

Effective Succession Planning

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An Indian proverb states, “Nothing giant grows under the Banyan tree,” which can be attributed to the fact that the large tree blocks the sun and, therefore, restrains growth. Nevertheless, large organizations, public and private, are ensuring and investing in succession planning to disprove this notion.

While I was working on a team at the General Accounting Office (GAO), we examined selected human capital integration actions, which include succession planning, with the Federal Emergency Management Agency (FEMA), General Services Administration (GSA), Internal Revenue Service (IRS), Social Security Administration (SSA), U.S. Coast Guard (USCG), and U.S. Geological Survey (USGS). This article outlines the main components of succession planning and examines how these and—through an analysis of other studies and the literature of succession planning—other leading organizations in the public and private sectors approach the process.

Defining Succession Planning

What is succession planning? What are the vital components, the operational energy, the heart and soul that breathe life into succession planning?

Succession planning has been defined over the years in numerous ways. Some have referred to it as the deliberate and systematic effort to project leadership requirements, to identify a pool of high-potential candidates, develop leadership competencies in those candidates through intentional learning experiences, and then select leaders from the pool of potential leaders. Others have referred to it as a strategic, systematic, and deliberate activity to ensure an organization’s future capability to fill vacancies without patronage or favoritism. Numerous other examples could be cited, and most of them contain some common themes.

For the purpose of this article, succession planning will be defined as *the strategic, systematic and deliberate effort to develop competencies in potential leaders through purposed learning experiences such as targeted rotations and educational training in order to fill high-level positions without favoritism.*

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CEO and Leadership Commitment and Involvement

The commitment and involvement of the CEO and organizational leadership are the heart and soul of the succession planning organism. Leadership commitment is the regular and consistent driving of the body and not a momentary administration of CPR or a spank at birth. Without CEO and leadership commitment and involvement, you are left with decaying non-living elements. According to the National Academy of Public Administration (NAPA), the first benchmark principle for managing succession and developing leaders is that “top organizational leaders are personally involved and deeply committed.” One such leader, GE’s former CEO Jack Welch, concurs in his book *Straight from the Gut*: “To make initiatives work, it took a passionate all consuming commitment from the top. ... Making initiatives work is all about focus and passionate commitment.”

Question: What’s going on in this regard in the public and private sectors?

A study by Hewitt Associates titled *How Companies Grow Great Leaders* revealed that 91 percent of the CEOs at the top 20 companies (such as GE, IBM, Microsoft, Home Depot, Dell Computer) review top talent at their companies compared to only 66 percent at other firms. GE for example, conducts its annual Session



Succession Planning Model

C, the CEO-led initiative that produces a snapshot of the leadership bench and rising talent. At the Pension Benefit Guaranty Corporation, the senior leaders direct the succession planning initiative. And the SSA has top leaders owning the project of succession planning and solicits their involvement and commitment.

Ray Blunt, leadership coach for the Council for Excellence in Government, wrote in *Organizations Growing Leaders: Best Practices and Principles in the Public Service* that one of the key lessons learned by the Western Area Power Administration (WAPA) was that “initiative by the senior leaders of sub-organizations is important in a large, complex organization.” Hence, not only is the commitment and involvement of the senior leadership *necessary*, but also initiative by those same leaders is *imperative*. The CEO needs to work with top executives to mentor, and he or she must attend key training events and meetings.

In our team’s analyses of agency documents and our interviews with agency officials, we learned that top management as well as human capital professionals are becoming

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ing increasingly involved with human capital management, including succession planning. For the acquisition community, it means that the senior executives and top officials must spearhead, involve themselves in, and commit themselves to developing their workforce.

