

The Link Between Succession Planning and Success—Is Your Global Business Ready?

By Julie Zinn

For many years now, this country's success has rested squarely on the broad shoulders of the Baby Boomers. These 76 million or so ambitious go-getters born between 1946 and 1964 have happily sacrificed time with their families and, in many cases, their own well being to achieve a level of success that has arguably gone unrivaled in the history of civilization.

But, there's a problem. Well, it's *our* problem, not *their* problem. Finally, after years of laying the foundation of business and giving the rest of us a place to go five days a week, the Baby Boomers are getting ready to cash in their pensions, 401(k)s and investment portfolios and amble off to retirement. Specifically, by the end of this decade, many companies will find 50% of their managers and other key employees eligible to retire. By 2015, that number will be closer to 70% (1).

As much as we may enjoy ourselves at all the upcoming retirement parties, we have to think big picture here. Organizations everywhere are finding that the technical employees who are waiting in the wings to take over lack critical knowledge and skills required to move into management.

To put it bluntly, if we aren't careful, and if we don't have succession plans in place to groom our younger professionals to take the place of the Baby Boomers, global businesses around the world in virtually every industry are going to have problems maintaining order, and, more importantly, market share.

Below, I've laid out a series of key skills and knowledge areas that human resources personnel and training managers should consider as vital elements to supporting successful succession plans. I've also including advice on how to foster employee coaching and mentoring, which is essential for ensuring that critical institutional knowledge and experience is transferred.

1. Business Acumen

Your organization's technical employees were likely hired because of their technical ability. They put on a suit and sat in an interview and convinced you and their future bosses that they were experts at something. Well, if your technical employees are like most, this expertise does not necessarily include business skills. The same goes for many of your non-technical employees. Each was hired to fill a specific role in your organization, but they may not be prepared for the next step into management or to manage their increasingly complex responsibilities.

By ensuring that your future leaders gain a firm grasp of the basic principles of business, you'll in turn be giving them a firm grasp on how those principles apply to *your* business. If they know how your business operates and how it fits into your industry and the

marketplace as a whole, they'll have the skills to help ensure that each of their projects, no matter how big or small, aligns to your organization's strategy and objectives.

This is a principle development area for the success of most organizations. According to a recent *Harvard Business Review* article, research shows that a full 37% of employee activity is not aligned with overall business strategy (2). That's nearly 15 hours out of a standard 40-hour work week spent working against business goals.

2. *Communication Skills*

In a recent study from Forrester Research, 75% of IT decision makers marked *communication skills* as very important to their hiring decisions (3). From my experience, these particular decision makers are onto something important. Due to the sheer complexity of projects, particularly global projects, success absolutely hinges on a manager's ability—and his or her team's ability—to communicate effectively.

Any project an employee faces will inevitably come with a group of internal and possibly external stakeholders. The ability to communicate, persuade and maintain goodwill with these folks is key to both a manager's sanity and the life of his or her projects. Within global organizations, a manager must be able to recognize the inherent complications and sensitivities of communicating with colleagues and customers from other cultures and languages—whether those colleagues and customers are in the same room or 5,000 miles away via teleconference.

3. *Critical Thinking Skills*

“I don't know, what do you think?”

This is a question I've heard many, many times since entering the business world. It's a good question, and an important one, but, perhaps a better question is “*how* do you think?” One of the most important byproducts of business training is the ability to think critically and strategically. Critical thinking is when you can analyze a problem and see it from multiple viewpoints and develop an innovative response based not on the most obvious solution or the solution that everybody's been using for years, but the *right* solution. And, once that solution is identified, a truly critical thinker will be able to think through the solution implementation phase and the impact of that solution.

We've all heard stories about ad agencies and software companies—particularly in the Western United States, it seems—with “thinking rooms” filled with comfortable couches and video games. Sounds like a good time, but the best critical thinking isn't performed haphazardly, or even at foosball tables; it's performed in a deliberate, structured manner. Your organization's employees can learn to be critical thinkers and challenge assumptions, and they can apply that ability to your company's biggest problems.

