Creating Greater Success in Succession Planning

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The problem and the solution. The prevalence of formalized succession planning practices in organizations appears to be increasing, largely due to changing demographic and related trends. However, many organization leaders report low levels of confidence in their succession planning systems and processes. Best succession and talent management practices can help organizations achieve significant benefits, including improved financial performance. A practical, five-step approach to succession planning is proposed that incorporates both best practices and an innovative application of role theory. The approach should help organizations look to and prepare for the future more effectively, including better specifying the future requirements they will have for their leaders. Implications for human resource development (HRD) professionals and recommendations for further research are discussed.

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Succession planning systems are intended to help organizations manage their talent pipeline. The goal is to ensure that the quantity and quality of executive leaders the organization needs are identified, fully capable, and ready to contribute to the effective performance of a business over time. In a recent review, succession planning was defined as "a structured process involving the identification and preparation of a potential successor to assume a new role," implying the need for a reliable, repeatable process (Garman & Glawe, 2004, p. 120). The term is often used interchangeably with an array of other terms including talent management, human capital management, workforce planning, and performance management. Generally, however, succession planning refers to special efforts to invest in the best, highest performing, or highest potential talent at any organizational level or function, but particularly at or near the top.

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The most comprehensive succession planning systems accomplish two things: (a) they provide the processes and structure for identifying and understanding the leadership talent in the organization, and (b) they emphasize and facilitate ongoing learning and development for the organization's most talented leaders.

Why Succession Planning?

Many organizations have implemented succession planning and talent management systems, or know they should. In a recent study conducted by the Society for Human Resource Management (Fegley, 2006), 58% of respondents indicated their organization had either a formal or informal succession planning system in place, and an additional 26% reported intentions to develop one. Only 16% had no succession system and no intention to create one. To that end, consistent findings populate the literature. For example, Garman and Glawe (2004) estimated that 40% to 65% of organizations had succession planning processes in place. In a survey conducted by Development Dimensions International of more than 4,500 leaders from more than 900 organizations, 55% reported they had a succession plan (Bernthal & Wellins, 2006).

A number of trends, events, and their likely implications are causing organizations to take succession planning seriously. First, demographic trends in the United States clearly point to the need for developing and retaining talent. The baby boom generation is entering retirement, and dramatically lower numbers of employees populate the generation that will follow. According to DeLong (2004), workers who are 45 years or older are expected to increase from 33% to 40% of the workforce between 1998 and 2008. During the same time period, workers aged 25 to 44 will shrink from 51% to 44% of the labor force, a decline of 3 million workers from the pool expected to replace the 17 million projected to reach retirement age. In a survey conducted by Accenture completed by 251 executives in six countries and five major industry segments, 28% of the sample reported they are feeling the impact of these trends already, and 32% indicated they expect to begin to feel the impact within 5 years (Balaguer, Cheese, & Marchetti, 2006). In a similar study, RHR International (2004) reported that half of the companies surveyed expected to lose 50% or more of their senior management by the year 2010.

A second and related trend is that younger workers have different values and attitudes toward their jobs and their employers than their predecessors. At least four generations exist in today's workforce, including generations X and Y. There are differences between these generations, but compared to baby boomers, both appear to be more independent, more concerned with work-life balance, want work that is more interesting and meaningful while also desiring greater independence and flexibility, and want more training and learning opportunities. They are also more comfortable with and savvy about technology and tend to be more cynical or distrustful of their employers' abilities to reward and retain them in the future (Cascio, 2006; Gibson, Ivancevich, Donnely, & Konopaske, 2006).

A third issue concerns the retention and transfer of knowledge as more and more of an organization's competitive advantage shifts to employee know-how. Workforce changes caused by demographic trends, retirements, mid-career changes, and reorganizations will decrease the capacity organizations have for effective action, decision-making, efficiency, productivity, and innovation and growth—potentially leading to serious threats to an organization's competitive advantage (DeLong, 2004).

