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# Leadership Succession: Best Practices for a Lasallian Future

## Session III



# Potent and Prudent Stewardship

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- Of all the administrative tasks that organization leaders and Boards must do, the **most potent** is talent development....
- ...and the **most prudent** form of talent management is ***SUCCESSION PLANNING***.
- It ensures sound risk management and long-view stewardship of people resources.
- It isn't especially difficult technically – but it entails some very significant social-emotional challenges.

# Flow of topics:

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- Elements of succession planning
- Risks, hurdles, and why it might be resisted
- Benefits – the case for succession planning
- Best practices and methods
- Application Discussion

# Elements of Succession Planning

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- ☑ Regular inventory/assessment of goodness of fit for today and for tomorrow, for all key positions and incumbents.
- ☑ Ongoing leadership development of staff.
- ☑ Emergency back-up planning and longer-term incumbent succession options (departure-defined).
- ☑ Aligned with organizational strategy and context.
- ☑ For Lasallians, aligned with vision for Association and shared ministry.

# Well of course, no?

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Succession planning for leadership roles is not such a difficult concept, and obviously prudent.

*So why is it so hard to do?  
Reflect, share at tables.*



# Risks and hurdles...

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- Can be emotional
- Can be technical
- Can be resource-driven or political

# Emotional: Need for Evaluation

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- Succession planning activity rests on the assumption that leaders are **willing to evaluate incumbents** honestly and dispassionately and that they do so on an ongoing basis.
- This is rarer than it should be, especially in nonprofit organizations that do not use performance reviews as a driver of pay increases.



# Emotional: Facing Loss

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- It requires Boards/heads of institutions to consider the **realistic possibilities of loss**:
  - ▣ Planned retirement
  - ▣ Unexpected resignation
  - ▣ Termination for poor performance or cause
  - ▣ Illness, injury, or death
  - ▣ No more Brothers for this role
- These can be painful thoughts or sources of anxiety.



# Emotional: Lame-Duck

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- Focusing attention on the idea that a key leader might not be there forever could generate **insecurity** in donors or key partners.
- Long drawn-out succession plans can produce lame-duck dynamics, a reduction in leader clout as departure time approaches.

# Emotional: Talent Pool Worries

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- Succession planning confronts senior leaders or Boards with the need to think about an inside “talent bench” or an outside talent pool which might prove very **difficult to populate**.
- Depends to some extent on the health of the economy and attractiveness/lack of same for nonprofit education roles.
- Impacts the demand for and nature of Lasallian formation and leader development programs.

# Technical: Process Platform

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- To do good succession planning, several foundational **technical processes need to be in place** (more on this later)
  - ▣ Organizational role descriptions, regularly updated
  - ▣ Regular performance management activities
  - ▣ Data bases – of key persons, and of key positions
  - ▣ Scheduled annual occasions for holding succession plan discussions
  - ▣ Norms/policies for managing planned or unplanned openings in key positions.

# Technical: Formal Discipline

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- Religious institutes, like many strong community networks, are inclined to informal, relationship-based forms of search and succession. But informal networks have two **liabilities**:
  - ▣ Not robust/efficient enough to carry the load – lacking visibility into enough talent pools
  - ▣ Unlikely to achieve diversity goals and values when using personal networks, which are generally homogeneous. Unintended bias.

# Resource-Driven or Political

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- Succession planning is one of those “important but **not usually urgent**” topics, easy to defer when other crises crowd the agenda.
- It requires **time and leadership energy** from volunteer Boards who may or may not feel up to it, although there is little actual financial expense.
- It is the work of a **healthy** organization --- almost impossible to do well if the leader+Board do not have mutual respect and candor or are struggling with failing performance or conflicts.

# Just last week:

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**“The best boards are also thinking about the questions CEOs don’t have time for -- or don’t want to think about: Are we ready for a possible cyberattack? What happens if that CEO gets hit by a bus?”**

**“Selecting the right chief executive and grooming CEO replacements -- wonkily dubbed “succession planning” -- is one of a board’s most critical tasks. A surprising number of boards mess it up.**

**“Thanks to a board fraught with infighting and turmoil, four different CEOs ran Hewlett-Packard between 2005 and 2010. Some directors refused to even meet with potential candidates to succeed one of the ousted chiefs, Mark Hurd. ‘It has got to be the worst board in the history of business,’ a former HP director told New York Times columnist James B. Stewart.”**

---- **“Bored Boards Are Bad For Business. Smart Companies Are Fixing That.”**

E. Peck, 2-20-15, Huff Post Business

# Take-Away: Risks and Hurdles

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- ☑ Succession planning is an example of an idea that seems excellent on the face of it, but that is hard to implement.
- ☑ Some barriers are emotional because the work requires examining or discussing painful possibilities.
- ☑ Other barriers are technical, resource-based, or political.

