

A COMPARATIVE STUDY OF LEADERSHIP SUCCESSION MODELS

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ABSTRACT: *There is scarce number of ready-to-use models available to guide organizations in planning for a successor. This paper aims to draw together leadership succession models and present the similarities and differences between the models, subsequently providing suggestions to improve the existing leadership models. Four (4) leadership succession models for businesses and public sector were analyzed based on the objectives and respective processes. Most models focus on leadership development and the choice of leaders for specified positions, and differ in the emphasis on development methods and execution of a succession plan.*

Keywords: Succession, plan, organization, vision, strategy

1. INTRODUCTION

Effective leadership is the driver for organization's progress and eventual success. Successful leaders develop strategic vision and the organizational direction, adjusted according to the available resources and capability of the organization [1]. Good leaders come and go. Reasons such as poor organization support, uncertain career growth and greener pastures influence a leader's stay in the organization [2]. To sustain high performance and good leadership, there needs to be an organized and structured leadership succession plan. With ready leaders in the pipeline, organizational goals can be achieved. Lackluster effective leadership succession plans create a gaping hole which may lead to poor transition between one leader to another, with the possibility of failure to meet organizational vision and mission. Therefore, this study takes a look into succession models in organizations with the objective to draw out the positive and effective factors in each model and to propose improvements that may benefit the public or private organizations.

2. SUCCESSION AND SUCCESSION PLANNING

Succession is a process of transferring power within a business [3]. Within this context, a business can be described as any continuous organized team-based activities or initiatives. Succession can also be described as a process of the shift occurring in ownership or control of entrepreneurship from owner to a successor [4]. In this case, succession is done through the owner, who doubles up as the leader within the organization. Succession is also defined as a process where an incumbent CEO works with the heir apparent, and the leadership is soon passed to the heir [5]. Despite the differences in definition, the underlying concept of succession is about the replacement of a leader in an organization.

While the definition of succession may differ from one to the other, succession planning has a more convergent definite. Succession planning is a systematic process of leadership preparation for the future [6]. This process is a way to create a diverse pool of leaders who are well-prepared to fill leadership positions at an organization. It is a resource for identifying critical management positions, which may begin at multiple levels within the organization, beginning from

project manager, supervisor and topmost position in the organization [7]. It is important to fulfill employment pipeline by assuring that each leadership level has an abundance of high-performing people to draw from [8]. This helps in the process of identifying the best candidate for the particular leadership position.

The study by Brant et. al [9] found that effective succession plans in organizations were the result of selected employees' willingness to be part of the plan, and have the desire to move upwards based on individual needs and organizational progress. In succession programs studied in organizations, it was discovered that 60 to 70 percent of employees who participated willingly in such plans were promoted or managed to secure cross-functional positions, as compared to 20 percent for those who did not join the programs. In a study by Gowthami [10], implementation of successful succession plan requires the holistic organizational participation. According to Gowthami, a succession plan must be customized according to the needs, vision and mission of the organization. Hence, several considerations must be satisfied in order to ensure a succession plan is successfully implemented. That includes strong personnel commitment and support from top management, guidance of Human Resource Department and acceptance of employees [10].

Although the importance of succession planning is visible, there are minimal succession models available to guide organizational succession plans. This study highlights the processes involved in existing succession plan models. By extracting the similarities and differences between the models, useful information on succession models can be observed. Some suggestions on improving the models are suggested.

