

Title:

Executive Career Coaching: Providing Solutions To Succession Planning Challenges

Word Count:

1156

Summary:

Organizations today are facing several challenges and talent management is one of the greatest. According to a poll conducted by OI Partners, Inc., the number one challenge facing the HR profession is leadership development and succession planning. Attracting, developing, and retaining quality talent is more costly and has a greater impact on the bottom-line than ever before. Retiring baby-boomers, the expectations of Gen X and Gen Y employees, and the new definition of "long...

Keywords:

succession planning,talent management,executive coaching,war on talent, career

Article Body:

Organizations today are facing several challenges and talent management is one of the greatest. According to a poll conducted by OI Partners, Inc., the number one challenge facing the HR profession is leadership development and succession planning. Attracting, developing, and retaining quality talent is more costly and has a greater impact on the bottom-line than ever before. Retiring baby-boomers, the expectations of Gen X and Gen Y employees, and the new definition of "long-term" employment add up to a drastic shift in the way organizations are managing their talent.

One effective way to overcome these challenges is to implement a succession planning initiative. This proactive approach to ensuring future leadership talent offers many benefits. Studies have shown that organizations with succession planning programs have a higher retention rate of human capital and a reduction in recruitment and compensation costs.

Succession planning has to be more than matching employees with forecasted vacancies. Consideration must be made for the future direction of the organization as well as the direction of the employees intended career path. This ensures that the employee is engaged in the process, committed to the organization, and has a vested interest in the company's success.

Obstacles to Implementing a Succession Plan

While there are numerous benefits to succession planning, there are also challenges such as limited resources and expertise within the company. Without the assistance of external consultants and coaches, implementing a succession planning initiative can drain an organization's resources. The most effective programs capitalize on the talent available throughout the company during the implementation phase, however, companies often lack the resources needed for ongoing management. In addition, utilizing external resources provides expertise in succession planning and offers an objective perspective.

Coaching as a Resource

Executive Career Coaching can provide assistance with career management and employee development at the individual level. Using individual coaching and assessments, the coach will guide the employees through the selection of the career path within the organization that best matches their interests and abilities. Once a career path has been chosen, the coach will help the employee prepare for their next promotion.

The career coach can administer assessments such as the DISC, PVQ, and the Enneagram to help the employee gain clarity in the areas of motivators, interests, values and strengths. The feedback obtained from the assessments is essential in creating a career management plan. During the coaching engagement, employees will compare this information along with their experience and education to key leadership positions and determine the strongest fit. This process ensures that employees are matched with the correct positions, reducing the possibility of employee disengagement and turnover at the executive level.

In addition to career pathing, an executive career coach will assist in the creation of development plans. The steps outlined in the development plan will be based on the information gathered during a gap analysis. Comparing the employee's current level to the experience, skills, and education needed for the next promotion will give the coach and executive a clear picture of where to focus their coaching sessions. Execution of the development plan during the coaching engagement results in promotion readiness.

Benefits of Succession Planning

Identifying and developing strong leaders for future roles is critical to the ongoing success of an organization. Without an effective succession planning program in place, companies will face greater challenges than those incurred during the implementation of a program, including:

- Waging the "War on Talent"

- Fewer leaders prepared to take on new roles
- Obstacles to achieving strategic goals

Attracting and retaining high-potential employees is costly. However, it is not as costly as the turnover of high-potential employees. Studies have shown that superior performers are 50% to 100% more effective than the average performer.

Using these statistics, if an average performer generates \$250,000 in new business each year; a superior performer will generate between \$375,000 and \$500,000 in new business. By developing and promoting the superior performer to a leadership role, they have the potential to increase the productivity of the team. As an example, this leader can increase the revenues of a team generating \$2.5M to \$5M.

Given the possibility of increased profits, meeting the employee's desire for career growth is both a financial and strategic advantage.

Because growth and development are benefits highly sought after in a potential employer, organizations with highly publicized succession planning initiatives and career management programs become "employers of choice", thereby making it easier to attract top talent and reduce turnover.

Most employers are unaware of how much turnover costs them each year or how to reduce this number. Assuming a fifteen percent turnover rate and turnover costs of twenty-five percent of an employee's annual compensation, an organization with one thousand employees and an average compensation of \$50,000 will incur \$1,875,000 in costs each year. Given that half of all turnover is avoidable, this organization could save \$937,500 each year by investing in employee retention strategies.

The Added Benefits of Using Career Coaching as a Resource for Succession Planning Programs

Utilizing a Career Coach in your succession plan initiative allows leaders and Human Resources to focus on effectively managing and evaluating the program. An external career coach provides a confidential environment where the employees are free to discuss the challenges and opportunities they face in their careers and establish plans to overcome them.

One of the greatest benefits the coach offers is preparing the organization's existing talent for future leadership roles. They take the organization's human capital to the next level through the use of assessments, powerful questions, and individual development plans. Promoting from within provides benefits, such

as:

- Reduced recruitment costs. The need for external recruiting is lessened for executive level position, which reduces headhunter fees (between 25% and 33% of the candidate's total compensation) Ex. An executive placed by a headhunter with an annual compensation package of \$200,000 would incur fees between \$50,000 and \$66,666.
- Reduction of executive compensation. According to Towers Perrin, external candidates are generally paid 20% to 30% more than internals that are promoted because externals needs a financial reason to make a career change.
- Promoting internal candidates offers the employer the benefit of knowing their track record, strengths, and their development needs. External candidates, unless personally known, only reveal as much or as little information as they deem appropriate, leaving the organization to rely on the interview process, assessments, and references to complete the picture.

Thriving succession planning initiatives balance the strategic direction of the organization with the career aspirations of its high potential employees. They also rely on external consultants and coaches to provide expertise, an objective perspective and additional resources.

Executives who engage in coaching during the succession program have a clear direction of where they are going and how they are going to get there. In contrast, executives that are not offered coaching are not as well prepared to map out their career path or develop the skills they need for future promotions. Executive career coaching facilitates the process of creating successful careers and developing future leaders.