



CEB HR Leadership Council™
For Midsized Companies

Succession Management Playbook

Building a Succession Management Strategy
Based on Portfolio Management Insight

September 2013

A FRAMEWORK FOR MEMBER CONVERSATIONS

The mission of The Corporate Executive Board Company and its affiliates (CEB) is to unlock the potential of organizations and leaders by advancing the science and practice of management. When we bring leaders together, it is crucial that our discussions neither restrict competition nor improperly share inside information. All other conversations are welcomed and encouraged.

CONFIDENTIALITY AND INTELLECTUAL PROPERTY

These materials have been prepared by CEB for the exclusive and individual use of our member companies. These materials contain valuable confidential and proprietary information belonging to CEB, and they may not be shared with any third party (including independent contractors and consultants) without the prior approval of CEB. CEB retains any and all intellectual property rights in these materials and requires retention of the copyright mark on all pages reproduced.

LEGAL CAVEAT

CEB is not able to guarantee the accuracy of the information or analysis contained in these materials. Furthermore, CEB is not engaged in rendering legal, accounting, or any other professional services. CEB specifically disclaims liability for any damages, claims, or losses that may arise from a) any errors or omissions in these materials, whether caused by CEB or its sources, or b) reliance upon any recommendation made by CEB.

Organizations need more from their leaders in the new work environment.

- Each year, 14% of leadership positions are newly created, which creates demand for successors who can take on unexpected new roles.
- Leaders must also be prepared for significant change within their roles, which occurs at least every two years.
- Expanding responsibilities in leadership roles will require successor candidates with a breadth of experience.
- Changes in direct reports' roles have also led to changing requirements for leaders.

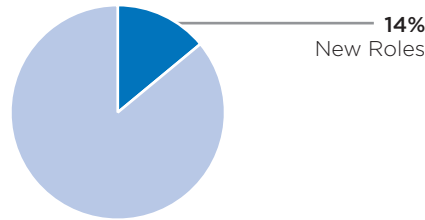
Enterprise Contribution Defined

Employees who are effective at performing their own individual tasks as well as improving others' performance and using others' contributions to improve their own performance

LEADERSHIP IS CHANGING IN THE NEW WORK ENVIRONMENT

Leaders Must Be Prepared to Assume Entirely New Roles

Percentage of Total Leadership Positions That Are Newly Created Each Year, Reported by HR

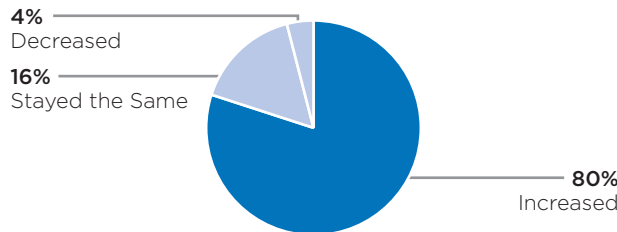


n = 329 HR leaders.
Source: CEB 2013 Succession Management Survey.

Succession Implication: Organizations must identify and plan for new leadership needs.

Leaders Must Manage an Increasingly Wide Scope of Responsibilities

Percentage of Leaders Reporting Change in the Diversity of Job Responsibilities Over the Past Three Years

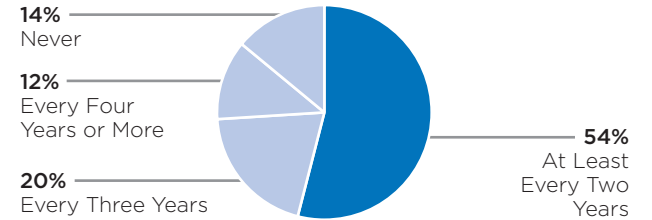


n = 895 executives.
Source: CEB 2013 Succession Management Survey.

Succession Implication: Organizations must prepare leaders for broader roles through diverse experiences.

Leaders Must Be Prepared for High-Velocity Changes in Job Responsibilities

Percentage of Leaders Reporting Frequency of Substantial Change in Their Job Responsibilities

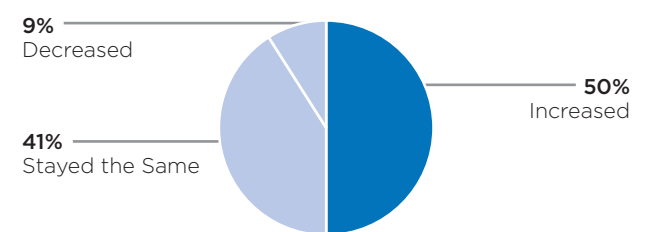


n = 895 executives.
Source: CEB 2013 Succession Management Survey.

Succession Implication: Organizations must transition leaders through change while in role.

Leaders Must Manage Teams of Enterprise Contributors

Change in Direct Reports' Reliance on Others in the Past Three Years, by Percentage of Employees



n = 23,339 employees.
Source: CEB 2012 High Performance Survey.

Succession Implication: Organizations must prepare successors for cross-silo leadership.



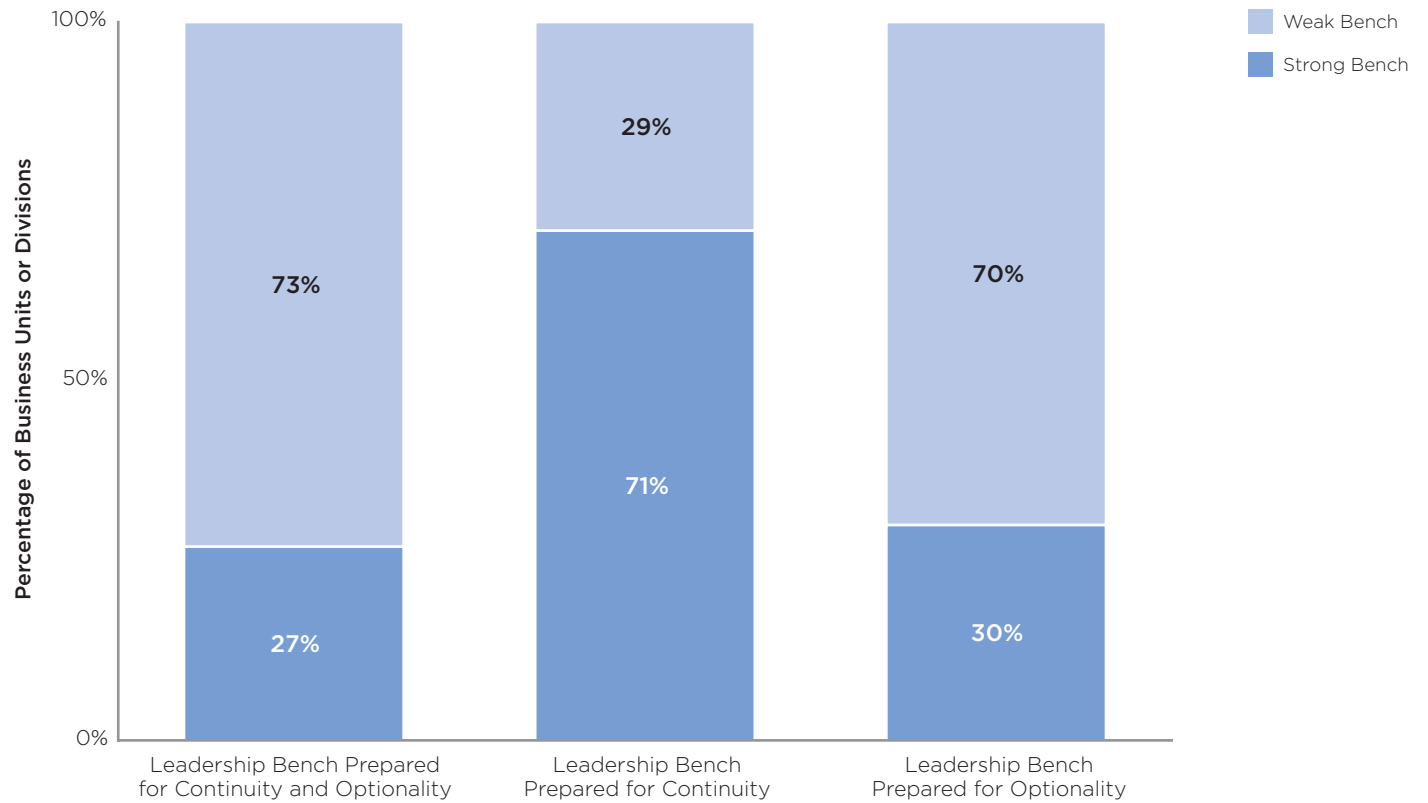
Only a quarter of organizations have the leadership bench they need.

- Seventy-one percent of organizations have a leadership bench prepared for continuity.
- Only a third of organizations have a leadership bench prepared for optionality.

A BIG GAP: ORGANIZATIONS LACK THE LEADERSHIP BENCH THEY NEED

Relative Strength of Leadership Bench for Continuity and Optionality

Percentage of Business Units or Divisions with a Strong or Weak Leadership Bench



n = 203 business units.

Source: CEB 2013 Succession Management Survey.



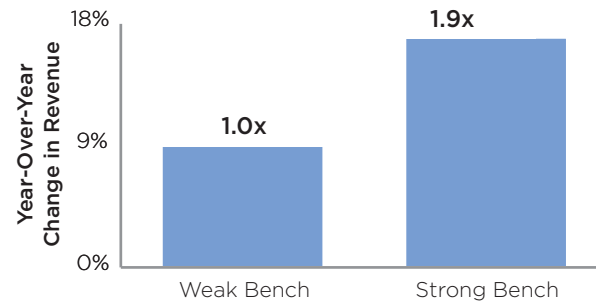
Organizations with weak leadership benches grow at only half the rate of those with strong benches.

- A 10% change in leadership bench strength leads to a 0.5% year-over-year change in revenue¹ and profit.
- To cope with weak leadership benches, organizations are relying on external hires more than desired.