2.1 TYPES OF SUCCESSION PLANNING

Basically, there are 5 types of succession plans [11]:

i) Relay Succession ('Crown Prince/Princess or Crown Heir Succession')

Relay succession is a type of succession that identifies a member of senior management as heir in advance from actual transition. This is practiced to minimize the risk of selecting the wrong candidate, and to capitalize on the successor's industry-based experience.

ii) Non-Relay Succession ('Horse Race'):

This plan involves a competitive process, whereby candidates for leadership positions, made up of employees within the organization, have to go through several screening or filtration stages which might include a comprehensive check into professional competencies, in addition to fulfilling several criteria set by the top management of the organization.

iii) Outside Succession

Outside succession is the succession plan that takes place when a candidate for leadership position is hired from outside the organization. According to Gothard and Austin [11], this is found to produce stronger results than internal relay-based method, especially when organizational instability is high.

iv) Coup d'Etat

Coup d'Etat is not an organized succession plan. In this situation, a stakeholder (or a group of stakeholders) forces the succession transition. It is an act of power grab, occurring when the stakeholder is not satisfied with major aspects of the organization's management.

v) Boomerang

'Boomerang' succession plan is the act of bringing back a previous leader to lead the organization. This is called upon when there are no other suitable candidates available for leadership position at the particular instant, or if the organization needs a strong leader to face turbulence. A classic case of 'boomerang' succession involves Steve Jobs, who was re-hired by the corporation he founded, Apple Computer Inc. after a bold turnaround plan was initiated back in 1997 [12].

2.2 LEADERSHIP SUCCESSION IN BUSINESS ORGANIZATIONS

Leadership succession plan in business organizations has been studied in various settings and dimensions. McDonalds had to change two CEOs within a few months due to inability of the leader to communicate effectively with lower-level employees [13]. Similarly, at Nike, a top leader who excelled in sales was terminated after only 13 months in office because he was unable to sustain employee relations [14]. These two instances demonstrate the importance of implementing a succession plan to prepare for leadership positions.

A successful organization which has laid out a systematic leadership succession plan is General Electric, an American-based engineering corporation. The plan highlighted 7 major points towards a successful succession plan: institutionalization of leadership development, to be different, holding leaders accountable for succession planning, overcoming obstacles, realizing that development priorities should change, raising the bar in terms of performance and continuous learning [15].

3. LEADERSHIP SUCCESSION MODELS

There have been many framework and models proposed by researchers related to leadership succession plan. Four of the widely used ones are discussed below:

3.1 CHARAN (2001): LEADERSHIP PIPELINE MODEL

The Leadership Pipeline Model developed by Charan [8] examines the development of leaders at every level. According to Charan, the leadership pipeline should be kept 'fully primed' at all times to avoid possible shortage of managerial talent in situations where managerial positions are vacant. In this particular model, emphasis is given to the aspect of 'climbing the corporate ladder', where aspiring executives have to successfully pass through a number of stages in the development. Further development and training will be provided from one level to the next warranting the executives to assume greater responsibilities with higher positions and.

The Leadership Pipeline Model is comprehensive in its display and progress, due to the self-awareness and competencies needed to be mastered by the prospective organizational leader. One has to recognize and be able to execute the tasks and responsibilities associated with each rank in the managerial hierarchy before proceeding to the higher levels. In the same vein, Bratianu and Orzea [16], highlighted the importance of organizational members to be well-equipped with adequate knowledge in relevant fields, including leadership. This is similar with the suggestion given by Appelbaum et. al. [17], who promoted knowledge transfer in succession plans as a critical component to boost the future leader's breadth of understanding of internal operations and external considerations.

3.2 LYNN (2001): LEADERSHIP SUCCESSION PLANNING IN PUBLIC SECTOR ORGANIZATIONS

Lynn [18] proposed a leadership succession planning in public sector organizations using a cycle based process (Figure 1). The process starts with an analysis into the organizational strategies, to be assessed based on the progress towards achieving the organization's vision. This step enables a suitable leader to be elected based on the organizational needs, rather than simply choosing a leader due to his or her capabilities.