The Vision Thing: Planning for Tomorrow

Succession planning needs to be implemented with razor-sharp focus on where the organization is heading. What will the top position look like in the next two, three, and five years? Training and planning for the competencies of the current position are necessary, but more important and essential is the need to project what competencies a position will require in two to five years. Instead of just replicating and reproducing a leader in our own image, we need to add some bionics and focus to produce the leader of the future. Chris Mihm, GAO’s director of strategic issues, says

that succession planning can help an agency become what it needs to be rather than the continuation of the status quo. “Good succession planning is not just looking at who’s next in line for a slot but also looking at people early in their careers and determining what kind of training they need to become leaders,” Mihm says.

At Degussa, the world’s largest specialty chemical company, the leadership program established a competency model based on the company’s vision, mission, and guiding principles. The program asked where the company was going and then what kinds of leaders were needed to reach those strategic goals. The lesson for the public sector from Degussa is to identify critical roles and develop a clear understanding of the capabilities required for effectiveness and high performance in those roles.

Core Competencies are Key

Rather than developing people for specific current job requirements, the Australian Public Service Commission uses capability templates. The Commission defines capabilities as “that which enables organizations to close the gap between strategic intent and current performance through guiding learning and development strategies, providing the basis for identification of potential and individual development plans, and integration with other processes such as selection and performance assessment.”

Our team at GAO found that the General Services Administration (GSA) had assembled a team of experienced human resources staff members to develop new core competencies needed.

Question: What competencies will the acquisition community need in the next two, four, five years? Is the community receiving the necessary training?

The Value of Competency Models

All organizations studied by Hewitt Associates use competency models as their modus operandi. NAPA’s fifth benchmark for managing succession is as follows: “Leadership competencies are identified and regularly reviewed and updated; candidates are assessed and developed against those competencies.”

At Degussa, the leadership program established a competency model based on the company’s vision, mission, and guiding principles. Eleven competencies, such as persuading others, team leadership, adaptability, are categorized into five major themes:

- Passion for performance
- Making sense of the business world
- Making sense of the people
- Courage and determination



- Delivering change and climate for success.

Similarly, OPM has five Executive Core Qualifications (ECQs) for senior executives:

- Results driven
- Business acumen
- Leading people
- Building coalitions
- Leading change.



The Veterans Benefits Administration (VBA) uses the five ECQs but adds two of its own:

- Professional and personal growth
- Customer service.

USCG has 21 leadership competencies in alignment with its strategic plan. The VBA uses a competency model for the development of leaders at all levels.

Rotational Assignments: Cogent Integrative Assignments

Organizations with dynamic, successful succession planning programs implement cogent, competency-driven, integrative assignments and not simply heuristic assignments for the sole sake of learning. Peter Drucker advocated “learning by doing” when he wrote, “Don’t put people just in learning experiences, put them in doing experiences; achieving enables people to grow.” Blunt agrees: “More than anything by a factor of 10, developing leaders was based on challenging job experiences.”

The Australian Public Service Commission focuses on challenging experiences or “stretch” assignments. These stretch assignments take the person out of his or her comfort zone and enable development of new skills such as building an effective team, working and adapting to different managerial styles, or leading an organizational change.

Job experience is the first pillar of the SSA’s succession plan. The VBA uses shadowing assignments and action learning assignments. In the shadowing assignments the aspiring leader shadows a mentor and a divisional leader for at least one week, which provides the shadower exposure to the challenges and approaches of different leaders. In the action learning assignment, the participant is provided with work experiences to reinforce and strengthen leadership competencies. All of the Naval Sea Systems Command (NAVSEA) acquisition intern programs include rotational assignments to develop the interns.

It’s important for agencies to ask: Are the assignments targeting the needed competencies that will be needed next year, two years from now, in five years?



Individual Assessment and Self Development

“The unexamined life is not worth living.” What Plato said 24 centuries ago holds true today. Individuals must examine their own health and take responsibility for it. Another of the best practices found in a study done by Blunt was that a self-development ethos was just as critical as the support of senior leaders.