WEAK LEADERSHIP BENCHES LEAD TO POOR OUTCOMES

Slower Revenue Growth

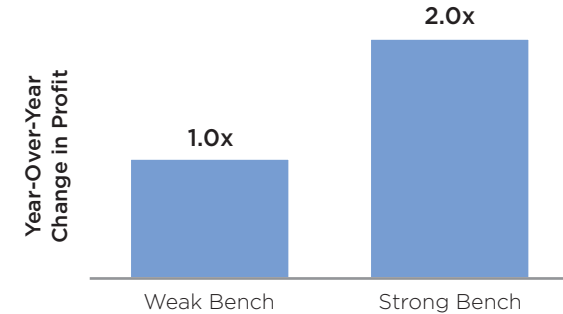
Indexed Year-Over-Year Revenue Change



n = 203 business units.
Source: CEB 2013 Succession Management Survey.

Slower Profit Growth

Indexed Year-Over-Year Profit Change

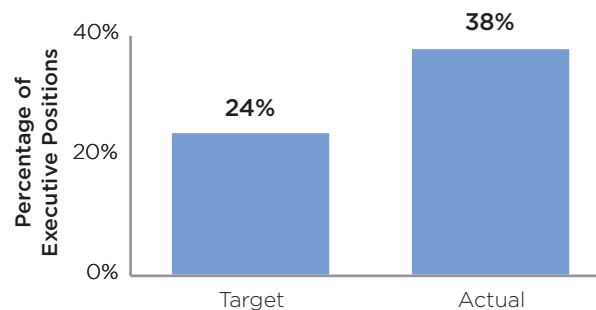


n = 203 business units.
Source: CEB 2013 Succession Management Survey.

A 10% change in leadership bench strength leads to an extra 0.5% year-over-year change in revenue and profit.

Hiring Externally More Frequently Than Desired

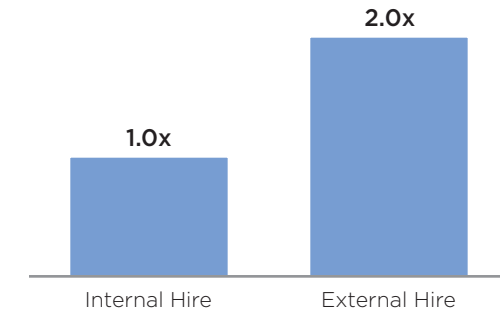
Average Percentage of Executive Positions Filled Externally



n = 203 business units.
Source: CEB 2013 Succession Management Survey.

Time to Productivity Twice as Long for External Hires

Average Time Between Start Date and Productivity Date



n = 3,409 successors.
Source: CEB 2013 Succession Management Survey.

Note: Organizations that scored in the top quartile of CEB Corporate Leadership Council's measure of leadership bench strength are considered to have a "strong bench"; organizations in the bottom quartile are considered to have a "weak bench." Measures of revenue and profit were reported by organization leaders and validated against audited financial data.

¹ Revenue at the average S&P 500 company grew by 2.8% in 2012. Profit at the average S&P 500 company grew by 4% in 2012.



Despite significant time spent on succession management, only **28% of current leaders were pre-identified in a succession plan.**

- Current succession processes include the use of talent reviews, nine-box assessments, early high-potential identification, succession slates, pipelines, and pools.



“We spend hours upon hours in talent review meetings to map out successors for each position, but when the time comes to fill a leadership spot, we rarely look at our original plan.”

Head of HR
Consumer Products Company

DESPITE INVESTMENTS, DISSATISFACTION WITH CURRENT SUCCESSION MANAGEMENT PROCESS

Significant Time Investment in Succession Management Among Leaders

Average Time Spent on Succession Activities by Each Leader: 69 hours on formal succession activities + 113 hours on informal succession activities = **182 hours**

Average Time Spent on Succession Activities by Each HR Leader: **144 hours**

Total Average Time Spent on Succession Activities for Organization with 200 Leaders and Five HR Leaders Each Year: 37,120 hours

Direct cost of time: **\$4 million**

Source: CEB 2013 Succession Management Survey.

Formal Succession Activities Include:

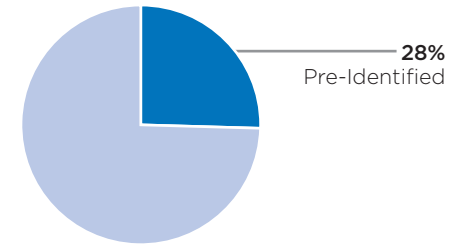
- Preparing for talent reviews
- Participating in talent reviews
- Assessing development areas
- Finding development opportunities
- Creating development plans
- Completing action items outlined in development plans

Informal Succession Activities Include:

- Informal discussions about your direct reports' performance, potential, or development areas
- Connecting direct reports with key executives
- Planning for or thinking about succession events

Low Succession Plan Hit Rate

Average Percentage of Current Leaders Pre-Identified in a Succession Plan

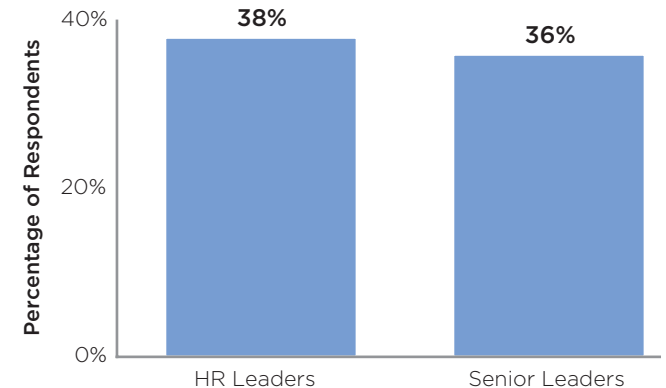


n = 203 business units.

Source: CEB 2013 Succession Management Survey.

Dissatisfaction with Current Succession Management Processes

Percentage of HR and Senior Leaders Who Agree That Elimination of Current Succession Process Would Not Change Quality of Successors



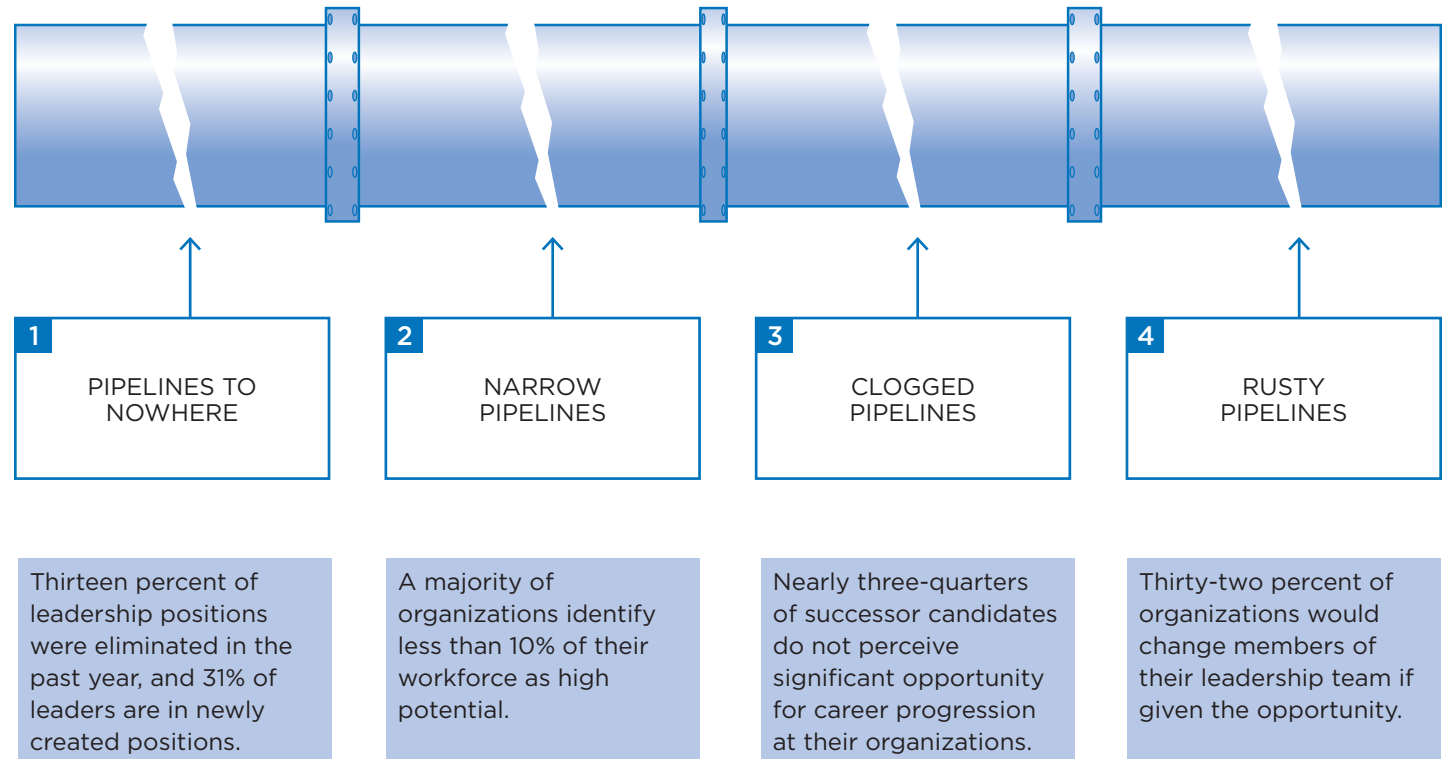
n = 329 HR leaders; n = 895 executives.

Source: CEB 2013 Succession Management Survey.

Four common breaks limit the effectiveness of succession pipelines.

