

NO VACANCY → Planning for the Future



By Fay Booker, FCIS, Acc.Dir., president of Booker & Associates

As Fay Booker discovers, effective succession planning doesn't just happen – it requires thought and attention.

There is generally a focus at the board level on succession plan rung for the CEO and other key management positions, which is an important role of the board, but it is equally important that the board give attention to its own succession planning.

Objectives of board succession are:

- Board composition provides for continuity and renewal of board talent
- New board members are able to effectively succeed the board's departing members and can contribute to governing the organization as quickly as possible
- Collectively the members of the board have the talent necessary to perform the governance role effectively
- Effectively prepare board members for leadership positions on the board and prevent the risk of people dependencies at governing level

Governance

Board succession involves five key interdependent governing practices:

- Talent composition
- Nominating and election
- Director orientation and ongoing director development
- Developing board leaders
- Board assessment and director assessment.

Boards need to have the appropriate competencies, experiences, and attributes to create a talented governance level for the organization being governed. We refer readers to Booker's article in the Q2 2016 edition of BIZ entitled "It Takes a Team" to gain an understanding of this first step in the succession planning process. Annually evaluating the talent of all directors and identifying directors' anticipated departure dates keeps the board aware of the impending people changes.

The second step of nominations and elections involves calling for or recruiting nominees that meet the needed competencies, experiences and attributes identified in stage one in a time frame which considers the departure of sitting directors. Community organizations are taking different approaches with respect to populating the board. Some organizations follow a process whereby any person who is nominated as a director candidate is allowed to stand for election based on their personally expressed merits, while others follow a process whereby the nominating committee provides its perspective on the merits of candidates by providing its endorsements for select candidates or providing a 'slate.' Any individual standing for election as director must have the commitment, capacity and ability to serve the organization in the best interests of all stakeholders.

The results of the election and resulting composition of the board may impact the training requirements in stage three.

Director orientation recognizes that new directors need to be oriented to the organization regarding its business, its strategic plan, the board's governance duties, governance protocols and the expectations of a director. All directors require on going

education on changes in the sector in which the organization operates, stakeholder needs, and governance evolution. There should be a curriculum of learning for individual directors as well as team learning for the board as a whole. Using the information from stage one, some training may be specifically needed to bridge the gap of actual composition of competencies and experience from that of the ideal talent composition.

Stage four – developing board leaders. There needs to be clear responsibilities for the board chair, vice chair, and committee chairs. Committee chair experience for a director provides succession planning for the board leadership role and provides the opportunity for fellow directors to observe directors in a leadership and chairing role prior to being considered for board leadership. The board needs to provide for a balance of continuity and movement of people in the leadership roles, e.g. limit the time that any director holds a leadership position to no more than three consecutive years. This allows the organization to benefit from the stability of leadership while having a pool of proven leaders and not creating people dependencies.

Step five is the board and director assessment process. This process enables the board to identify where its practices need improvement to achieve overall governance effectiveness, including the identification of talent gaps and nominating process gaps. The individual director assessment process assists an individual director in identifying where they could improve their contribution or the need to step aside to provide for succession and evolution of the governance level.

Effective succession planning for a board requires the combined success in the implementation of the five key processes. Thus, the organization will benefit from a boardroom environment that acknowledges the need to provide for continuous evolution of the governance talent level.

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