

Succession Planning

Being small is no excuse for being unprepared!

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Poll questions



The Succession Plan

It's not

- A checklist item
- A static document
- A plan to fill open positions at the top of the organization
- Restricted to career pathing

It is

- An integral part of your strategic plan
- A gauge on your credit union's preparedness
- A critical tool in employee development
- An important part of your leadership pipeline
- An effective talent retention program



Why is it so important?

- The world is changing rapidly
- Employee expectations are different
- Disengaged employees are incredibly expensive
- Turnover employees is expensive

The smaller the organization, the higher the importance



Why do most plans fail?

- Most plans account only for *job-based skills and experience*
 - Leadership competencies & skill sets
 - Readiness
- Most plans are not integrated into the overall *leadership development program*
- We don't prepare leaders to be successful
- Lack of experience
- Lack of talent
- Lack of bench strength
- Limited or incorrect view and vision
- Poorly defined expectations
- Poorly built and executed performance management tools
- Poor leaders hiring poor leaders



Components of a good plan

1. Alignment of leadership expectations – a leadership pipeline
2. Definition of critical roles
3. Calibrated performance and potential standards
4. Comprehensive talent assessments
5. Leadership Development Program
6. Written plan beyond the CEO

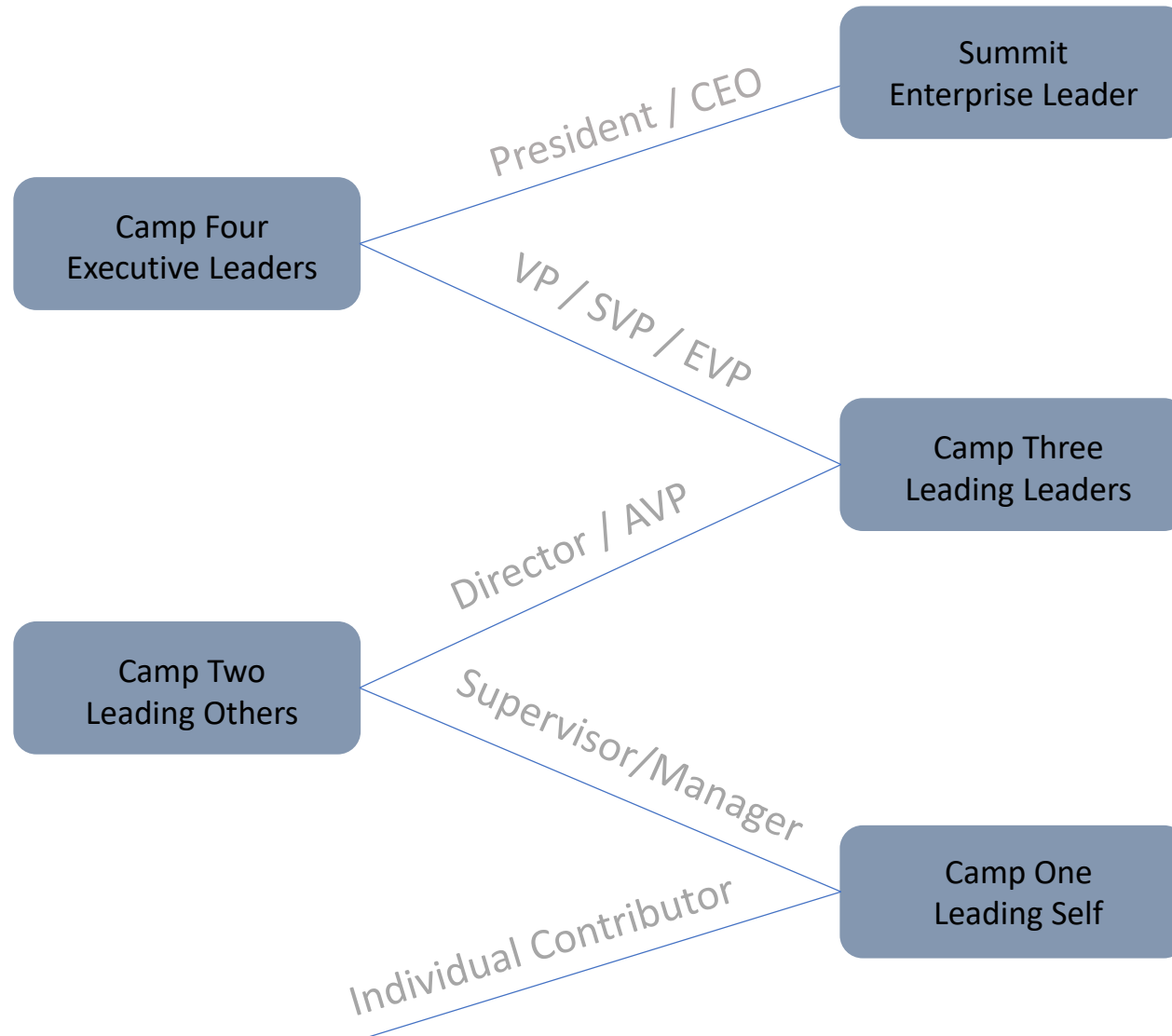


Alignment of leadership expectations

- Where is the organization going, strategically?
- How does the organization define success?
- Is there a clear leadership pipeline?
- Does the organization reward the right leadership behaviors?
- What is the state of the current talent pool?
 - Have you assessed your current talent pool?
 - How many employees are ready today for promotion?
 - How many could be ready in 6 months? More than a year?



