State of Succession Management 2015: Increasing Investment and Accelerating Automation
Industry Perspective

State of Succession Management 2015: Increasing Investment and Accelerating Automation

By:
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Vice President and Principal Analyst,
Talent Management Practice
April 2015
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Executive Summary

Succession Management (SM) is likely the most important element in ensuring leadership continuity. However, the majority of respondents to our research inquiries do not believe their organizations are doing enough to address ensuing business challenges or prepare for forthcoming business and workforce changes. Worse yet, they are not confident they have the right practices in place, nor know what they are, to identify and develop tomorrow’s most qualified leaders.

In Brandon Hall Group’s 2015 State of Succession Management Study, the majority of organizations reported that improving the health of their talent pipeline is an essential outcome of their succession management. But 84% of organizations said they are suffering from a lack ready leaders. In fact, just over a quarter of all organizations indicated that they have a ready-and-willing successor for 10% or less of open, critical roles. And another 7% said they have no one groomed and ready. It is no surprise, then, that most organizations plan to increase their investment in succession management over the next 12 months.

Reasons underscoring organizations’ delay in the adoption of effective succession management include:

- Uncertainty about which practices yield a healthy pipeline and how to implement them
- Underestimation of the required planning, complexity, and resourcing required to identify, develop and transition high-potential and other top-performing talent
- Insufficient integration of succession management with leadership development and career management

In analyzing the results from the survey of 164 global respondents, we developed a list of top findings.
### TOP FINDINGS OF THE 2015 STATE OF SUCCESSION MANAGEMENT STUDY

1. Talent pipeline health continues to threaten leadership continuity.
2. Succession management commitment is on the rise with prioritization of a formal strategy for all parts of the organization.
3. Technology is under-utilized, hindering efficiency of succession management and performance management.
4. Successor development as a critical component of succession management is improving.
5. Lateral mobility takes center stage as a critical successor development strategy.
6. Using predictive analytics to proactively plan for critical position vacancies will separate organizations with effective succession management from less effective organizations.
7. Today’s succession management budgets are modest at best, but expected to expand significantly over the next 12 months.
8. High-performance succession management yields better business results.

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)

In examining these key findings and in reflecting on follow-up discussions with executives and other senior business and talent leaders who completed the survey, our study revealed eight leading practices of succession management.

### 8 LEADING PRACTICES OF SUCCESSION MANAGEMENT

1. Identify talent segments and job roles -- leader AND non-leader -- critical to achievement of business goals.
2. Broadly and transparently communicate succession pool selection criteria.
3. Gather senior business leaders to assess and calibrate incumbents’ performance, potential, readiness, and willingness to assume critical roles.
4. Create talent pools of high-potentials for critical talent segments and key job roles.
5. Define capability and experience (readiness) gaps in each high-potential.
6 Execute on high-potentials’ development plans and mobility assignments, particularly lateral assignments.

7 Maintain alignment between expectations of the organization and the high-potentials regarding timing of placement into the roles for which they are being groomed.

8 Transition and onboard high-potentials into roles for which they are being groomed.

Source: Brandon Hall Group 2015

Implementation and continuous execution of these leading practices yields better business results – results so compelling that any organization would be foolish to ignore.

<table>
<thead>
<tr>
<th>Business Metrics</th>
<th>High-Performacne Organizations (HPOs) = Level 4 Organizations (those implementing PM in line with today’s 10 leading practies)</th>
<th>Everyone Else = Levels 1, 2, 3 Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary turnover decreased 1% or more (among high-potentials over the last 12 months)</td>
<td>25%</td>
<td>15% on average</td>
</tr>
<tr>
<td>Revenue increased 5% or more (over last 12 months)</td>
<td>40%</td>
<td>34% on average</td>
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<tr>
<td>Customer retention increased 5% or more (over last 12 months)</td>
<td>25%</td>
<td>15% on average</td>
</tr>
</tbody>
</table>

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)
10 SUCCESSION MANAGEMENT CALLS TO ACTION

