

# Succession planning without job titles

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### Keywords

Succession planning,  
Development, Evaluation,  
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### Abstract

Recommends a succession planning process based on key competences, not job titles, to provide greater flexibility and a more strategic and future focus. Discusses the use of a competency model and evaluation methods to identify and develop individuals with the desired skills and talents to lead organizations into the future.

Do you have the right people working on the right things to achieve superior results for your organization, both short and long term? If you have not taken an inventory of your existing talent and aligned your succession planning with your business strategy, there is a good chance that you do not. When most organizations do succession planning, they tend to focus on the job titles in their organizational charts. This results in a backwards-focused succession plan that is historically driven and not future oriented or strategically driven. Focusing on the requirements for specific jobs is too detail oriented and misses the bigger strategic picture. Greater flexibility is required because jobs are continuously changing as business strategies refocus to deal with rapidly changing market conditions. The answer is to do succession planning without focusing on job titles but rather concentrating on the key skills and behaviors (competencies) needed to successfully lead the business to accomplish its competitive strategy.

What is driving this new way of looking at succession planning? Mostly, it is the pace of change that has been brought about by the increased use of technology and the globalization of the economy. This increased competitiveness in the marketplace, with increasing demands for quality and added value to products and services in order to grow market share, forces company leaders to be highly future oriented and flexible in their organizations. Throw in the scarce talent pool and labor shortage and the result is a very chaotic and dynamic economic environment in which to be practicing succession planning.

While many companies have given up on traditional succession planning, no successful business can stop identifying and

developing the right people to ensure that the important skills are present in the organization to compete effectively and achieve superior results over the long term. Succession planning still requires reviewing business strategy with its changing goals and priorities as a means of pinpointing the key skills and behaviors, i.e. competencies, required of employees. It should not, however, focus on specific jobs. Instead, the focus should be on the skills and strategies required to achieve the desired business results.

Traditionally, companies and employees have focused on progression within a particular career path as the most effective way to groom employees for future job requirements. What globalization, downsizing (“right-sizing”) and technological advancement have taught (sometimes ruthlessly) is that jobs further along the career path can disappear before an employee gets there. What is left then is an employee without a job and a company with what looks like a redundant employee. But what would happen if both the company and the employee focused instead on developing the employee’s competencies (technical and behavioral skills) to support the strategic directions of the company rather than focus only on the next job in the career path?

First, the company would have to identify the competencies needed to drive its strategic direction. Having worked with numerous companies across industries, and even across continents, it is possible to identify some generic competencies that all companies will need in their employees to handle what the future will bring. It begins with having bright, flexible individuals who are comfortable with technology and change. Successful business people of the future will need a greater entrepreneurial orientation,



global awareness and experience, as well as the ability to partner and build business alliances. In addition, new leadership approaches are required with an emphasis on the ability to facilitate rather than direct and being able to work with a diverse group of individuals and organizations. Because the talent pool is thin, it is important for leaders to be able to develop others and to have strong critical thinking and problem solving skills to deal with the challenges provided by the ever-changing marketplace.

These generic competencies need to be enhanced by the specific skills and behavioral talents that will drive the company's unique strategic direction. These competencies will be most useful to the company when they are expressed as a competency model. A competency model lists all the competencies needed for successful implementation of the business strategy (see Table I), and for each competency a definition is provided as well as the specific, observable behaviors that illustrate that competency in action. For example, the words "entrepreneurial orientation," no matter how well-defined, do not indicate the specific behaviors required to support a company's unique strategic, competitive advantage. A listing of a sample of the behaviors desired for each competency will ensure that everyone in the company is demonstrating the competency in a similar manner (see Table II). Thus, the competency model works as a guide for employees and leaders as the company builds its selection, performance management, career development and succession planning initiatives around those skills and behaviors that will ensure achievement of future strategic directions.

The competency model provides the right criteria for determining which managerial and professional staff exhibit the right

**Table I**

Example: executive leadership competency model

**Entrepreneurial orientation**

Critical thinking skills  
Ethics  
Leadership  
Change management  
Energy/drive  
Business understanding  
Technological awareness  
Open communication  
Facilitation skills  
Employee development  
Global awareness  
Building business alliances

**Table II**

Example: competency description

**Entrepreneurial orientation**

Acts as if he/she is running one's own company within the broader parameters of the overall corporate direction; seeks out and acts on business opportunities to achieve profitability, with a willingness to take calculated risks to achieve business goals

**Behavioral indicators**

Recognizes and acts quickly on business opportunities  
Continually searches for new and better ways to increase business  
Takes initiative to propose innovative business deals to potential customers, suppliers and business partners  
Keeps abreast of business, industry and market information that may reveal business opportunities  
Demonstrates willingness to take calculated risks to achieve business goals  
Identifies both the short- as well as long-term business implications of decisions and actions  
Shows flexibility when confronted with changing business conditions

behavioral skills or show the promise of developing them in time to help achieve business goals. Only after company leaders have articulated the strategic objectives for the company, and identified the important competencies required to achieve those objectives, should the process of identifying the talent pool begin. The next step is to take an inventory of existing skills and competency demonstration.

