

# Boardroom questions: Succession planning

**Board Leadership Center (India)** 





### Why succession planning?

Effective succession planning is a strategic exercise to ensure business continuity through identification and development of the successors for critical roles in an organisation. Hence it imperative to clinically identify talent and design a robust and comprehensive leadership development intervention such that the successors are able to

operate at an enhanced capacity in their leadership roles.

Keeping that in mind, it is imperative that organisations prepare potential successors for these expanded responsibilities and broaden their capacity to be effective in leadership roles. This is the essence of succession planning.

## **Evaluating and building leadership pipeline:**

Determine leadership requirement	Assess talent pool	Develop leaders
Comprehend business objectives and strategic imperatives	Evaluate existing talent pool, explore and assess external talent supply (talent pool)	Finalise a succession pipeline
Identify unique and, critical roles and functions for succession planning	Align available talent with succession planning goals	Architect specialised development interventions, including leadership training and development
Define parameters for identifying potential successor	Ascertain the key priorities and key talent risks	Consistently assess, evaluate and alter strategy based on the need
Determine succession planning process		

# **Key boardroom questions**

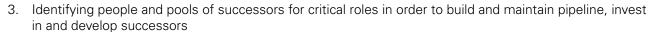


- 1. What is our business strategy and what will it take to win in the market?
- 2. Is succession planning a part of our annual planning process? How often is the plan reviewed and updated?
- 3. What roles or positions will become most critical for us to achieve our future goals and help us win?
- 4. Given the business strategy and priorities, what are the requisite profiles and competencies (skills, experience, traits etc.) to ensure success in the CXO/'critical position' roles in the future?
- 5. Do we currently have the 'right talent' for the CXO/critical positions?

- 6. Is our successor pool ready to take on future roles? How have they been identified? Have they been sufficiently developed and coached?
- 7. How do we usually manage expectations of potential successors, along with managing the impact on other individuals and the organisation as a whole?
- 8. Do we have a contingency plan in case someone is required to carry on as a successor on an interim basis?
- 9. How are we effectively measuring the readiness and fitment of the successor-pool?
- 10. How are we identifying attrition risks for successors of current and future critical roles? What is the strategy to mitigate attrition risks?
- 11. What role does the Chief Human Resource Officer (CHRO) play in driving the new role holder/successor-in chalking out the strategic, organisational and business action plans to ensure success in the new role?
- 12. Should board composition be adjusted to complement the capabilities of the next generation of leadership?
- 13. What is the role of Nomination and Remuneration Committee (NRC) in aligning company's strategy to future changes on the board? On what parameters does the committee evaluate executive pipeline and talent development?
- 14. How to improve your reporting to give shareholders better insights and assurance on how the nomination committee is exercising its responsibilities?
- 15. What should be board's plan of action if there's a reluctance in succession planning?

#### Key considerations for the board

- 1. Ensuring alignment of business strategy, goals, skills required, business continuity and succession
- 2. Identifying critical positions and selection parameters for successor that will be needed to support business continuity



- 4. Involving the CHRO in promoting the practice of assessments for the development of internal talent pool. Further, leveraging industry benchmarks and designing robust development plans to identify gaps that the board must focus in the long run
- 5. Identifying the 'risk of loss' for critical position holders and assessing the readiness of the selected talent
- 6. Selecting the competencies individuals will need to be successful in CXO/critical positions and ensure that the same is clearly defined and managed throughout a formal process wherein individuals understand their role and know what is expected of them
- 7. Strengthening NRC capabilities on talent management and succession planning for the board and critical management positions.

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