1. Define and communicate the criteria for identification of succession candidates.
2. Be transparent about who is in and out of the succession pool.
3. Be clear with succession candidates that their membership in the pool is an earned privilege and it must be continuously earned.
4. Clarify with succession candidates that membership in the succession pool does not guarantee a promotion – in fact, it could mean a lateral move, or even exit from the pool if performance wanes.
5. Take the time to align succession candidates’ expectations with organizational expectations of what it means to be in the succession pool.
6. Take a rigorous approach to supporting a smooth transition into next-level or other critical roles. (Too often organizations drop the ball and do not offer the proper support).
7. Expect that succession candidates will derail from their development and mobility plans and be ready to mitigate.
8. Push succession management deeper and broader in the organization, accommodating all critical leader and non-leader positions, not just the CEO and other top leaders.
9. Assign succession management accountability and be intentional about assigning it to the CEO and other senior business leaders (supported by HR/talent leaders).
10. Compare your succession management success and talent pipeline health with that of other organizations, and adopt more of the leading practices if performance is falling short.

Source: 2015 Brandon Hall Group

Explanation of Key Findings

The Brandon Hall Group 2015 State of Succession Management Study was in the field for 2 months and closed in February 2015. Data was collected and analyzed from 164 global survey respondents. In this section, we share key survey results.

1. Talent pipeline health continues to threaten leadership continuity

A mere 28% of organizations indicated that they have only one successor ready and willing to assume up to 10% critical roles. Another 7% said they have no one groomed and ready. When asked about which roles have a successor identified, almost half (43%) of organizations cited the CEO position.
While the CEO role is absolutely critical, it is not the only role that matters when it comes to an organization’s leadership continuity. In fact, the best organizations push succession down to all levels of leadership. Overall, 84% of organizations suffer from an unhealthy talent pipeline.

![Chart: Rating of Organizations’ Overall Talent Pipeline]

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)

![Chart: Employees in Each Talent Segment included in SM Strategy]

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)
2. Succession management commitment is on the rise with prioritization of a formal strategy for all parts of the organization.

Succession management lags beyond the senior leadership level. At least in part, this is because of a lack of a formal succession management strategy, and the laser focus and investment that most organizations continue to place on leadership development without regard to its linkage with succession management.

![Pie chart showing the percentage of organizations with different succession management strategies.](chart.png)

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)

However, as organizations learn more about the integration between focused leader development and preparation of high-potentials and other top performers, succession management as a formal talent strategy across all critical roles is the real differentiator. Consequently, organizations are beginning to formalize a succession strategy across all parts of the organization and extending the process below senior leadership levels.

Comments from survey respondents related to the key findings:

“We always talk about who the stars are to take over for our CEO, but no one else. We are starting to change those conversations and include other leaders, too.”

“We used to hold talent reviews in just some of our business units. Today, we talk about all of our people across the whole organization.”
Comments from survey respondents related to the key findings:

“We don’t have any tools to let us forecast the skills and people we need several years from now.”

“Our technology has some, but not much, succession management functionality.”

“We use some in-house Excel templates to track names and get ready for the talent review.”

3. Technology is under-utilized, hindering efficiency of succession management

More than two-thirds of organizations (67%) have yet to leverage technology to improve the efficient and consistent enterprise-wide application of Succession Management.

Of those organizations that have leveraged automation, 63% are using an integrated suite (versus a best of breed, HRMS, or other type of solution). The succession management functionalities most frequently used within the suite are talent profiles, development tools, 9-box grids, 360 assessments and skill/knowledge assessments. However, on average, more than half (56%) of organizations are not using any succession management technology/tools at all.
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5 Use of Succession Management Automation

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)

6 Types of Succession Management Tools Utilized

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)
Replacing paper-based succession management with automation will guarantee a more efficient succession strategy. It will enable a more consistent approach to succession across the enterprise, allow for sharing of talent data among talent processes, and infuse forecasting abilities regarding upcoming vacancies in critical talent segments and key job roles. It will also enable pinpointing of anticipated skills gaps in those same segments and roles.