**Despite the barriers, there are real benefits that will accrue to the organization that manages succession well....**

# Benefits – Stabilizing

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- Well-managed succession planning produces **stability and calm** at critical transition points:
  - ▣ Leaders and Board are prepared for the unplanned absence of critical players.
  - ▣ Having a plan minimizes the length of search processes and uncertainty about who will lead, which tend to paralyze or significantly slow organizational momentum.
  - ▣ Especially important since the huge population of “baby boomers” is actively retiring as we speak.



# Benefits – Stronger Talent Pool

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- Ongoing leadership development for future leaders is **intrinsically valuable** to the organization's mission.
- Cross-training staff for emergency back-ups and engaging staff in their own thoughts about future roles renews **career energies**.
- Succession plan conversations often **raise awareness** of how different roles are changing or should be changing in response to new demands.
- Formal processes can increase **diversity** of talent.

# Benefits – A Talent Culture

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- Regular, periodic attention to talent and succession produces a culture that **values people and thinks ahead.**
- Organization members will register the fact that administrative and governance leaders spend time each year in one or more meetings devoted to thinking about their people, present and future.
- Succession planning costs time and energy but not much money – high return on investment.

# Benefits: Effective Transitions

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- Attentive transitions to lay leadership, a critical threshold for sponsored ministries.
- Support for exiting and arriving leaders, and for the organization members that must adapt to the change.
- Higher likelihood of retention of key talent when senior leader changes.

# Take-Away: Benefits

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- ☑ Despite the many difficulties, leadership succession planning stabilizes organizations during times of change, strengthens the talent pool, supports an attractive, people-valuing culture, and ensures well managed transitions, especially from Brother to lay leadership.

# Best Practices and Methods

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- **Roles:** Board oversight for succession; senior leadership role in talent review and planning
- **Reviews:** Annual leadership succession reviews
  - Individual performance and development reviews
  - Ministry assessment of talent pool and key positions
  - System-wide review of talent pool and key positions
- **Data:** Leadership succession data files
  - “Supply” side = People with potential
  - “Demand” side = Key positions that need to be planned for
- **Actions:** Pro-active position planning and people development

# Roles

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- An appropriate Board committee should maintain oversight of succession planning in each ministry on an annual basis, meeting with senior leadership
  - ▣ Executive Committee, HR Committee, or similar
- The Chief Executive and Senior Administrators hold responsibility for understanding and assessing the capabilities and potential of their organization's people.
- Staff admin or HR support is very limited and trusted – highly confidential and sensitive material.

# Reviews

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- At least 2 levels are needed for effective succession planning:
  - ▣ Individual reviews
  - ▣ Ministry reviews
- Reviews at 3 levels will produce a breakthrough synergy that is unavailable with the first two alone.
  - ▣ Third level = review at the level of the system of Lasallian institutions in aggregate.
- Ensures a clear picture across a wider span regarding status of leadership talent and succession issues.

# First Level: Individual Reviews

- At least once a year, each person who works in the ministry should have both a performance evaluation versus goals, and a discussion about career interests, potential, and development. Both documented.
- These two conversations are often best done at two different times.
- Reviews are done by the supervising leader, and documented.
- Guides leadership development planning for the individual and talent stewardship for the ministry.



# Second Level: Ministry Reviews

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- At least once a year, the ministry's senior leader(s) should summarize the results of individual reviews in a report (narrative + data) to the Board which answers at least the first two questions below, and perhaps others:
  - ▣ *“Which leadership positions in this organization are most critical for its sustainable Lasallian future?”*
  - ▣ *“Which persons currently working or volunteering at this ministry have future potential and willingness to be Lasallian leaders?”*
  - ▣ **Other possible questions:** *“How diverse is our organization? What is estimated timing of future leadership succession? Are there potential successors within the organization? What development is needed?”*

# Third Level: System Reviews

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- At least once a year, a cross-ministries committee of chief administrators would meet to discuss the aggregated people/positions information from each ministry.
  - ▣ This would facilitate the **visibility** across ministries to identify critical **positions** that will need to be filled, and to identify **talent** that might be tapped.
  - ▣ It would provide an “evergreen” snapshot of the human resources, talent pool, diversity, and development needs of the Lasallian community across institutions.
  - ▣ Real-time conversation permits “calibration” ... (to address different perceptions of talent potential).