4. *The Ability to Collaborate with Others*

In business today, especially at the global level, there are no islands. Virtually every employee in your organization has responsibilities that affect the ability of other people to do their jobs successfully. Many employees within your organization, particularly

those yet to work their way into management, may rely on themselves and their own abilities too much. By training them to understand the best ways to collaborate with others, your organization will be able to effectively maximize each individual employee's strengths and contributions. And, thinking long term, your employees will gain insights and skills that will benefit them and those around them for the rest of their careers.

5. Technical Competence

This might go without saying, but individual expertise is a springboard for future success. Every good business leader came into the business world as something specific and used that competency to branch into other areas and an eventual leadership role. Therefore, it's important for organizations to ensure that individuals are given the opportunities to develop their technical competence. For example, your project managers should constantly be practicing the fundamentals of the discipline, including scheduling, cost planning, estimating and risk and change management.

Coaching and Mentoring

Along with ensuring competency in the above key areas, a coaching and mentoring program should be a part of any good succession plan. The reason is two-fold.

First, a recent two-year study of more than 750 corporations by Bersin & Associates discovered that of the top 22 talent management processes that drive the highest levels of business impact, coaching and mentoring was number one (4). The reason is simple: Generation X and Y, who are currently in line to run the world, generally expect more encouragement, development and support than their Boomer elders. Without support and reassurance, they often feel disengaged with their jobs and their employers. Disengaged employees call in sick more often, are generally less productive and represent a 51% higher turnover rate than their more engaged coworkers (5). Keeping them engaged is essential for today and tomorrow.

Secondly, the day a Baby Boomer retires, he or she walks out the door carrying more than just a set of golf clubs—he or she leaves with years and years of institutional knowledge (or intellectual capital). A senior employee who is given the task of mentoring less experienced colleagues will gradually share those years and years of knowledge and skills, effectively transferring it from one brain to the next. So, when they're gone, at least some of the wisdom they've developed and the best practices they've cultivated will remain firmly in house.

Commit Your Organization to Succession and Success

Companies are always making commitment to things, be it improved customer service, increased profitability or casual Fridays. But, a commitment to a succession plan is as worthy a commitment as any your company can make in the coming years, because, above all else, it is a commitment to your company's future. A key element to making this commitment is understanding the need for comprehensive, company-sponsored training and creating an environment in which information is shared among employees at all levels. Don't rely on your individual employees to seek out and find the support they need. Frankly, they're busy enough keeping your company going day to day. Instead,

your executive team should *give* them the tools required to become the experienced, capable professionals that will someday occupy your company's corner offices.

Biography

Julie Zinn, Executive Director of Project Management and Business Skills Programs at ESI International, has a background in management, human resources development and corporate training. She holds bachelor's degrees in music and business from the University of Colorado at Boulder and a master's degree in education with an emphasis on human resources development from The George Washington University. Ms. Zinn has also earned a Master's Certificate in Project Management from The George Washington University and a training specialist certificate from The Georgetown University.
<http://www.esi-intl.com>

Sources

1. "Living to Work, Or Working To Live?" Forbes.com. August 10, 2007.
http://www.forbes.com/2007/08/10/retirement-boomers-workforce-lead-careers-cx_tw_0810reading.html
2. "The Secret to Effective, No-Hassle Performance Reviews For Small & Midsized Businesses." Success Factors.
http://i.i.com.com/cnwk.1d/html/itp/SuccessFactors_EZGuide_eGuide_SMB.pdf
3. "Filling the PM Skill Gap." Projects@Work. April 16, 2007.
<http://www.projectsatwork.com/content/articles/235971.cfm>
4. "High Impact Talent Management®: Top 22 Best Practices." Bersin & Associates. http://www.bersin.com/research/hitm_top22.asp
5. Hymowitz, Carol. "Managers Lose Talent When They Neglect To Coach Their Staff." WSJ.com. March 19, 2007.
http://online.wsj.com/article_print/SB117426316483240982.html