4. Successor development as a critical component of succession management is improving.

In the past, organizations prioritized successor candidate identification and largely ignored successor development. Accordingly, succession management was nothing more than replacement planning and often resulted in organizations that were not prepared to fill vacant critical positions with qualified talent. Today, organizations are getting wise to the essential role that development plays in high-performance succession management and making it a priority – more than half of organizations (51%) are prioritizing development today and more than two-thirds (68%) plan to prioritize it over the next 12 months.
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Brandon Hall Group’s year-over-year leadership development research indicates that organizations cite leadership development as the number one talent differentiator and they acknowledge the critical link between preparing leaders (leadership development) and having them ready to assume next level roles (succession management). It stands then that the highest performing organizations are not only acknowledging the critical role of development in both leadership development and succession management, but have actually begun to plan and continue to prioritize it.

5. Lateral mobility takes center stage as a critical successor development strategy.

In the highest-performing organizations, development of successors doesn’t stop with individual development planning and formal skills development training programs targeted for high-potentials.
Executives and other senior leaders in these organizations understand that preparing high-potentials and other top performers to assume next-level roles means building requisite experience as much as it does building skill and knowledge. To this point, these organizations are placing successors into lateral job assignments, sometimes even downward assignments, to ensure that they gain the experience required to assume the next-level roles for which they are being groomed. Few organizations have discovered the impact of lateral mobility in succession management and even fewer have figured out how to do it. Those that have done so clearly have the edge on accelerating their successors’ readiness to assume next-level roles and the measurable impact those successors have on business results after the transition.

**Use vs. Perceived Effectiveness of Lateral Mobility**

<table>
<thead>
<tr>
<th>Usage (High or very high extent)</th>
<th>Effectiveness (Effective or very effective)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lateral job moves 7%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)

Talent mobility requires careful planning and identification of job roles, levels, functional areas, and geographies that successors need experience in order to be successful in next-level roles. As technology providers make more talent mobility planning tools available in the talent technology suite, organizations will be in a better position to create mobility plans for each critical talent segment and key job role in a more efficient manner.

6. **Using predictive analytics to proactively plan for critical position vacancies will separate organizations with effective succession management from less effective organizations.**

Almost 76% of organizations rated the effectiveness of their succession management as poor or average and needing significant improvement. Executive level discussions with survey respondents pointed to the adoption of predictive analytics as at least one key strategy to improve the impact of current succession strategies.

Predictive analytics capability enables organizations to hold critical insights about forecasted talent dynamics (e.g. ramp-up speed, flight risk, turnover, tenure etc.) in critical talent segments and key job roles. Predictive insights inform decisions in a quantitative, valid and predictive fashion. Science-based decisions are always more reliable and allow for planning before talent loss or turnover becomes an emergency.
While a majority (57%) of organizations’ talent technology is not sophisticated enough to handle predictive capability and/or they don’t have a data scientist on staff to address this need, early adopters (7%) are paving the way in defining the predictive functionality required and another 20% said they are leveraging the experiences of early adopters to shape their own functional requirements.

7. Today’s succession management budgets are modest at best, but expected to expand significantly over the next 12 months

Succession management receives the third lowest investment among talent management functions, ahead of only workforce planning and career management. Yet, it hails as the single talent process where organizations plan to invest more heavily in the coming year.

As the data pours in about the undeniable role of succession management in helping organizations achieve significant business targets – such as strong bench strength, lower rate of voluntary turnover, etc. – organizations are planning to invest more time, money, and headcount to help ensure their approach to succession management builds the talent skill and know-how necessary to lead into the future and outpace the competition.

Comments from survey respondents related to the key findings:

“We just hired a data scientist. He is responsible for figuring out which of our critical positions will be at risk when so we can better plan talent requirements and develop successors.”

“We can use data to anticipate where we will have skill gaps in the positions that are most critical and then create high-potential development programs ahead of time.”
NOTABLE INSIGHT

Comments from survey respondents related to the key findings:

“We just got a HR budget increase approval for this fiscal year. We plan to allocate most of it to getting an LMS and creating workforce planning and succession strategies.”

