



Succession Planning Leaders for tomorrow

According to Cannon and McGee (2011) an organisation is more likely to perform effectively if the organisation fills most key leadership positions from internally developed personnel. In this note we identify five contributors to an effective succession planning and management programme.

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Succession Planning

Leaders for tomorrow

Succession planning is a proactive process to identify and develop talented employees within a company who can be considered for promotion when vacancies in senior positions arise. By creating a supply of readily available high potential people at key leadership levels, succession planning and management underpins business sustainability and growth.



Identify and develop top talent

Photo by Rupert Britton on Unsplash.com

Here are five contributors to an effective succession programme:

1. Ownership by line management

Companies successful in actively developing leaders and promoting people from within don't abdicate succession planning to HR. Senior line executives regularly review the talent pipeline and assess the progress being made with succession planning. Line managers are responsible for identifying potential successors, developing them and giving them performance feedback. The role of HR is to support this process.

2. Integration with other human resources programmes

Succession planning will not work without it being tied into an organisation's leadership development. On-the-job learning experiences should be at the centre of potential successors' development plans. Charan (2008) advocates an Apprenticeship Model to develop potential successors. People learn by doing and the model provides for a rolling loop of practice, feedback, corrections, and practice. Conger and Fulmer (2003) point out that real-life exposure to a variety of jobs and bosses using techniques like job rotation, special assignments and "action learning," are important.

Performance management is another HR process which supports succession planning. Potential successors must have clear performance goals and their leaders must give regular feedback against those goals. Also, succession planning is an input to the attainment of a company's numerical employment equity targets.

3. Keep it simple

Don't allow your succession plan to get bogged down in the bureaucracy of forms, charts, meetings, due dates and checklists. That approach is likely to leave line managers feeling that succession planning is a waste of scarce time. Most of the time allocated to succession planning should go into activities directly related to developing members of the potential successors pool. (Goldsmith, M. 2009). Goldsmith also says that companies should avoid overcomplicating assessment criteria and methods for choosing potential successors.

4. Be transparent

Managers must inform employees identified as potential successors of their inclusion in the talent pool targeted for future promotion. It is motivating for an



employee to know that she has been noticed by top management and that she is getting exposure to leadership development opportunities. Inclusion in the potential successor pool must be fluid. Employees should always believe that they have the opportunity through personal effort to get onto the leadership list. Any employees who are picked but do not live up to their identified potential must understand they will drop off. Not every potential successor will be promoted, so managers must avoid making promotion promises.

5. Track implementation

With a focus on implementation, you will need to decide on performance indicators to track. Two such performance indicators are “Bench Strength” - the percentage of ready now candidates for the positions you have in your succession plan and “Appointment Ratio” which is the number of key appointments made from the potential successor pool. Other measures of succession planning include employee turnover in the potential successor pool; employee tenure and turnover in the ranks of promoted employees (compared to employee turnover in all categories of employees); number of employees in the potential successor pool per critical position; and readiness of potential successors (immediate, within 12 months, or within 24 months).

“Succession focusses on building future business capabilities.”

Ashnie Muthusamy

Finally, employers should embrace the shift from traditional replacement planning (where an accountant is likely to be succeeded by the assistant accountant) to a succession management system where successors come from a talent pool from different areas of the business. The assistant

accountant may be the next operations manager.

Incentives

Beware of unintended consequences

Managers wanting to increase motivation and performance through incentives must always consider possible unintended consequences.

Absenteeism costs the South African economy billions of Rands each year. Between R12- to R16-billion a year according to one study by Occupational Care South Africa (OCSA) and Statistics South Africa (Skosana, 2014). This challenge has led many employers to offer monetary incentives for full attendance. The result – employees come to work sick (and infect those around them). And, sick employees at work cannot be fully focused on the task at hand so they are working below par anyway (sometimes dangerously so). In some roles, this can have drastic consequences. With incentives, the principle of ‘you get what you pay for’ is applies.

Behaviour which defeats the aims of well-intentioned incentives is not new. In colonial times, citizens in India and Vietnam bred cobras and rats respectively to earn monetary incentives offered for the capture of these creatures. This unintended behaviour nullified the governments’ eradication programmes.

In 2011, the American banking giant Wells Fargo got into a reputation hurting scandal when employees violated customers’ trust by opening thousands of fees generating sham bank accounts. This unethical behaviour was driven by incentive structures that tied a substantial part of employees’ compensation and their continuing employment, to steep sales targets.