A fourth factor is the passage of the Sarbanes-Oxley Act of 2002, which has refocused boards of directors on the issue of corporate governance. Today, it is a rare board that is not asking penetrating questions and demanding answers about leadership succession at the top. The fifth issue involves increasing globalization, which requires a greater supply of global leaders who have common organizational values (i.e., shared organizational assumptions, beliefs, and philosophies) and who can improve integration and alignment across geographies. A sixth and final trend concerns the accelerating rate and degree of change in markets, technologies, and customer preferences. Without mechanisms in place to minimize the risks of lost opportunity, ensure business continuity, and find new avenues for growth, organizations may not be able to maintain the advantages they have worked so hard to achieve (Corporate Leadership Council, 2003; Rothwell, 2005).

The Benefits of Good Succession Planning

For all these reasons, most organizations recognize that succession planning makes good business sense. Organizations recognize that good leadership matters, and that sound succession practices can directly impact and strengthen leadership bench strength. The benefits include providing leadership continuity, reducing turnover, increasing retention of key personnel, and directly or indirectly improving business and financial results. In a study of 731 manufacturing organizations in Europe and the United States, well-managed firms performed significantly better than poorly managed firms with higher levels of productivity, profit, and sales growth (Bloom, Dorgan, Dowdy, Van Reenen, & Rippin, 2005). From their database of more than 20,000 leaders, Zenger and Folkman (2002) conducted a number of analyses that showed effective leadership had a dramatic impact on every measurable dimension of organizational performance (e.g., employee commitment, turnover, profit, and customer satisfaction, among others).

In one study of 56 U.S. companies included in Garman and Glawe's review (2004), those with top quintile talent management practices had a 22% higher return to shareholders than their industries' means. Pomeroy (2006) reported research showing that companies that had low annual executive attrition rates (less than 5%) were also more likely to have formal retention and succession programs, which produced significantly lower costs per new hire and lower costs of separation per employee. In a study of 702 firms, shareholder wealth was found to be $41,000 per employee higher in companies with strong leaders and good human resource (HR) systems and process, including succession (Huselid & Becker, 1997). Although direct evidence of return on investment is scarce, well-designed, well-executed succession planning systems can contribute real value to an organization in a number of ways.

Too Many Succession Planning Systems Are Broken

There is another disturbing trend in the literature: Most organizational leaders feel their current succession planning efforts are inadequate or simply broken, and they report low confidence in their organizations' abilities to remedy the situation. Research from the Corporate Leadership Council (2003) reported that nearly three fourths of executives surveyed rated their succession systems as less than moderately successful. RHR's survey (2004) showed that only 25% of the companies responding were highly confident they had sufficient talent to meet their future growth needs. In Accenture's study (Balaguer et al., 2006), no more than 19% of respondents indicated their talent management strategies and efforts were highly effective. In the largest study of leadership development and succession we found, a full one third (34%) of the more than 900 organizations surveyed rated their succession planning systems as ineffective (Bernthal & Wellins, 2006).

The literature on manager failure and derailment is sobering. The Corporate Leadership Council (2005) estimated that less than 20% of employees have better than a 50% chance of succeeding at the next level. Furthermore, Hogan and Kaiser (2005) report that the base rate of perceived managerial incompetence is estimated to be at least 50%. The statistics on chief executive officer (CEO) turnover are also telling. Annual turnover of CEOs across the globe increased 59% between 1995 and 2006. Although the 2006 CEO turnover rate decreased slightly from its high point in 2005, it remains significantly higher than the levels of the late 1990s and early 2000s (Lucier, Wheeler, & Habbel, 2007). A 2005 study in the *Harvard Business Review* reported that two out of every five new CEOs failed in the first 18 months (Charan, 2005). The need for top leadership talent is obvious, but talent management, leadership development, and succession planning systems are failing to provide effective leaders for their organizations. As a result, many organizations must too often resort to looking elsewhere rather than at their own people for the leadership talent they need.

We believe many succession planning processes and systems suffer from several problems in their design and methodology account for much of the dissatisfaction and alarming lack of confidence most leaders report when asked about their succession management systems. They are replacement-oriented. They are overly focused on identifying successors for a particular job or position and not on the future leadership needs of the organization. Too often, the succession process ends once successors are identified and too little attention is given to ongoing development for those involved—despite the clear call for this in the best practice literature. This causes them to become unnecessarily static, bureaucratic, and cumbersome in their methods and unwittingly reinforces the replacement mentality. They are anchored in the past—largely due to an over-reliance on competencies as criteria for evaluating successor skill and readiness to advance. They use poorly defined concepts of potential—often confusing future potential with strong current performance and ignoring the presence of potentially critical derailers (see Hogan, Curphy, & Hogan, 1994; Lombardo & McCauley, 1988).