SUCCESSION PIPELINES ARE BROKEN

Pipeline Breaks



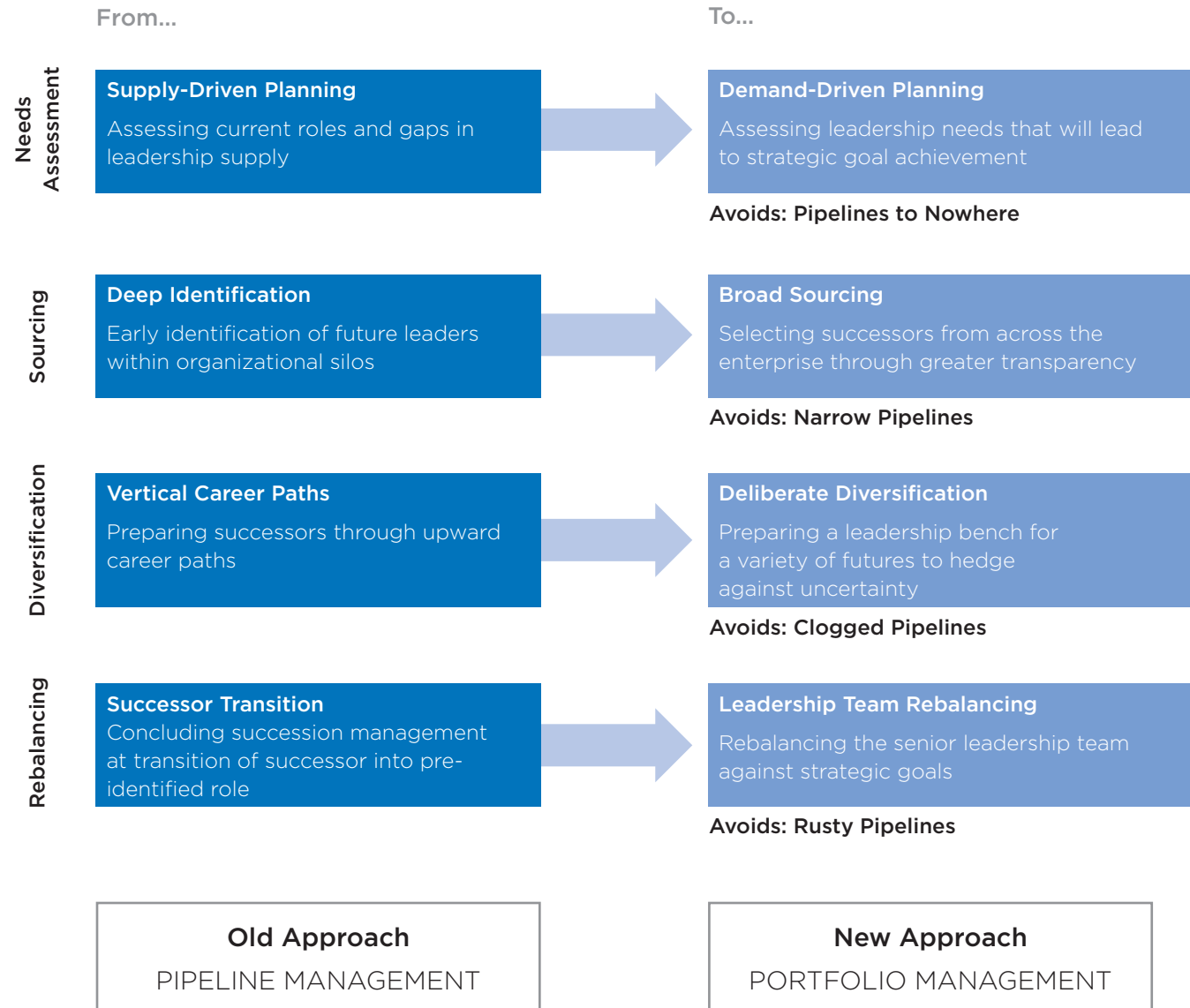
Source: CEB 2013 Succession Management Survey; CEB 2012 Senior Executive Survey.

Succession pipelines consist of individuals or pools of talent who have been identified as having the potential to fill a specific position or a type of role within a certain function.

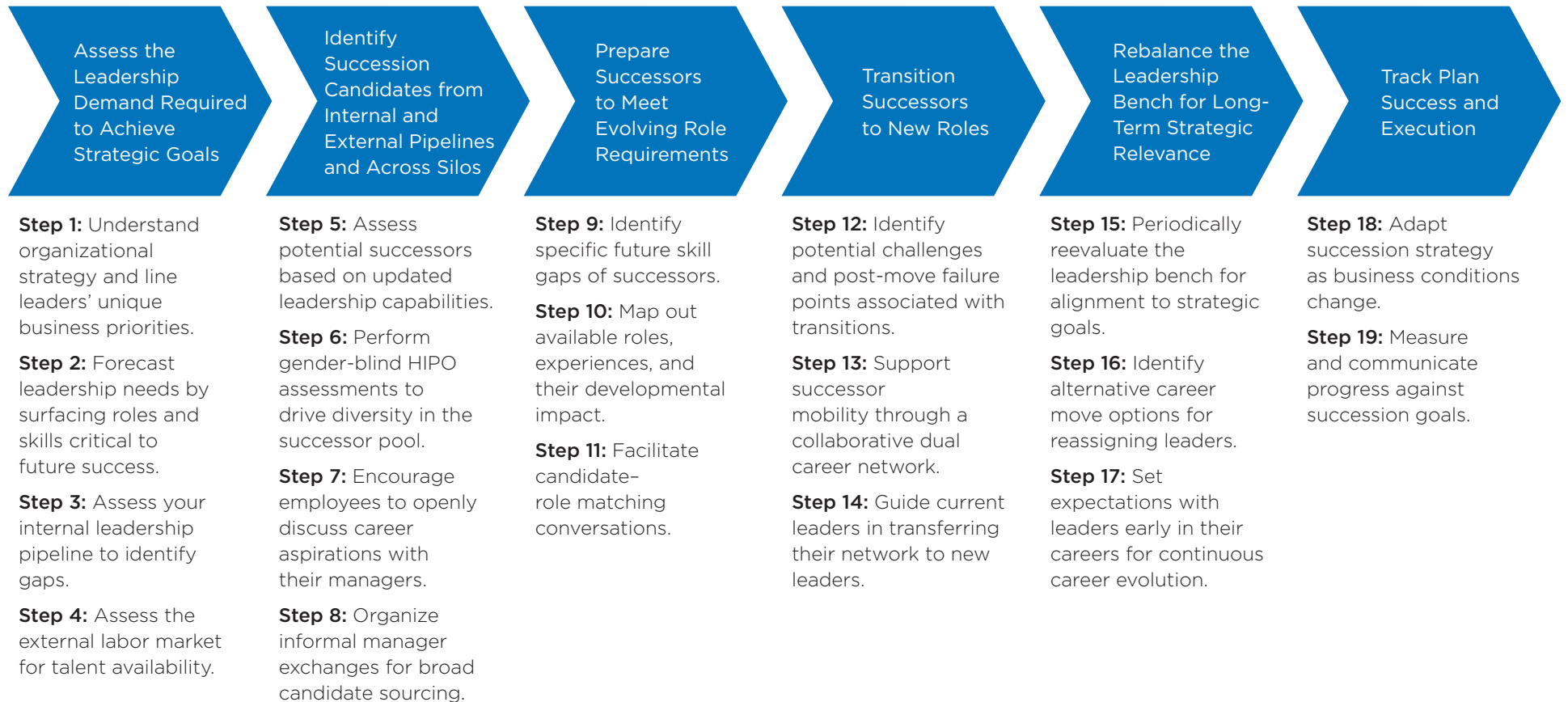
Organizations need to make four shifts in their current succession process to adjust with changing needs of the organization and to avoid key pipeline breaks.

- Succession pipelines are built toward current leadership roles, not new leadership roles, and do not filter up enough talent to meet leadership needs—nor do they provide enough development opportunities for leaders.
- Succession management in the new work environment resembles portfolio management, not pipeline management.
- Managing a portfolio of investments typically involves financial goal setting, investment selection, asset diversification, and portfolio rebalancing.

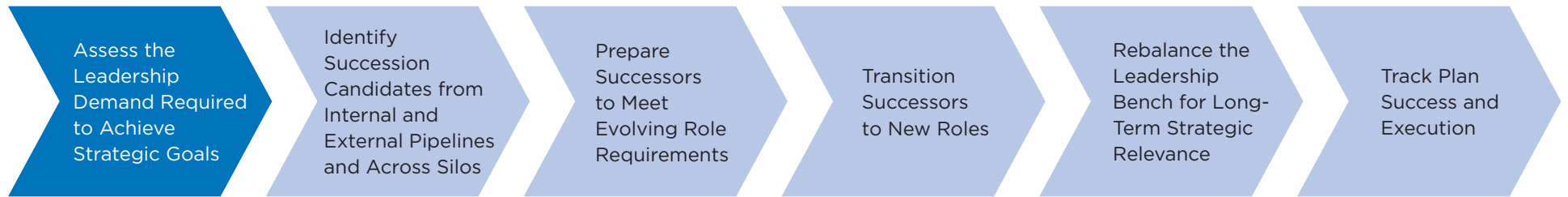
FOUR SHIFTS FOR EFFECTIVE SUCCESSION MANAGEMENT IN THE NEW WORK ENVIRONMENT



ROADMAP: SUCCESSION MANAGEMENT PLAYBOOK



ROADMAP: SUCCESSION MANAGEMENT PLAYBOOK



Step 1: Understand organizational strategy and line leaders' unique business priorities.

Step 2: Forecast leadership needs by surfacing roles and skills critical to future success.

Step 3: Assess your internal leadership pipeline to identify gaps.

Step 4: Assess the external labor market for talent availability.

Understand the organization's future strategic priorities through talent conversations that generate decisions reflecting corporate strategies.

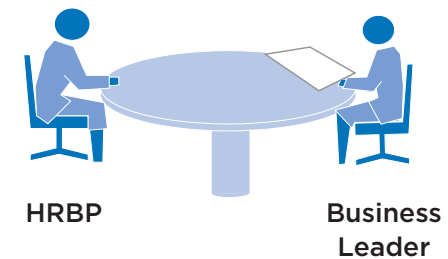
STEP 1: UNDERSTAND ORGANIZATIONAL STRATEGY AND LINE LEADERS' UNIQUE BUSINESS PRIORITIES

Purpose and Requirements of Talent Priority Meetings

- Reframe the strategic talent meeting around talent outcomes determined by the line rather than by HR.
- Help executives connect talent issues to strategy, and provide talent data to deliver a roadmap for future action.
 - ✓ Identify business unit-specific talent challenges and goals.
 - ✓ Pair business unit goals with talent goals.
 - ✓ Fill out both a long-term and short-term talent and strategy plans for the business unit.
 - ✓ Identify what elements of the plan could use feedback from other business units.

