BUSINESS BRIEF
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SUCCESSION planning integral

Attracting and appointing top executive talent is an expensive process. But the value associated with executive appointments and retention of senior management is negligible when their leadership position is only equated to the company's profitability and competitive advantage. Companies that understand the need to manage the development of their high performers are a step ahead of their competitors. The effort required to establish a development plan for future leaders creates a motivated, committed, loyal and capable group that is ready to move forward in the business when the need arises. The ability to attract, develop and hold onto talented executives is the single most reliable predictor of overall excellence.

So why then is succession planning still ignored by some companies? Once executives are appointed, continual development and incentive programmes are required to align these executives to the company's business strategy and to retain them, thereby establishing a talent pool for succession across all departments. These would include structured career pathing, offering MBAs and developing emotional quotient with leadership programmes, as well as social and cultural activities that are representative of an inclusive work environment. It is exasperating how many blue chips corporates ignore the value of human capital growth and of having a formal process in place that is aligned to business strategy. Ignoring the talent pool is done to the detriment of the company's wealth potential and the associated negative consequences include share price plunge, reduced consumer confidence and job losses.

Companies often indicate that they are unable to fulfil their BEE quotas at executive committee level, only to learn that they have done little to retain the executives they already had. Recently a number of senior executives resigned from Sasol, Telkom, SABC and SAA emphasising the need for succession planning to prevent extended periods of absence of leadership and to ensure continuity. Last year, retailer Pick n Pay took several months to find a successor for their CEO as they did not have an internal candidate to succeed him. They conducted an extensive international search and eventually appointed former board member of Tesco UK, Richard Brasher. ■

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