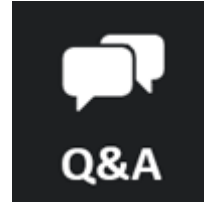


WHAT'S NEW IN SUCCESSION PLANNING?

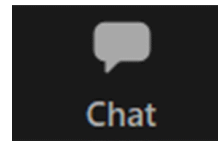
Bradford S. Bell

William J. Conaty Professor of Strategic Human Resources and
Academic Director, CAHRS

HOW TO PARTICIPATE IN TODAY'S CAHRSCAST



Submit your questions to the presenter throughout today's session via the Q&A feature.



Share your reactions and experiences with other attendees using the Chat feature.

CURRENT STATE

CURRENT STATE

Fragile Workforces Keep CEOs Up at Night

Top CEO Concerns

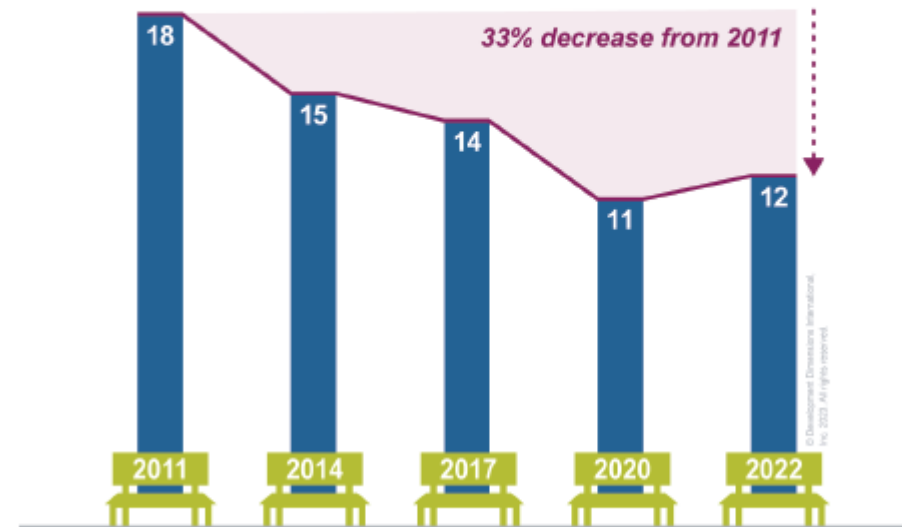


Percentage of CEOs Who Selected Each Challenge

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Top Companies Reap the Benefits of Bench Strength

Bench Strength Has Not Recovered Since the Pandemic



Percentage of HR Saying They Have a Strong Bench to Fill Leadership Roles

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Source: Global Leadership Forecast 2023, DDI

CURRENT STATE

GRAPH 3: PRIORITY SKILLS FOR LEADERSHIP DEVELOPMENT

Numbers next to arrows indicate the number of ranks up or down a skill has changed from 2022 to 2023

Leadership Skill	2018 Rank	2019 Rank	2020 Rank	2021 Rank	2022 Rank	2023 Rank	Leadership Skill	2018 Rank	2019 Rank	2020 Rank	2021 Rank	2022 Rank	2023 Rank
Coaching/Developing others	2	1	1	1	1	1	Motivating others	8	15	14	13	12	10▲2
Communication skills	1	2	2	2	2	2	Creating engagement	11	8	9	9	11	11
Team leadership	3	7	5	5	3	3	Diversity and inclusion			12	3	6	12▼6
Strategy development and alignment	4	6	7	7	5	4▲1	Providing feedback	12	9	10	14	13	13
Emotional intelligence skills	7	3	4	4	4	5▼1	Taking accountability	15	12	16	15	16	14▲2
Change leadership	5	5	6	6	9	6▲3	Self-development	13	11	11	16	14	15▼1
Interpersonal relationship skills	6	13	13	12	8	7▲1	Creativity and innovation leadership				11	15	16▼1
Performance management	9	4	3	8	7	8▼1	Influencing others	14	14	15	17	17	17
Adaptive thinking and problem-solving	10	10	8	10	10	9▲1	Business and financial acumen				18	18	18

* Arrows show the rank order change from 2022 to 2023

Source: Leimbach/Training Magazine (2023)

Five Skills Leaders Need for the Future

Critical Gap Persists for Five Skills Leaders Need to Develop



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Source: Global Leadership Forecast 2023, DDI

CURRENT STATE

- A weak bench of succession candidates leads to a **34% decline**, on average, of leader performance on key objectives (Gartner, 2019).
- Senior leadership vacancies are increasingly being filled by **external candidates**, who research suggests **underperform** relative to internal candidates, are more likely to **turnover** within the first few years, and command **higher compensation** (Harrell, 2016).
 - In 2013, **20% to 30%** of Boards chose to replace an outgoing CEO with an external hire.
 - In the 1970s and 1980s the figure was just **8% to 10%**.
- “Leaders are **exhausted** by constant change. As economic uncertainty looms ahead, **leadership benches are thinning out** and fewer people are willing to take on the additional responsibilities and hours” (DDI, 2023).