Pipeline Progression – Camp Skill Sets



Enterprise Leaders – Stronger focus on values than skills; long-term visionary thinker; set direction and master execution; promote a positive culture; get results

Executive Leaders – Communicate down multiple layers; proficient strategist; manage different functions; understand and make trade-offs; manage the complexity; complete understanding of the business model; portfolio strategy; coaching and mentoring others

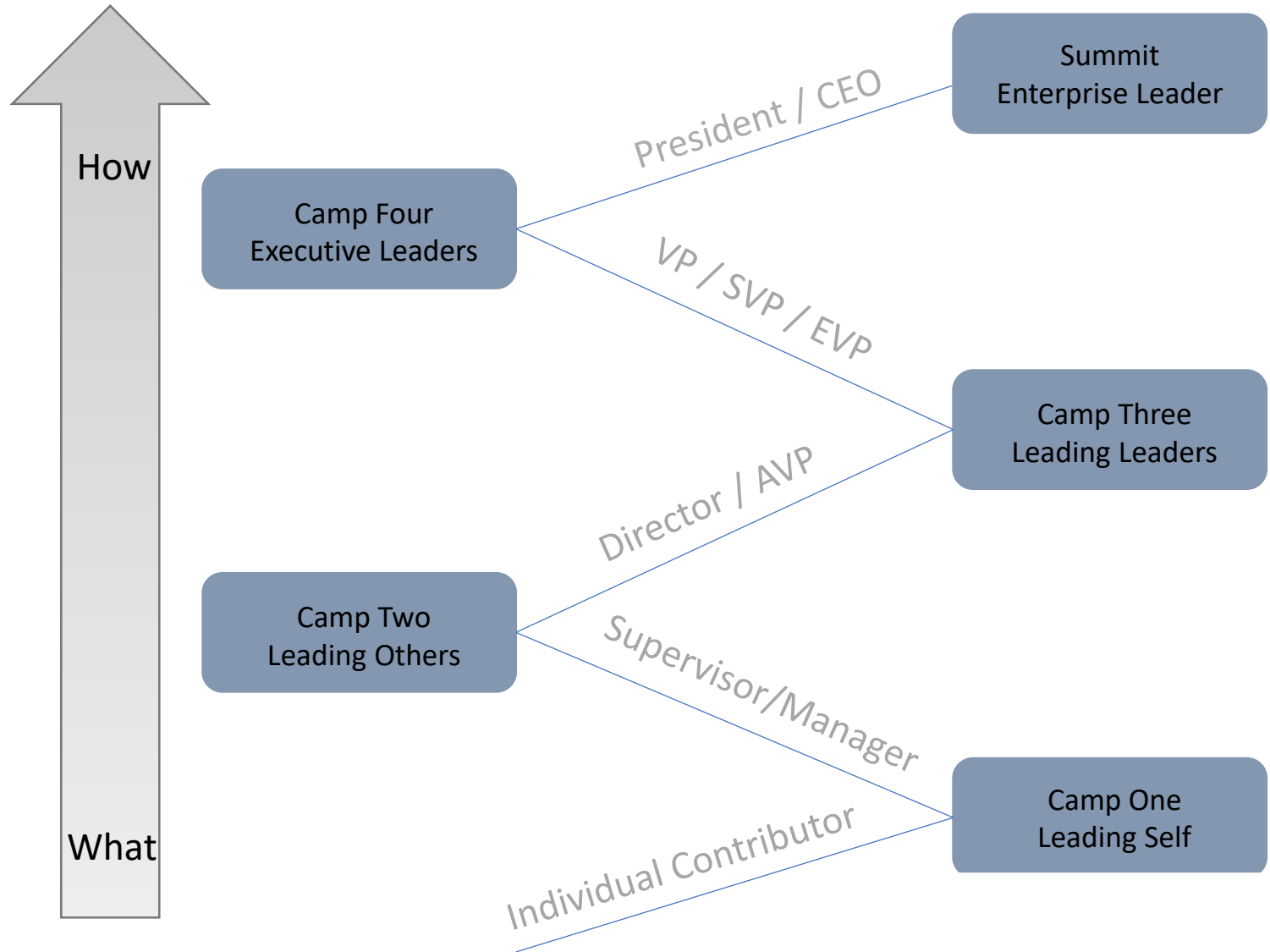
Leading Leaders – Pure management; greater need to divest individual tasks; holding first line managers accountable; resource management; understand strategic issues