Sample Questions to Ask Business Leaders in the Talent Priority Meeting

1. How will the organization's strategy change over the next three to five years?
2. What implications would changes in the organization's strategy have on your business unit's strategy?
3. Would changing strategy create new leadership positions in the organization?
4. How integrated is our succession process with changing business priorities?



Additional Resource

Refer to the [HR Business Partner Conversation Guide to Diagnose Strategic Priorities and Human Capital Implications](#) to structure and focus your workforce planning conversations with the line.

Source: CEB analysis.

Identify leadership needs by enlisting business leaders to refine future capability and role requirements through skill-specific discussions.

STEP 2: FORECAST LEADERSHIP NEEDS BY SURFACING ROLES AND SKILLS CRITICAL TO FUTURE SUCCESS

Identify Emergence of Future Leadership Roles

Filter Information from Business Strategy Insight to Identify Possible Job Roles Critical in the Future

Increase Forecast Accuracy

Validate Critical Role Identification by Developing and Testing Preliminary Job Descriptions

Sample Questions to Identify Future-Critical Roles

1. Which critical roles do you think need to evolve to meet the business strategy requirements for the next two to three years?
2. What kind of changes would these roles undergo?
3. A particular role requires skill sets that will be difficult to source. Would you consider the role critical?
4. Are there roles which may not be critical now, but could be important in the next two to three years?
5. If the organization were to venture in a new business direction, will the current critical roles be able to sustain the demands of the new business?
6. Will an existing business leader be capable of heading a new business area in 2015?
7. What is the dependency of other roles on this new role? Why is this predicted role critical for making decisions?

Sample Questions to Define Future-Critical Skills

1. What is the primary purpose of this future-critical role?
2. What would be the key accountabilities of this future-critical role?
3. How is successful execution of the role measured?
4. What are the critical experiences a person would need to have to be successful in the role?
5. What are the key areas of knowledge a person would need to have or quickly acquire to be successful in this role?
6. What would be the decision-making, problem-solving, and people-impact of the role?
7. What types of skills do you foresee the role needing in the next five years that are not necessary now?

Additional Resource

Refer to [Australia Post's Senior Stakeholder Questionnaire](#) to obtain feedback on current and future key attributes, objectives, and roles needs for specific leadership positions.



Source: Mobile TeleSystems; CEB analysis.

Predict vacancies in current critical roles that might arise due to retirement, voluntary turnover, or skill gaps.

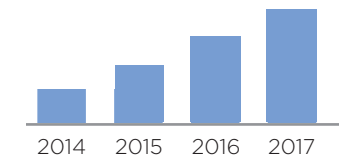
STEP 3: ASSESS YOUR INTERNAL LEADERSHIP PIPELINE TO IDENTIFY GAPS

Consider Potential Gaps Due to Vacancies (e.g., Retirement Trends) and Competency Skill Gaps

1. Predict Vacancies in Current Roles

1. How many leaders will retire in the near future?
2. Based on historical trends, how many leaders will voluntarily leave the organization?
3. How many successors do we have for each position?
4. How many successor candidates are “ready now”?
5. How do rising leaders perform against critical competencies?

Predicted Retirement Trends, Business Unit A
Illustrative



Note: Steps such as assessing and forecasting business needs, identifying high potential and succession candidates, and matching them with new roles or development opportunities commonly happen during or in preparation of a talent review meeting. HR should use the suggestions in this playbook to refine existing processes, not necessarily to create many additional steps.

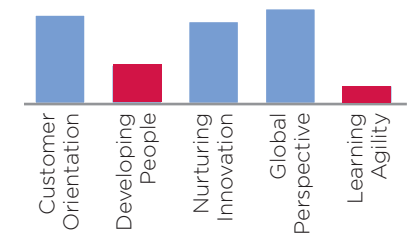
Additional Resource

Use our toolkit on [Conducting an Organizational Talent Review](#) to effectively conduct a talent review.

2. Estimate Competency Skill Gaps in Your Current Leadership Pipeline

1. Are there critical leadership skills that have not been incorporated in the current leadership development program?
2. Are there critical skills that have been previously insufficiently developed in the leadership population?
3. Do you anticipate a specific gap in the leadership pipeline due to a sudden out-flux of senior leaders from a particular function?
4. Would changing business strategy create new leadership competency gaps in the pipeline?

Competency Skill Gaps in the Leadership Pipeline
Illustrative



Source: CEB analysis.

Map critical capabilities and external talent supply challenges to identify high-risk talent areas.

STEP 4: ASSESS THE EXTERNAL LABOR MARKET FOR TALENT AVAILABILITY

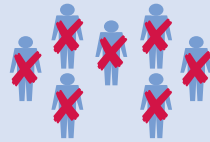
Guidelines to Assess Market-Specific Talent Demand and Supply to Identify Business Risks

1. After having identified critical leadership skills, map the external supply (both in quantity and quality) for those specific critical skills.
2. Look for possible data inputs in the following four categories to conduct an external labor market analysis.

Four Parameters to Evaluate for the External Labor Market Analysis

Availability

Are critical skills available in the external market?



Attraction

Can the organization attract employees with critical skills?



Retention

Can the organization retain individuals with critical skills?



Development

Can the organization support development of needed critical skills?



Note: Use the tool on the next page to evaluate the parameters listed above to map your external talent supply in a country or region.

Source: CEB analysis.

CEB TOOL: EXTERNAL TALENT SUPPLY ASSESSMENT



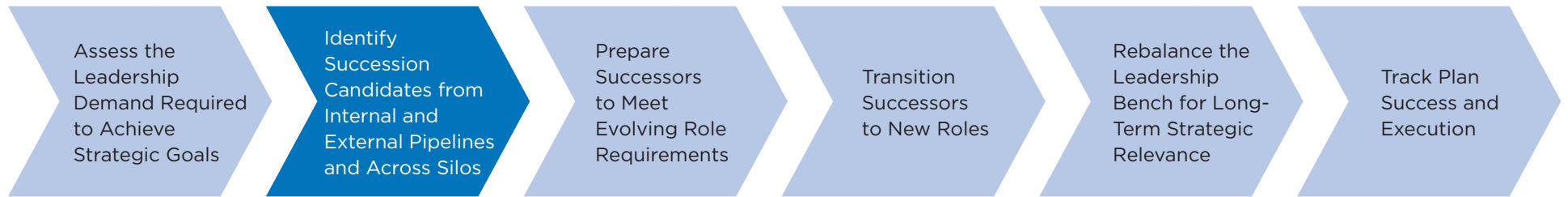
Use this tool to evaluate the following inputs to map your external talent supply in a country or region. If two or more indicators present worrisome data, you should consider targeted long-term development in affected functions and expatriate assignments for medium-term skills coverage.

Talent Supply Forecasting Inputs			
Questions	Possible Internal Inputs	Possible External Inputs	Links to Relevant External Data Sources ^a
Are critical skills available in the external market?	<ul style="list-style-type: none"> ▪ Time to fill ▪ Expat-local ratio ▪ New hire failure rate ▪ Vacancy rate 	<ul style="list-style-type: none"> ▪ Age demographics ▪ Education rates ▪ Unemployment rates ▪ Job opening rates 	<p>Eurostat Eurostat is the statistical office of the European Union. It collects and publishes labor market data and education statistics for all European Union member states.</p>
Can the organization attract employees with critical skills?	<ul style="list-style-type: none"> ▪ Offer-acceptance ratio ▪ Time to fill ▪ External hire rate ▪ Rehire rate 	<ul style="list-style-type: none"> ▪ Hiring rates ▪ Employment projections ▪ Immigration caps 	<p>International Labour Organization The International Labour Organization (ILO) is a specialized agency of the United Nations. It maintains several databases of labor market statistics and other labor market-related information for more than 100 countries.</p>
Can the organization retain individuals with critical skills?	<ul style="list-style-type: none"> ▪ Retention rate ▪ Termination rate—total, voluntary, involuntary ▪ Retirement rate ▪ Employee engagement survey data 		<p>OECD Stat The Organization for Economic Cooperation and Development (OECD) provides access to detailed labor market data and education statistics for more than 50 countries.</p>
Can the organization support external development of needed critical skills?	<ul style="list-style-type: none"> ▪ Promotion rate ▪ Lateral transfer rate ▪ Percentage of high-potential employees compared to the rest of the organization ▪ Training participation ▪ Employee satisfaction with training 	<ul style="list-style-type: none"> ▪ Existence of industry/functional certification programs or associations ▪ Availability of relevant college or university courses ▪ Availability and quality of training courses 	<p>The World Bank The World Bank is an international financial institution that collects and publishes labor market data and education statistics for more than 200 countries and territories.</p> <p>United Nations Educational, Scientific and Cultural Organization The United Nations Educational, Scientific and Cultural Organization (UNESCO) collects and publishes education statistics for more than 200 countries and territories.</p>

Source: CEB analysis.

^a This list can serve as a starting point for labor market analysis and is by no means exhaustive nor represents an endorsement of any site or service. Members of CEB Recruiting Leadership Council can access a consolidated list of links to labor market data sources for more than 20 countries [here](#).

ROADMAP: SUCCESSION MANAGEMENT PLAYBOOK



Step 5: Assess potential successors based on updated leadership capabilities.

Step 6: Perform gender-blind HIPO assessments to drive diversity in the successor pool.

Step 7: Encourage employees to openly discuss career aspirations with their managers.

Step 8: Organize informal manager exchanges for broad candidate sourcing.

Evaluate the results your successor candidates are achieving and what behaviors they demonstrate to achieve those results.