“We have the biggest talent management budget this year that we’ve ever had. We haven’t decided how we are using the money yet but I know succession management is on the table.”

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)
8. High-Performance Succession Management Yields Better Business Results

At Brandon Hall Group, we call high-performance companies Level 4 companies. We call average performance companies Level 3 and 2 companies. And we call low-performance companies Level 1 companies. Business indicators like turnover, revenue, and customer retention quantify business performance and indicate an organization’s level. A relationship exists between effective implementation of succession management leading practices and business performance. There is a striking performance difference between Level 4 organizations and their less mature peers.

Comments from survey respondents related to the key findings:

“Effective succession planning reduces our talent loss risk and improves our odds of having the right person ready to assume the right role when it becomes vacant.”

“Maintaining the confidence of our customers and Wall Street means we have to figure out how to maintain the continuity of our leadership – from CEO on down.”
## Performance Variance between Succession Management Levels over Past Year

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary turnover</td>
<td>8%</td>
<td>17%</td>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td>among high potential</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>employees has</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>decreased by 1% or</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>more over the last 12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>months</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue has increased</td>
<td>31%</td>
<td>34%</td>
<td>38%</td>
<td>40%</td>
</tr>
<tr>
<td>by 5% or more over</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the last 12 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer retention</td>
<td>8%</td>
<td>14%</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>has increased by</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5% or more over</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the last 12 months</td>
<td></td>
<td></td>
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</tbody>
</table>

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)
Just 3.9% organizations are high-performing (Level 4). The Level 4 data point may at first seem discouraging; however, it is not unexpected. First, succession management, in comparison to other talent processes (like learning and development, performance management, and leadership development), is a relatively new undertaking for most organizations. Second, few organizations have invested in it – either monetarily or from a leading practices implementation perspective.

The Level 4 organizations attest that high-performance succession management is a long-term process. It is complex and requires careful planning, executive level ownership and commitment, sufficient investment, and a culture shift from talent hoarding to talent producing. It is characterized by the implementation of specific leading practice activities dotting each phase of continuous implementation, monitoring, revising, and re-implementation.
8 Leading Practices of Succession Management

High-performance succession management is best described by a continuous process of 4 phases characterized by eight leading practices. We illustrate these phases and practices in the Brandon Hall Group Succession Management Framework:

![Brandon Hall Group's Succession Management Framework](image-url)
**PHASE 1: ALIGN**

**STEPS: Identify Critical Positions, Define Key Capabilities**

In this initial phase, organizations identify the critical talent segments and key job roles that are essential to achieve their business goals. Examples of talent segments could be first-line managers, sales executives, or engineers. Examples of key job roles could be the CEO, VP of Sales, or Innovation Strategist. In all organizations, those segments and roles that drive achievement of business goals are a combination of leader and non-leader roles. For this reason, the most effective succession management drills deep and broad into the organization – well beyond only senior level leaders.

During this phase, organizations answer the following questions:

<table>
<thead>
<tr>
<th></th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>What talent segments are critical to the success of our business? What about job roles?</td>
</tr>
<tr>
<td>2</td>
<td>Historically, what have the dynamics been in those segments and roles? How much turnover do we see on average? What has been the average ramp up time? How many do we typically need in each segment and role?</td>
</tr>
<tr>
<td>3</td>
<td>What do we forecast will be the dynamics in those segments and roles over the next 6 months? Year? Even 2 to 5 years?</td>
</tr>
<tr>
<td>4</td>
<td>In which segments and positions do we have organizational risk? Opportunity? Today? And over the next 2 to 5 years?</td>
</tr>
<tr>
<td>5</td>
<td>Where are the expected, and potentially unexpected, succession needs?</td>
</tr>
<tr>
<td>6</td>
<td>What are the skills, experiences, behaviors, and leadership attributes successors will need to have in each critical segment? In each key job role?</td>
</tr>
<tr>
<td>7</td>
<td>What are the segment and job requirements for success?</td>
</tr>
<tr>
<td>8</td>
<td>How many incumbents are in each critical segment?</td>
</tr>
<tr>
<td>9</td>
<td>How many incumbents are in each key job role?</td>
</tr>
<tr>
<td>10</td>
<td>How does the number of incumbents compare to the number we require to meet our business goals today? Our future business goals?</td>
</tr>
</tbody>
</table>
PHASE 2: ASSESS

