Identifying Candidates for a Succession Plan

Special Report

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A critical task in the succession planning process of any organization is identifying candidates. In this special report, I will cover:

· the pitfalls

· the DDI Model

· the Leadership Pipeline Model


When identifying candidates for future leadership positions it is almost as important to know *what not to do*, as it is to know *what to do.* We will begin by looking at the pitfalls that are made by many organizations, and then we discuss the models that are currently being used to effectively identify candidates for succession plans.


## The Pitfalls


Sorcher and Brant (2004) believe we intuitively look for some traits in future top executives that don't predict leadership success at all. They believe the following criteria are often poor predictors:

1. good team players

2. operational stars

3. dynamic public speakers

4. hungry for greater responsibility


Sorcher and Brant (2004) go on to say, "Team players and those who excel operationally often make better seconds in command. Many a great public speaker lacks the subtle one-on-one persuasive powers that a top leader needs. And shows of raw ambition may be more an indicator of ego than of leadership talent" (p.1).


1. Team Players

Team players are typically promoted in organizations because they make life easy for their bosses and help things to run smoothly. But in top management positions, this same consensus-building collaborator does not always have the luxury of soliciting numerous people's opinions and ideas. Hard decisions will not please everybody. Senior managers must often be independent thinkers.

Sorcher and Brant (2004, p.5) share a story of a collaborative CEO who failed at a publishing company. "After he was hired … people became impatient with him

because the organization seemed to lack a clear direction.
In short, his vision … wasn't really his." A hodge-podge of
everybody's ideas didn't lead to a clear vision.


2. Operational Proficiency

In an era when leadership/management literature is almost
completed skewed toward grand visions and grand plans, is
it possible that operational proficiency (a successful
track record in implementation) could be a misleading
criterion for candidate identification? Yes, I believe it
can be.

     Proficient managers excel at (and are comfortable
with) the current systems and policies. They expect others
to rigidly comply with these systems and policies. At some
levels in the organization this is necessary, but leaders
at the top need to handle interrelated sets of ambiguous,
ill-defined problems. As Sorcher and Brant (2004) note,
"Being able to solve a problem is one thing: knowing which
problem to solve — and then taking the initiative to solve
it — is quite another (p.7)."

     Senior leaders must be good at and enjoy long-range
strategic and conceptual thinking. This is a difficult

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change in thinking for managers who have been previously praised for their tactical skills.

While operational skills are important in every organization, they are not necessarily required in the CEO position. I have seen CEOs who had marginal operational skills (but superior strategic skills) paired with number-two people with strong operational skills; the result was a highly effective team.

3. Dynamic Speaker

As a professional speaker myself, I have often been disturbed by highly paid, highly polished professional speakers (with little more than platform skills) delivering shallow, or misdirected, or just plain bad advice to hundreds of people.

My advice here is "Beware the articulate incompetent." Speaking skills can (and should be) learned by every executive. But, poor speaking skills rarely derail a knowledgeable executive. Public speaking skills can be learned. General communication skills and a desire to communicate effectively are far more important.

4. Raw Ambition

Obviously anybody obsessed with power is dangerous. But, I disagree with Sorcher and Brant (2004) here. They believe exceptional leaders display a high degree of humility. I have found most great leaders to have "fire in the belly." Although obviously ambitious, they can control the "fire" that comes out of their mouths. Control, not level of ambition, is the critical factor here.

The DDI Model

Traditionally, candidates have been identified based on past performance. While that seems logical, it is problematic in the real world.

In succession planning, past performance always measures success in a lower-level position. What is needed in succession planning is a method to identify potential in a higher-level position.

Typically, past performance indicates success in operational leadership roles. No doubt, organizations need strong operational leaders. But, as individuals move higher

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in organizations the required skill set shifts from operational to strategic.

Operational leaders at the front-line supervisor and middle management levels must excel at executing details and "hitting the numbers." Senior executives must have the strategic skills to think conceptually, respond to external stakeholders, and to lead the organization with an inspiring vision.

Grooming operational leaders for strategic leadership roles is a tricky process. Home-grown CEOs have a poor track record, generally speaking. But, the other option — hiring off the street — is equally problematic.