Leading Others – Getting work done through others; filling jobs; coaching; giving up the tasks that earned the leadership title in the first place

Leading Self – Driving self-development; emotional maturity; organizing their work



Pipeline Progression – Climbing the Mountain



- Few organizations think about core competencies and experiences necessary to be successful at each level – and how to transition from one to the next
- Method to ensure individuals are prepared for and placed at the right leadership level at the right speed
- Focuses on level-appropriate skill sets and identifies mismatches
- When thinking in terms of pipeline requirements rather than job-title responsibilities, organizations are in better position to develop leaders
- Offering simplistic training programs isn't going to fill the pipeline
- Transparent and consistent



Critical Roles

- C-suite
- Leaders of leaders
- Leaders of others
- Key contributors (anyone difficult to replace)
 - Business Development Officers
 - Mortgage Originators
 - Indirect Lending Manager
 - Sales
 - Business/Commercial Account Managers



Calibrated standards

Performance

- Does each leader/area in the organization define success in the same way?
- What is the proper balance between job skills and leadership skills at each level of the organization?
- Has the organization provided distinct definitions with examples for each level?

Potential

- How does the organization identify and measure the potential for leadership growth?
- How do you quantify gaps between current state and needs?
- What opportunities exist for employees to demonstrate their progress?

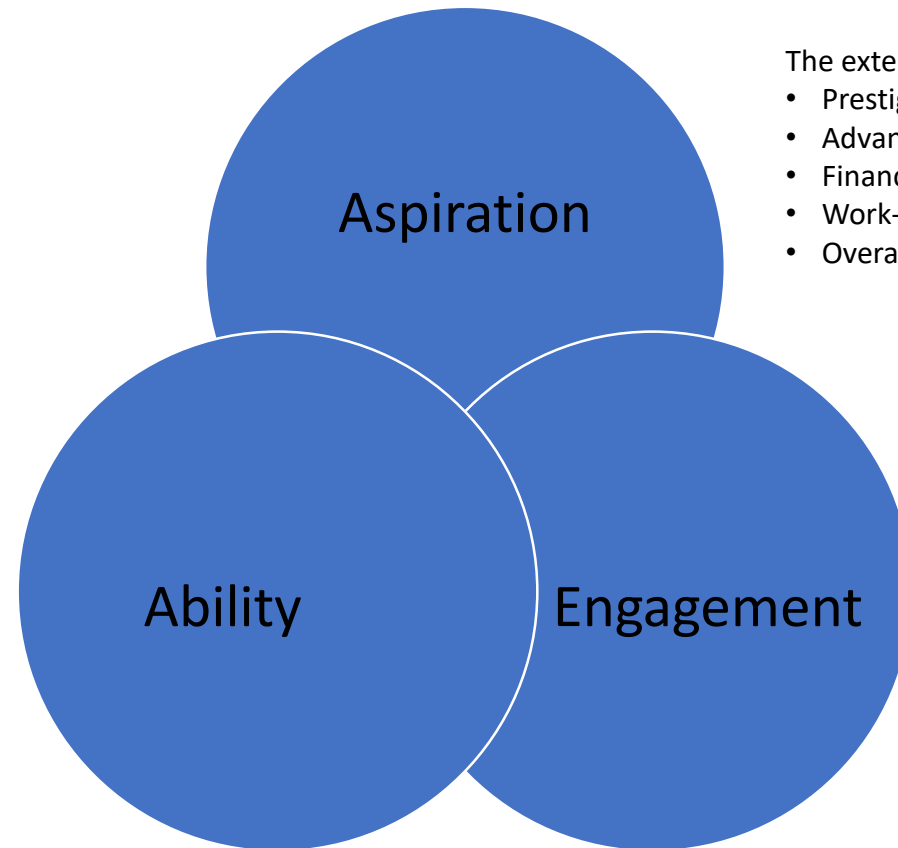


Calibrated Standards

- Define a success profile – know what good looks like
- Comprehensive set of standards with formal definitions and examples
 - “Easy Grader versus Difficult Grader”
- Define leadership skills and competencies
- Define a high potential leader