STEP: Select Succession Candidates

In this phase, organizations seek to understand the level of skills, experiences, behaviors, and leadership attributes of each incumbent and how incumbents’ capability compares to requirements.

During this phase, organizations answer the following questions:

1. What is the level of skill, experience, behavior and leadership attribute that each incumbent has?
2. How does the capability of each incumbent compare to each other?
3. Where do incumbents fall in regard to current performance, future potential, readiness, and willingness to assume a next level, or other critical, role?
4. What gaps do incumbents have against today’s job requirements? Tomorrow’s job requirements?
5. What development and experience is required to close incumbents’ gaps?
6. What career aspiration does each incumbent have? How do those aspirations align with our organizational business needs?
7. Which incumbents are the top performers? Have the greatest potential? Where do incumbents place on a 9-box (or like) grid? Who are our successors for critical talent segments? For each key job role?
8. If there are essential segments or roles without strong succession candidates, should external candidates be considered and, if so, when?

PHASE 3: DEVELOP

STEP: Prepare Succession Candidates

In this phase, organizations implement the development and experience plans required to close readiness gaps for each successor.

During this phase, organizations answer the following questions:

1. What does the formal and informal development roadmap look like for each successor?
PHASE 4: DEPLOY

STEP: Transition Succession Candidates

In this final phase, organizations oversee the progress each succession candidate is making against targeted development and experience plans.

During this phase, organizations answer the following questions:

1. What is our plan for monitoring each successor’s completion of development plans? Of job experience requirements?

2. How will we ensure and maintain alignment between successors’ development progress and organizational needs?

3. How will we manage alignment between organizational and successors’ expectations of what it means to complete targeted development?

4. How will we adapt successors’ development and experience plans to stay in alignment with changing business goals?

5. How will we successfully transition successors into the positions for which they are being groomed?

6. What will be our onboarding plan for successors as they come into the positions for which they are being groomed?

7. Which incumbents are the top performers? Have the greatest potential? Where do incumbents place on a 9-box (or like) grid? Who are our successors for critical talent segments? For each key job role?

8. If there are essential segments or roles without strong succession candidates, should external candidates be considered and, if so, when?
The four phases of continuous succession management are characterized by the eight leading practices of succession management.

<table>
<thead>
<tr>
<th>Phases</th>
<th>Steps</th>
<th>Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALIGN</td>
<td>IDENTIFY Critical Positions</td>
<td>Identify talent segments and job roles -- leader AND non-leader -- critical to achievement of business goals.</td>
</tr>
<tr>
<td></td>
<td>DEFINE Key Capabilities</td>
<td>Broadly and transparently communicate succession pool selection criteria.</td>
</tr>
<tr>
<td>ASSESS</td>
<td>SELECT Succession Candidates</td>
<td>Gather senior business leaders to assess and calibrate incumbents’ performance, potential, readiness, and willingness to assume critical roles.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create talent pools of high-potentials for critical talent segments and key job roles.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Define capability and experience (readiness) gaps in each high-potential.</td>
</tr>
<tr>
<td>DEVELOP</td>
<td>PREPARE Succession Candidates</td>
<td>Execute on high potentials’ development plans and mobility assignments, particularly lateral assignments.</td>
</tr>
<tr>
<td>DEPLOY</td>
<td>TRANSITION Succession Candidates</td>
<td>Maintain alignment between expectations of the organization and high-potentials in regard to the timing of placement into the roles for which they are being groomed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transition and onboard high-potentials into roles for which they are being groomed.</td>
</tr>
</tbody>
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Source: Brandon Hall Group 2015
State of Succession Management 2015: Increasing Investment and Accelerating Automation

Organizations have a compelling reason to adopt and institutionalize the eight leading practices of succession management – better business results.

