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The 7 deadly sins of succession planning

Tackling the wave of boomer retirements

As the boomer generation gets ready to retire, the words 'succession planning' are on the lips of CEOs and business owners across the country – or they should be.

"You only need to read the business pages to know that not having a plan for succession can be a serious liability, yet companies seem to get hit from behind time and again," says John Szold, managing director of psychometric assessment and consulting firm Caliper Canada.

Succession planning not only ensures a continuity of leadership but it supports future growth through the retention and development of a company's brightest talent. Effective succession planning can also be the key to increased motivation, performance improvement and a seamless transition from one management team to the next, said Szold.

Caliper has identified some of the key challenges organizations face in what it has termed the 7 deadly sins of succession planning."

1. The job is for life – The most common error organizations make is to assume that remain the same. With no specific plans for succession in place, the inevitable can trigger, on the other hand, the development and implementation of an effective succession planning potentially negative scenario into a positive opportunity of change and internal advancement.

2. What this place needs is more people like me – Leaders who hire or promote in their own image run the risk of creating a band of "Mini-mes" rather than a well-balanced team in which the challenges of one member are balanced by the strengths of another. Many successful leaders, such as John Risley of Clearwater Fine Foods, have attributed their success to surrounding themselves with individuals who have complementary skills and strengths.

3. What this place needs is new blood – Bringing in new people may "shake things up" and de-motivate the individuals who have been contributing for years by robbing them of their shine. Before adding "new blood" to the team, assess the skills and potential of existing team members. The company's next CEO may be languishing in another role.

4. Managing 'things' qualifies you to manage people – Promoting the best functional manager without assessing and bolstering their management skills can be a recipe for disaster. A structured process to identify which of these performers have the potential to be effective people managers, business developers, or project leaders, organizations can ensure that their best people develop into roles that play to their strengths.

5. Let's keep this to ourselves – Identifying high-potential candidates for future leadership is the first step, but not letting them know about it is a mistake. Not only do companies run the risk of losing top performers to a competitive job market, but they also miss a valuable opportunity for

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effective succession planning process can encourage and motivate high-potential em advancement.

6. Everyone wants to be a senior exec – Not all managers want to face the stress c But these same managers can be a big asset to an organization. They can become e and experienced resources within the organization – especially in times of transition.

7. Blood is thicker than water – Just because a son or daughter is in line to take ovi business doesn't mean they're qualified to be an effective leader. Call it the third gene the truth is some well-known Canadian families, such as the Thomsons, have manag company from one generation to generation successfully while others, such as the Ee Westons, have had bigger challenges.

Another common succession planning sin is the assumption that businesses and mar static, said Szold.

"Many organizations work under the notion that 'nothing ever changes.' They assume competencies and traits needed to run the business five years from now are the same today," he said. "But the entrepreneurial leader who successfully built a company fron may not have what it takes to run a bigger, more established company five or ten yea

Instead, an effective succession planning process actually matches an organization's its future needs, said Szold. And, by approaching and implementing succession decis way, crises are avoided and continuous performance improvement is reinforced.



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