PUTTING THE SUCCESS INTO SUCCESSION PLANNING

ENSURING FUTURE LEADERSHIP
One of the most important challenges any forward-looking organization faces is the development of its succession plan or, more specifically, its strategy for building leadership capacity. Fierce competition, globalization, new technology tools, political influence and shifting workforce dynamics: it’s no secret that the insurance landscape is changing—and fast! Gone are the days when succession was simply a matter of seniority.

Organizations that want to sustain growth and profitability must commit to a culture of developing talent from within. Leadership has to be a top priority and the CEO must hold others in the organization accountable for developing succession leaders at all levels.

Succession planning does not have to be a daunting process and should be approached like any other business challenge: assess the situation, develop a plan, execute and measure! A successful plan allows for a thoughtful transition, meaningful consideration of future needs and the intentional development of talent.

There are ultimately two scenarios to consider: planned leadership changes – which is the preferable situation – and contingency – for if the unexpected happens.

The most important step in succession planning is having a clear understanding of what your organization is and what it could be. This encompasses revisiting your mission, vision and values, as well as defining desired leadership competencies and composing formal job descriptions. It is also necessary to adopt a forward-looking view of your organization that considers the future of the industry in the face of regulatory change, consumer needs and technological advancements. What does the future environment look like, what does that mean to the organization, and what leadership competencies will be necessary given each of those scenarios?
Then **assess the organization’s wants and needs.** Identify different triggers, anticipated or not, that will require a shift in leadership. Review the surplus and gaps in human capital relative to the organization’s strategic execution of business. Where do you have leadership capacity? Where do you have a surplus in leadership? Identify highly-valuable attributes and behaviors. Consider not only the skills but also the values that are important for future leaders to possess.

**Identify internal candidates** for future leadership roles. Look beyond candidates’ experiences and skill sets. What really differentiates true leaders is talent; though hard to quantify, it is unique and what they can really bring to any situation. There is risk in placing too much emphasis on experience and skills. Because the landscape is changing so quickly, experience is not as universal as it once was and can even prove limiting if it cannot be applied to present day challenges. Recognize the difference between skills that can be taught over time and others that are inherent. If you are considering someone for a position that will be the face of the organization, he or she must be comfortable in the limelight. Also, be honest about a potential incumbent’s interest levels and dedication to the company. Some employees are happy in their current positions and do not want the additional responsibilities that come with leadership. Don’t waste valuable time and resources on someone who is complacent or will jump ship at the first opportunity.

Success in succession planning is determined by your organization’s ability to **grow and develop your future leaders.** Getting the right people in the right jobs and giving them the tools they need to do their best work is what the process is all about. Talent development must be interwoven in the organization’s cultural fabric and outlined with a formal, actionable plan that is driven by the employee. It takes commitment and clarity on the part of all involved parties to be successful at the long-term preparation that is needed for a grow-from-within-approach. After all, it takes years for skills to be developed and refined.

Creating a balance between today’s work and tomorrow’s needs is essential. Development cannot be accomplished merely through institutional training or academia, but is best achieved by applying learned principals to everyday business challenges. This comes in the form of additional responsibilities, diverse opportunities and role creation and can be reinforced through reverse mentoring, user-initiated learning content and team-learning exercises. It is important to account for knowledge transfer to ensure that core competencies have the experts needed to create or maintain a competitive advantage.
Leaders grow best by growing others. Invest meaningful time to understand individuals’ talent and skills and put those strengths to work, removing any road blocks or barriers. Ensure that managers at all levels have a clear understanding of their own and their team members’ responsibilities. Set clear expectations and empower employees with their own development.

**Document and update your plan** at appropriate intervals. HR should document your strategy and individual development plans. These should be revisited regularly by the executive team and board of directors, when appropriate, and adjusted as needed.

Even with the best laid plan, the unexpected does happen. Do not underestimate the importance of being prepared for tragedies. **Outline a short-term approach to leadership gaps.** Start by identifying the roles and responsibilities that are business critical and determine interim proportional responsibilities and lengths of assignments.

Consider succession planning a proactive approach to your organization’s future. Companies that create a meaningful, well-thought-out strategy and foster an environment of leadership development will continue to grow and prosper through its employees.

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