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<th>Performance Variance between Succession Management Levels over Past Year</th>
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<tr>
<td>Voluntary turnover among high potential employees has decreased by 1% or more over the last 12 months</td>
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<td>Revenue has increased by 5% or more over the last 12 months</td>
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<td>Customer retention has increased by 5% or more over the last 12 months</td>
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Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)

The transformation from low-performance Level 1 replacement planning practices to high-performance Level 4 succession management practices takes time and senior level commitment.

Short-term replacement planning is reactive and focuses on an urgent need caused by a sudden event—unexpected attrition, unplanned business expansion or the like—without an identified, developed successor. Low-performance replacement planning can create risk in talent continuity.
Long-term succession management proactively focuses on planning for the current and future talent needs of the organization. High-performance succession management enables the organization to identify the positions necessary for business growth and the best internal candidates to fill those roles. High-performance succession management not only mitigates short-term talent risks but also enables long-term business success.

In addition to organizations’ common identification of succession management as a business imperative, Brandon Hall Group’s study identified three top drivers of succession management also shared among most organizations:

- Lack of a talent pipeline in critical talent segments and key job roles
- Lack of a formal process to grow and develop talent
- Difficulty identifying the next generation of leaders

**16 Top Drivers of Succession Management**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of talent pipeline in critical talent segments/job roles</td>
<td>63%</td>
</tr>
<tr>
<td>Lack of formal process to grow/develop talent</td>
<td>44%</td>
</tr>
<tr>
<td>Difficulty identifying next generation of leaders</td>
<td>32%</td>
</tr>
<tr>
<td>Lack of effective process to evaluate top talent</td>
<td>31%</td>
</tr>
<tr>
<td>Difficulty finding high-quality external talent</td>
<td>27%</td>
</tr>
<tr>
<td>Unanticipated less of talent in critical segments/roles</td>
<td>26%</td>
</tr>
<tr>
<td>Ensure CEO succession plan</td>
<td>21%</td>
</tr>
<tr>
<td>Need to improve success rate of successors</td>
<td>17%</td>
</tr>
<tr>
<td>Inability to identify, retain high-potential talent</td>
<td>16%</td>
</tr>
<tr>
<td>Reduce talent acquisition costs</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: 2015 Brandon Hall Group State of Succession Management Study (n=164)
To address these drivers, the organization’s Board of Directors, CEO, managers, HR/Talent team, and the succession candidates themselves each have specific responsibilities in the succession management process.

### Roles and Responsibilities of Succession Management Constituents

<table>
<thead>
<tr>
<th>Constituent Group</th>
<th>Responsibilities</th>
</tr>
</thead>
</table>
| **Board of Directors** | • Accountable for CEO succession  
• Participates in talent reviews for executive level succession planning |
| **CEO** | • Share the organization’s philosophy and approach  
• Promote diversity of the workforce  
• Support the development of high-potentials and other top performers |
| **Managers** | • Promote diversity of the workforce  
• Support the development of high-potentials and other top performers  
• Be involved in the identification, assessment, development, and review of high potentials and other top performers  
• Identify internal work assignments for successors’ further learning  
• Update succession plans regularly  
• Help high-potentials and other top performers manage their careers  
• Assist with the transition of high-potentials to their next level role  
• Ensure alignment between the organization’s business needs and the succession candidates’ career goals |
### Constituent Group Responsibilities

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<th>Constituent Group</th>
<th>Responsibilities</th>
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| HR/Talent Leaders           | • Facilitate the succession management process  
                               • Facilitate talent reviews  
                               • Answer questions about the succession management process  
                               • Maintain succession management records  
                               • Help high-potentials and other top performers manage their careers  
                               • Train executives, other business leaders, and all managers on the succession management process |
| Succession Candidates       | • Complete their development plans  
                               • Assist in identifying talent mobility assignments that would further their learning  
                               • Continue to earn their right to stay in the succession pool by perpetual above-average performance  
                               • Communicate regularly with their managers about their succession experience expectations |

