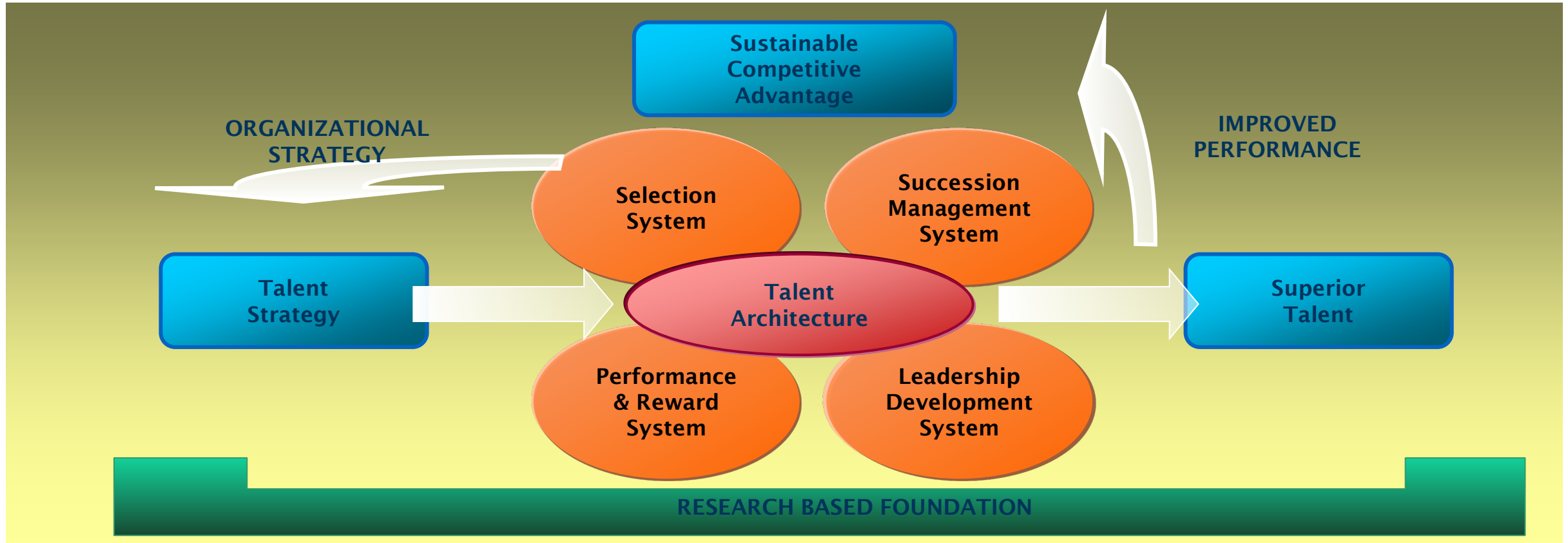
Percentage of Organization Need for ITM

Source: Best Practice Institute

V. CONT. Develop and Implement Succession Strategies

6. Implement strategies to maintain Talent Management

C. Talent Management Models Began As Structured and Functional Models, Reflecting the Different Parts of Talent Processes. Model



VI. Succession planning process

Succession planning process



VII. Succession process phases:

- Phase 1: Identify Key/Critical Positions
- Phase 2: Conduct Position Analysis
- Phase 3: Develop Succession Plan
- Phase 4: Monitor, Evaluate, Revise

VII. CONT. Succession planning phases

Phase 1: Identify Key/Critical Positions

- *Key Contributor*
- *Specialized Leadership*
- *Geographic*
- *Vacancy*

VII. CONT. Succession planning phases

Phase 2: Conduct Position Analysis

- What are the external and internal factors affecting this position?
- What competencies or skill sets will be required?
- What are the gaps (competencies or skill sets not possessed by the current staff)?
- What strategies will be used to address the gaps?

VII. CONT. Succession planning phases

Phase 3: Develop Succession Plan

- Review individual positions and high turnover job classes
- document gaps and strategies at an organizational or unit level.

VII. CONT. Succession planning phases

Phase 4: Monitor, Evaluate, Revise

- Select evaluation period-typically review (annually)
- Be prepared to respond rapidly to unforeseen changes to the plan
- Status/Progress updates should be monitored via the succession planning template.