Best Practices in Succession Planning

To achieve the outcomes described above, organizations can follow rather widely documented best practices. Rothwell (2005) included a comprehensive summary and several lists of best practices and approaches. Both the Corporate Leadership Council (2003) and Linkage, Inc. (Sobol, Harkins, & Conley, 2007) included descriptions of company case studies that illustrate best practices in detail. An overview is provided in Table 1, including several representative sources for each best practice. The best practices we reviewed seem to cluster into four categories: (a) those that characterize the succession planning process overall; (b) how key talent is identified, reviewed, and evaluated; (c) feedback and development; and (d) measurement.

The Process Overall

Good succession planning should be designed to meet the needs of the organization, particularly what it needs to implement its strategy effectively. This implies that senior leaders need to be active and involved (Rothwell, 2005)—both as participants and as decision-makers. The succession planning process should be systematic and repeatable, and intelligently positioned in the organization's annual cycle of business processes (Dowell, 2002). Planning is a must, and particular attention should be paid to identifying the positions for which well-prepared successors are most critical (Cohn, Khurana, & Reeves, 2005). Best practice organizations place responsibility for identifying and developing successor candidates on line business leaders (Karaevli & Hall, 2003), although HR can and should ensure that the process is well-designed and executed (Kessler, 2002). Finally, succession planning systems should be designed to be simple, flexible, and amenable to continuous improvement (Conger & Fulmer, 2003).

Talent Identification and Review

Good workforce planning is key; retirements and departures should be anticipated (Rothwell, 2005). Conger and Fulmer (2003) made a specific

TABLE 1: Best Practices in Succession Planning

Component	Best Practice	Representative Source
Overall process	Translate business strategy into a talent strategy. This increases its relevance, as well as the chances that it will produce real benefits for the organization.	Corporate Leadership Council, 2003; Garman & Glawe, 2004; Rothwell, 2005
	Secure active involvement and support from the top. Substantive involvement in succession planning from the top breeds commitment and buy-in, and models its importance for the rest the organization.	Garman & Glawe, 2004; Kessler, 2002; Sobol, Harkins, & Conley, 2007
	Install a systematic and cyclical process of talent identification, review, and development. Good succession planning cannot be a one-time or periodic event.	Dowell, 2002; Rothwell, 2005
	Succession planning activities are coordinated with other HR and management systems and processes. HR is a critical partner. Succession planning becomes real and practical when it is the responsibility of line management. HR professionals are critical to developing the best design, the most effective tools, and the appropriate evaluative metrics.	Karaevli & Hall, 2003; Kessler, 2002; Rothwell, 2005
	Design simplicity and flexibility into the succession planning system. Like all systems and processes, succession planning must be continuously improved.	Conger & Fulmer, 2003; Karaevli & Hall, 2003
Talent identification and review	Key departures are anticipated–succession planning is focused on the talent most critical to the business's future. Not all leadership positions are equally critical. Some functions and some positions within functions are more important than others.	Barner, 2006; Conger & Fulmer, 2003; Corporate Leadership Council, 2003
	Succession planning spans several levels and is not replacement planning. Succession at the top is necessary, but not sufficient for most organizations.	Bernthal & Wellins, 2006; Karaevli & Hall, 2003; Kessler, 2002

(continued)

TABLE 1: (continued)