Source: Brandon Hall Group 2015

To achieve the impressive business results of high-performance Level 4 succession management, organizations adhere to the eight leading practices of succession management and are careful to avoid a long list of succession pitfalls:

- Failure to communicate the specific criteria for inclusion in the succession pool
- Holding the names of the succession pool members as secret information
- Implementation of succession management as an annual event
- Infrequent review of critical talent segments and key job roles
- Failure to communicate succession membership as a perpetually earned privilege
- Assumption that succession membership means a guaranteed promotion
State of Succession Management 2015: Increasing Investment and Accelerating Automation

• Failure to execute on successors’ development plans
• Develop successors only for leadership roles
• A process marked by too many forms and too much bureaucracy
• Failure to align organizational expectations of succession pool membership with the expectations of the members
• Failure to automate the process to ensure an enterprise-wide view to talent and to improve its efficiency and consistent application across the organization
• No transitional support for successors moving into next level roles
• Failure to manage the feelings and aspirations of those who are not chosen for succession pool membership
• Failure to identify the critical talent segments and key job roles needed to achieve business goals
• A process owned by HR
• Failure to identify successors’ willingness to assume a next level, or other critical, role
• Not identifying lateral roles essential for successors’ to gain requisite experience
• Not executing a tailored development plan specific to the role
• Not holding manager accountable for execution of development plans and lateral assignments
• Rewarding managers to be talent hoarders rather than talent producers
• Lack of planning on a long-term horizon
• Playing favorites with the same list of names over and over again
• Keeping the succession planning process a secret
• Choosing successors arbitrarily
• Too fast a track
• “One time per year” snapshot
• Failure to integrate succession data with data from other talent processes
Conclusion

The Brandon Hall Group 2015 State of Succession Management Study shows that the time to step up succession management is right now. Those organizations serious about leadership continuity, about having a reliable talent plan with well-groomed, ready, and willing successors for each and every critical talent segment and key job role are heavily investing in succession management without further delay. They are committed to ensuring their talent pipelines have depth for each role – leadership and non-leadership – that has a substantial influence on the success of the business today and tomorrow.

Transitioning from senior level replacement planning to organizational wide succession management is a continuous process. It starts with identifying those roles that are quintessential to the achievement of business goals. It includes quantified identification of leaders and employees who have the strongest on-the-job performance and greatest probability of being successful in critical roles. It identifies skill and experience gaps in those top performers and executes relentlessly against a development and mobility plan that promises to close readiness gaps. Then, it starts all over again as the organization checks and double-checks that the critical roles originally identified are still the critical roles for achieving business goals and that the identified successors are making progress on their tailored development and experience plans.

This process is a continuous loop process without an end. It is the only approach to succession planning and management that yields leadership continuity and ensures business results that others less mature in succession can only aspire to.

Organizations in transition have three priorities:

- Formalize a succession management strategy across the entire organization at all employee levels
- Calibrate talent performance and potential regularly in alignment with pre-defined performance requirements
- Be diligent about defining and executing development and mobility plans

To achieve these priorities, taking time out to identify critical talent segments and key job roles is far and away the number one priority for organizations trying to improve their approach to succession management. Next, reviewing talent performance, potential, readiness and willingness in alignment with performance requirements in critical segments and key job roles earn the second seat for high-performance succession management practices.
Several other succession management practices require pointed attention, including identification of succession candidates through a carefully constructed assessment strategy and executive level commitment to targeted development and mobility of each succession candidate.

Committing to these, and the other leading practices of succession management, will keep your organization moving in the direction of your business plan even when several key members of your staff retire, accept another offer, or move on for other reasons. Knowing who successors are for every critical talent segment and key job role and developing them to assume next level, or other critical, roles before the role becomes vacant is imperative for maintaining business success during any economic climate or business situation. Succession management done in a high-performance way keeps employees focused, motivated and loyal – the ultimate engagement booster that every organization needs.