Defining High Potential



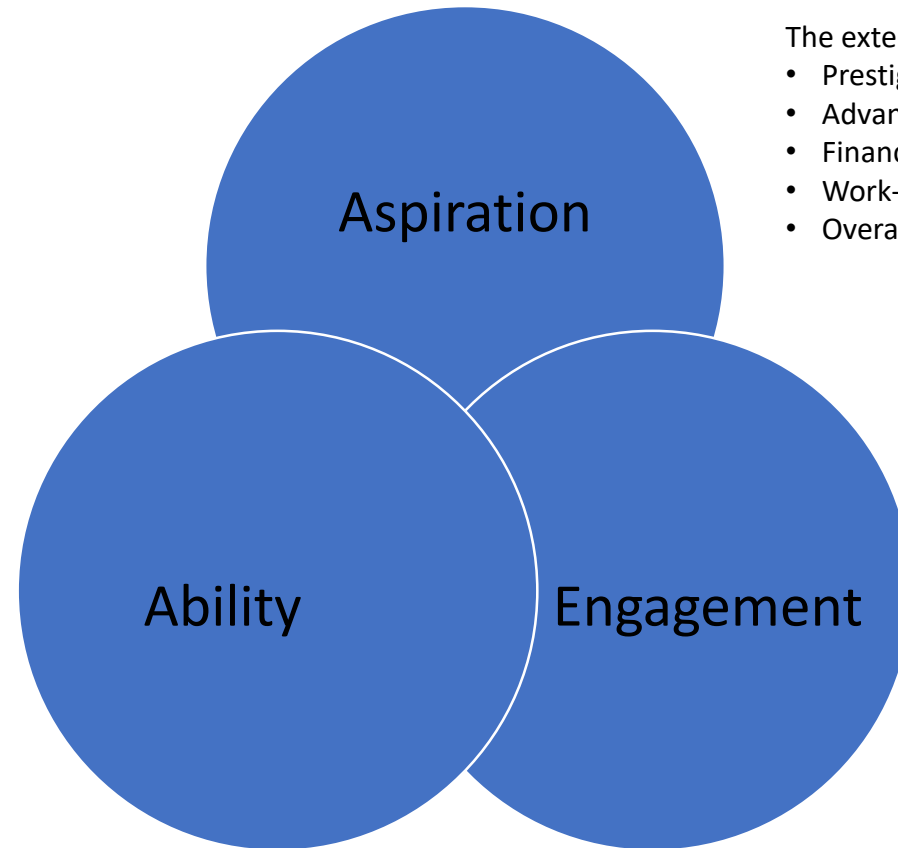
Aspiration

The extent to which an employee wants or desires:

- Prestige and recognition in the organization
- Advancement and influence
- Financial rewards
- Work-life balance
- Overall job enjoyment



Defining High Potential



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Engagement

Engagement consists of four elements:

Emotional Commitment – the extent to which employees value, enjoy, and believe in their organizations

Rational Commitment – the extent to which employees believe that staying with their organizations is in their self-interest

Discretionary Effort – Employee willingness to go “above and beyond” the call of duty

Intent to Stay – Employee desire to stay with the organization



Defining High Potential

Ability

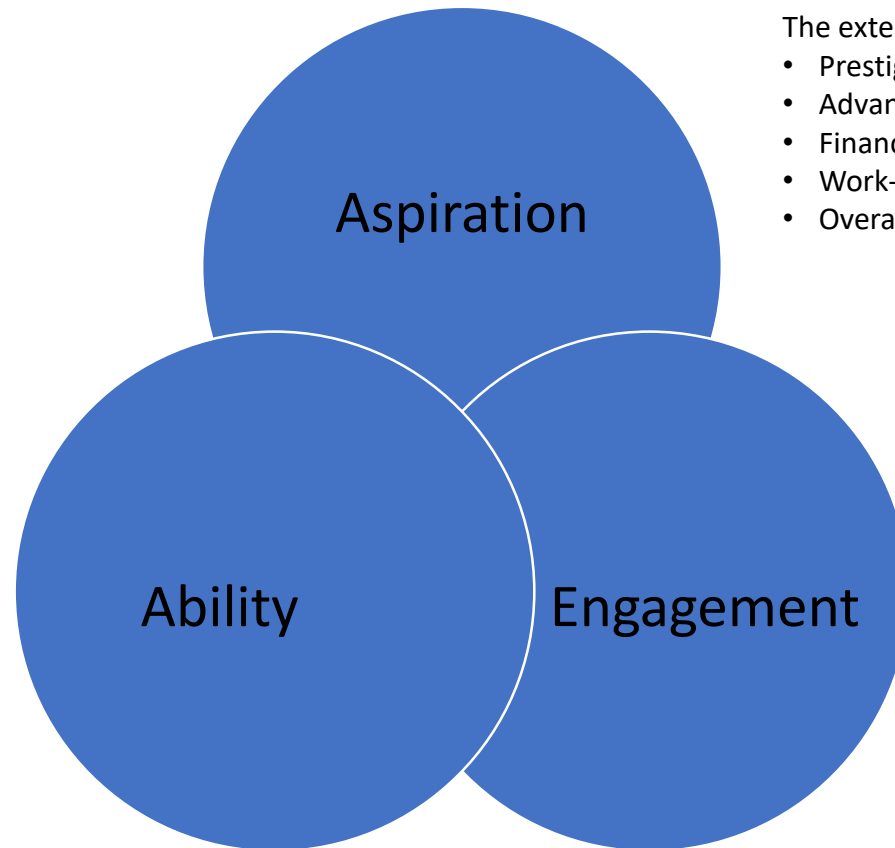
A combination of the innate characteristics and learned skills that an employee uses to carry out his/her day-to-day work.