STEP 5: ASSESS POTENTIAL SUCCESSORS BASED ON UPDATED LEADERSHIP CAPABILITIES

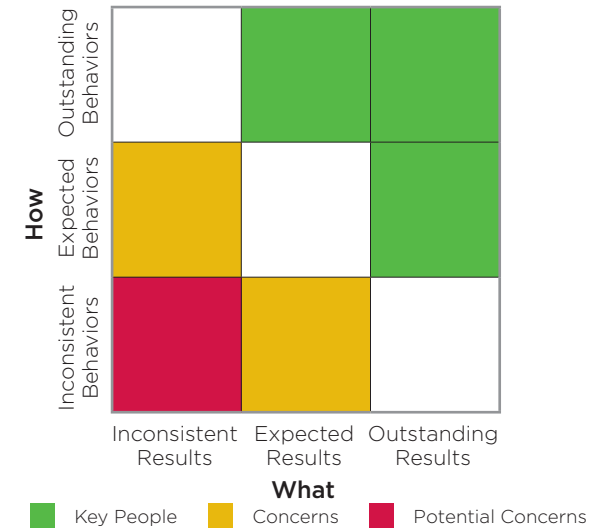
1. Map leaders based on individual results and behaviors demonstrated to achieve those results.

Sample Questions:

- Does the candidate demonstrate the leadership behaviors expected from his or her leadership level (top leaders, senior leaders, emerging leaders)?
- Does the candidate deliver the results expected from him or her?

Leadership Differentiation Tool

Current Performance of Leaders



2. Assess leaders' engagement and aspiration to understand their potential to rise to more senior roles.

Sample Questions:

- Does the candidate desire prestige and advancement or financial rewards?
- Does the candidate value and enjoy working at the organization?
- Does the candidate believe that staying with the organization is in his or her self-interest?
- Is the candidate willing to go "above and beyond" his or her duties?

Individual Leader Engagement and Intent to Stay

Leader Name	Intent to Stay Rating	Discretionary Effort	Overall Engagement
Manoj Reddy	Concerns	Potential Concerns	Potential Concerns
Sheryl Carter	Key People	Concerns	Concerns
Jose Iglesias	Key People	Key People	Key People

Related Resource

Identify HIPOs in your organization using our [HIPO Identification Diagnostic](#).

Minimize opportunities for bias in leadership decisions by modifying the HIPO selection process.

STEP 6: PERFORM GENDER-BLIND HIPO ASSESSMENTS TO DRIVE DIVERSITY IN THE SUCCESSOR POOL

Diversify the Leadership Pipeline by Increasing Objectivity in HIPO Selection

Guidelines for HR to Ensure Gender-Blind HIPO Selection

1. Scrub any identifying information (e.g., candidate's name, gender, and age) from applications/candidate profiles so as not to influence the selection committee's decisions.
2. Brief all leaders to use gender-neutral language to refer to candidates with the gender neutral "they" rather than him/her, he/she, etc.

Common Mistakes Organizations Make When Attempting Succession-Specific Diversity Initiatives

- ✗ Measuring succession pipeline demographics alone and not measuring the impact of diversity on broader leadership outcomes
- ✗ Failing to articulate to internal stakeholders how diversity contributes to strategic leadership objectives
- ✗ Developing a one-size-fits-all diversity succession strategy and not tailoring it to meet the preferences and needs of diverse leadership segments

HIPO Applications, 2011

Illustrative

HIPO Application 2

HIPO Application 1

Experience: _____

Accomplishments: _____

Skills: _____

Related Resource

Our case profile on [BBVA: Gender-Blind HIPO Assessments](#) illustrates how BBVA improved female representation in its leadership pipeline by implementing a gender-blind HIPO assessment process.

Increase organization-employee transparency through open and honest two-way discussions for better career aspiration alignment.

STEP 7: ENCOURAGE EMPLOYEES TO OPENLY DISCUSS CAREER ASPIRATIONS WITH THEIR MANAGERS

Two Key Elements to Open Career Discussions: Breadth and Shared Responsibility

1. Breadth: Transparent conversations should cover a broad number of items to expose mismatch between employee and organizational aspirations.

Suggested Items:

- Employee career interests
- Willingness and ability to relocate
- Manager-suggested career paths
- Strengths and areas for development
- Readiness for promotion or job moves
- Talent designation (HIPO pool membership)
- Position on succession plans
- Development plans

2. Shared Responsibility: Managers and employees share ownership to make transparent conversations a success.

Employee Preparation: Sample Template

Career Interests

What are my career interests, and how do I want to communicate my career interests to my manager?

- How have I demonstrated capability in this area?
- What experiences demonstrate I am capable and prepared for this career?
- What messages do I want to deliver to my manager during the meeting?

Preparation Actions

- What additional information or supporting material do you need?
- Given the potential challenges, what support would be helpful (practice with a colleague, or ask HR for guidance)?

Manager Preparation: Sample Template

Career Interests

What do you know about the employee's career interests?

- To what degree are the employee's career interests aligned with the organization's suggested career path?
- If aligned, how can you help accelerate the employee's achievement of these career interests?
- How might significant misalignment between career interest and career path be resolved?
- What messages do I want to deliver to my employee during the meeting?

Preparation Actions

- What additional information or supporting material do you need?
- Given the potential challenges, what support would be helpful (practice with a colleague, or ask HR for guidance)?

Additional Resource

Refer to our case profile of [Corning's Transparent Talent Planning Process](#).

Facilitate informal “candidate swap” sessions between managers to ensure candidate exposure across silos.

STEP 8: ORGANIZE INFORMAL MANAGER EXCHANGES FOR BROAD CANDIDATE SOURCING

Manager Preparation Checklist for Informal Job Swap Conversations

Participant Selection

- Prepare a list of three to four candidates who would be ideal candidates for a cross-silo swap based on their:
 - development needs,
 - learning agility and ability, and
 - career interest.

Participant Selection

- List three to four positions that would be suitable for cross-silo candidates based on the roles’:
 - skill requirements and
 - criticality to business goals.

Preparing the Case for the Proposed Moves

- Prior to the informal candidate swap conversation, nominate employees you believe would be a good fit for available cross-silo roles in your organization.
- Based on the guidelines on the right, prepare your case for each candidate swap you propose.

Discussion Rules

- Ensure you honestly declare the candidate’s profile with a balance of strengths, weaknesses, development needs, and career interests.

Making a Case for a Candidate Swap

Managers should reflect on the following key points to build their case for a move before entering the informal candidate swap conversation.

- What are the key benefits of a particular cross-silo candidate move versus a traditional move within the silo?
- Do the candidate’s development needs and interests match any available cross-silo roles?
- Is the proposed swap a stretch opportunity? If yes, what is the case for the stretch move?
- What are the potential barriers to executing the actual candidate swap (e.g., lack of internal mobility)?
- What trade-offs would we have to make on other roles to swap resources as proposed?

ROADMAP: SUCCESSION MANAGEMENT PLAYBOOK



Step 9: Identify specific future skill gaps of successors.

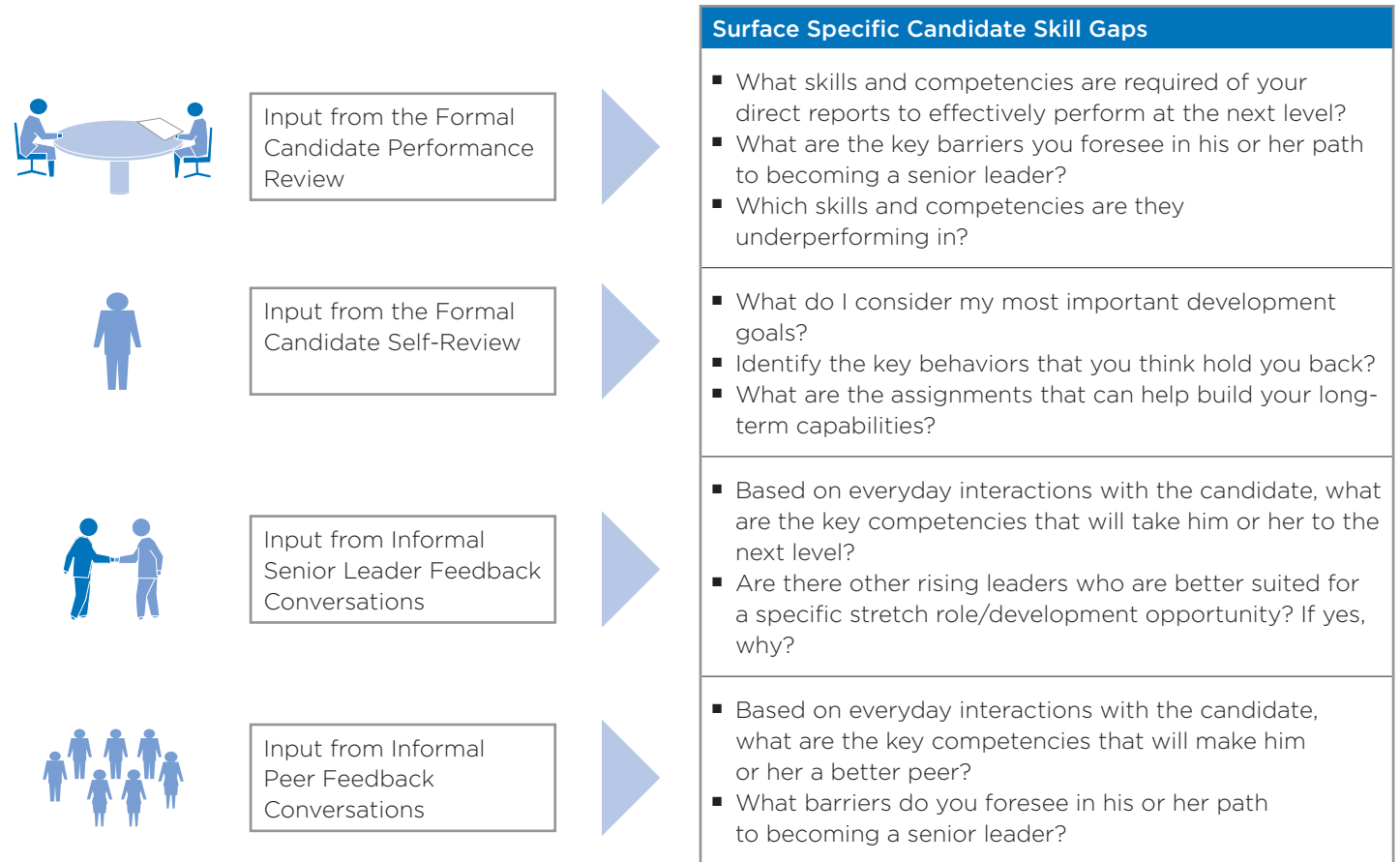
Step 10: Map out available roles, experiences, and their developmental impact.

