

Defining Succession Planning

- Bringing talent mgmt to individual level –
 - Identifying years in advance which individuals will fill which specific jobs
- Not simply employee development
- Not simply promotion from within

Succession Planning

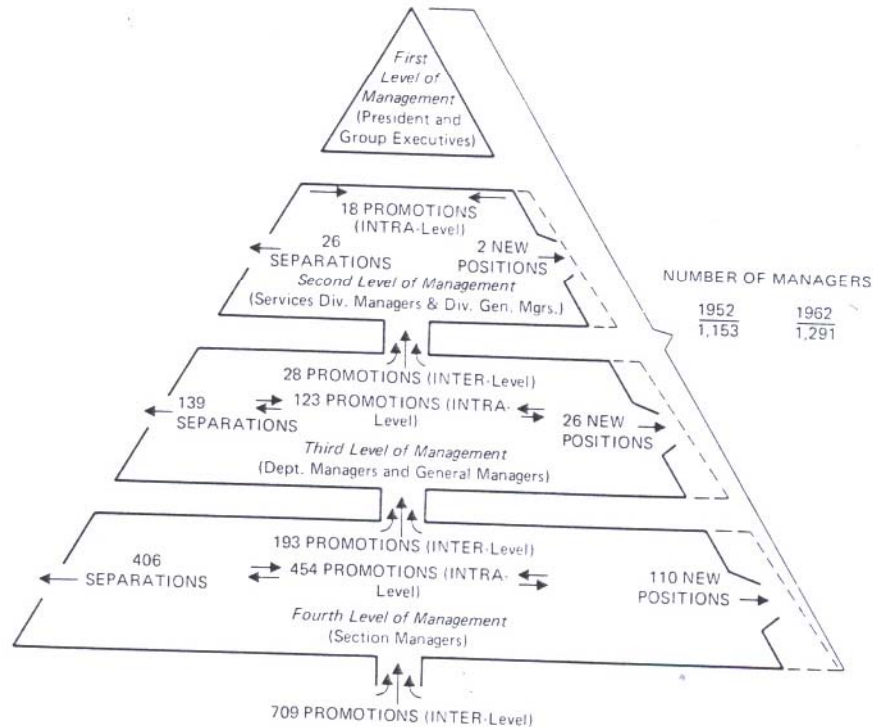
Peter Cappelli

Steps in Succession Planning

- Which jobs to include?
- Forecasting the vacancies
- Identifying candidates
- Developing candidates
 - Expertise comes from different fields
 - Engineering-based paradigm

Where did the idea for
succession planning come from?