Innate Characteristics

- Mental / cognitive ability
- Emotional intelligence

Learned Skills

- Technical / functional skills
- Interpersonal skills



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The High-Potential Employee

A high-potential employee is someone with the ability, engagement, and aspiration to rise to and succeed in more senior, critical positions.

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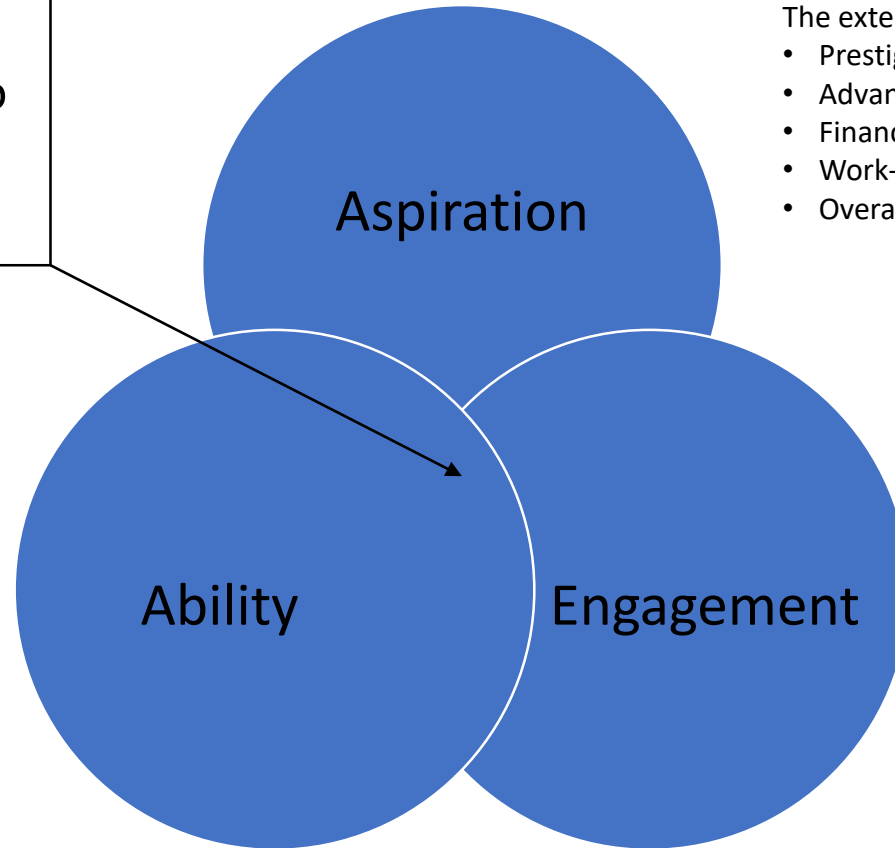
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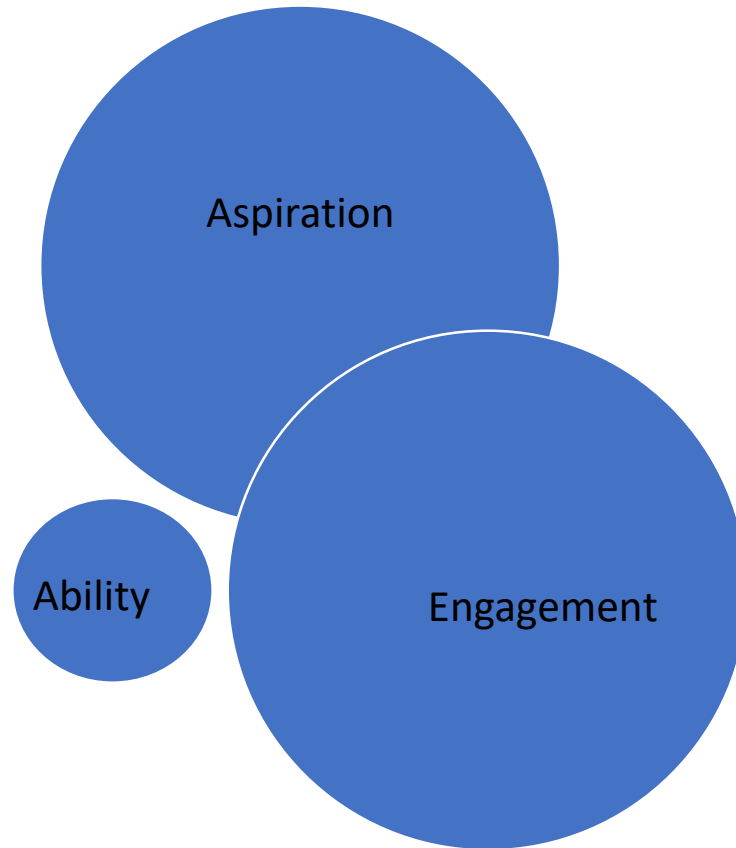
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Engaged Dreamers



High degrees of aspiration and fully engaged, but currently possess only moderate ability.