Step 11: Facilitate candidate-role matching conversations.

Identify specific development needs for succession candidates based on multiple sources of development feedback.

STEP 9: IDENTIFY SPECIFIC FUTURE SKILL GAPS OF SUCCESSORS

Solicit Input on a Candidate's Development Needs Based on Formal and Informal Sources



Additional Resource¹

Refer to the white paper on [Rethinking Needs Analysis](#) to improve the impact of needs analysis activities.

Source: CEB analysis.

¹ Only for CEB Learning & Development members.

Highlight the development impact of different opportunities and roles to build critical skills for available positions.

STEP 10: MAP OUT AVAILABLE ROLES/EXPERIENCES AND THEIR DEVELOPMENTAL IMPACT

Sample Template to List Key Attributes of a Leadership Opportunity

Role: Sales Head Position Length: 24 Months Time Commitment: 100%
Location: Beijing, China
Skills Required <ul style="list-style-type: none"> ▪ Basic communication skills ▪ Teamwork ▪ Strong leadership skills ▪ Well-developed people management skills
Opportunities to Develop <ul style="list-style-type: none"> ▪ Agility ▪ Global exposure ▪ Critical regional experience in a key market ▪ Accountability ▪ Knowledge of key customers and sales process ▪ Deep and varied professional network ▪ Business acumen specific to China ▪ Global strategy-wide outlook ▪ Systems/organization-wide thinking

Questions to Assess Value of Experience in Helping Build Critical Competencies

Agility

- ✓ Does this role involve activities that fall outside the purview of a regular leader's comfort zone?
- ✓ Are these activities a step up in terms of the breadth and difficulty of a leader's responsibilities?

Accountability

- ✓ Is the leader performing this role provided ownership for the outcome of this activity, regardless of whether the outcome was negative or positive?

Global Strategy-Wide Outlook

- ✓ Does this role require the leader to develop a strong understanding of overall global strategy and the key strategy assumptions for each market?

Additional Resource¹

Use [Intel's Development Opportunity Tool](#) to enable employees to identify new opportunities in other parts of the organization.

Source: Intel; CEB analysis.

¹ Only for CEB Learning & Development Leadership Council members.





Match suitable candidates with opportunities by taking into account market and successor differences for the best fit.

STEP 11: FACILITATE CANDIDATE-ROLE MATCHING CONVERSATIONS

Guidelines for Matching Candidates to Roles

1. List expected key role vacancies across the next one to three years.
2. Identify candidates who will be ready for promotion or moves across the chosen time window.
3. Consider which candidates might require additional development before they are ready to move.
4. Segment markets and candidates using the considerations below to facilitate the best match.

Differentiation Criteria	
 Market Segmentation	 Candidate Segmentation
<ul style="list-style-type: none"> ▪ <i>Scale of responsibility:</i> Is the market a lead or activation market? What is its impact on overall organizational revenue? ▪ <i>Cultural characteristics/mismatch with company culture:</i> Is the culture very different from the organization's home market? Are cultural aspects hard to understand for outsiders? 	<ul style="list-style-type: none"> ▪ <i>Market experience:</i> Does the candidate have experience with working in different market sizes? ▪ <i>Personal style:</i> What is the candidate's leadership style, and are there markets they will struggle to adjust to? ▪ <i>Local leadership team composition:</i> Are there any skills missing in the existing leadership team that a different candidate could contribute? Does the team have enough mature leaders to balance out less experienced team members?

ROADMAP: SUCCESSION MANAGEMENT PLAYBOOK



Step 12: Identify potential challenges and post-move failure points associated with transitions.

Step 13: Support successor mobility through a collaborative dual career network.

Step 14: Guide current leaders in transferring their network to new leaders.

Identify potential transition risks to help rising talent identify the unique challenges they face as they enter new positions.

Note: Use the “Role Transition Checklist” on the next page to reveal the contextual challenges new leaders face as they enter positions.

Additional Resource

Refer to [Reuters Group PLC-Transition Risk-Management Tool](#) to help rising talent identify the unique challenges they face as they enter new positions.

STEP 12: IDENTIFY POTENTIAL CHALLENGES AND POST-MOVE FAILURE POINTS ASSOCIATED WITH TRANSITIONS

Common Transitions Challenges

- 1. Newly Designed Jobs:** Newly created or redesigned roles and the lack of “role” models for transitioning leaders may hamper their adjustment.
- 2. Shift from Local to Global “Reach”:** Lack of familiarity with new cultures, functions, or virtual teams are potential risks to transition success.
- 3. Move from Small to Complex Groups:** Significant changes in work settings, such as transitions from managing one function and/or level to managing multiple functions and/or levels, may complicate transitioning leaders’ adjustment.
- 4. High Degree of “Influencing” Without Direct Authority:** Jobs that require leaders to get work done primarily through networking and influencing may be more difficult for individuals with little or no exposure to those skills.
- 5. High Degree of Cultural Shift—Change in Country, Culture, Language:** Issues may arise if the transitioning leader has had no previous experience with the new country and its culture and has received little or no transitioning support and training.

CEB TOOL: ROLE TRANSITION CHECKLIST



“Role Transition Checklist” Instructions

- On the left column, identify the level of challenge involved in the new position and check the appropriate box.
- In the middle column, consider how well the individual’s experience or proven attributes fit the position and check the appropriate box.
- Using the following decision rules, check the appropriate box in the last column:
 - Where Challenge is “A” and Experience is “B” or “C,” check **High**.
 - Where Challenge is “A” and Experience is “A” OR Challenge is “B” and Experience is “B” or “C,” check **Medium**.
 - Where Challenge is “B” and Experience is “A” OR Challenge is “C” and Experience is “A,” “B,” or “C,” check **Low**.

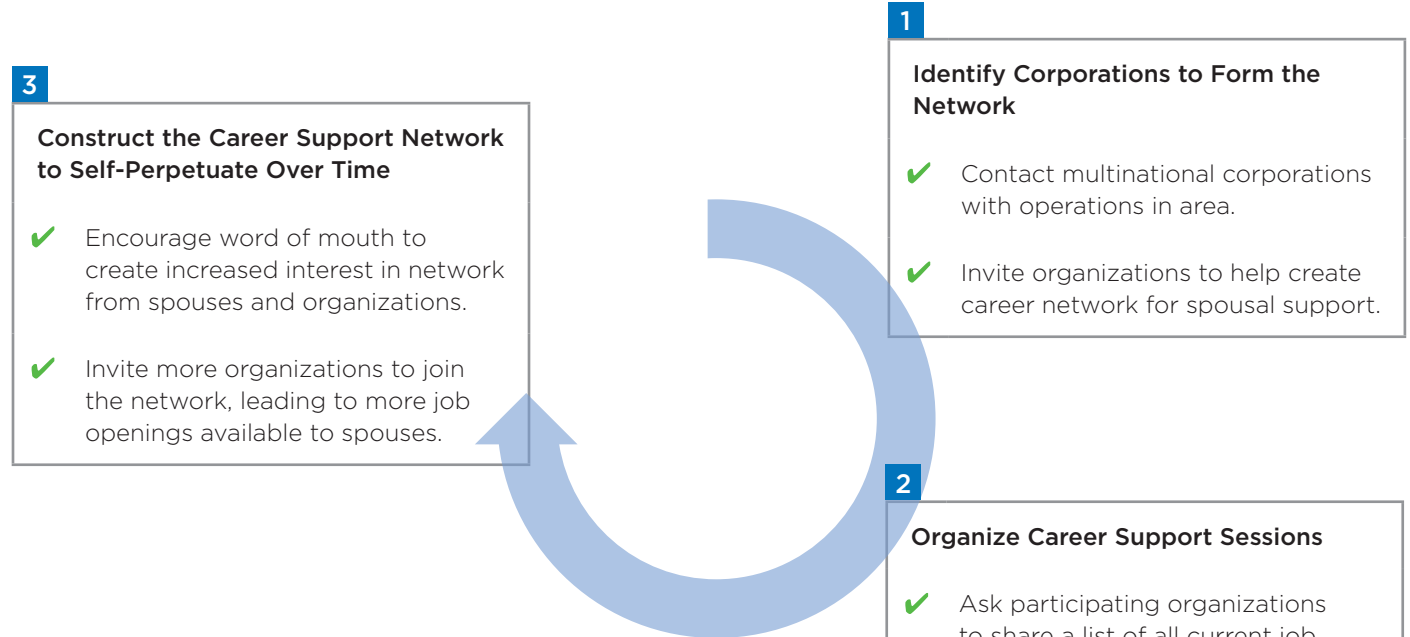
Role/Context Challenge		Individual Experience/Attributes			At Risk Summary		
					High	Medium	Low
1. Is This a New Role?							
A) Newly designed role (no incumbent)		Does this person have experience or knowledge directly related to this role?	A) Yes				
B) Significantly redesigned role			B) Maybe				
C) Role has existed for some time			C) No				
2. Knowledge Requirement							
A) Must have extensive knowledge in business area to succeed		Does this individual have the appropriate knowledge?	A) Definitely yes				
B) Sound knowledge in the area is required			B) To some degree				
C) Previous knowledge not as vital			C) To limited degree				
3. Clarity of Direction and Expected Results							
A) High degree of ambiguity in both corporate direction and results expected		Has this person successfully worked in a similar situation before?	A) Yes				
B) Some ambiguity in direction or results			B) To some degree				
C) Relatively clear			C) Not before				
4. Degree of Change to be Implemented							
A) Dramatic and fast		Has this person previously managed this degree of change?	A) Yes				
B) Relatively high			B) To some degree				
C) Incremental			C) Not before				
5. Clarity of Authority—direct authority versus need to influence							
A) Significant need to influence peers and other groups to achieve results		Has this person demonstrated the ability to network and influence others appropriate to requirement?	A) Yes				
B) Some need to influence			B) To some degree				
C) Clear authority over direct reports			C) Not before				
6. Scope of Role—requirement to direct/influence geographically dispersed and/or diverse functions							
A) Very broad/diverse scope		Has this person demonstrated the ability to manage this scope?	A) Yes				
B) Moderately broad scope			B) To some degree				
C) Relatively narrow			C) Not before				
7. Degree of Cultural Shift —new country, culture, language							
A) High		Does this person have previous experience with this culture, or have they demonstrated a strong ability to learn and adapt in similar situations?	A) Yes				
B) Medium			B) To some extent				
C) Low			C) No				
8. Organizational Context—shift from structured to entrepreneurial, head office to region/country, large to small, or vice versa							
A) Major shift in setting		Has this individual worked in a similar setting previously or demonstrated skills to adapt to a new setting?	A) Yes				
B) Significant shift in setting			B) To some extent				
C) Similar setting			C) Not Before				

