

CANADIAN SOCIETY OF ASSOCIATION EXECUTIVES

Succession Planning

Succeeding at Succession

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Acknowledgements

I wrote a manual two years ago on succession planning for the Canadian Real Estate Association, which is now used by real estate boards and REALTORS® associations throughout Canada.

While the material in this monograph for the Canadian Society of Association Executives has its own unique material, there are a few 'gems' from the earlier work for the real estate sector that have been incorporated here. I want to acknowledge and thank the Canadian Real Estate Association for providing permission to do so.

I also want to acknowledge the use of terminology in the monograph to describe the chief staff executive position. I have used the term CEO and Chief Staff Officer to identify the most senior employee of a not-for-profit organization. Further, for the governing body, I have used the terms Board and Board of Directors.

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Introduction to Succession Planning

Succession planning is an ongoing, proactive, and strategic process. The goal is to identify, and then meet, the future requirements of the organization by preparing candidates who will become equipped with the necessary competencies to excel in a job. Where no current employee has the potential to succeed in the intended role, the organization will create contingency plans (e.g. a budget for executive search services) as part of its succession management strategy to hire qualified people who currently do not work for the organization.

The process is also a continuum, from possibly having no succession management practices in place, to the eventual outcome of having an organization-wide commitment where the competency needs required by the organization to meet strategic outcomes are met through the continuous development of employees. To use a sports analogy, imagine the star pitcher on the mound with equally capable athletes warming up in the bullpen.

One association¹ in Canada has defined succession planning as “an ongoing organizational process to minimize the negative business impacts resulting from employees leaving an organization or a role within an organization.”

Succession planning is not about trying to guarantee future jobs for current employees. The process must first look to the organization’s future vision and strategic plan, and define what competencies the organization will require to meet its mandate. At this point the employer can set about cultivating the careers of the best employees by looking at staff who perform well, want to excel, and who have the potential to grow.

¹ Industrial Accident Prevention Association (IAPA), Ontario

Chapter 1: Getting Started

Succession planning is a process, and to be successful the organization's Chief Staff Officer and board leadership must prepare for succession planning before starting the actual process.

Consider the four walls to a sturdy foundation. The four walls in the foundation of succession planning are:

1. Leadership support for the process.
2. Current job-related, outcomes-focused documentation.
3. Ongoing performance management system.
4. Commitment to professional development for staff, with an annual budget to enable approved training.

Foundational Factor 1: Leadership Support

Succession planning will require resources – time, people, and money. Fortunately, it is an investment that pays dividends on many levels. Succession planning also requires a formalized commitment, through the setting of board policy, to raise the potential that the strategic investment made by the current year's Board of Directors is sustained by successive boards.

The duty to ensure that current and future boards are aware of their succession planning responsibilities rests with the Chief Staff Officer. The senior employee must reinforce that succession planning is instilled in the culture of the organization.

Chief Staff Officer action items:

- *Provide copies of this monograph to the Board Chair and other key member leaders;*
- *Draft a resolution, for Board discussion and consideration, which details the organization's commitment to succession planning (the CEO may want to begin by familiarizing the Board officers with the benefits of succession planning and have the Board Chair 'champion the issue');*
- *Include succession planning in each director's orientation;*
- *Provide succession planning status reports on the Board agenda at least once per year; and*
- *Reinforce elements vital to succession planning by reminding committees of the organization's policies (e.g., ensuring the finance committee allocates funds for staff training in the annual budget).*

Board of Directors' action items:

- *Ensure the organization has a performance management system that is followed; and*
- *Hold the Chief Staff Officer accountable for implementing a succession plan, by reporting back to the Board of Directors on the status of the plan (e.g. staff progress in learning new skills) at intervals the Board will determine.*

The return-on-investment (ROI) that arises from succession planning is outlined throughout this monograph. Additionally, the Chief Staff Officer needs to be mindful that most board leaders are anxious about the prospect of having to manage a major hiring process during their term of office. Volunteers have enough to do without the added responsibility of a CEO search and hiring process. “Just don’t leave on my watch,” is an often-heard request from incoming chief elected officers. Therefore, succession planning helps overcome the uncertainty of staff change by preparing existing staff to step into key jobs as they become available.

The Chief Staff Officer needs to positively reinforce with the Board that succession planning is an investment in the future, mitigating some of the cost, effort and, at times, even disruption which can arise when an organization suddenly finds itself without staff.

Foundational Factor 2: Documenting for Operational Continuity

Consider for a moment all of the existing sources of information currently housed within an organization which provide insight on what the organization is expected to accomplish in carrying out its mission.

Members may look to the founding organizational documents – letters patent and by-laws. The Board of Directors may look to the strategic plan, annual business plan, the budget, and terms of reference for committees and task forces. The CEO and other staff may look to their job descriptions, board resolutions (minutes), and the tangible outcomes assigned to them for projects and tasks during a specific time period (monthly, quarterly, etc.).

The challenge for many with an urgent need to access this information is knowing where to find it. Imagine an event where the Chief Staff Officer has a serious accident and can neither come to the office nor tell an employee (or volunteer) where vital information is located.

Operational continuity is an important expectation that boards must set and require their CEO to meet. The challenge is two-fold in many associations and charities: the