Unless the organization can develop requisite skills, the probability of success at the next level is virtually zero.

Probability of success at the next level:

0%

10% of High Performers who are not High Potential.

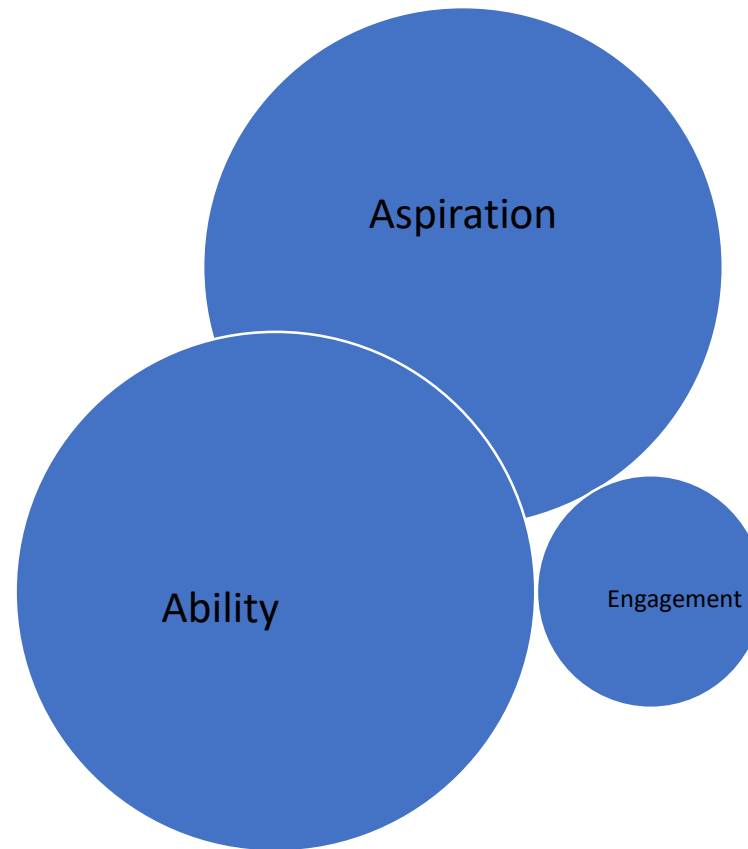


Unengaged Stars

A great deal of ability and high aspirations, but these employees are not engaged.

They hesitate to believe working for the organization is in their best interest, and don't fully believe in their work for the institution.

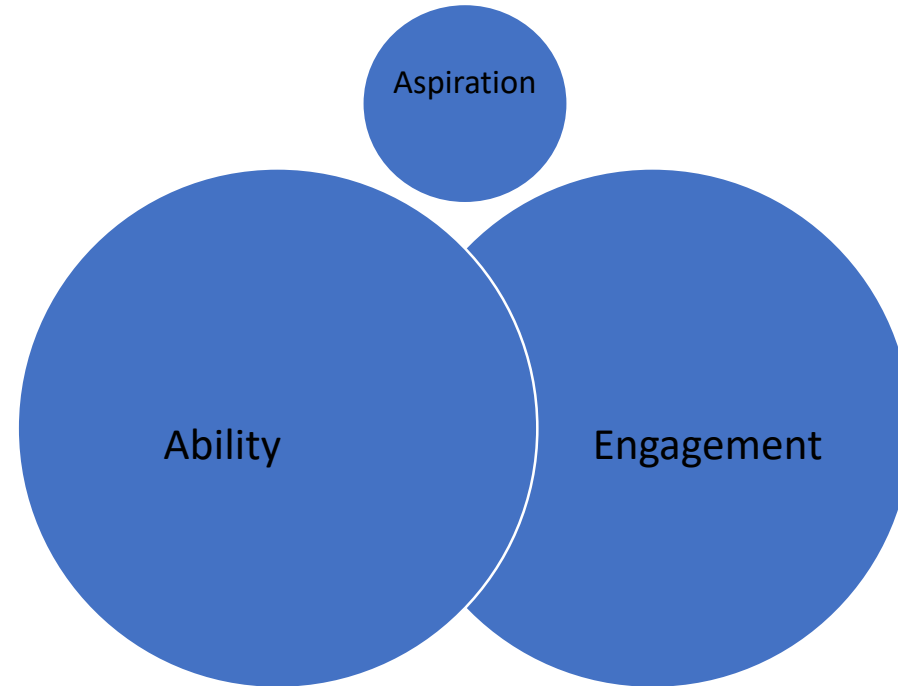
Probability of success at the next level:
13%



43% of High Performers who are not High Potential.



Misaligned Stars



Lack the drive for success at the next level.