Next, preliminary candidates are identified based on the position requirements. This would be followed by a developmental process to unleash the best personality and to train job-related soft skills, as well the ability to lead others. The subsequent step involves the assessment and evaluation of the candidate, before the decision is made regarding the selection and placement of a leader. Finally, an outcome assessment and planning is made to look at the effectiveness of the recruitment and selection process. These elements feed

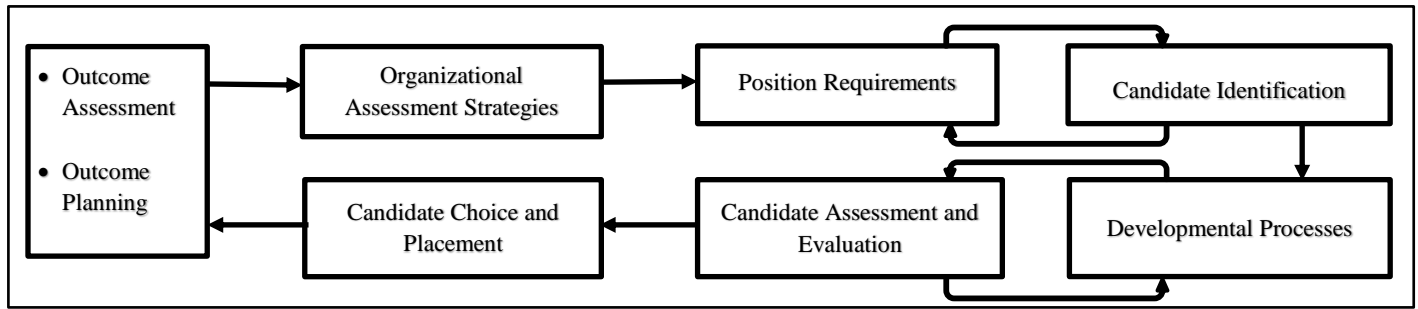


Figure 1: “Succession Management Strategies in Public Sector Organizations” (Adapted from Lynn, 2001)

into the organizational assessment strategies, which would be jointly determined by the leader with the top management, and to be revised once a new leader is required.

BURKE (2003): BUSINESS-ORIENTED SUCCESSION PLANNING MODEL

Burke [19] proposed a business-based succession planning model involving 5 major stages: analysis of business case for proactive succession planning, identification of target roles and positions, determination of core competencies, identification / assessment of successor candidates and finally, leadership development programs (Figure 2). This process aims to lead towards organizational progress and continuity of leadership capability. According to Burke, this succession planning process must be supported (enabled) by 2 key components: a well-defined strategic planning process and leadership support. Failure to have these two elements in the implementation of a succession planning process would lead to a leadership breakdown and possible long-term issues in terms of management efficiency and economic returns.

Burke’s model is structured and organized, utilizing business case to analyze the situation within the organization in terms of strengths and weaknesses, as well as possible areas of improvements before devising methods or criteria to elect new leaders. Burke emphasized on “enablers” since he noticed that organizations tend to focus on short-term returns rather than looking at the big picture through strategic process. Based on Burke’s model, newly-elected leaders have to know the strategic alignment of an organization, while the recruitment and selection process itself has to conform to the strategic planning of the organization.

3.4 GROVES (2007): INTEGRATING LEADERSHIP DEVELOPMENT AND SUCCESSION PLANNING PROCESS

The model of leadership succession proposed by Groves [20] represents an integration of leadership development and succession planning process (Figure 3) with specific steps required by top management to follow. The first step involves the development of pervasive mentoring relationships between upper management and the employees in the organization. At this stage, the mentor-mentee network is established, with the mentor starting to identify high potentials at lower levels of employment. The identified talents are subsequently exposed to aspects of career planning, in which the mentor helps to work on the strengths and necessary areas of improvement of the mentees.

This is followed by leadership competency development program which prepares the potential leader with leadership-based skill set through developmental leadership activities, so as to familiarize the candidates with leadership tasks.

Finally, the best candidate is selected by top management team to be the next leader through a thorough deliberation process. It should be noted that between the second and third stage, there is a feedback mechanism, whereby the leadership development activity is reinforced to ensure that it becomes an organizational culture instead of being thought of as a simplified way to elect the future leader of an organization.

