

Succession Planning is Critical for Organizations

by Stacey McCreery

A Strategic Tool for Success

Succession planning can be a very taboo topic, but with planning and communication it can be a very influential tool in your long-term strategic planning for your organization. We do five year financial plans and budgets all the time, but how are we doing with our people plan?

It's Critical

Succession planning is critical for healthcare organizations, departments, and for you personally.

Seeing firsthand where without a good plan, individuals in the department may not know you are planning to move on or retire or have different aspirations, and they make their own plan, which is different than you expected.

That all is very frustrating when you are thinking and planning that they will be promoted to your position longer-term but have not yet directly communicated it. In your mind, you are doing the planning and ensuring that you mitigate risk for the organization and the department, but the lack of communication is also really critical.

Communication is Essential

We see this over and over again as there a couple reasons why this happens. First, as a manager, do I really want to communicate what my plans are?

Well the easy answer is no, right? However, you find that without communication, there is no way to appropriately plan. Communicating your plans can be scary and sometimes risky, but it is definitely the right step forward for your department longer-term. When everyone has transparency and open lines of communication, the fear subsides. Why is this important?

Don't Lose Your Key People

Well without planning, we lose great people. Turnover is higher, productivity is lower, and quite simply, we lose people we never expected to lose. Those folks in your organization that are critical and high performers expect communication on succession planning. It's quite simple, and without communication on the plan, those individuals will make changes long-term that certainly do not include your department.



They will not do it quickly or abruptly, but high performers want to be communicated with; they want to know the plan. They want to contribute to the organization and the department, and if they cannot see a vision for their future in a promotion longer-term then they will start making their own career plan.

Unfortunately, hiring managers all the time are disappointed when they receive that resignation. It is heartbreaking when you have a high performer you lose, and you had no idea they were looking for that next step in their career.

However, one way you can mitigate that risk of losing a high performer is having a succession plan.

Getting Started is Hard

So where do you start? First, it starts with you. Sitting down in a room looking at your organization chart and drawing it out. It should include your employees' names, titles, years of experience, and top three attributes, rather than only a name. When was the last time you did that? Then taking a look and identifying in the organization chart and determining who is ready for the next level, who will be ready for the next level in a couple years, and who do I need to have conversations with that may not be performing as strong as you would like. All of those individuals are critical to communicate with so there is no misunderstanding where they are in their career path.

You often learn things when you really give it thought, and sometimes you forget things. For example, in my own career it was several years back, I had a conversation that I was looking for something different than the next step and that was a surprise in the first conversation. After it sink in, the hiring manager thought about our conversation and my background, my skills, my desires, and it made perfect sense. She was then able to think about how her organization would look longer-term without me.

Necessary Tools and Training

Succession planning gives hiring managers the tools to be successful in their own department. It also gives you the okay longer-term to want to do something else. Then you can best plan and put that plan into action.

Second by having these conversations and identifying all the individuals in the department and where they are in their career path, it mitigates risk for the organization. The reason why is you can easily identify gaps in the organization of where successors or skill sets may not be fully developed or are missing.

Third, it helps you think about your own career action plan. It helps you think about when you are ready to make that next step. And that might not be for 10 years depending on your level. Or in some cases, it might be one or two years. What we know is one or two years goes by quickly and even faster without planning.

Crucial Conversations

I know when I was developing my own succession plan, I wanted to ensure the organization was left in the best possible transition. I had a very long-term plan in my mind of how to do that. Most people though do not have those conversations at a risk, but as hiring managers and leaders, if we open

ourselves up to the succession planning and communication, we can not only reduce turnover but we can long-term increase productivity. We no longer lose the valuable time an employee is thinking about the next level, what they should do, how they should communicate it, how they go about this, how to keep it confidential, and all the while productivity is decreasing. With an open line of communication, not only are hiring managers and leaders better positioned longer-term, but also our employees.

Employees will have a clear understanding of how the organization and the leader sees them, and they can communicate where they see themselves. They can also work on further development, too.

Planning is Critical

With these tools, increasing communication, and openness to the discussion of succession planning, both companies and leaders as well as current employees can be better positioned for the long-term. This is particularly important in healthcare as we are going through rapid changes, and really no one wants to lose their best person on the team unexpectedly.

Take a moment, think about what you are doing today. Do you review your succession planning monthly? If the answer is no or very minimal, start with step one which would be rolling out your organization plan with key information such as title, years of experience, and top three skills. During the process, identify the high performers with a star, who are defined as those who you want to succeed and be promoted in the next one or two years or certainly would not want to lose to another organization.

Starting Today

Start identifying folks with a longer-term plan for promotion. That will really help you position your department in the best way. See succession planning is a year-round activity while performance management although I would agree should be an ongoing activity and discussion, the actual act of it is once a year. Succession planning and performance management can go hand-in-hand. When it does, it leads for a successful department, an organization that is well-positioned, and also leaders and employees who are very happy because when you know and communicate the plan, you can achieve the plan.

About the Author



Stacey is President of the ROI Search Group. She is a member of Healthcare Finance Management Association (HFMA) and contributor on various Human Resource topics, and also a member of the Chapter's Professional Development Committee. She is a member of Society for Human Resource Management (SHRM) and a member of American College of Healthcare Executives' (ACHE). For more information, please visit ROI Search Group's website at www.roisearchgroup.com or contact Stacey at: stacey@roisearchgroup.com (P) 317.727.9768.