Source: CEB analysis.

Overcome common mobility challenges, such as dual careers, by extending local job market guidance and networking to the spouses of your relocating employees.

STEP 13: SUPPORT SUCCESSOR MOBILITY THROUGH A COLLABORATIVE DUAL CAREER NETWORK

Framework For Forming a Collaborative Dual-Career Network for Spouses



1
Identify Corporations to Form the Network

- ✓ Contact multinational corporations with operations in area.
- ✓ Invite organizations to help create career network for spousal support.

2
Organize Career Support Sessions

- ✓ Ask participating organizations to share a list of all current job openings.
- ✓ Organize career support sessions to provide local job market guidance and networking with peer spouses and HR professionals from participating corporations.

3
Construct the Career Support Network to Self-Perpetuate Over Time

- ✓ Encourage word of mouth to create increased interest in network from spouses and organizations.
- ✓ Invite more organizations to join the network, leading to more job openings available to spouses.

Additional Resource
 The [Nestlé: Self-Sustaining Dual Career Network](#) case profile describes how Nestlé creates a network of spouses of both male and female employees accepting international positions to provide them with networking and job search support.

Sample Dual-Career Network Session Agenda

Presentation on Navigating Local Job Market	Breakout Sessions	Networking
Local HR professionals present on topics such as: <ul style="list-style-type: none"> ▪ How to write a CV ▪ How to find jobs in local market ▪ How to use social media in job search 	<ul style="list-style-type: none"> ▪ Personalized guidance from local HR professionals ▪ Skills practice from presentations 	Opportunities to meet: <ul style="list-style-type: none"> ▪ HR professionals from other organizations in network ▪ Peer spouses

Source: Nestlé; CEB analysis.

Enable new leaders to succeed in their role by extracting the information they need from the professional network they inherit.

STEP 14: GUIDE CURRENT LEADERS IN TRANSFERRING THEIR NETWORK TO NEW LEADERS

Guidelines for Current Leaders to Phase New Leaders into Their Networks

Often new leaders struggle to extract the information they need for success in their roles from their networks. Guide current leaders to gradually, but intentionally, manage the acceptance of new leaders into their networks through the Phased Network Transition Plan listed below.

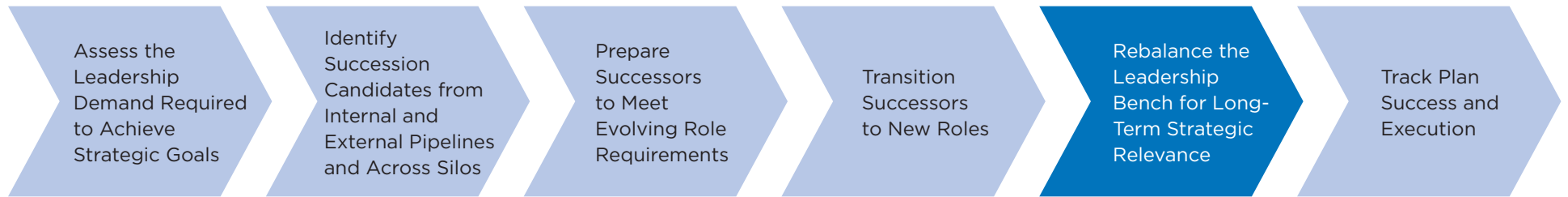
Phased Network Transition Plan for Current Leaders

	Time to Transition →		
	Phase I: Introduction	Phase II: Participation	Phase III: Ownership
Your Role in Network Interactions	Owner of interaction outcome	Influencer of decisions	Arbitrator of decisions, if required
Role of the Transitioning Leader in Network Interactions	Observer	Participant	Owner
Your Responsibilities	Introduce the transitioning leader as your successor. The transitioning leader should follow you into network interactions as a guest.	Over a period of time, have the transitioning leader participate equally under your supervision and intervention.	By the time you are about to leave, the transitioning leader should be fully accepted by the network and should ideally be fully conversant with its functioning.

Additional Resource

The [Kohler Company: Phased Network Transfer](#) case profile describes how Kohler overcomes this challenge by guiding current leaders to phase new leaders into their networks.

ROADMAP: SUCCESSION MANAGEMENT PLAYBOOK



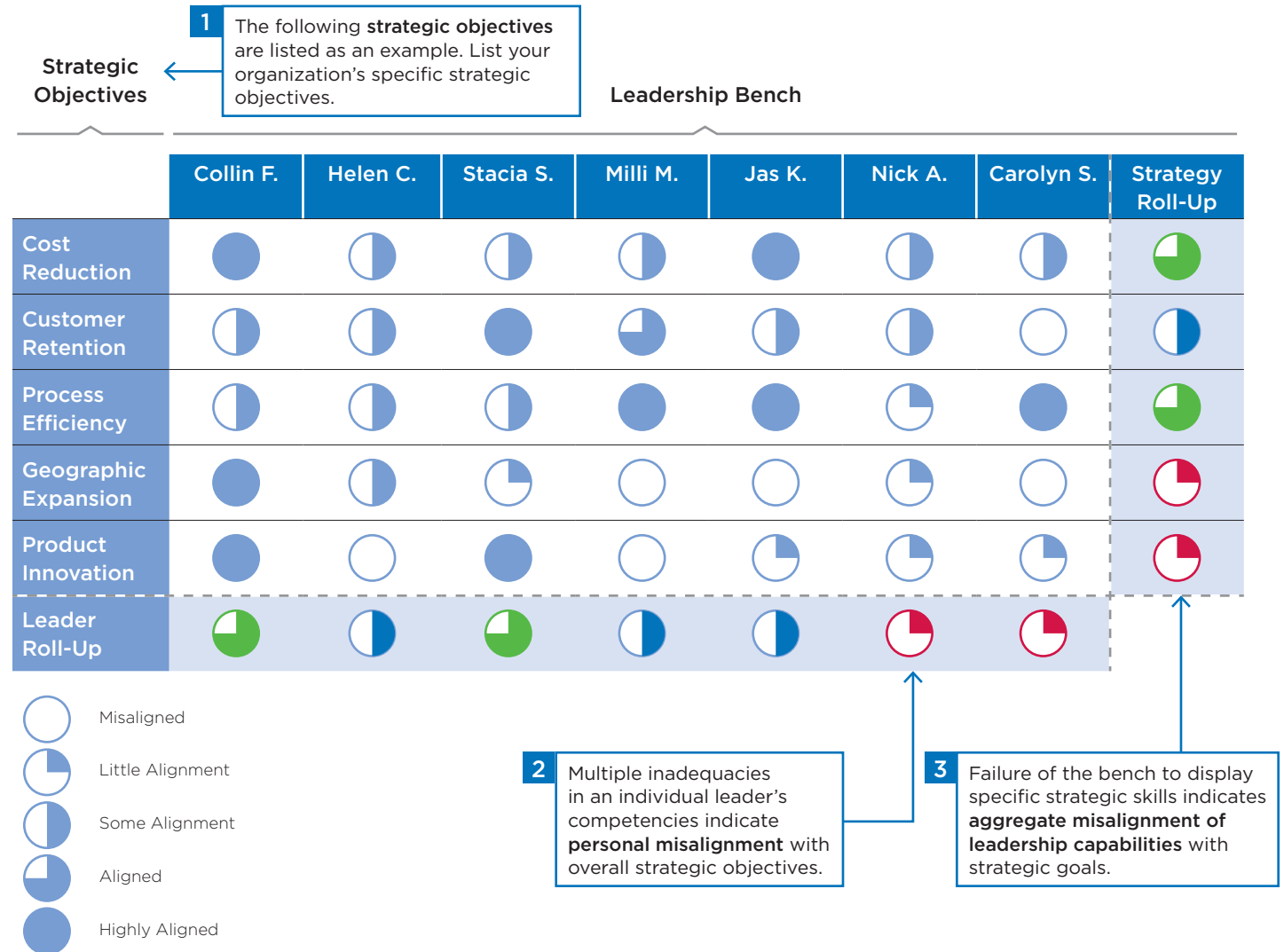
Step 15: Periodically reevaluate the leadership bench for alignment to strategic goals.

Step 16: Identify alternative career move options for reassigning leaders.

Step 17: Set expectations with leaders early in their careers for continuous career evolution.

Evaluate senior leaders annually for alignment with future strategy to determine their next moves and create space for newly needed capabilities.

