

# Succession Planning

## Guidance Notes



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# Succession Planning

## What is it?

Succession planning is the process of identifying and developing potential future leaders or senior managers, as well as individuals who could fill other business-critical positions, either in the short or the long term. The aim is for organisations to be able to fill key roles effectively if the current post holder were to leave the organisation. It also helps organisations to identify where there is a need to introduce new capabilities and skills.

## What is it important?

Succession planning is a key component of workforce planning – a process to ensure the right number of people with the right skills are employed in the right place at the right time to deliver on the organisation’s objectives. Succession planning enables the organisation to understand its talent pipelines more effectively, identifying where posts may be easier or harder to fill so that appropriate action can be taken.

## Who is it for?

Succession planning typically covers the most senior roles in the organisation, together with short and longer-term successors for these posts. Whilst reviewing relatively low numbers can make the process more manageable, larger organisations may find it beneficial to operate devolved succession planning processes at a directorate/divisional/service/area level to ensure that other business-critical, technical or hard to fill roles and/or new skills are covered.

Progressive organisations who adopt an inclusive approach to managing and developing talent will look to identify critical roles and capabilities at multiple levels. It does not have to apply to every role, but it is useful to consider succession across different areas in the organisation, for example looking at the appetite and motivation of clinical staff in a directorate to move into matron/ward manager/specialist positions.

## Succession planning stages

The following stages are critical to effective succession planning:

* 1. Identifying critical roles
* 2. Identifying readiness, requirements and opportunities
* 3. Creating the succession plan
* 4. Assessing and mitigating risks
* 5. Measuring impact
* 6. Regular review

These stages apply to all of the different approaches that can be taken (outlined in the table on the following page).

Succession plans should not be created in isolation, without the knowledge of those who are being named as successors, nor should do they guarantee roles to individuals who are seeking to move.

## Different approaches

Succession planning can be used in a variety of contexts. All have their own pros and cons which need to be considered in organisational planning. It is common for organisations to use a blend of these models to meet their needs (i.e. for executive and critical roles). This table summarises the key features of each model:

|  |  |  |  |
| --- | --- | --- | --- |
| **Model and description** | **Pros** | **Cons** | **When to use** |
| **For Executive roles only**  This only considers the top team e.g. CEO and main Board of Directors. | Where the top team is critical to organisational success, this will provide for business continuity, | It does not take account of the complexity of most businesses where less similar roles can impact business strategically and operationally. | Where the organisation structure is relatively uncomplicated and where the top team holds the most critical roles both strategically and operationally. |
| **For replacement at different levels**  Planning is based on expected turnover and may only focus on selected management roles. | It makes high-potential people aware of the path they are on and putting them into leadership programmes has a positive influence on retention. | It is ineffective to identify successors who will no longer be there when it is time to move them up or elsewhere in the organisation. | Where resources are limited, and the organisation is not dependent on roles – e.g. where most roles can be replaced quickly from outside if needed or internally with limited training. |
| **For critical roles**  Applied to the critical roles needed for future success. These can be determined in different ways. They are the roles which are either strategically or operationally critical. These roles can be at different levels. Organisations using this method tend to develop deep and varied talent pools and can be used to prepare for an unknown future. | Continuity and stability. The organisation maintains growth and other targets because it has a steady stream of people to fill critical posts. Using critical roles enables a broader and deeper view of succession, extending it to critical roles at any level including those below director/managers or to key areas. | There is a need to reach agreement on which roles are critical. This may be open to subjectivity. It is focused in the short term so needs to be balanced with a method which identifies future required skills or competencies. This may not hold currency if critical roles change and it requires effort to maintain. | In most organisational settings. It may not suit small organisations where there are limited numbers of people available for succession into a specific role. |
| **For leadership development**  Based on building leadership capability. The blueprint for a position’s succession can be made available to all relevant employees so they can see the competencies and training required to become a candidate. Employees gain a better understanding of the likelihood of their candidacy. | Succession planning and leadership development allows people to understand the skills required for leadership positions. Managers can help develop skills by supporting with L&D activities. Combining the two enables a long-term view to be created and can support individuals to take up key roles. | It can be inappropriate where there is a strong organisational need to succession plan for technical skills. It may raise unrealistic expectations that the organisation creates development opportunities and that everybody who develops will progress. | Where leadership development is essential to the organisation – this may be application to specific tiers of staff with management and leadership responsibilities. |
| **For technical competencies**  This is based on building technical capability. Organisations identify roles that require deep technical expertise and create career ladders that may not depend upon people management skills but are mainly reliant on technical competence. | Succession planning and technical competence works well with employees who have deep technical competence but need to develop a greater understanding of the skills required for senior positions. There needs to be clear communication of the competencies needed to progress. It can promote the retention of high potential technical staff or your top talent. | It can work less well where there is a need to succession plan for managerial/generic skills alone. It may raise expectations that the organisation will guarantee progression based on technical competence. | Where technical competence is critical to organisational success and where there is a focus on retaining best talent or to be seen as attractive by external talent. This can be of use with very specialist roles. |

## Openness, fairness and diversity

It’s important that there is transparency for employees in relation to the succession process. This should be applied to the methods used to judge the suitability of potential successors.

