

**LEADERSHIP SUCCESSION:**

Let the Cream Naturally Rise to the Top



During the six months that the late Steve Jobs was away on medical leave, the market became skeptical about Apple's future prospects. What if the top 5 leaders in your organisation suddenly walked away – do you have a ready bench of next generation leaders who can fill their shoes?

If you are like the many senior Asian business leaders I have met since moving to Malaysia in April, this question probably keeps you awake at night. As one Malaysian CEO candidly admitted, "We have been investing in succession planning activities for years, but we still don't have a good crop of future leaders."

The most common practice of succession planning goes something like this: HR annually draws up a list of 3-4 candidates for each key job, senior management discusses names on the list and a training/development plan is created for each candidate. The so called best practice companies go a step further. They identify their high potential talents early in their careers, and give them a special development diet with a view to systematically prepare them for future leadership roles.

The diet consists of a mix of training, executive coaching, stretch and rotational assignments. Unfortunately, both these practices miss the mark. Before we explore why, consider the following facts:

- **The top 10 in demand jobs of 2010 did not exist in 2004.**
- **The amount of new technical information is doubling every two years. For students starting a four year technical degree, this means that half of what they learn in the first year of study will be outdated by the third year.**



In such a rapidly changing business environment, how can companies tell who amongst their ranks will be best suited to lead in the brave new world of tomorrow? It might therefore be time to rethink the “best practice” of early anointment and special treatment of high potentials.

Leadership is about having abundant emotional and physical energy to create positive change despite the most formidable of obstacles. Such energy cannot be learned in a classroom or acquired automatically when someone is appointed to a senior position. It must come from within. Therefore, instead of treating a chosen few differently, companies can create meaningful development programmes that allow all employees to take personal initiative and display leadership skills if they so desire, and allow management to identify “diamonds in the rough” at the same time.

A good way to do this is to invite employees to work on something in addition to their day job. From time to time, senior management can identify a list of strategic issues or opportunities it wishes to tackle, and invite employees to voluntarily create teams to address those issues. All senior management needs to do is set a few guidelines for participation, and leave the teams alone. If it wants to do more, it could provide each team with a senior sponsor and/or an executive coach who is willing to invest some time guiding the team.

After allowing the teams to work on developing their ideas for a few months, they should be invited to present their work to senior management. By listening to these presentations, senior management will automatically

get a sense of who the best thinkers and performers are. By working on these teams, participants will get an opportunity to learn something that would not have been possible within their day job and, network with and get noticed by senior management.

Doing programmes like this annually can give senior management a very good view of their high potentials without anointing a few as such. Because participation is totally open and voluntary, it does not create any morale issues for those left out.

Another variation of this programme is to even leave topics for the teams to decide. Anyone that has an idea that can save money, increase revenue, or improve any aspect of the company can be invited to form a team and participate in the programme. An added benefit of such programmes is that they unleash creativity and innovation within the organisation without adding additional resources.

In the fast changing and interconnected global business landscape of today, companies should get out of the talent prediction game and stop “planning” their succession. Instead, they should start creating conditions in which the cream can naturally rise to the top.