# Data: How to Keep Records

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- If reviews and succession planning occur within each ministry, there is no special problem if they use different methods for keep track of people and positions.
- However, if a third, system-level review is desired, **each ministry must agree to use a common, user-friendly data format** that permits aggregation each year.
- Short-hand codes can be useful – eg, type of roles for which the person might have potential, or the likely timing before readiness, etc.
- Learn as you go – improve and change as needed.

# Caveats -

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- Some leaders resist the process of differentiating people.
  - ▣ However – everyone does not have the potential to reach every position. We most certainly and frequently assess the potential of others in our private thoughts; this process draws such judgments into the realm of fairness.
- Some leaders resist the notion of data.
  - ▣ Producing this kind of information is leadership work, not data-cruncher work. It might be recorded by a trusted admin, but a leadership succession data file is truthfully a tracking of “prudential judgments”, not objective facts.

# Actions:

Reviews + Data = Good People Decisions

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- Once an organization decides to pay attention to leadership succession in a formal way and has invested time in reviews and good data...
- THEN the potential for true, pro-active stewardship of people resources comes into being.
- Organizations with a talent stewardship culture have leaders that regularly engage in discussions of the persons and positions in their ministry.
- People and performance issues are attended to as carefully as financial assets.

# Process Diagram

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- The next slide contains a diagram of how the overall system of leadership succession planning can work when all levels and all components work together.

# SAMPLE DIAGRAM – Succession Planning System

Demand

Identify Key Positions/Roles

Forecast Succession Needs/timing



Follow up actions:  
Promotions,  
Outside Hires,  
Exits

Process

Individual Reviews

Ministry Annual Review

System-wide Reviews

The right leaders  
in the right places  
at the right times

Supply

Individuals annually reviewed to understand performance, gifts, personal development plans, and long term career goals.

Talent Analysis, Demographics

Annual Board Reviews



Leadership Formation Program Plans

# An Action Example...



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- The Chief Administrator (CEO, President, etc) succession decision is usually the most consequential for the institution.
- A common question has to do with INTERNAL or EXTERNAL sourcing.
- A prepared foundation of regular reviews and system-wide data on key positions and people provides excellent support for this question.