Component	Best Practice	Representative Source
	Early identification and development of leadership talent below the top level helps ensure an organization has a ready supply of leaders in the pipeline.	
	Talent is reviewed across the organization–talent is not siloed. The most talented leaders are placed in the most critical business functions. Human resources are an organizational asset. They do not belong to one manager or one function.	Bernthal & Wellins, 2006; Corporate Leadership Council, 2003; Cohn, Khurana, & Reeves, 2005
	Formal criteria–usually a core set of leadership competencies–are used to evaluate successor candidates. Ratings against commonly understood and accepted criteria (e.g., competencies) tailored to the organization add considerable breadth and objectivity to the evaluation process.	Bernthal & Wellins, 2006; Kessler, 2002; Sobol, Harkins, & Conley, 2007
	Define potential and the requirements for performance at the next level. Performance does not necessarily equate to potential. It is critical in succession planning that those judging talent be educated on what success at the next level really entails so they can evaluate accurately.	Barner, 2006; Corporate Leadership Council, 2005; Karaevli & Hall, 2003
Feedback and development	Make the process transparent–communicate and provide feedback regularly. Communicate to successors openly and actively nurture their development and growth.	Conger & Fulmer, 2003; Garman & Glawe, 2004; Kessler, 2002
	Diverse developmental experiences increase leadership readiness. When development is taken seriously, organizations minimize the risk of promoting someone who will fail in their new role. New or expanded job responsibilities or stretch assignments do the most to prepare	Conger & Fulmer, 2003; Corporate Leadership Council, 2005; Garman & Glawe, 2004; Rothwell, 2005

(continued)

TABLE 1: (continued)

Component	Best Practice	Representative Source
	individuals for future leadership roles; however, coaching, mentoring, and formal training are also useful.	
Measurement	Establish measures of succession planning effectiveness. Evaluate the impact of succession for the organization as well as on the individuals who are involved.	Bernthal & Wellins, 2006; Conger & Fulmer, 2003; Rothwell, 2005

point about the need to focus on linchpin positions—those that are the most essential to the long-term success of the organization. Succession planning systems ought to extend down through the top two or three levels (or further) in an organization, especially in larger organizations (Bernthal & Wellins, 2006). Best practice organizations identify multiple successors for key positions and adopt a pooled or cross-functional perspective when thinking about talent moves. Talent should be a shared organizational resource. Moving leaders across functions can help an organization revitalize itself without going to the outside, and also gives them an opportunity to add breadth (Cohn et al., 2005).

Data-driven decisions about individual successor candidates characterize the evaluation process in best practice organizations (Sobol et al., 2007). Leadership competencies provide better evaluation criteria than performance appraisal data, although some question their use in predicting future performance (Kessler, 2002), or suggest simply focusing on learning or adaptability as identification and evaluation criteria for successor candidates (Karaevli & Hall, 2003). There is an emphasis on understanding potential for the future, and recent research by the Corporate Leadership Council (2005) suggested that it is a concept that is poorly operationalized and not at all well-predicted by current or past performance. *Potential* has been defined as the capacity to transition to the next level where substantively new or different skills are required (Charan, Drotter, & Noel, 2001), but the Corporate Leadership Council's (2005) research indicated that a majority of employees identified as high potential do not have what it takes to be successful in more senior, critical roles. Multiple assessment methods (e.g., 360 feedback or psychological assessment), often provided with assistance from outside consultants, can support judgments about both current skill level and future potential (Barner, 2006; Garman & Glawe, 2004) and help achieve accuracy and objectivity in the talent evaluation process.

Feedback and Development

Best practice organizations operate their succession planning processes with transparency and focus it on development. Organizations who do this well communicate openly and provide good feedback to successor candidates on a regular basis (Conger & Fulmer, 2003; Garman & Glawe, 2004). The single most frequently cited best practice recommendation we found was some version of the need to optimize succession planning by tying it to development for successor candidates (e.g., see Cohn et al., 2005; Rothwell, 2005; Sobol et al., 2007). Development planning must be credible, realistic, and attainable; poor or unrealistic development planning causes significant dissatisfaction and can actually diminish one's potential (Corporate Leadership Council, 2005). Finally, best practice organizations know that adults learn in a variety of ways, but primarily through experience (McCall, Lombardo, & Morrison, 1988). New or expanded job responsibilities, stretch assignments, and otherwise challenging experiences are the best ways in which people learn and which do the most to prepare individuals for future leadership roles.