Research Methodology

Our research methodology is grounded in four client-centric goals:

- Improving business performance
- Improving client loyalty
- Improving market leadership
- Improving employer brand

The ideas and practices described in this industry perspective were developed after collecting quantitative and qualitative data, reviewing academia-based published research, testing our hypotheses in the market, debating internally, speaking with clients and prospects, and analyzing the talent management practices and activities of high-performing organizations and their lower-performing peers.

This research is in alignment with our analytics-based, iterative, 5-phase research process:

**Phase 1**

- **Evaluation of Business and Talent Landscape:** We study current trends to hypothesize about how they might influence future events and what affect those events is likely to have on your business.
Phase 2

- **Quantitative Surveys:** To test our hypotheses, we gathered empirical insights through a formal survey that was in the field December 2014 through February 2015 and completed by 164 Executives, Chief Human Resources Officers, VPs of Talent and other business leaders as well as HR, Learning and Talent Leaders and employees representing 24 countries from all significant global regions across 29 industries.

- **Qualitative Interviews:** To check assumptions generated from surveys and to add context to the empirical survey data, we conducted interviews or focus groups with six Executives, Chief Human Resources Officers, VPs of Talent and/or other business leaders as well as HR, Learning and Talent Leaders and employees.

Phase 3

- **Expert Resident Knowledge:** Our quantitative and qualitative findings were shared within our internal research community and rapidly debated in peer review sessions to test validity and practicality.

- **Scholarly Reviews:** We studied and analyzed renowned academic research comparing and contrasting their findings to our own and again engaged in rapid debate to ensure our findings and analysis stand the tests of business usability. New perspectives were shaped and added as appropriate.

Phase 4

- **Emergent Trends:** After studying and analyzing all collected data, we documented patterns emerging within high performing companies. We created initial drafts of our findings, leading practices and high impact processes.

- **Market Testing:** We fortified and validated our initial findings, leading practices and high-impact processes within the analyst environment, our own talent management Advisory Board, and select other clients and prospects that offered a fair assessment of the practicality and usability of our findings, practices, and processes. Again we added new perspectives as appropriate before readying the research for publication.

Phase 5

- **Analytics-Based Reports and Tools:** After verifying our position internally, in alignment with scholarly research, and the market and completing rigorous peer reviews, we documented our findings and position in this published research.

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After successfully passing through each phase of our methodology, the results enabled us to formulate this industry perspective inclusive of leading practices regarding performance management. This report outlines key information and actions executed by high-performing organizations in order to leverage an approach to succession management that creates the greatest impact on business results.
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About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition and Workforce Management.

With more than 10,000 clients globally and 20 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

At the core of our offerings is a Membership Program that combines research, benchmarking and unlimited access to data and analysts. The Membership Program offers insights and best practices to enable executives and practitioners to make the right decisions about people, processes, and systems, coalesced with analyst advisory services which aim to put the research into action in a way that is practical and efficient.

The Value of Membership

The Brandon Hall Group Membership Program encompasses comprehensive research resources and an array of advisory services. Our Membership Program provides:

- Cutting-Edge Information – Our rigorous approach for conducting research is constantly evolving and up-to-date, providing your organization with current and future trends, as well as practical insights.
- Actionable Research – Your membership includes advisory services and tools that are research-driven and provide you a breakthrough approach to addressing immediate challenges and opportunities inside your organization.
- Customizable Support – Whether you are an executive or entry-level practitioner, our research and analyst insights can be leveraged at an individual level and across the entire organization. We realize that every organization has unique needs, so we provide multiple analyst and research access points.
- Community of Peers – We realize the value of connecting with your peers and being part of a community that is focused on continuous improvement. Your membership provides you with personal connections to fellow professionals.
- Unlimited Access – Every member of your team has the ability to utilize research, best practices, and advisory services when they need it most.

To learn more about Brandon Hall Group, please call us at (561) 865-5017 or email us at success@brandonhall.com.

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