What we need is a better way to predict future performance at higher and more strategic levels. One helpful predictive model is the *Leadership Blueprint* (2004) developed by Robert Rogers and Audrey Smith of Development Decisions International (DDI).

The DDI Model has four cornerstones and ten traits of leadership potential. The ten traits are essential attributes of the cornerstones. Let me offer the following summary of the *Leadership Blueprint* model:

A. Leadership Promise

    1. Propensity to Lead

    2. Bring Out the Best in Others

    3. Authenticity/Integrity

B. Personal Development Orientation

    4. Receptivity to Feedback

    5. Learning Agility

C. Mastery of Complexity

    6. Adaptability

    7. Conceptual Thinking

    8. Navigates Ambiguity

D. Balance of Values and Results

    9. Culture Fit

    10. Passion for Results

## A. Leadership Promise

The first cornerstone of the DDI Model describes a person who shows certain inherent abilities to lead others. Propensity to lead is that natural tendency to be in-charge. It can't be explained, but it is easy to recognize. Individuals and groups naturally gravitate to and follow people with a propensity to lead.

The trait of brining out the best in people cannot be taught. Individuals with this trait care about the people they lead and the task at hand. These leaders can inspire followers to levels of achievement that nobody ever dreamed were possible.

As part of the leadership promise cornerstone, Rogers and Smith include authenticity. I agree with them. Authenticity has become a critical leadership factors. Authenticity and the closely related trait of integrity are required to establish trust. After many high-profile scandals in the business world and the political world authenticity, integrity, and trust are essential ingredients for succession candidates. (This explains why Ronald Reagan was a more influential leader than Richard Nixon.)

## B. Personal Development Orientation

Please note that this cornerstone is about orientation, not about accomplishments. Keep in mind, we are trying to determine potential (future), not accomplishments (past).

A personal development orientation is important because even the best leaders need to be striving to become even better. Lifelong learning is an essential trait.

Receptivity to feedback is part of the lifelong learning mindset. Individuals with this trait see feedback as a source of learning. They are not afraid to admit they were wrong. They are not above coaching.

Learning agility is an important but rare trait. Learning agility requires a high level of security. This trait allows an individual to reinvent him/herself. Over a career of 50 years it is necessary to change with the world in which you live.

Individuals with learning agility are interested in a wide range of topics. If they don't find the answer in one area, they investigate another. The process of finding the solution is more important than where the solution is found.

Rogers and Smith (2004) recommend asking succession candidates the following questions:

1. What are the best business books you've read, and what did you learn?

2. What lessons did you learn from your best boss? Your worst boss?

3. What stretch assignments have you taken on? What did you learn?

C. Mastery of Complexity

Three traits make up the mastery of complexity cornerstone: adaptability, conceptual thinking, and the ability to navigate ambiguity.

Adaptability refers to the ability to adapt to new situations, people, and demands. Rogers and Smith (2004) call this the "unswerving can-do attitude." This person is always looking for a new challenge.

For many years, the leadership development literature has spoken of the necessity of leaders to engage in conceptual thinking. The higher one goes in an organization the more frequently he/she will be called upon to think conceptually. Does the succession candidate have difficulty keeping the big picture in mind?

Executives must be able to visualize various possibilities and perspectives. Micro-managers who get ensnared in the details will never survive in senior management.

Today's successful leaders must be able to perform in a complex environment characterized by rapid change, competing demands, and ambiguity. Former Secretary of State Colin Powell once said, "If you have 70 percent of the

information you need, you have enough to make your decision." He is right, that's about as good as it gets.

I think one of the biggest mistakes in business schools is the assigning of cases that clearly lay out the facts of a situation. That never happens in reality. To make decisions in an environment of ambiguity takes courage that few people possess. To navigate in a world of ambiguity requires an action orientation. You must be willing to make a mistake.

## D. Balance of Values and Results

To understand the fourth cornerstone, you must consider the organization, the individual, and the fit between the two. Each organization has a unique set of values and a distinct culture. The successful leader must share that set of values and be comfortable in that culture.

Cultural fit is one of the strongest arguments for promotion from within. An organization should decide to look for external candidates only when it hopes to dramatically change the culture. Organizational culture is always driven from the top. Be careful who you put in the driver's seat.