Cobras for cash

These examples of inappropriate behaviours by incentive recipients make it clear that an in-depth analysis of possible unintended consequences must precede adoption any incentive scheme.

“If goals are unrealistic, but you can achieve them by cheating, then people will cheat. They will commit fraud to obtain the incentive.”

Prof. George Loewenstein – Psychology Today

Failure to do so may lead to counter-productive outcomes such as managers selfishly blocking employees’ advancement to achieve their financial goals; employees favouring individual effort over teamwork; or, even unethical employee behaviour as happened at Wells Fargo.

Strikes

Employers’ recourse

The Labour Relations Act gives employees in South Africa a right to

strike to settle labour disputes with employers. The right is conditional. To attain protection from dismissal, employees may only strike on interests disputes and they must follow statutory procedures including third party conciliation before downing tools.

At a plastic products manufacturing company, employees went on strike over a wage dispute. They had not followed the statutory pre-strike procedures and therefore it was an ‘unprotected strike’. The striking employees also committed serious misconduct during the strike including assaulting the company’s Head of Human Resources. The company held a disciplinary hearing for all the strikers and dismissed them for participation in the unprotected strike and for the assault.

STRIKE MAYHEM



<https://mainnews.net/afica/south-africa/south-africa-goes-on-strike-an-excuse-for-mayhem-and-theft/>

Strike misconduct

In the Labour Court, the employees challenged the fairness of their dismissal and the company claimed compensation for financial losses attributable to the strike.

Based on its findings on the credibility of the various witnesses; their reliability; and the probabilities, the Labour Court



concluded that the company's dismissal of the employees was fair.

"We live in a society wracked by violence. Where an employer seeks to combat that evil, even by harsh measures, this court ought not to be astute to find unfairness."

Labour Appeal Court (quoted in this judgement)

The company asked the Labour Court for over R18million in compensation for the strike which took place on 14 July but the effects of which impacted the company until the following December. In the alternative, the company asked for R829'835.00 for loss incurred on the day of the strike and the days immediately thereafter.

The Labour Court found that the lower claim more accurately represented the harm suffered by the company. The Labour Court's finding took into consideration:

- the major impact on the Respondent's business was the reduction in gross profit which was felt by the company in August.
- the armed vehicle to secure the site was paid for until the end of August,
- while the logistical and rental expenses in relation to the alternative company production site continued until December, employees were dismissed in August,
- there were no attempts by the employees to comply with the provisions of the LRA,
- the unprotected strike was premeditated,
- the unprotected strike action and assault on the Head of HR was not in compliance with orderly collective bargaining,
- the 6-hour the duration of the strike,
- the financial cost of the strike, and

- the urgent court interdict against the strikers obtained by the company.

The judgement provides some comfort to employers. If employees abuse the right to strike and behave violently, then strikers and their representative unions can be held financially liable.

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Case

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Course details:

Date: 31 March 2020 | **Venue:** Tennant Human Capital Solutions, 59 Woodlands Avenue, Hurlingham Office Park, Block A Suite 3, Cnr. Republic & William Nicol Drive, Hurlingham Manor, Sandton | **Time:** 9:00 – 16:30 | **Cost:** R2'400 excluding VAT per person | **Facilitator:** Peter Fisher

Who should attend?

Managers, supervisors, team leaders, newly appointed junior managers, HR practitioners, project team members and management development candidates.

The conflict challenge:

No workplace is immune from conflict. Where it is not effectively dealt with, conflict can debilitate organisation performance. The course aims to give participants practical skills to effectively manage inevitable conflict by means other than avoidance, coercion and force.

Facilitator:

Peter Fisher, Executive HR Consultant, has a BSocSc Hons degree and more than 25 years' experience as HR Consultant, HR Manager and HR Director. Peter is passionate about implementing and facilitating development programmes which help employees realise their full potential at work. This in turn, is a building block for excellent business performance.

This is what some course participants have written about training programmes facilitated by Peter: 'He is very clear and delivers lessons simply and understandably.' ● Peter performed his function very well and especially encouraged participation from members of the class.' ● 'The manual is very useful – will keep this file safely for future referral.' ● 'The learning is very applicable.'

To book, contact Peter direct: 082 453 7034 | peter.fisher@tennant.co.za

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valuable of all
capital is that
which is
invested in
human beings**

- Alfred Marshall