Groves’ model is helpful in the process of recruiting and selecting possible leaders due to its detailed and step-based orientation but lacks the organizational components which seen as disjointed due to its indirect relationship with organizational strategy.

4. COMPARISONS BETWEEN THE MODELS OF LEADERSHIP SUCCESSION PLANS

Due to the differences and nature of the industries involved, there is no single model that can define a workable succession plan that can represent all industries. However, by identifying similar patterns in the leadership succession plans available can provide a guide to a succession plan for a particular industry.

Table 1 displays the key similarities and differences between each succession plan model discussed. In terms of similarities, all models focused on leadership development in order to secure an organization’s future in the long run. In order to do so, core competencies would have to be identified, adequately matched or developed with the leadership positions. Another key component that exists in each model is the relevance of organizational vision and success with a targeted leader. Inability to select a leader who is in line with the organizational goals and direction would affect the progress and standing of the organization. A leader needs to align the organizational goals with his personal goals. Hence, it is necessary to select leaders who have the appropriate skills, knowledge and attitude to push the organization to the desired frontier.

There are subtle differences between the leadership succession models above. Groves [20] proposed a framework that aims to assimilate mentorship and leadership development activities as organizational culture, Burke [19]

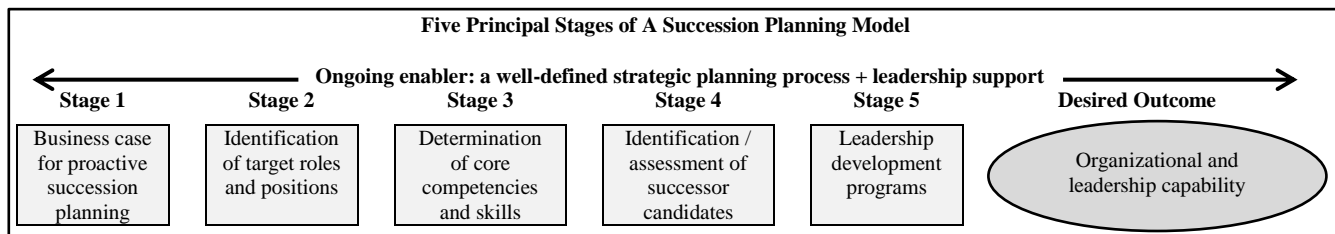


Figure 2: “Business-Based Succession Planning Model” (Adapted from Burke, 2003)

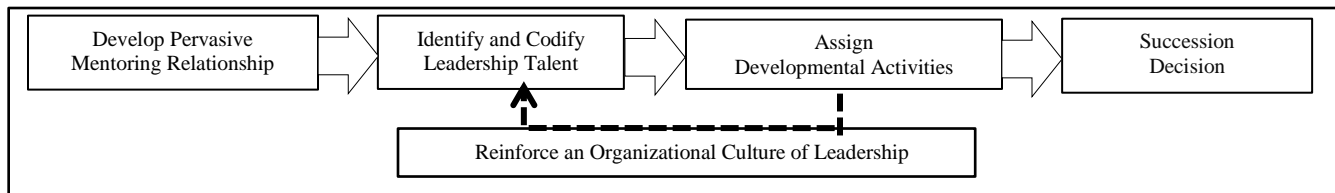


Figure 3: “Leadership Development and Succession Planning Model” (Adapted from Groves, 2007)

and Lynn [18] focus on the technical aspects of leadership succession by outlining specific steps to take so that the best leaders are taken in, fulfilling the organizational needs at a particular time. On the other hand Charan [8], highlighted the need for a leader to be a master manager at all levels, undergoing long-term practice before being selected as an

organizational leader if deemed appropriate. Based on the similarities and differences found in the existing models, there seem to be a lack of integration among all these components to form a comprehensive and holistic succession model.

