

Don't let succession planning pave the way for discrimination

Many companies design succession plans so they can spot the next generation of leaders early and develop current employees to their full potential. But if everyone tapped for special treatment comes from the same race or gender—or the chosen group excludes older workers or the disabled—employers may find themselves facing discrimination litigation.

A little bit of strategic thinking goes a long way toward designing a succession-planning process that identifies all good candidates for promotion—and doesn't leave out employees who might later sue for discrimination.

Succession planning affects recruiting and hiring. It influences diversity initiatives. Finally, it must mesh with the organization's overall strategic planning because tomorrow's needs will no doubt differ from today's needs.

Turnover and succession

Any succession plan must first look at who among the current workforce is leaving—and why. That information is the baseline on which to build a plan for developing future leaders.

Are certain jobs prone to turnover while others are stable? Are workers lured away by a competitor's higher pay or better benefits? Or are they driven away by poor management and little chance for advancement? Exit interviews are the best way to find out. They help managers identify organizational weaknesses and threats.

Succession plans and the ADA

Succession planning often relies on cross-training individuals for a variety of jobs. That helps familiarize employees with all of a company's operations. Succession plans that include disabled employees make cross-training a little more complicated.

For example, disabled workers may not need any accommodations to do their current jobs, but they may need accommodations to participate in cross-training. A disabled worker may need a different accommodation than the one he or she currently uses. Employers must work these issues out by discussing accommodation options with disabled workers.

Designing the training takes careful thought. For instance, does the employee have to perform that job to participate in the succession plan? Or is it enough for the employee to simply understand the function? If the cross-training is simply to prepare the person for management and no accommodation can be found that allows the employee to perform that job, a few days of observation may provide sufficient background. That can be a reasonable accommodation for succession-planning purposes.

Key succession plan pieces

When considering a pilot succession plan, include these key steps:

- **Preparation.** Update job descriptions, define key positions and require that employees complete career-planning assessments.
- **Identification of high-potential employees.** Senior leaders should identify and nominate high performers.
- **Leadership development.** Top management should identify key development areas for the organization's future.
- **Providing development opportunities.** Use skill-building, job rotation and cross training to develop employees' skills and qualifications.
- **Evaluation.** Participants should be evaluated based on skills and job performance.

Employers also should talk to long-term employees to understand why they have stayed and what they like about working for the company. Those interviews reveal strengths and opportunities.

Employers should use this information to look for warning signs that could lead to discrimination lawsuits. Any red flags should be passed along to legal counsel. Your attorney may recommend changes in policies or practices based on the information.

Succession is not cloning

Next, employers must look at workforce demographics. Experienced baby boomers are heading en masse for retirement, leaving some companies with record turnover figures. Succession planning allows employers to develop a pool of well-trained candidates to fill the shoes of boomers.

Advice: The candidate pool you

choose to move up the management ladder should look like your hiring pool, not the existing management team. That means considering the demographics and abilities of the entire workforce—in all its racial, ethnic, gender, disability status and age diversity.

Training older workers

As the careers of baby boomers undergo rapid transitions, age discrimination has become a succession-planning issue. Someone who is 40 years old today must wait until age 67 to collect full Social Security benefits. Older workers are a fact of life that succession planning must take into consideration.

Under the Age Discrimination in Employment Act (ADEA), employers may not exclude older workers (those 40 and older) from succession planning solely on the basis of age. To keep your succession plan out of court, focus on likely retirement dates and statistical data drawn from your company's experience, rather than age alone.

Leadership must buy in

A succession plan generally fails if top company leaders don't support it. No one understands a company's future like top management. Your organization's business may be totally different five years from now. Only top management knows what that future may look like. Until they share it, succession planners are working in the dark. HR must convince company leadership that it is planning the company's legacy, not its funeral.