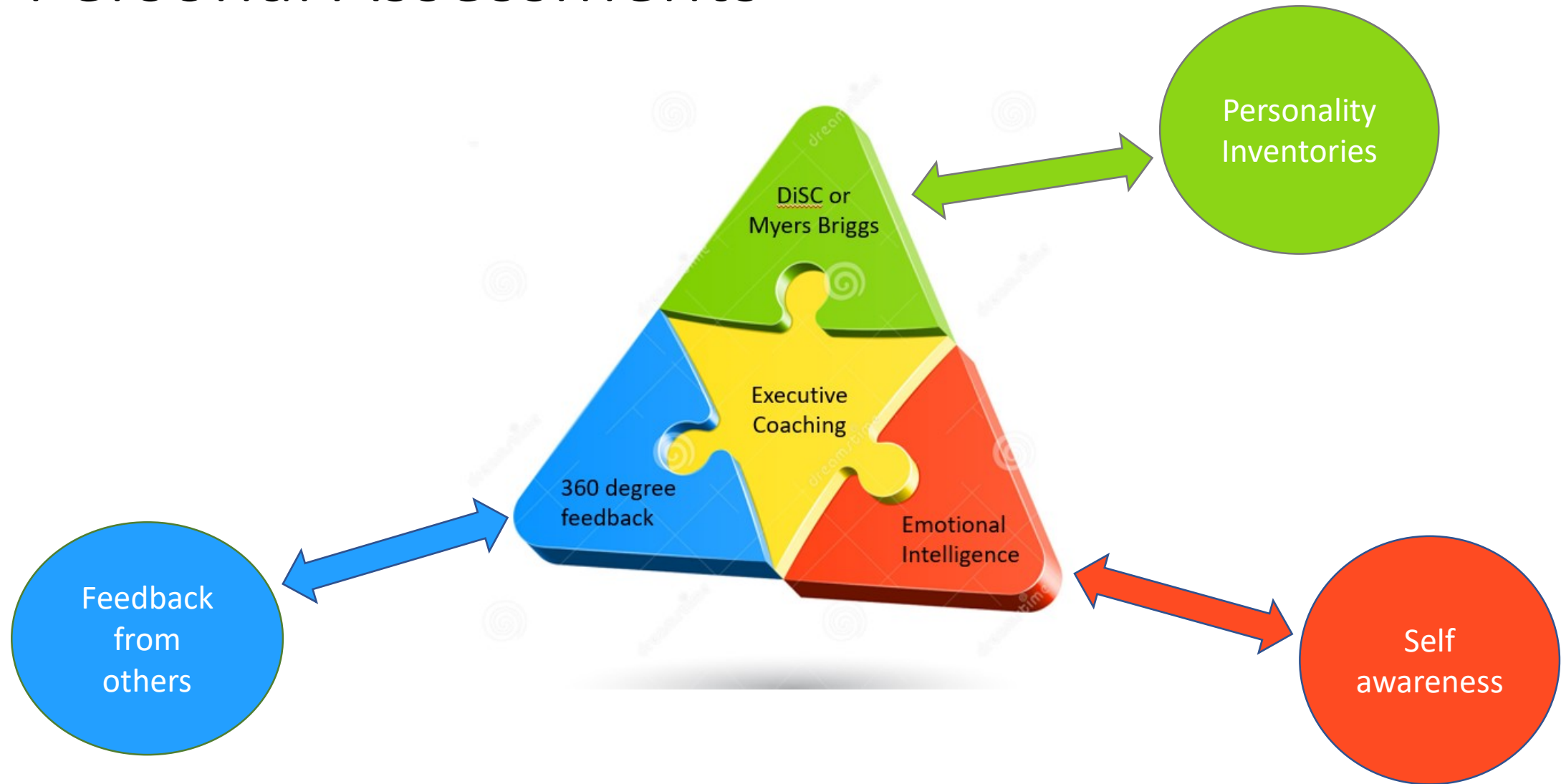
Despite their level of engagement and high degree of ability, they simply “don’t want it enough.”

**Probability of success at the next level:
44%**

47% of High Performers who are not High Potential.



