

Succession Planning For Rapid Growth

The Situation

A large, independent fund management house had experienced an extremely rapid rate of growth - a 400% increase over three years! This placed considerable challenge on succession management. Previously the European Board had felt they knew the high-potential people, but now the vacancies and the lack of sound succession information was a business threat. There were some performance management processes in place in a few areas, but these were idiosyncratic and incompatible - and of variable quality. They were, however, a source of pride to the departmental managers who had instituted them in the different areas of the firm.

The Analysis

Interviews took place with Board members, senior HR staff, and with a wide group of senior departmental managers (many direct reports to Board members). This showed that:

There was a recognition that a succession problem existed

There was no appetite for higher central control

Local performance review processes (where they existed) had a measure of respect

The key driver for many was that of being seen to innovate and drive the business

The Process

A working group, including the most influential departmental managers, was formed and a facilitated design workshop held. This led to clarity on some objectives for the system:

All managers with senior potential should, over a period of months, be discussed by the board

Potential should be assessed on evidence of both performance and development

Additional workload must be minimised!

Career options for individuals should be discussed with them prior to board review

The Outcomes

The workshop set standards supported by all key personnel, and which met the organisation's needs

The existing objective-setting and review cycle, necessary for business, was used as the basis for a developmental review for all key personnel

As well as generating performance data for a pay system, the process was harnessed to allow discussion of development needs and career aspirations with individuals

Following this review by the manager, the individual's performance data, development and career potential was reviewed by the manager's peers at a departmental meeting

Those in each department considered to have potential for career progression were put forward for review by the board, an entered on a special database

The board allocated 1-2 hours of their monthly 1-day meeting to reviewing data on 3-5 individuals, presented by their departmental head in a standardised format