The assessment should be comprehensive and corroborative. The Australian Public Service Commission’s research revealed that relevant information includes biographical data, current performance, observed behavior, adaptability, 360 degree feedback, career preference, behavioral interviews, indicators of a desire to stay with the agency, views of various managers, and psychometric testing. Hewitt Associates revealed in *How Companies Grow Great Leaders* that “top-tier leaders want an environment in which they’ll develop quickly, get clear feedback and be recognized for their performance.”

What do we see happening at the leading organizations?

Most top organizations use 360 degree assessments. The USCG makes self-development a key part of its leadership development. Self-development is one of the three pillars of SSA’s succession planning. Washington State government employees share responsibility for career development. GE compiles a two-page review document for each individual. Pension Benefit Guaranty Corporation (PBGC) places a strong emphasis on the individual’s taking responsibility for his or her own development. The individuals at PBGC are teamed up with a senior advisor who works to tailor an individual’s plan for development over two years. The individual development plans are based on 360 degree leadership feedback and work to develop components that the Senior Leader Review Board at PBGC found essential to future leadership success. The individual, with the help of the senior advisor, finds opportunities for development through action learning (working on a hot strategic issue), challenging work assignments, and regular interaction with seniors and advisors.

Question: Are we providing the necessary feedback to encourage self-development at the highest levels in the acquisition community?

Educational and Training Programs

Blunt says that best practice organizations use formal internal or external programs to further expand leadership knowledge and skills. NAPA listed education and training as one of the three pillars for leadership development. All of the succession planning initiatives studied included well-thought-out, progressive, and rigorous educational and leadership programs.

The USCG delivers its entire leadership development program from its Leadership Development Center; it includes a one-week leadership and management school for civilians and leadership development for mid-grade civilians (GS 12 through 14). The VBA uses four programs for its leadership development: the Presidential Management Fellows Program, the Leadership Development Program, the Advanced Leadership Program, and the SES Candidate Development Program.

Question: Are our leadership and educational programs readily accessible to the acquisition community?

Measurability and Accountability to Develop Leaders

Measurability and accountability are the surgical operators that ensure effective succession planning. Our GAO team found that agency leaders established groups, such as human capital councils, accountable for integrating human capital initiatives, such as succession planning, in order to achieve programmatic goals. For instance, GSA created a Human Capital Council to ensure that the agency's human capital strategic plan was integrated within the GSA's strategic plan. WAPA found that assessing progress in its succession leadership programs was impossible without accountability. The Australian Public Service Commission recommends strategies that have clear time frames and periodic evaluation.

GE requires clear accountability for talent development. The CEO and senior executives agree and sign off on developmental actions for each individual.

Performance appraisals for executives will indicate if they failed to develop leadership potential or failed to facilitate the movement of targeted leaders across businesses.

Succession planning should be implemented with the end of measurable outcomes in mind. Accountability should be built into the succession plan to drive the outcomes. In our studies and interviews while on detail at GAO, we learned that agency leaders, line managers, and human capital professionals *are* sharing responsibility and accountability for human capital management.

The SSA, for instance, determines measurable accountability by having the senior leaders select the applicants for its Leadership Development Program (LDP) and its Advanced Leadership Program (ALP) in a competitive process. The senior leaders are actively engaged as mentors, and they monitor the participants' progress. Both participants and supervisors evaluate work assignments.

Lessons for the Acquisition Community

Top leadership must not only initiate and follow through with developing leaders but must also take responsibility and be accountable for implementation and follow-through. The payoffs for an effectively implemented and managed succession plan are a talent-driven culture, accelerated development of leaders, and a vision for future advancement amongst employees. Presently, at one acquisition community, the leaders have defined the key areas where leadership and technical expertise must be sustained. The leadership has initiated and sustained their follow-through. Competency-driven templates are being put in place to provide the means to develop the leaders and experts. Current assessments will indicate which areas need further emphasis, and leadership will be responsible for providing the infrastructure to develop the highlighted positions.



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