Measurement

A final best practice concerns the importance of measurement. Bernthal and Wellins (2006) noted an increased emphasis in the literature on improving organizational performance through measurement. They advocate establishing measures for evaluating succession planning and organizational performance such as increased job satisfaction and engagement, increased participation in learning and development activities, increased retention, or a decreased percentage of external hires for key positions. Rothwell (2005), Garman and Glawe (2004), and others underscore the role that good measurement and evaluation adds to demonstrating and improving the value of the succession planning process.

A Practical Approach to High-Impact Succession Planning

To be sure, several good resources exist that provide detailed steps, processes, and instructions for effective succession planning. For example, Rothwell (2005) included a variety of useful diagnostics and tools. Alternatively, Dowell (2002) offered a sound approach in his chapter. He emphasizes the need to ask and answer the right questions early, making the obvious point that good succession planning requires thoughtful preparation, discussion, and design.

Below, we propose a practical approach to succession planning that integrates the elements featured in the best practice literature. The model is not necessarily as unique as it is straightforward. Many experienced HR professionals will be familiar with the steps and practices we outline below. We believe its value lies in its simplicity and practicality. However, we propose a process that orients it toward the future and strengthens the link to the organization's business strategy by incorporating role theory, which we have not found widely discussed or applied to succession planning in the succession and talent management literature.

For purposes of this article, we offer a synthesis of the approaches that we have studied and have practiced for more than 25 years as human resource development (HRD) professionals. In our view, integrated and effective succession planning systems can be implemented in five steps, although we assume certain things (e.g., interest and active involvement from top management) because the process we propose is conducted with (not for) senior leaders. We also assume that the best decisions about participants will be data-based, and made by group discussion and consensus, not just by an individual executive on his or her own.

In each of the five steps discussed below, critical decisions and activities are described. Making the decisions or conducting the key activities in each step is a responsibility of the group of line managers who are accountable for the succession decisions and plans appropriate to their level in the organization. However, in most cases, we believe HR should be responsible for coordinating activities, framing issues and choices, collecting and organizing data, and supporting line managers throughout the process. Although the process we outline has five steps, we assume that it will start with the most senior group and cascade down several levels. The process is cyclical (see Figure 1), that is, Step 5 (measuring effectiveness) should lead to appropriate changes and improvements in the process, and then back to Step 1 so that the process is regularly refined or adjusted as it is repeated.

Step 1: Preliminary planning. In this step, executives need to agree on the key aspects of the succession planning system design and process. HR typically prepares and engages the executives in a discussion of the purpose and objectives of succession planning, and proposes the choices and decisions about the methods and subsequent steps that are involved. The range of issues to be discussed and decided includes:

1. The purpose, rationale, and objectives of succession planning.
2. The succession planning process (e.g., positions considered, number of participants, dates, timelines, steps, decisions, desired outcomes, etc.; and the format and inputs into the talent review meeting).
3. Developing a precise definition of and agreement about key concepts (e.g., potential, performance, etc.).
4. Determining the criteria against which participants will be evaluated (e.g., performance, experience, roles, knowledge, and/or use of the organization's competency model—and need for modifying or adapting it.)

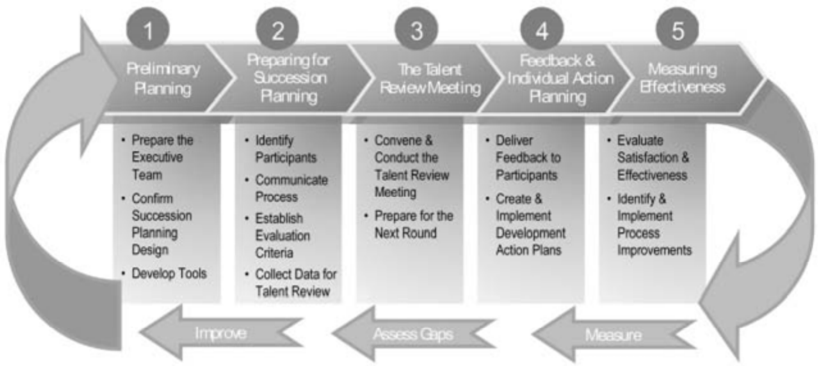

FIGURE 1: High-Impact Succession Planning Process

5. Determining how the succession process will link to other management and HR systems (e.g., compensation, recruiting, leadership development, etc.).
6. Determining how and when the process will be extended to the next level.