Table 1: Similarities and Differences between Each Leadership Succession Plan Model

Similarities	Authors	Differences
<ul style="list-style-type: none"> • In line with organizational vision and success • Important in leadership development • Need to match roles and positions • Focus on training core and competencies 	Groves (2007)	<ol style="list-style-type: none"> 1. Mentoring as a method of developing leaders 2. Leadership development need to be part of organizational culture 3. Feedback mechanism is involved through the recruitment and selection phase
	Burke (2003)	<ol style="list-style-type: none"> 1. Business case used to analyze succession planning 2. Need to have enablers such as strategic planning and leadership support 3. Leadership capability as one of the desired outcome of succession planning
	Charan (2001)	<ol style="list-style-type: none"> 1. Focus on development of leaders through mastery of skills at each managerial level 2. Requirement to excel in each stage before proceeding to next level
	Lynn (2001)	<ol style="list-style-type: none"> 1. Succession plan as a continuous cycle 2. Need to continuously align the selection of leaders with updated organization strategies and vision

5. SUGGESTIONS TO IMPROVE THE EXISTING SUCCESSION MODELS

While the succession models discussed emphasize on the key elements of organizational vision, strategic planning and core competencies, several considerations can be looked at to improve the adaptability and usefulness of the models. A study performed by Bernthal and Wellins [21] found one of the major factors impacting failure of internally sourced leaders is poor people skills, namely the ability to interact and relate to employees. This is further emphasized by Goleman [22] where he deliberated on the positive effect of a leader’s emotional intelligence and communication skills on the leader’s success among subordinates. Self-awareness, empathy and social skills tend to uplift the two-way interaction between a leader and employees, consequently enabling smoother work processes and overall achievements. Hence, a model of succession plan should incorporate people skill and employee-oriented development programs.

Additionally, Bernthal and Wellins [21] discovered the importance of character, personality and passion as crucial indicators of an organizational leader’s quality. In an organization where a top-level leader such as president or director has to solicit the approval of multiple stakeholders, such character helps to reduce animosity towards the organization. Inclusion of a character-building or personality development program in a succession model would deliver a well-rounded leader who is accepted by the masses. The succession model proposed by Groves [20] highlighted mentoring as a method of developing organizational leaders. Yet minimal existing models focus on this area, with a majority of existing succession models prioritizing role competencies and positional match. Higgins and Kram [23] as well as Zachary [24] offered the idea of mentoring as a useful developmental initiative, demonstrating the effectiveness of at-work mentoring. The initiative consists of task-based, relationship advice and social support provided

by experienced mentors. The creation of a network of multi-skilled mentors shall benefit a leader in the long run, acquiring a broad range of knowledge from the mentors. But most leaders tend to deviate from the mentors as their career progresses. As a result, risky decisions are undertaken and individual authority reigns. In order to prevent such cases from occurring, it is best for succession models to include continuous mentorship for leaders at all levels.

Finally, the succession models discussed did not address the aspect of individual long-term development. The absence of the individual component may hinder a low-level leader's career outlook. Bernthal and Wellins [21] elaborated on the negative impact of unclear employee development among lower-level employees, extracting long-run physical effects and emotional instability due to stagnant career outlook. In an era where the best leadership positions are reserved based on dedication and achievement rather than loyalty, an organization must strive to protect an employee cum future leader's right to develop. Laying out a long-term individual development plan reduces the tendency for a prospective leader to seek greener pastures, in turn motivating the candidate to perform at the highest level.

6. CONCLUSION

Several factors, such as lack of leadership successors and development of potential employees for leadership positions, led to the need to identify leaders to spur progress towards realization of organizational vision and mission. The models presented provided a guide on what and how to embark on a leadership succession plan in organizations. The gaps that appeared, which included realization of the leader's capability and skill set especially in the employer-employee relationship, mentoring, and systematic career path should be adequately addressed in updated succession models. Future models should ensure necessary and relevant issues are thoroughly considered before the most capable leaders are selected.

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