The assessment of skills and competencies can be accomplished in several ways. Experienced industrial psychologists can use objective testing to ascertain levels of important competencies such as critical thinking skills, leadership facilitation and the ability to build business alliances. Other competencies can be identified through behavioral event interviewing, career and leadership experience reviews, and 360-degree interviews or questionnaires completed by colleagues who know the individual well. This combination of information allows for more targeted, impactful assessment, creating an effective foundation for development recommendations and actions.

Comparing the assessment of employees' competencies to the competency model enables a gap analysis that indicates whether present employees have the necessary skills and competencies, and, if not, where they need to develop. The gap analysis then

enables creation of career development programs for maximum return on the investment of time and money. The gap analysis will also alert company leaders to when it is necessary to find talent from the outside to meet critical strategic needs.

Unfortunately, most organizations wait too long to conduct forward thinking succession planning, waiting until there are obvious problems or important talent has exited their companies.

Utilizing a competency model moves succession planning away from job titles and traditional job experience and focuses on the skills and behaviors necessary to achieve superior business results. Focusing on competencies also enlarges the talent pool.

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Often, an individual with the right competencies may be working in a different functional area than expected. Recently, for example, a manufacturing company achieved success, moving individuals from human resources and accounting into operations and line management roles. What these individuals lacked in traditional, expected job experience, they more than made up for by having the right skills and leadership competencies to achieve superior business results. Naturally, such individuals need to be given developmental opportunities to gain the experience necessary for certain functional areas. For many talented individuals, this need not require extensive time, however, if they possess key leadership competencies.

Providing meaningful developmental experiences is necessary if the company is to have a bullpen of reserves ready to step in when needed. On-the-job experiences are required that allow high potential individuals to grow and gain valuable expertise in building alliances, utilizing technology, leading change, gaining global experience, etc. Turned loose on smaller, but meaningful, projects can provide both valuable training and experience while contributing significantly to immediate business results.

Any identification of high-potential employees must ultimately hold them accountable for their own development if they are to progress as future leaders. These

individuals will enthusiastically use the competency model as their guide to the most cost-effective (i.e. maximum return for the investment of their time and energy) development for themselves. For individuals with the "right stuff", an overseas assignment is a great opportunity and they will seize it with gusto because they recognize the advantage of such experience in their development. The same goes for other assignments, continuing education, task forces, etc. that often take people out of their comfort zones and require an extra commitment of time and energy. Often this process of development acts to separate those who are the continuous learners and future leaders.

Putting off, or ignoring, succession planning can have disastrous consequences when the existing talent pool lacks the individuals with the right skills and competencies to successfully compete in the increasingly dynamic world of business. In a tight labor market, selecting new employees based on their competencies rather than their traditional job histories will enable the company to find the unexpected jewels.

There needs to be direct communication and modeling from the senior executive team to reinforce the importance of developing the right competencies for achieving the company's strategic direction. This requires an emphasis on management development and incorporating the competency model into employee selection and performance management processes. The more that key competencies and business strategies are communicated and incorporated into the everyday actions of the company's employees, the greater the alignment of direction for achieving competitive advantage.

Relying on what we have done in the past no longer assures success in the future. Company leaders who focus on strategic initiatives without assessing the capabilities of their staff often find, to their distress, that progress is not being realized and targets are not being met. Company leaders must remember that succession planning through competency modeling, assessing employees' competencies, and reviewing gap analyses for development is a continuous process that will change as business needs and strategy changes. This is why a flexible process is needed that can build on itself as conditions change. When a pool of individuals is available, it is much easier and quicker to assemble a team of employees with the right competencies to achieve a strategic initiative. To make that happen, succession planning without job titles must become an ongoing part of a company's business planning.

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Succession planning is changing because jobs are changing. The key skills and competencies required to adapt to a changing marketplace must be driven, not by traditional precedent, but by current and future strategic requirements. Planning succession based on competencies, not job titles, will provide the flexibility necessary to have the right people in the right places doing the right things at the right time to achieve the right goals for superior business results.

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**Further reading**

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