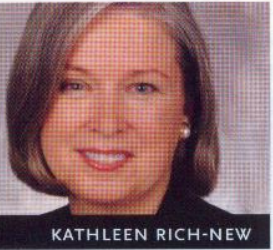


Where Will Your Future Leaders Come From? Succession Planning and Leadership Development



KATHLEEN RICH-NEW

In 2008, 78 million baby boomers are going to retire, and they will be replaced by only 45 million Gen-Xers. This was the startling news from Andrea Bortner, Director of Learning and Development at Harris Corporation. This gap has most organizations grappling with how they will manage the loss. A survey by the Society of Human Resources Management (SHRM) revealed only 6% of the companies said they are extremely well prepared to fill a leadership opening and 40% are unprepared.

"The #1 challenge in our business is developing the next generation of leaders. If it is not done properly, firms fall apart and don't survive," said Jim LaHam, Managing Partner with Berman Hopkins Wright & LaHam, CPAs. LaHam said they use three steps in their planning. First, is the financial consideration for buying out a retiring partner in a way to ensure the profitability for the remaining partners. It has to be a win-win solution.

Secondly, they use a team approach in order that the clients know 3-4 staff members so when there is change, the client is already working with others from the firm, and they are less likely to leave.

The third step is leadership transition to ensure the culture of the firm continues. "We have a strong culture of balancing the work and family life and need to transfer that culture to the new leadership team. There would be high turnover with a change to a 'work only' culture," said LaHam.

The hotel business offers additional insight. "When employees are hired, they are asked what vision they have for themselves, and these discussions continue during their annual performance reviews," says Don Breckenridge, GM of the Hilton Melbourne Rialto Place. "Their training matches their goals. For example, someone who wants to be a Director of Food and Beverage would have increased involvement in menu planning, kitchen and restaurant operations, and leading large and diverse teams, which would be different than the sales and marketing track." Breckenridge's hotel is one of 10 properties owned by a private investment group, which gives him and his employees more options and locations for development and promotional opportunities.

Three years ago, Wuesthoff Health Systems implemented a 12-month, Leadership Institute to develop high potential employees. "Because we have a strong 'promote-from-within' philosophy, there are ongoing discussions to identify high potential candidates for senior leadership positions," said Marchita Marino, Senior VP of Human Resources. "The institute focuses on communications, teamwork, planning, innovation, problem solving, development of self and others, implementation and system thinking. Each one has three levels of instruction to match each employee's level of expertise," explains Jo-Ann Byrne, Director of Health Care Education, and the institute's creator. As the participants work with others from across the organization, a more cohesive management team is emerging. One recent success was the internal promotion of an employee to head the ICU in their Critical Care Services Division.

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Leadership Development 101

To create a workable succession plan you must identify and develop the key steps that match your needs. The core processes to build your plan should:

- > Identify the key positions in the organization
- > Forecast prospective vacancies
- > Profile the skills, knowledge and abilities needed in the future.
- > Identify employees who could potentially fill future vacancies in leadership positions
- > Identify potential succession gaps
- > Identify gaps in employee competency levels
- > Create development plans for high potential employees
- > Track employee development progress to support the succession plan

Communications Plan

Communicating your succession plan to employees is a hotly debated topic. Some feel it may create an issue if the employee is not chosen for the position; others feel it creates a higher level of performance and loyalty. Make your decision thoughtfully.

A succession plan and its supporting development methods can be informal with on-the-job training or structured with special assignments and predetermined training. Bottom line, with the staggering exit of boomers just one year away, you need to be tackling your plan to develop your next generation of leaders. It will have to be a team effort, not just one left to your human resources department. Remember there is no such thing as happy customers with unhappy employees.

Kathleen Rich-New is a coach, speaker and human resources consultant. She is the Chair of Brevard's Best Place to Work Survey and an adjunct professor at Webster University's Graduate School of Business. Kathleen is co-author of "Looking for the Good Stuff... a guide to enjoying and appreciating life". Contact her at (321) 452-7308 or KRN@clarityworks.biz. Learn more at www.ClarityWorks.biz.