Step 2: Preparing for succession planning and talent review. This step involves work behind the scenes leading to and required for a talent review meeting where those nominated as probable successors are reviewed and discussed by the group of line executives. To facilitate the discussion, data and information about each individual need to be collected and assembled. HR typically coordinates the data collection process (e.g., collecting executives' competency and potential ratings for each individual), and compiles any other information that may be helpful. This work involves a number of specific activities, including:

1. Identifying and nominating participants.
2. Communicating about the process to those who will be included.
3. Gathering recommendations about competencies and expected future leadership requirements to ensure evaluation criteria reflect the organization's future leadership requirements.
4. Conducting aspiration conversations with participants to determine their interest and willingness to be included in the process.
5. Collecting ratings about the successor candidates based on the evaluation criteria.

Step 3: The talent review meeting. The centerpiece of this step is a day-long (or longer) talent summit or talent review meeting, typically facilitated by an internal HRD or outside consulting partner. (In this meeting, executives also discuss and confirm how the succession planning process will be extended to the next level below them.) The activities include:

1. Participating in the talent review meeting, where each nominated participant is discussed in-depth. The executive team needs to reach agreement on each person's strengths, limitations, development opportunities, and placement in a performance-by-potential (often referred to as 9-Block) grid.
2. Clarifying and agreeing on the feedback and development recommendations for each participant.
3. Confirming the timing and process for the next round (i.e., next level down) of succession planning, including how the process, tools, and methods (e.g., evaluation criteria, rating forms, etc.) need to be modified or adapted.

Step 4: Providing feedback and facilitating developmental action planning. Two critical activities comprise Step 4: First is the need to communicate and initiate development planning with those individuals discussed in the talent review meeting. Almost concurrently, HR needs to begin to prepare these individuals for conducting a succession planning process focused on the staff who report to them. Key activities and decisions include:

1. Delivering feedback to participants and initiating development action planning with them.
2. Educating and preparing the next level of leaders about the succession planning process.
3. Nominating participants for a second round (i.e., next level) of talent review.
4. Organizing, completing, and submitting participant ratings for the second round of succession planning.

Step 5: Measuring effectiveness. This step comprises the evaluation phase, and should be designed by HR and agreed to by decision-makers prior to implementing succession planning. The activities include:

1. Agreeing on measures of effectiveness (e.g., increased number of internal promotions, reduced turnover, etc.) and establishing a baseline.
2. Conducting an evaluation of satisfaction with the process, interpreting the results, and presenting them to decision-makers.
3. Discussing and deciding on modifications or improvements for future succession planning and talent review processes.

Improving Succession Planning With a Succession Blueprint

The failure to link succession planning to an organization's strategy and its likely future business scenarios dooms it to mediocrity at best. The best succession systems are dynamic and oriented toward the future. Good succession planning should help an organization understand the type of leaders it will need and what those leaders will most need to be capable of doing, given the business issues the organization is likely to face in the future. These questions can be answered through the use of a succession blueprint process.

The blueprint process includes two distinctive features. First, it requires executive decision-makers to think about and specify the key business issues they believe they will face, thereby strengthening the link to the organization's businesses strategy. Second, it incorporates role theory as a means of helping decision-makers clarify the type of leadership (and leaders) the organization will require to compete and succeed in its anticipated or possible future(s).

Gibson et al. (2006) described roles as "the expected behavior patterns attributed to a particular position in an organization" (p. 255). Roles include attitudes and values, as well as specific kinds of behavior; most positions in organizations include multiple roles. For example, a senior manager might be expected to act as a coach for subordinates, as well as a strategist for the business unit or function.

In the context of meeting likely future business challenges, decision-makers can also readily identify the key roles leaders will need to emphasize. Disproportionately greater time and emphasis can be given to certain roles over others—depending on the business situation. If they foresee a trend toward increased competition, they may decide that the role of driving business performance will be important. If the organization will need renewal and transformation, the roles of visionary or change sponsor may be critical. There is a varied but finite set of roles most leaders play, and role definitions should vary somewhat depending on the organizational level of the position a leader occupies. Mintzberg (1973) developed 10 managerial roles to account for and describe managerial activity. Building on his work, we have updated and defined roles for leaders at several levels in organizations, including senior executives, business unit leaders, and function executives. To illustrate, see Table 2, which describes the 12 roles of the business unit or enterprise leader.