Last, but certainly not least, is a passion for
results. A leader must have a never-give-up attitude and a
get-the-job-done focus. In their popular book, *Execution*,
Bossidy and Charan (2002) talked about not being deceived
by grand visions, beautiful rhetoric, or highly polished
people skills. Organizational Leaders must produce results.

## The Leadership Pipeline Model

As stated earlier, past performance always measures
success in a <u>current</u> lower-level position. What is needed
in succession planning is a system to identify potential
for success in a <u>future</u> higher-level position. The best
model I have found for predicting success at various levels
throughout the organization is the Leadership Pipeline
Model by Charan, Drotter, and Noel (2001).

The Leadership Pipeline provides a model that
describes the skills, time applications, and values
required to succeed at different levels in the
organization. While most leadership models and theories
describe characteristics of leaders in general, the

Leadership Pipeline describes specific criteria for success in transitioning from one level to the next.

The Leadership Pipeline Model helps us to see the importance of identifying candidates for positions throughout the entire organization. The pipeline must be continuously filled with leaders who have been identified for development for the next higher level. A pipeline clog at one level will clearly harm leadership development and succession throughout the entire organization. What is needed is a carefully monitored system for developing in-house talent from front-line supervisors to CEOs.

At GE and Citicorp, two companies using the Leadership Pipeline Model, leadership passages from one level to the next are seen as "turns" in the leadership pipeline. These turns (or passages) provide significant developmental experiences. If these turns are skipped the individual may not be prepared for higher levels of leadership. The focus for development should be the lack of critical skills and values for the next higher level, not past performance.

I am often asked "Is it better to recruit from outside the organization or to develop leaders from within?" The safe, but rather uninsightful answer is, "It depends."

Recruiting from outside the organization makes sense when a major change in corporate culture or direction is needed. But, I would caution against the over-dependence on the outside recruitment of leaders. Desperate attempts to recruit leaders from outside the organization suggest an inadequate leadership pipeline.

Recruiting leaders from the outside of the organization can be very expensive. As we all know, there is a talent shortage in the marketplace. This can lead to paying high premiums (or even outright price wars) for promising talent.

The Leadership Pipeline Model offers a common language (terminology) and specific criteria for what to look for in leaders at the next higher level. The Model provides a description of the skills, time applications, and values required of leaders at each successive level. These criteria are critical not only in identifying candidates but also in their subsequent development.

## Leaders Are Born, Not Made

For many years, I have said, "Leaders are born, not made." I realize that it is politically incorrect to say,

but in 30 years of organizational and individual

effectiveness work, I have never met a great leader who was

not born with the "right stuff." We must identify

candidates who have the potential to be developed into

great leaders.

Rogers and Smith's (2004) research at DDI supports my

politically incorrect, but experience-derived, conclusion.

The ten traits identified by DDI's *Leadership Blueprint* are

personality traits. Sure, they can be developed. But, no

leadership developer (me or any other mortal) can put in

what God has left out.


## Conclusion


The key to identifying candidates for higher levels of

responsibility is to predict their potential to succeed in

attaining and using the skills, time applications, and

values of the next higher level. Past performance is often

a poor predictor of their future success. Remember the

skills, time applications, and values of each successive

level of leadership are dramatically different.

What makes the DDI and the Leadership Pipeline models

so powerful are their predictive natures. They help

organizations identify individuals with leadership

potential. They do not fall into the "past performance trap" or assume the widely accepted (but mistaken) believe that anybody can become a great leader.

The challenge in succession planning, and in identifying candidates in particular, is making sure people are assigned to a level that is appropriate for them. The challenge is complicated by the fact that people change (hopefully for the better) over time. An appropriate position for someone today may not be appropriate three years from now.

Identifying candidates for the organization's future leadership positions is a critical task. Do you have a system for identifying candidates that considers not only their current skills, but also their willingness to learn new skills and to adopt new work values and time applications?

If you would like to learn more about identifying candidates, I recommend reading "The Leadership Pipeline" by Charan, Drotter, and Noel (2001). In addition, there are always free articles on my website www.mikebeitler.com about succession planning and related practitioner topics.

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