THE CHALLENGE

“Best Practice”



- Prepare current leaders to identify and develop future talent
- Take a long-term view and surface potential earlier
- Create leadership success profiles
- Prepare high potentials for more than one role

Reality



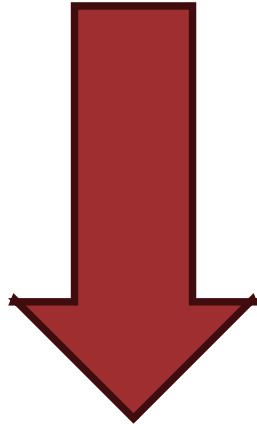
- 58% of leaders now work in a hybrid or remote role, where it is more difficult to know their talent
- With turnover at an all-time high, will high potential talent still be around in a few years?
- Key leadership skills are constantly evolving, and success profiles quickly become outdated
- What are the implications for creating targeted, meaningful learning experiences?

CAHRS WORKING GROUP

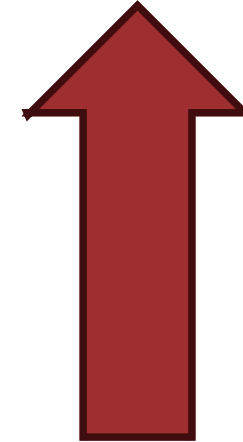
DIFFERENT APPROACHES

Top-Down

Executives and/or HR Team Lead
Enterprise-Wide Process



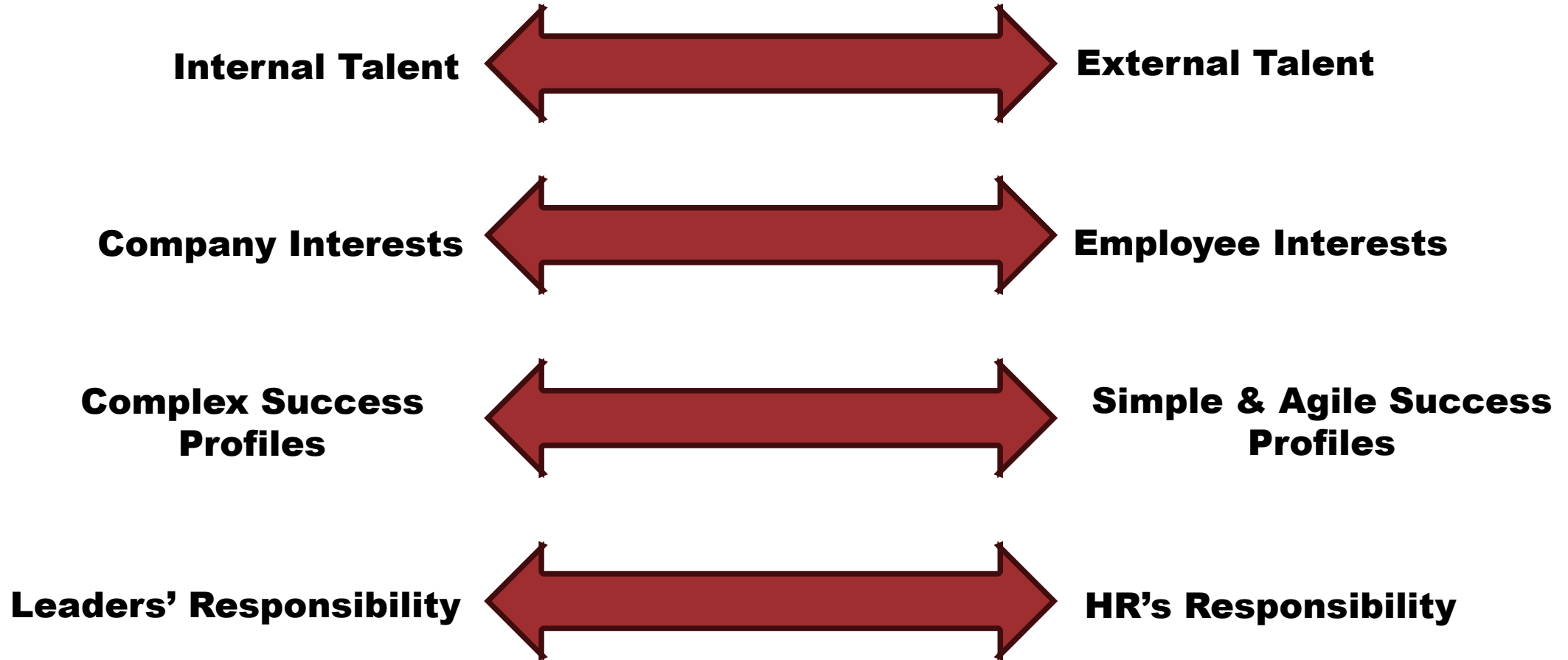
**Hybrid
Approach?**



Bottom-Up

Front-Line Managers Identify Retention
Risks and Critical Talent Gaps in their Units

TENSIONS



TOOLS, SYSTEMS, AND PRACTICES

Chain
Reaction
Model

Vanishing
Organizational
Chart

Internal Job
Postings

Skills-Based
Structures

Market Data

QUESTIONS?

UPCOMING CAHRS WEBCASTS

Flexible Work Models and their Cultural Implications

- December 7, 2023: 2:00-3:00pm (ET)

What Issues are Top of Mind for HR Leaders Heading into 2024

- January 25, 2024: 2:00-2:30pm (ET)

Learn More & Register: cahrs.ilr.cornell.edu

THANK YOU

Learn more at: cahrs.ilr.cornell.edu