STEP 15: PERIODICALLY REEVALUATE THE LEADERSHIP BENCH FOR ALIGNMENT TO STRATEGIC GOALS



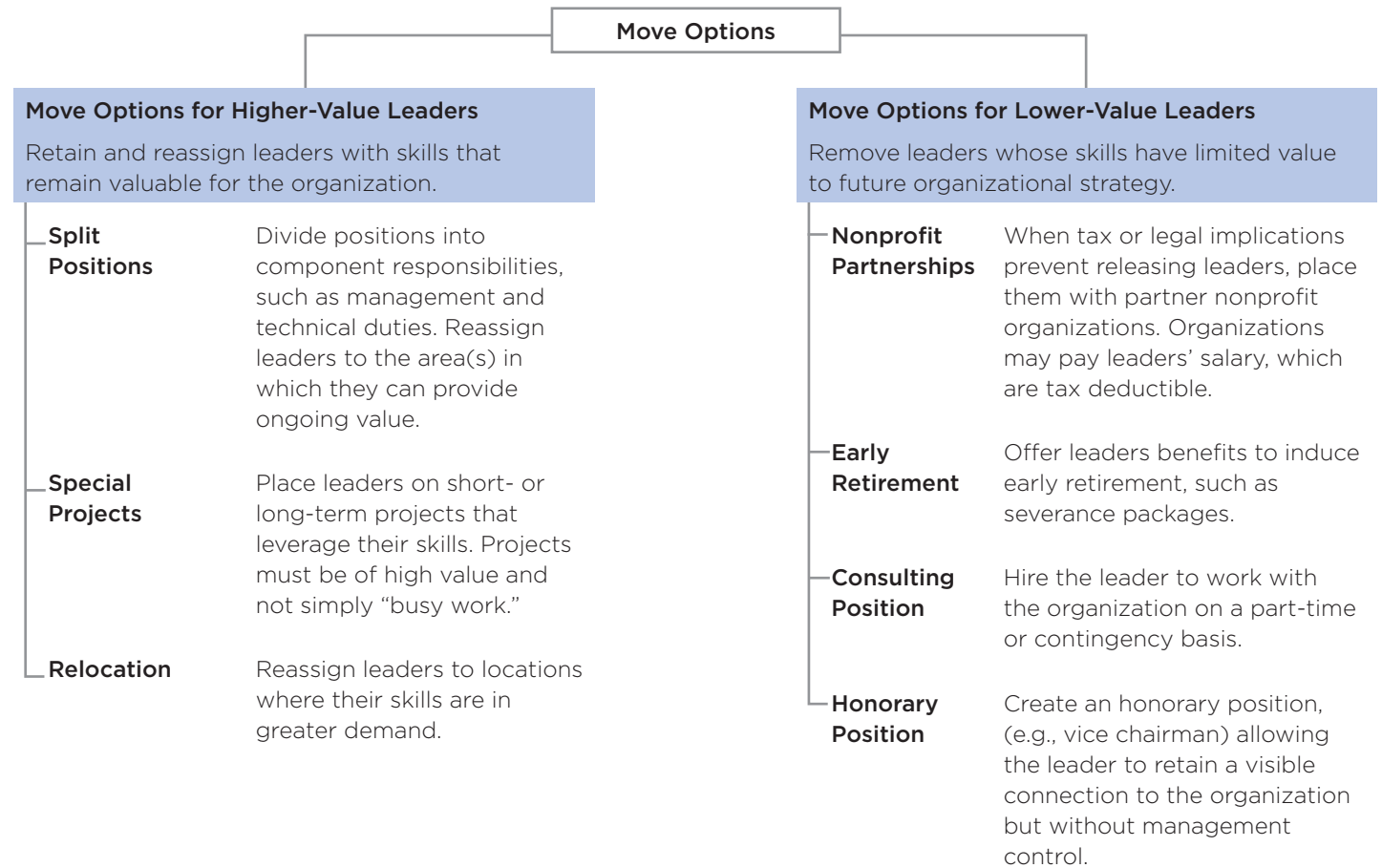


List alternative career moves to reassign leaders based on leader skill set value and available opportunities.

STEP 16: IDENTIFY ALTERNATIVE CAREER MOVE OPTIONS FOR REASSIGNING LEADERS



Move Options for Rebalancing the Leadership Bench



Managing Risks Associated with Career Arcs

Despite the importance of rebalancing leadership benches, career arc strategies pose possible risks to the organization—such as age discrimination claims or, when moving a popular leader, dissatisfaction across the remaining leadership team. Consider these risks to help determine the appropriate move strategy.

Position careers as continuous moves to manage leader expectations and facilitate mutual agreement on moves.

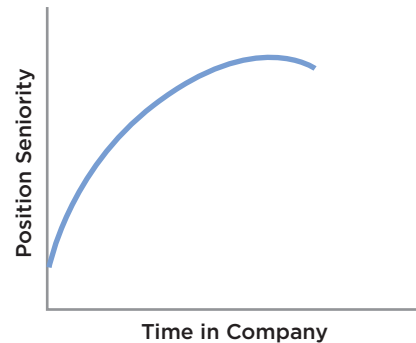
STEP 17: SET EXPECTATIONS WITH LEADERS EARLY IN THEIR CAREERS FOR CONTINUOUS CAREER EVOLUTION

Guidelines for Setting Expectations Around Continuous Career Evolution

- ✓ Position careers as continuous moves to manage leader expectations and facilitate mutual agreement on moves.
- ✓ To prevent acrimonious departures, manage expectations around moves, and even demotions, once employees have reached senior positions.
- ✓ Based on this foundation, manage conversations toward mutual agreement, preventing the unnecessary loss of leaders' expertise.



Position Careers as Career Arcs During New Hire Onboarding



Set Expectations During New Hire Onboarding

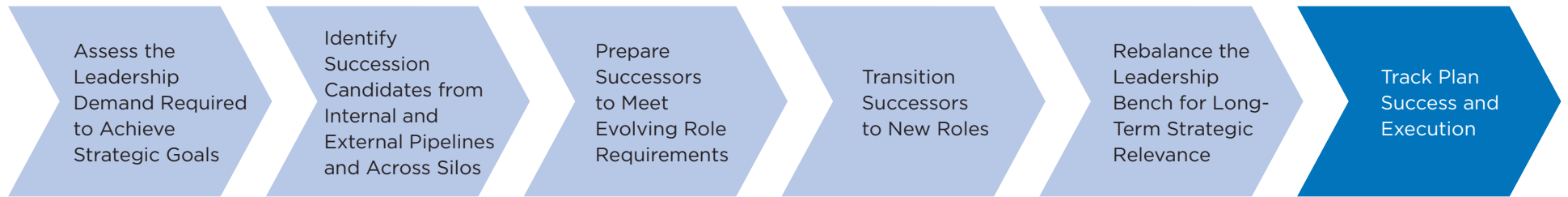
- Employees are accepting roles for four to five years.
- They are expected to move on to new roles at the end of those years, whether vertically or laterally.
- Careers will not rise continuously but will arc with lateral moves or may include a climb-down before the end of employees' working lives.



Additional Resource

Refer to our case profile of [Gamma Company](#) on Senior Leader Bench Recalibration.

ROADMAP: SUCCESSION MANAGEMENT PLAYBOOK



Step 18: Adapt succession strategy as business conditions change.

Step 19: Measure and communicate progress against succession goals.

Determine if you need to modify individual activities or if a major strategic objective must be modified to stay up to date with workforce and business realities.

STEP 18: ADAPT SUCCESSION STRATEGY AS BUSINESS CONDITIONS CHANGE

Checklist for Reviewing and Adapting the Succession Strategy

✓ **To what extent is the succession plan changing?**

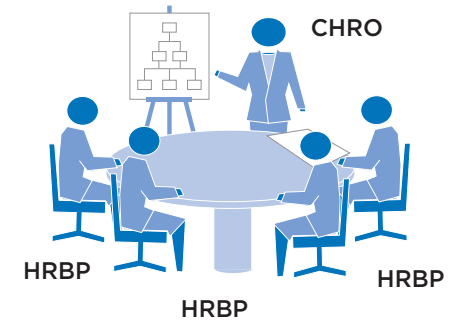
Based on a change in business conditions or priorities, HR may need to tweak an objective or entirely replace one or more objectives (e.g., an increased need in “big data” skills).

✓ **How does the alteration or replacement of selected objective(s) impact remaining succession objectives?**

By adapting one part of the overall succession plan, HR should assess if succession allocations for other functions will change (e.g., recruiting and development budget).

✓ **How will we realign succession allocations to achieve modified or new objectives?**

Reassess the current succession plan given changes in strategic goals. (e.g., divert part of the recruiting/development budget toward buying/building leadership capabilities for “big data”).





Track and communicate progress against succession plans to drive urgency and accountability across HR and to keep the plans top of mind for business leaders.

STEP 19: MEASURE AND COMMUNICATE PROGRESS AGAINST SUCCESSION GOALS

Scorecard Template to Track Progress Against Succession Objectives

	Talent Risks	Objective	Current Value	Target for June 2014	Details	Status
1	Thirty percent of our senior business leaders will retire by 2015.	Organize stretch moves for 30% of leadership pipeline.	Twenty rising leaders in high-impact stretch roles	Thirty rising leaders in stretch roles		Green
2	New critical roles in data mining will emerge by 2015.	Develop a team of 5-6 senior data scientists.	One senior data scientist hired externally	A team of senior data scientists		Red

Characteristics of Best-in-Class Scorecards

1. Identify emerging business risks.
2. Align clearly to corporate objectives and HR goals to measure the succession activities and results most relevant to business performance.
3. Provide trend data on key metrics to compare present results to past performance.
4. Incorporate leading indicators into metrics design, allowing for proactive risk management.
5. Provide information selectively to make dashboard content easier to internalize and more action oriented.
6. Provide context (e.g., trends, external benchmarks, commentary) to facilitate decision making.
7. Disaggregate data to present more precise, localized measures of activity and performance, leading to more effective risk management.
8. Incorporate judgment where appropriate, and make predictions if feasible to do so.
9. Compare measures at the business division or regional level to corporate results.
10. Show targets for key metrics alongside actual values.