Implementing a blueprint process modifies Steps 1 through 3 in our succession planning model. In Step 1 (preliminary planning), decision-makers must learn about and agree to the idea, including how they will identify and contribute their observations and insights about future business challenges and the key leadership roles the organization will require. Step 2 (preparing for succession planning) involves the important background work required to make succession planning effective. When incorporating a blueprint process into succession planning, information about the organization's competitive landscape and

TABLE 2: The Twelve Roles of the Enterprise Leader

Business Performance Driver	Creates accountability for results at all levels of the Enterprise. Relentless pursuit of the bottom-line and short- and long-term financial results. Leads the business unit to execute plans. Builds the discipline and capacity for getting things done.
Change Sponsor	Creates a sense of urgency for business unit change that supports the vision and strategy of the business unit. Makes the case for change and communicates this throughout the business unit. Empowers others to plan and execute change. Helps leaders and managers build commitment and overcome resistance.
Coach	Personal involvement in individual executive leadership development. Mentoring, confronting, challenging, setting stretch goals, and providing sharp and timely feedback. Working with senior managers in the business unit to advance their leadership skills.
Cultural Leader	Articulates the values of the organization and demonstrates a personal commitment to living those values. Builds the culture within the business unit that supports the values. Integrates the business unit values with the corporate values.
Executive-at-Large	Functions as an executive for the organization as a whole in addition to representing a business unit. Builds bridges between functions and business units to further the overall goals of the organization. Does not pit functions/business units against each other. Assumes responsibility and accountability for being an advocate for overall business goals. Communicates and supports executive team decisions. Learns about functions and business units less familiar.
External Influencer	Embraces the challenge to impact the external world in ways that are positive for the organization. Influences critical stakeholders that are external to the organization: shareholders, analysts, board members, industry leaders, regulators, policy makers, and/or key customers. Shapes the perception of the business unit's strategic direction.
Internal Influencer	Effective in persuading and motivating key leaders within the business unit. Building the commitment of people inside the organization: one-on-one, in teams, and in large group presentations. Influences sideways with other business unit leaders and senior leadership team members.
International Executive	Maintains a keen sense of worldwide market forces and international opportunities. Ensures the organization's leadership has well-developed world-view. Understanding and sensitivity about how business is conducted in different cultures around the world.

(*continued*)

TABLE 2: (continued)

Strategist Astute about the internal and external forces that create a sustainable competitive advantage for the organization as a whole and the business unit. Aligns the business unit strategy with organization-wide strategy. Participates in the formulation of organization strategy. Leads the business unit in developing strategy. Effectively communicates the organization-wide strategy and the business unit strategy to guide decisions and activities.	Team Leader Builds a cohesive Business Unit leadership team where people trust and challenge each other. United in pursuit of team goals and strategies for the business unit. Participates as an effective executive team member. Ensures that business unit team members understand their role on the leadership team. Makes sure that the leadership team is tackling the right issues.
Talent Manager Making sure the right people are in the right jobs. Attracts, retains, and develops key talent – to support the short-term and long-term business goals. Contributes to identifying high potential talent. Participates in succession planning process for the most senior leadership roles. Leads succession for the business unit.	Visionary Creating a genuine sense of enthusiasm about a compelling and engaging picture of the future. Participates in the development of the corporate vision. Leads the business unit in this exercise. Aligns vision for the business unit with the corporate vision. Develops commitment to the vision: sideways and upwards.

the likely business issues it will face in the next 2 to 5 years needs to be collected. This is usually completed through interviews with senior executives and/or board members in the case of CEO succession. Once this question is answered, we proceed with questions about required skills, credentials, experiences, and motivations. Included in our interview is an opportunity for decision-makers to specify the key roles they believe will be necessary and expected for effective leadership. This adds fluidity and flexibility to the process and helps clarify and prioritize the competencies that may be necessary in the future.

