

SUCCESSION PLANNING IN A DOWNTURN– THE CHALLENGE

Handled correctly, succession planning can steer growth - handled badly it can be the death of a business. Too many organisations, particularly in a downturn, jeopardise their future by hoping that the right person is available for promotion when positions become available unexpectedly. Alternatively, they think that succession planning only applies to the Chief Executive – or to those who may be retiring or moving on. In reality, good succession management develops a pool of talent with skills, attributes, and experiences to fill specific positions. In a downturn, however, there is a real danger that downsizing becomes the order of the day. Many of today's organisations will remember the last major recession in the early nineties, when recruitment freezes and redundancies became rife - and what a disaster that was for succession planning strategies a few years down the line. Arguably there is no point in offloading skilled people and losing them forever only to be scrambling around for talent once the economy starts to recover. As the accountancy firm KPMG admitted in a recent press interview: "In hindsight, we regret the redundancy programme we had in 2002. We lost some good people."

Succession planning, therefore, has to be an integral part of any leadership development process and the first step should be to identify roles and responsibilities that are business critical. Secondly, you need to then determine whether there is a logical progression path that can be defined for each target position and identify the gaps. For smaller organisations this can be a challenge but there are things you can try to help you along the way:

- Try putting different people in charge when you go on holiday – it can ensure that the management team can step in if needed.
- Look horizontally when a new role arises – not just down and up. By only looking vertically through an organisation you may be limiting your resources as to who may be the most effective person to step into that role.
- Identify those who aren't currently in key positions and try putting them outside their comfort zones to help them grow professionally – technical people into people management roles for example.

- Set up a mentoring scheme for potential high fliers.
- Don't limit your own heir apparent to those within your immediate team – think outside the box.

In terms of more formalised planning, recruitment is one of several key elements of a succession plan and when a role arises the first step should be to assess your needs. There is a tendency, when a vacancy arises, to try and fill it immediately. But it is often worth taking a step back and considering issues such as:

- Can this position be restructured?
- Can the work be reallocated to someone else?
- Does this vacancy require a full time employee or is it a project that could be undertaken by a temp or interim manager?

This may well be a good opportunity for change, so assess what you really need before embarking upon the hiring process.

If you do need to recruit externally for a position you obviously need to make sure you get the right person. In order to regenerate the workforce you have to be clear on the core competencies and qualities of the people that are going to be the best fit and those who are going to be committed to your values and vision. The second key element is creating a performance management procedure so that individuals can grow and develop and become aligned to a career plan that is both useful to them and the organisation.

Even in an economic downturn, retention has to be a crucial part of any succession plan. Too often companies can spend a great deal of time and energy developing their people without earning their loyalty and trust so ensure that you people feel valuable and committed. And that means everyone – not just your 'A Team' but also those who form the backbone of your workforce. The 'A Team' won't have anyone to lead if the infrastructure is not in place, happy and committed.

In our experience the big mistake many companies make is to think of succession planning as a static process – it has to be dynamic – an ever moveable feast with the main goal of constantly aligning your business and your people.

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