



C-Suite Succession Planning for First-Time CHROs: How to Get Started

The CHRO role is challenging. Those new to the job must understand the personalities of senior executives and board members and learn the relationships among the various individuals, all while making sure the human resources function operates smoothly.

Perhaps no aspect of the job is as critical or has as lasting an impact — or is as challenging for a newly minted CHRO — as succession planning for the CEO and other senior executives. Given the high stakes and inherent political and emotional dynamics at play, supporting an effective succession planning process is always challenging. For new CHROs, who may lack deep relationships with the board and CEO, it can be even more difficult.

Drawing on our extensive experience and insights from conversations with CHROs, this article provides advice to new CHROs on how to start the conversation around C-suite succession and navigate the team dynamics at the top.

GET YOUR CEO ON BOARD AND ANALYZE THE SITUATION

The board very much depends on the CHRO to guide a thoughtful, orderly and transparent process and ensure that directors have the information they need to make the best decision when the time comes.

However, the long-term work of developing leaders for the future begins with the CEO in partnership with the CHRO. For a new CHRO, developing a relationship with the CEO is the foundation for starting discussions about succession planning.

“The HR leader’s role is so critical in building confidence with the CEO and having that type of relationship where you can openly talk about plans. Try to put the conversation on the table, but find the right moments,” advised Deborah Butters, senior vice president and chief human resources officer at Perkin Elmer.

The context matters as well, so new CHROs should use their early days in the role to understand the priorities of the business, the state of succession planning and development for key roles, and the CEO’s view of top talent in the organization. If more pressing issues exist, succession planning may have to take a back seat during the CHRO’s early interactions with the CEO and board. Russ Campanello, executive vice president of human resources and corporate communications at iRobot, agreed that it’s imperative to determine “what is the priority when you come in the door, what is the level of readiness and maturity of the organization with succession planning.” Ultimately, the key for the CHRO is being prepared to support succession planning with a united management team when the time arrives.

When it comes to succession planning for the broader leadership team, a new CHRO can bring a fresh perspective on what best in class looks like in the various functional roles. They should spend time assessing and observing the team before proposing changes, and tread carefully. One CHRO, for example, described the challenge of upgrading C-suite leadership capability when the CEO has a long-standing, close relationship with the executive in question.

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DEBORAH BUTTERS
SVP AND CHIEF HUMAN
RESOURCES OFFICER,
PERKIN ELMER

ALIGN WITH THE BOARD

Understanding the expectations of the board around succession planning and building trust with directors is critical for a new CHRO. This is a process that can begin during the hiring process. “I asked to meet with all of the compensation committee members during the interview process because it was a way for me to gain additional insight about the company while also building advocacy early on. Those conversations gave me the opportunity to get some initial buy-in about my objectives and allowed me to test my ideas and see their reactions,” observed Jackie Scanlan, senior vice president for human resources at Haemonetics Corporation.

Once in the role, the first step is to be clear which board committee is responsible for succession planning (which should be outlined in the committee charter) and start a dialog with the committee chair. Dolph Johnson, CHRO of Hasbro, explained: “If I were a new CHRO, I’d reach out to the chair of the governance committee and ask them, ‘How do you want this to work? How often do you want to have these conversations without the CEO?’” Another idea is to ask the general counsel to see the last few board evaluations to get a sense of how satisfied directors are with the succession planning process and where they see room for improvement.

Over time, CHROs build trust with directors by serving as an expert on the process and speaking confidentially with committee members about development needs and progress.

It is also important to expose potential successors to the board. A common way to do this is to have succession candidates present to the board at meetings, “The board wants to see how they think on their feet, how they handle the tough moments,” said Johnson. Directors also should have opportunities to meet leaders and hear about their businesses, through a mini internal “analyst day” or visits to different facilities, so up-and-coming leaders are not just “names on a page,” said Anna Stevens, vice president of human resources and chief people officer at HD Supply Holdings. She also regularly introduces top-performing talent to the board so directors are familiar with the quality of talent and even potential candidates when it’s time for a transition.

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CHRO, HASBRO

ESTABLISH A BEST PRACTICE PROCESS

The CHRO must be an advocate for best practices. This includes grounding succession planning activities in the strategic direction of the business and the organizational culture that supports the strategy, and being clear about the process. This includes developing a robust plan and timeline that has the support of the board and CEO.

There can be confusion about who is responsible or accountable for certain aspects of the process and even who the potential successors are and what development involves. A plan that identifies the key activities, resources and output is critical. “When I walked into the role, I had a document that said, ‘Here is the succession plan,’ but I needed to know who had accountability and responsibility for the process,” recalled Stevens.

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The CHRO also should advocate for the rigorous assessment of internal candidates, external benchmarking and the creation of specific development plans that identify the gaps that individuals must address and in what time frame. Many organizations benefit from having outside assessment expertise when evaluating how the internal team stacks up against the requirements. This is particularly true when the business requires a change in strategic direction. In addition, succession plans should identify successors for different time frames, including “ready-now” executives, who may be at risk for leaving if the company is unable to keep them motivated and engaged, and options for emergency succession situations.

“We outlined C-suite, CEO, and emergency CEO succession plans, including who is involved, what’s the board’s involvement, how quickly we would meet, etc.” said Stevens. “Having that outlined is incredibly helpful.”

BECOME AN ADVISER TO ALL THE STAKEHOLDERS

Succession planning and the selection of a new CEO or other senior leader affects the careers of individual executives, the organization generally and even external stakeholders. The most effective CHROs are transparent and provide balanced advice to all the key stakeholders about the process and their individual concerns.

To the board and CEO, the CHRO must be a “chief talent officer” who strives to provide a balanced point of view. She or he must be honest with the CEO and the board regarding strengths and developmental areas for internal candidates. While many of the other players may develop biases, the CHRO must be the one who ensures the honesty and integrity of the process, and who makes sure that each executive regularly goes through an assessment. “Talent

should be a regular, ongoing conversation and we actively create opportunities for directors to get to know top talent over time in a meaningful way. The more time you spend on calibration, the better, so that everyone has an active role in fostering a strong talent pipeline,” agreed Scanlan.

Throughout the succession planning and search processes, the CHRO provides support to internal candidates — allowing them to share concerns about the process itself and their candidacies and careers. Moreover, for executives who are important to the success of the business but do not achieve their desired role, the CHRO must be frank and help them develop a specific career plan with the knowledge and experience they want to build.

CHROs have to be willing to have sometimes difficult conversations. For example, the CHRO may have to remind the CEO not to push too hard for a particular candidate or solution, which can backfire with directors, or to derail the planning process by finding fault with all of the contenders. The CHRO may have to encourage other senior executives to take a step back from certain activities in order to make room for their successors.

Finally, the CHRO also must understand how the organization reacts when a transition is imminent and keep the board and the CEO apprised so they can develop strategies to minimize disruption and smooth the running of the company. In addition, the CHRO can impress upon board members how critical it is not to let their deliberations leak to the press.

In addition to ensuring that the company has best-in-class talent development programs, the CHRO plays a critical supporting role in CEO and senior leader succession planning. There are a variety of ways a new CHRO can begin the conversation about CEO and C-suite succession. The most important lesson is that CHROs should view succession planning as one of their key priorities from day one, and recognize that the process requires patience and perseverance. An important lesson for many CHROs is that their role requires a great deal of empathy for everyone involved, as the succession planning process has the potential to change the course of individuals’ careers and next chapters.

AUTHORS

Cassandra Frangos (Boston) and **Fleur Segal** (Boston)

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