

Rethinking Leadership Development & Succession Planning

April 7, 2022

According to a recent CAHRS survey, two of the most pressing issues for HR leaders are leadership development and succession planning. The renewed emphasis on these topics is not surprising given the changes in the way we work in response to the pandemic and challenges in attracting and retaining top talent. There remain many questions about how leadership development and succession planning should be developed going forward. CAHRS Academic Director and William J. Conaty Professor Brad Bell hosted a virtual working group where partner companies shared some of their current challenges and opportunities surrounding leadership development and succession planning activities. Below is a summary of the key themes and best practices from the working group.

DISCUSSION

TAKEAWAYS

1. Companies have expanded the target population of leadership development so that more diverse groups of employees (e.g., women, people of color, people with disabilities) are considered for future leadership roles.
2. Companies are trying to bring their employees back into the office, but a shift from remote- to on-site work is likely to create unforeseen challenges in leadership development and succession planning.
3. In the post-pandemic environment, leaders will need to develop new or adapted skills and abilities (e.g., growth behavior, support for employee well-being).

Key Points

1. **Who are CAHRS companies targeting in their succession planning and leadership development? Are there any specific populations they focus on?**

Most CAHRS companies have focused on the executive level as a main target for succession planning. However, for development purposes, they have started to expand their target population by providing resources to a broader group of employees than ever before. The content and process of leadership development programs are also characterized by greater transparency so more employees can access them. The expansion of the target population in leadership development programs allows for a more diverse group of employees to be considered for future leadership positions.

One company shared a good example of who they are targeting for leadership development. The company has considered “front line leaders” a key population to drive execution across the organization. They are also targeting “emerging leaders,” who have high potential and are relatively junior, as they are likely to be the future of the company. Although they have not yet developed talent management and succession planning for even lower levels, it is on their agenda so as to help drive employee attraction and retention, particularly among critical and diverse talent pools.

Virtual
Working
Group:
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7
participants
from
6
CAHRS Companies:

American Express
CNH Industrial
Corning
Daiichi Sankyo
IBM
Terex

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2. How has the pandemic affected leadership development and succession planning efforts?

The pandemic has had both positive and negative implications for leadership development and succession planning. One positive impact of the pandemic on succession planning is that it has allowed companies to expand the profiles of candidates who might be considered as successors for a position. Roles that once required a physical presence were opened up to virtual/remote candidates – even those who live internationally – thereby providing opportunities to a more diverse slate of employees. Second, during the pandemic, some companies invested in technologies to further digitize employee information. As a result, they had access to enhanced data that could be utilized in talent planning conversations. This active use of technology has allowed their HR teams to reduce the time and effort needed to pull together information for succession meetings with leaders.

The pandemic has also affected leadership development and succession planning negatively in some ways. First, working remotely makes it difficult for leaders to get to know the people they manage and to assess their potential and contributions. Also, there is a concern that managers may exhibit biases, unconscious or conscious, toward employees based on where the person sits or his or her proximity to the leader. Indeed, research has shown that people who work remotely tend to progress more slowly in their careers. Women and people of color, in particular, are often more likely to work remotely, putting them in a difficult situation in terms of career development. Accordingly, creating a fair, equitable succession process could prove a challenge for firms. Second, the shift from remote work back to in-person work could engender unintended consequences. For example, some high potential employees may search for other opportunities if required to return to the office, either as part of a company-wide mandate or as a requirement of a promotion. These employee preferences have the potential to disrupt companies’ talent pipelines and succession plans.

3. Are there any succession planning programs that target underrepresented groups?

One CAHRS company shared how they conduct leadership development programs focused on women leaders. The company developed a mentoring program where high potential and high performing women are mentored by senior executives. They also work closely with their colleagues on different activities, learn from each other, and strengthen their networks. After they finish pre-assigned work, senior leaders provide feedback and coaching. The program has helped to accelerate the successful advancement of women within the company.

Another company launched a program aimed at strengthening future leaders’ financial acumen, which was often perceived as a gap when women were being considered for leadership positions. The company created a self-study program where employees sign up and take a series of classes to develop knowledge and skills they need. Also, the Chief Financial Officer of the company has recently started to hold live webinars on economic topics – for example, how to read financial statements.

Another company shared that they take a regional approach to targeting leadership development and succession planning efforts. While they have





This Summary Report was prepared by Brad Bell and Hyesook Chung for participants of the "Leadership Development & Succession Planning" Virtual Working Group.

The Center for Advanced Human Resource Studies (CAHRS) is an international center serving corporate human resources leaders and their companies by providing critical tools for building and leading high performing HR organizations. CAHRS' mission is to bring together Partners and the ILR School's world-renowned HR Studies faculty to investigate, translate and apply the latest HR research into practice excellence.

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a global mandate to increase the number of women in leadership positions, regions often adopt other, tailored goals based on their context and specific needs. For example, specific regions may focus on people of color, veterans, and/or individuals with disabilities.

4. What new or adapted capabilities do CAHRS companies expect their leaders will need to be effective in the post-pandemic environment? What types of programs and experiences are CAHRS companies using to develop these capabilities?

One CAHRS company has started to hold regular meetings with high potential employees to enhance the alignment of their decision-making with enterprise-wide strategies. In the meetings, the employees learn about the operations of other divisions, review key performance indicators, and discuss how performance management systems relate to the broader operating system.

Another company has emphasized skills related to analytics and metrics as they want data to be leveraged in decision-making across all areas of the organization. Another company said they have increasingly focused their leadership assessments on growth mindset and behaviors, which help leaders to work through challenges and to focus more of their attention on processes rather than just outcomes.

Lastly, most companies agree that leaders need to support employees and avoid behaviors that can contribute to burnout. Since the COVID-19 pandemic, employee well-being, work-life balance, and psychological safety have become important topics, so companies have encouraged their leaders to take care of themselves and also reach out to their employees and have one-on-one meetings to identify and address their specific needs.

5. Other best practices or success stories in succession planning and leadership development

One participant has observed that employees are highly motivated when they hear real stories from their leaders. Responding to this, the company has asked senior leaders to co-sponsor and lead sessions for leadership development. In the sessions, the leaders explain what has been important for them to improve their leadership abilities, what they want from general managers, and the challenges they have faced. This is not something that HR teams can offer, so inviting senior leaders and letting them share their experiences has been effective as a part of leadership development. Additionally, a different company has started to talk with leaders more openly about potential biases that might arise in the process of talent evaluation and succession planning so as to enhance fairness and equity.