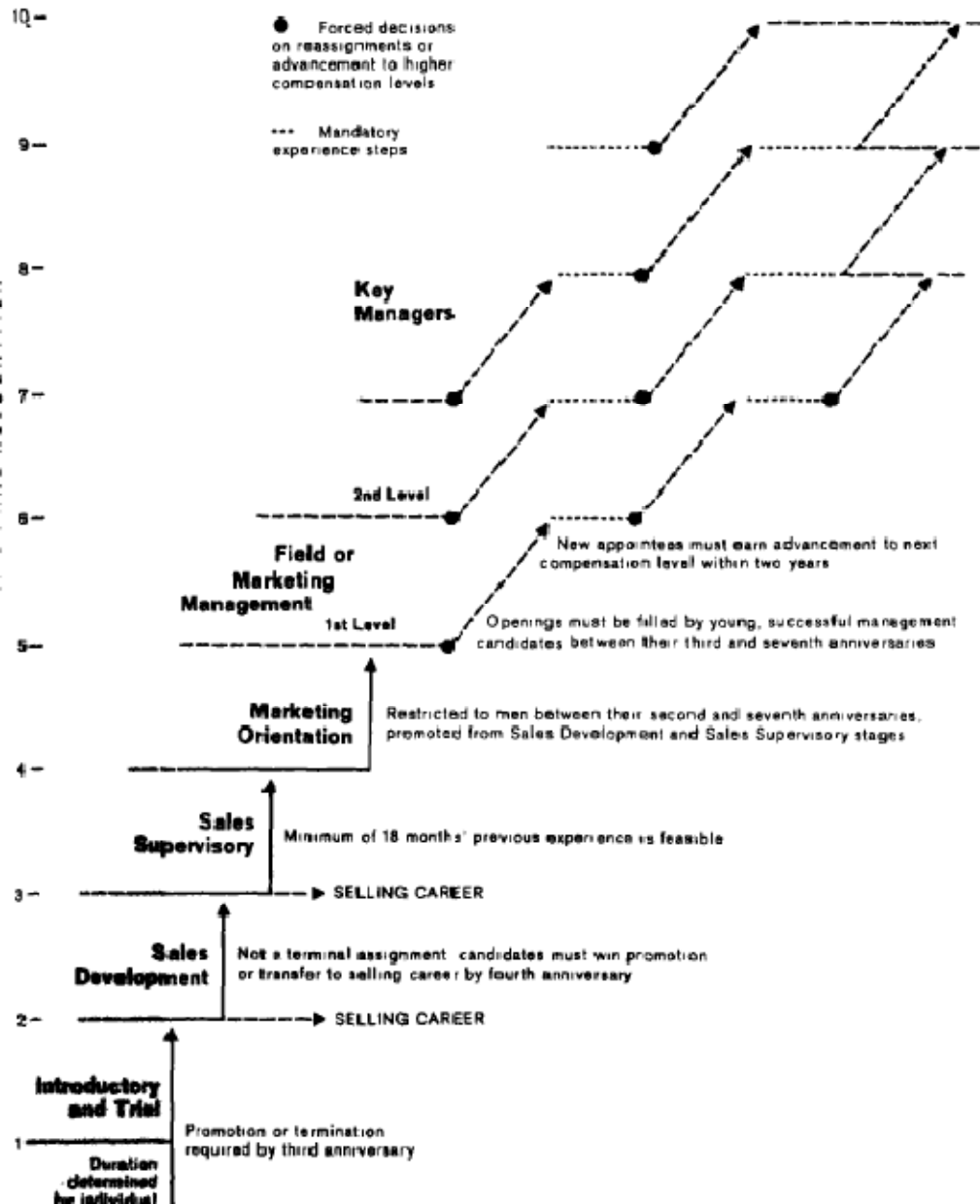
Internal Development at GE



Total separations (deaths, resignations, disabilities, and retirements)	571 (50% of present incumbents)
Promotions—inter-level	930 (80% of present incumbents)
Promotions—intra-level (64% of inter-level promotions)	595 (52% of present incumbents)
Total promotions	1525 (132% of present incumbents)

Figure 4-2. Analysis of Managerial Manpower Requirements for Section Manager and Higher Positions 1952 Through 1962. Source: *Professional Management in General Electric Book Three: The Work of a Professional Manager* (New York: General Electric Company, 1954), p. 99.

Sample Blueprint for Developing Sales Management



Which is the Kindergarten Report Card Which is the Performance Appraisal?

System A

Rank candidates on a scale of...Very Satisfactory – Satisfactory – Unsatisfactory

- Dependability
- Stability
- Imagination
- Originality
- Self-expression
- Health and Vitality
- Ability to plan and control
- Cooperation

System B

Rank candidates on a scale of...Satisfactory – Improving – Needs Improvement

- Can be depended upon
- Contributes to the good work of others
- Accepts and uses criticism
- Thinks critically
- Shows initiative
- Plans work well
- Physical resistance
- Self-expression
- Creative ability

What does it mean to assess succession planning?

- “Succession” is a naturally occurring event: Succession planning is a procedure
- Can observe “who uses it”
- Establishing how well it works is beyond hard
 - Compared to what?
 - Problems of endogeneity and omitted variables
 - *Not being used* is ultimate failure

What's New in Succession Planning?

- Not doing it.... 2/3rds aren't
- Outside hiring instead
- Away from forecasts
- Talent pooling
- Self-selection