

# Succession planning case study

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1. What key differences seem to distinguish successful from unsuccessful leadership- succession processes?

One major difference in the successful leadership succession process is the how the flow of information works between the current leader, and the one that will soon take over. The new one is groomed along with way, making for an easy transition with few bumps in the road regarding trust with current employees. Grooming an internal source is even better because they already know the ins and the outs of the company. Recent data indicate that only about half of public and private corporate boards have CEO-succession plans in place.

This is the case even at giant global companies that have thousands of employees and spend millions each year to recruit and train talent (Cascio, 2013, p. 157). The companies that take the time to do succession planning are the same companies that are growing and thriving despite having any issues with CEOs through the years.

On the other hand a company who “ flies by the seat of their pants” so to speak, and does not plan for any crisis in the CEO department is found scrambling.

3. If leadership succession is so important, why don't more companies do a better job of it?

The prerequisite for organizational growth and success lies in identifying, developing and retaining leaders with the right talents and effectively managing a dynamic succession plan (Gallup, 2013). Leadership transition presents companies with a remarkable opportunity to move forward with a

new understanding of the complexities, challenges, and changes their organization must address (Mamprin, A. 2002).

Despite the importance of leadership succession, most companies do not do a better job of leadership succession because at the heart of succession lie personality, ego, power, and most importantly, mortality (Cascio, 2013). Most people in leadership position believe that building a cadre of potential leaders is a sure route to oblivion, failure and organizational death (Cascio, 2013). However, a lack of succession planning can adversely affect an organization in a variety of ways, from the absence of strategic direction to decreased productivity to weakened financial performance (CareerBuilder, 2011).

“ According to a new CareerBuilder survey, nearly one-third (31 percent) of companies with more than 1, 000 employees said they don’t currently have a succession planning program at their organization. In addition, 50 percent of senior management (CEO, CFO, Senior VP, etc.) and 52 percent of those in a vice president position said they do not have a successor for their current role. The survey was conducted online by Harris Interactive on behalf of CareerBuilder from February 21 through March 10, 2011 among more than 1000 employers with 1, 001 or more employees.” (CareerBuilder, 2011)