Personal Assessments



Comprehensive Talent Assessment

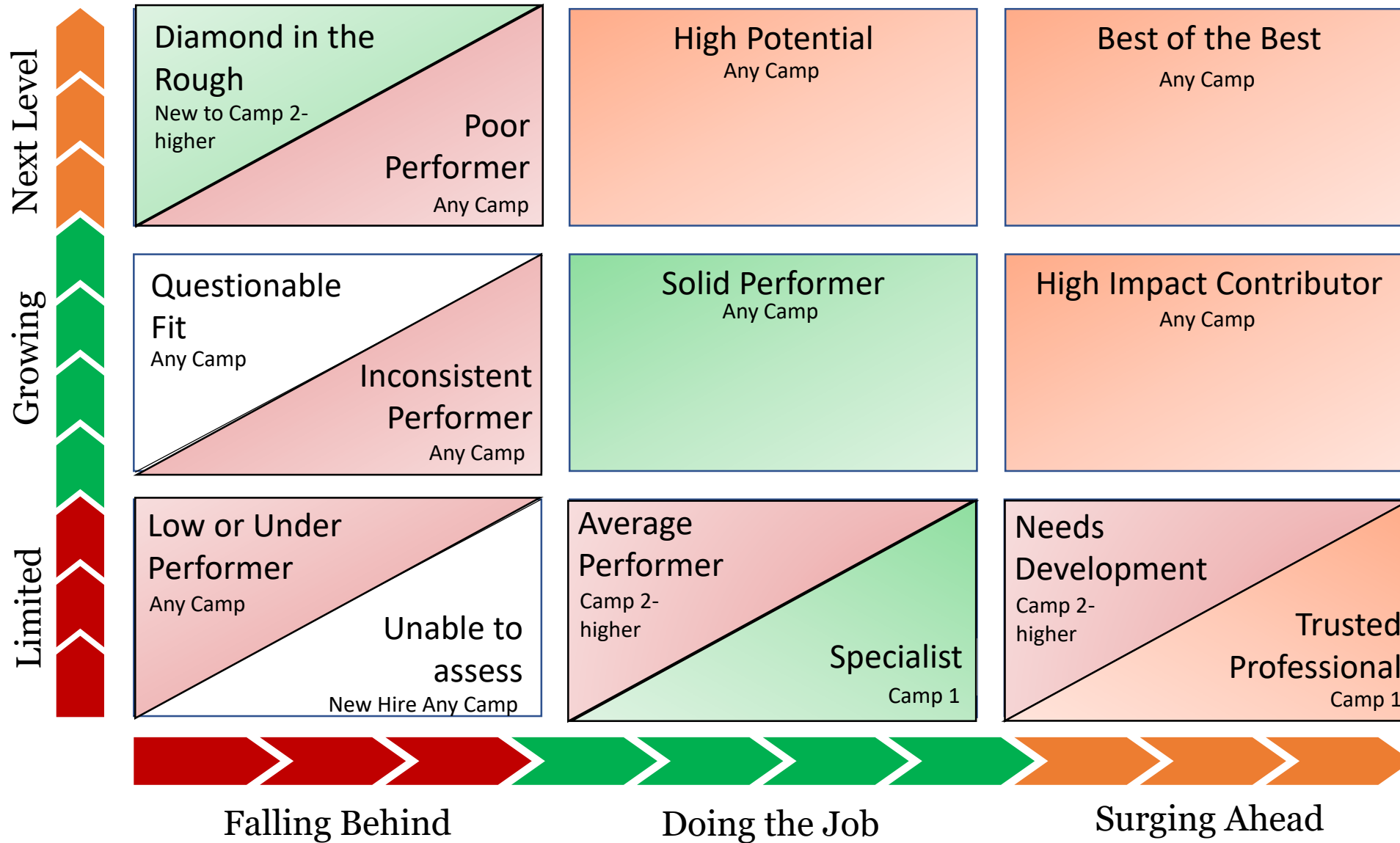
Performance

- Surging Ahead (Top)
 - Words like “always”, “consistently”, “demonstrates excellence”
- Doing the Job (Meets)
 - Words like “Usually”, “Consistently meets”, “Occasionally exceeds”
- Falling Behind (Below)
 - Words like “Below”, “Sometimes”, “Infrequently”

Potential

- Next Level (Ready now)
 - Employee fulfills aspiration, ability, and engagement
- Growth (Ready in 1-5 years)
 - Employee lacks one or more of the three components
- Limited (Underperforming)
 - Severe gaps, or does not wish to be on a leadership journey





(c)Eleven Performance Group, 2017



High Potential

Any Camp

Best of the Best

Any Camp

Solid Performer

Any Camp

High Impact Contributor

Any Camp



Leadership Development Program

- A framework and common language for leadership
- Lead yourself, lead others, lead the organization
- Personal assessments
- Talent optimization
- Identify & build competencies
- Executive coaching
- Team dynamics
- Build a leadership pipeline



Hiring the right talent

- Train (certify?) your hiring managers
- Values-based & culture questions
 - Build a culture matrix to help shape questions
- Assess the talent before making an offer
 - All positions – Predictive Index
 - Senior positions – Predictive Index + Emotional Intelligence
- Pay more
 - The best talent is attracted to the biggest games
 - Don't restrict salary comparison to our industry/peer groups



Poll questions



Materials by Request

- Dream sheet
- Succession plan template



Special Opportunities for Participants

- Complimentary Succession Plan review
- Facilitated talent assessment exercise (\$500)
 - Remotely delivered; 2 hours
- Individual leadership assessments (\$1,000 per person)
 - Personality Assessment
 - Emotional Intelligence
 - 360-degree feedback
 - Debrief with certified coach

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