

# • Why Is Succession Planning Important?

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Succession planning can be a taboo topic, but with planning and communication it can be an important tool in the long-term strategic planning for your organization. We create 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. Without a solid plan, individuals in the department may not know you are planning to move on, retire, or have different aspirations, and they might make their own plans, which may be different from what you may have expected.

It's frustrating when you are thinking and planning for certain key employees to be promoted in the longer-term, but you have not yet directly communicated your wishes. In your mind, you are doing the planning and ensuring that you are mitigating risk for the organization and the department, but communicating these plans is critical.

## Communication is Essential

We see this over and over again. Leaders tend to not communicate their plans, and there are a couple of 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'll 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 open lines of communication, the fear subsides. Why is this important?

## Don't Lose Your Key People

Without planning, we lose great people. Turnover is higher, productivity is lower, and, quite simply, we lose people we never expected to lose. Those employees in your organization who are top performers expect communication about succession planning. Without communication about the plan, these individuals might make changes long-term that may not include working in your department.

Top 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 the form of a promotion longer-term, then they will start making their own career plans.

Managers are disappointed when they receive resignations. It's heartbreaking when you lose a top performer and you had no idea he or she was looking for that next rung on the career ladder. One way you can mitigate the risk of losing a top performer is by having a succession plan.

## Getting Started Can Be Hard

So, where do you start? First, sit down in a room and take a close look at your organization's chart. It should include your employees' names, titles, years of experience, and top three attributes rather than only their names. When was the last time you did that?

Then, determine who is ready for the next level, who will be ready for the next level in a couple of years, and who you might need to have conversations with that may not be performing as strongly as you would like. All of these individuals are critical to communicate with so there is no misunderstanding about where they are in their career paths.

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

## Necessary Tools and Training

Succession planning gives hiring managers the tools to be successful in their own departments. It also gives employees the OK longer-term to want to do something else. Then you can 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 paths, it mitigates risk for the organization. The reason is you can easily identify gaps in the organization where successors or skill sets may not be fully developed or are missing.

Third, it helps you think about your own career plan. It helps you think about when you will be ready to take that next step. That might not be for 10 years, depending on the level you're at currently. Or, in some cases, it might be one or two years. What we know is one or two years go by quickly, and they seem to pass even faster without planning.

## Crucial Conversations

When I was developing my own succession plan, I wanted to ensure the organization was left in the best possible state after my transition. I had a long-term plan in my mind about how to do that. Most people, though, do not have these conversations, and at a risk to the company. But as hiring managers and leaders, if we open ourselves up to talking about succession planning, we can not only reduce turnover, but we can increase productivity. We no longer lose the valuable time an employee is thinking about the next level, what he or she should do, how he or she should communicate plans, how to keep it confidential, and all the while productivity is decreasing. With an open line of communication, not only are managers and leaders better positioned long-term, but so are employees.

Employees will have a clear understanding about how the organization and their leaders see them, and they can communicate where they see themselves. They can also work on further professional development.

## Planning is Critical

With these tools, increasing communication and openness about 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 health care as we are going through rapid changes. No one wants to unexpectedly lose his or her best person on the team.

Take a moment to think about what you are doing today. Do you review your succession plan monthly? If the answer is no, start with step one, which is to roll out your organizational plan with key information such as title, years of experience, and top three skills included on it. During this process, identify top performers with a star. These are the people who you want to succeed and be promoted in the next one to two years.

## **Begin Today**

Start identifying those employees whom you want to offer a longer-term plan for promotion. It will help you position your department for success in the best way possible. See succession planning as a year-round activity. Performance management should be an ongoing activity, and the act of it is usually once a year for most organizations. Succession planning and performance management can go hand-in-hand. When they do, it leads to a successful department, an organization that is well-positioned, and leaders and employees who are happy. When you know and communicate the plan, you can achieve the plan.

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