With openness should go fairness; objective assessments of all potential successors need to be made. Talent reviews provide opportunity to support and/or challenge in this area and to examine how to improve the process and practice. This is referenced and explained in the talent conversation training and briefing resources.

With the value of diversity and inclusion now widely recognised, organisations are increasingly aware of the need to ensure that diverse talents are properly developed and that diversity considerations are built into talent development activities.

## Further considerations

It’s important to keep the purpose of your succession planning approach(es) at the forefront. Before embarking on succession planning, you may find it useful to consider the following:

* What are the outcomes we would like to achieve through this?
* Who will create succession plans?
* How far will succession plans reach? e.g. Executive Team, all leadership roles?
* What is our starting point?
* What level of succession planning will be discussed during Talent Review meetings? e.g.
* If applicable, what information will our regulators ask for and in what format will we present this to them?
* Who will be able to view succession plan information once finalised?

## Identifying critical roles

The first step is to identify positions and/or skills most critical to the organisation for which potential successors are needed. Whilst arguably all roles in the NHS are critical in one way or another, it is helpful to prioritise them where possible. You may find it helpful to do this on the basis of succession challenges you have already identified in a wider talent context such as recruitment, development or retention, or apply criteria such as:

* The strategic or operational impact of a vacant role on the organisation/service/team
* Unique skill sets or knowledge bases
* Strength of the external job market or internal pipeline

It is critical to take a balanced approach to succession planning, weighing up the impact of the individual and that of the role. In relation to roles, this may relate to the impact that would be felt if there was a vacancy or difficulty in recruiting. From an individual perspective, this may involve specific knowledge or skills that would prove challenging to replace.

The matrix below can support organisations to make an assessment of the criticality of roles – green indicates not critical, amber, partly critical and red, high priority. The outputs can be captured/recorded on the Succession Planning Role Assessment template. The criteria and colours can be aligned to organisational priorities.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Impact of vacancy on the organisation/ service/ team | High |  |  |  |
| **Medium** |  |  |  |
| **Low** |  |  |  |
|  |  | **Easy** | **Average** | **Difficult** |
|  |  | **Difficulty of filling a vacancy** | | |

## Succession planning role assessment template

A template is available in the Toolkit which can capture information about critical roles at a team level.

## Identifying readiness, requirements and opportunities

The aspirations, readiness and subsequent development/support requirements of individuals should be identified through the Review and Career Conversation. This can be recorded on the Team Succession Summary Template and the information from this can be used to provide a local succession snapshot or can be aggregated alongside summaries from other departments/services to provide broader succession insights and potential opportunities that individuals can pursue.

## Creating the succession plan

The Succession Planning template can be completed once all relevant review and career conversations have taken place. These can be done on the basis of teams or specific roles, dependent on the organisation’s needs. Roles, current incumbents and leaving dates if known are added – the level of readiness of potential successors is then indicated by entering the names of the individuals who have been assessed as ready to fulfil the roles in the short and/or long term.

## Assessing and mitigating risks

The Succession Planning template also provides opportunity to highlight risks and identifying mitigating actions. Common risks include:

* Succession decisions being made on assumptions about the individual’s aspirations and readiness
* Selective plans – only including those who are favoured/deemed ready now rather than including/discussing the potential, aspirations and readiness of everyone
* Lack of diversity in the talent profile of the organisation following succession decisions.
* Only looking at the short or long-term picture, rather than both may preclude some individuals from taking up immediate/temporary or future opportunities
* Individuals appearing as successors to multiple roles when they can only fill one
* Over or under supply in the pipeline – having too many individuals who are ready with no roles to fill, or a lack of appetite/preparedness for certain roles

It is suggested that this is completed following completion of the succession plan and reviewed regularly to ensure actions are implemented.

## Measuring impact

A selection of Indicators is provided below. These could be used to measure the strength of your leadership pipelines and succession plans for critical roles. Examples include:

* Number or percentage of critical positions filled internally
* Number or percentage of leadership and management positions filled internally
* High potential turnover
* Critical positions with 2+ identified successors
* Average length of readiness
* Identification of multi-successors who are successors to multiple positions in the organisation
* Number or percentage of successors who are in a different location from the incumbents they would be succeeding
* Estimation of leadership turnover expected in the coming year based on known and/or high risk of leaving figures
* Internal candidate versus external candidate fill of critical positions
* Number of candidates who are defined as ready to fill positions that have been identified as critical to the organisation

It is recommended that metrics selected are linked to other organisational key performance indicators. Further information is provided in the Talent Information Guide.

## Regular review

Succession planning takes account of the growing recognition that people need to make their own career decisions and to balance career, work-life balance and other responsibilities.

Organisations need to ensure that they regularly review and develop their succession plans to meet current and future skills, capability and behavioural needs and to ensure they are closely aligned with evolving organisational priorities.

It is recommended that succession plans are reviewed and updated once a quarter or as a minimum, once every six-months to notify any changes in the performance. Potential, readiness and aspirations of potential successors and to ensure that any previously identified actions have been implemented and/or risks have been appropriately mitigated.