Roles operate at a higher, more inclusive level than competencies. To master a particular role, an individual may need a broad set of skills that most competency models include. Specification of key roles focuses decision-makers on the few but most critical leadership requirements they can foresee. Often, we create a card sort or ranking process where we ask decision-makers to identify the three to four most important roles, as well as the three to four least important roles they believe will be necessary for organizational leaders in the future.

When interviews have been completed, the data are synthesized in a document that describes the business context and challenges as well as the key requirements—including the roles—for leadership in the future. The document results in an agreed-upon set of criteria against which current employees can be rated, and subsequently evaluated in Step 3 (the talent review meeting).

The benefit of this approach includes explicit discussion about the future challenges facing the organization by those who are most responsible for its direction and success. We have seen such a discussion strengthen the commitment to the process and minimize potential disagreement with decisions about people that are made in Step 3 of the succession planning process. We have found the blueprint process significantly enhances the five-step approach described above and helps executives make better decisions about the fit, readiness, and developmental path for successor candidates. We have also seen powerful actions taken because the company had a new type of data about the real potential (or lack thereof) of their top leaders. For example, they may change their hiring profile or focus their leadership development activities on building the skills their future leaders will need, thus linking succession planning to other processes that keep the organization vital, adaptive, and competitive.

Implications for HRD and Recommendations for Future Research

Certainly, the practice of good succession planning continues to evolve, and HRD professionals must continue to grow with it. Succession planning represents one of the best opportunities HRD has to build strategic partnerships with business leaders (Ulrich & Beatty, 2001). To do so, HRD professionals need to improve both the art and the science of succession management. We believe they need to:

1. Help business leaders design and implement succession systems that are more flexible, more strongly linked to the organization's strategy, and, by implication, more future-oriented.
2. Drive succession planning down below the top level and into the middle of the organization.
3. Help ensure that current skill and future potential are well defined and understood, adequately measured, and appropriately considered. In particular, this will require good thought leadership around the real requirements of more critical senior leadership positions as well as better specifying the underlying characteristics of potential (for helpful discussions, see Bono & Judge, 2004; Zaccaro, 2007). As we have stated, organizations cannot afford to make the mistake of defining future potential in terms of past performance without putting their best performers at risk of derailment.

4. Continue to advocate sound development planning and activities for successor candidates. Often this means helping business leaders see how rotating or giving a particular individual a new assignment may be possible.
5. Help business leaders become better communicators, coaches, and mentors so that they can more actively involved themselves in the development of their subordinates. HRD professionals know that they frequently encounter executives who believe this is HR's responsibility, feel they do not have enough time, or that they should not have to do this since they may not have benefited from good coaching or mentoring themselves. This most likely also includes leading the effort to modify executive compensation systems so that successful successor development is appropriately incented and rewarded.
6. Become more familiar with various IT platforms that can automate and simplify the process, without allowing the organization to sacrifice the need for good, in-depth, and individualized review of key talent.

To further the research agenda that supports good succession practices, a number of important questions need to be answered:

1. Like many HR systems and processes, the most pressing issue for succession planning is demonstrating return on investment (ROI). This is a particularly difficult task, because the best data will likely come from good longitudinal research.
2. Despite the intuitive appeal of using competency models as evaluation criteria, there is relatively little evidence in the published literature that they predict leadership success (Levenson, Van der Stede, & Cohen, 2006). Given their popularity, continuing research on the effectiveness of competency models is needed.
3. Related to this, there is little substantive research on whether alternatives to the use of competency models (e.g., role theory) enhance the quality of succession planning efforts.
4. Some authors have recommended focusing simply on the concept of learning agility as the key quality or characteristic for identifying and evaluating talent in a succession planning system (Karaevli & Hall, 2003). This is a compound concept that has appeal, but is not well researched and seems subject to consistent redefinition and interpretation. More research on what learning agility actually is, how it works, and its role in development seems warranted.

Summary and Conclusions

This article has described trends influencing succession planning, reviewed best practices, and highlighted some of the most important problems and obstacles that interfere with succession planning systems. A simple but effective approach to succession planning was outlined. Finally, a way to strengthen succession planning—the succession blueprint process—was described. It is our hope that the article finds its way to interested practitioners who can use it to enhance their succession planning efforts.

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