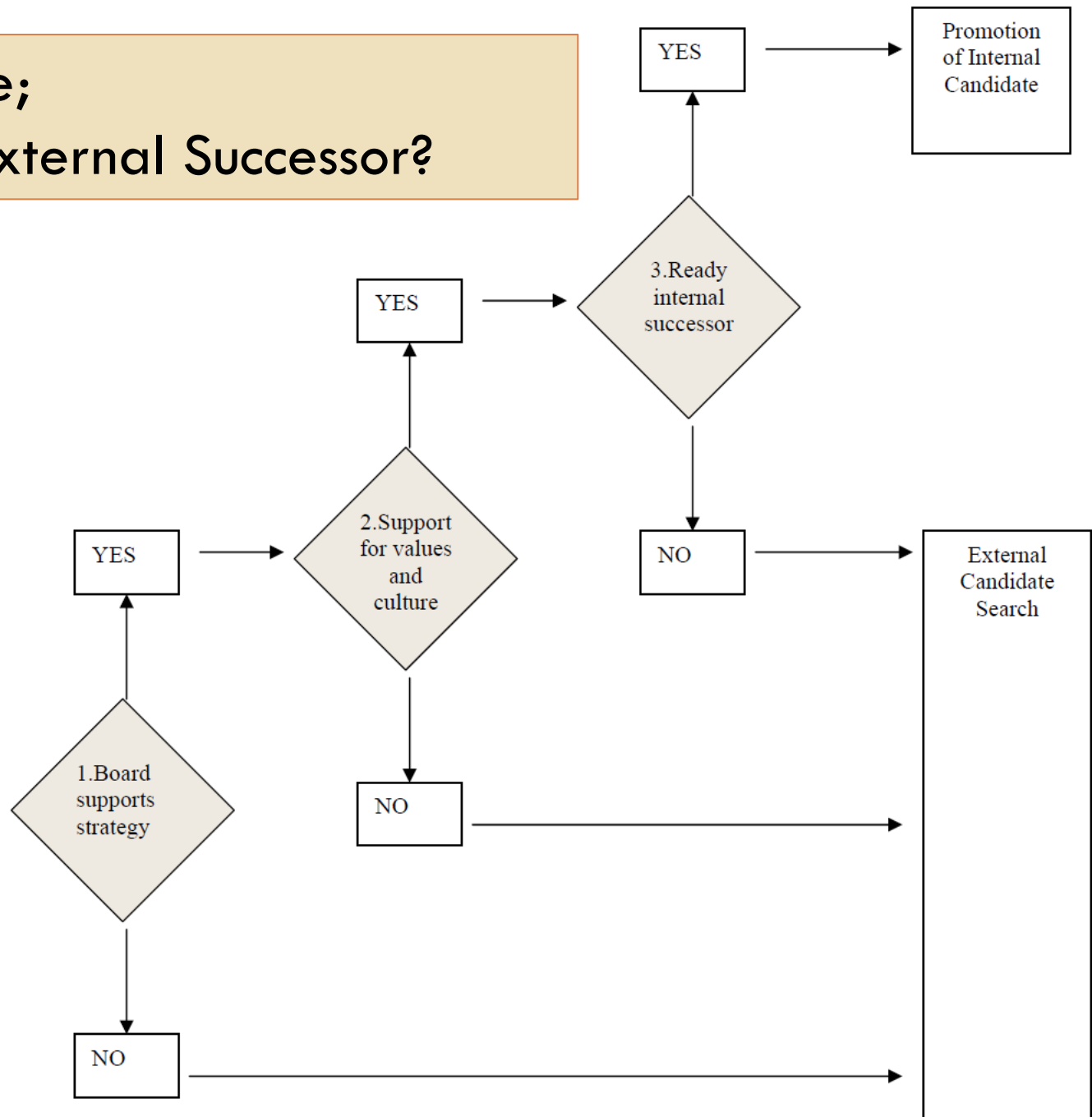


# Promotion or Search?

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- In the Business world, enterprises that are going well tend to prefer internal promotion, view lack of prepared candidates a sign of poor stewardship.
- Nonprofits are often too small and lean to have prepared internal candidates, unless they are large systems. (**Notice this: Are you a large system?**)
- Need for a step-change in strategy or organizational performance often requires external search in either sector.
- Variables can be viewed in a decision tree.

# Decision Tree; Internal or External Successor?



# Preparation Defuses Crisis

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- A prepared foundation of regular reviews and system-wide data on key positions and people provides excellent support for this question..
- ...Turns what can be a wrenching transition into a managed and fruitful experience.



# Two Application Assignments

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## 1. **ANALYSIS:**

- ▣ How do you assess the relative strength or opportunity for improvement of leadership succession planning processes at your own institution?
- ▣ What patterns emerge from your sharing regarding common strengths, common weaknesses?

## 2. **DELIBERATION:**

- ▣ What are your thoughts about whether, or how, Lasallian ministries should collaborate to strengthen leadership succession across the whole?

# Take-Away and Recap

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- Stewardship of the people who make a Lasallian ministry work is at least as important as the stewardship of finances and properties, or more so.
- Leadership succession planning, done thoughtfully and systematically, is the most potent and prudent practice you can build in for the ongoing support of the people and the culture of Lasallian institutions.



# Good Luck!

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- If you would like to explore these and other leadership topics in more depth, Marisa Guerin offers 3-day Master Seminars at Cranaleith Spiritual Center in Philadelphia:
  - ▣ *“The Psychodynamics of Systems for Leaders and Facilitators of Faith Based Organizations”*
  - ▣ *“Planning and Change for the Spirit-Led”*

For reading lists or seminar information, please feel free to contact Marisa Guerin [mguerin@guerinconsulting.com](mailto:mguerin@guerinconsulting.com) / 215-99-6186 or Cranaleith Spiritual Center, at [www.cranaleith.org](http://www.cranaleith.org)