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MANAGEMENT ADVISORY BRIEF

Using Succession Planning To Drive District Human Capital Growth

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ABSTRACT

Succession planning should go beyond choosing replacements to develop a culture of leadership retention and promotion in the district. Given the rapid turnover in school administration positions, growing leadership talent-not just “instructional leadership,” but district-wide “organizational leadership”-is a critical task. This brief delineates DMC’s 8-step process for assessing, cultivating, and transferring leadership skills in the school district.

KEY CONCEPTS :

Succession Planning vs. Replacement Planning

Instructional Leadership vs. Organizational Leadership

Leadership vs. Management

Styles of Leadership

District Leadership Code

High-Potential Leaders

Bench Strength

On-the-Job Training and Formal Coaching

Transition Plans

*More in-depth analysis, implementation information, and tools for **Using Succession Planning To Drive District Human Capital Growth** are available through The District Management Council (DMC). Please call toll-free 877-DMC-3500 or visit us at www.dmcouncil.org.*

Growing Human Capital

Public school districts have grown into large and highly complex organizations. In 1950, teachers made up more than 70% of all public school staff. Today, teachers comprise only about half of the school workforce; one non-teacher employee exists for every teacher in the district.¹ Districts must manage an increasingly fragmented staff with different skills, functions, and backgrounds. At the same time, the heightened focus on student achievement and the demand for greater scrutiny have compounded the pressure on school management.

As school districts increase in size, intricacy, and accountability, they must invest more in the human capital that drives almost all of the services they deliver. Accounting for over 80% of district operating budgets, human capital should be a district's number one management priority.ⁱⁱ The potential for competitive advantage derives from a district's ability to cultivate the unique features of its staff.

In the private sector, many studies have documented the benefits of embedding human resources in business strategy. Organizations that are able to keep their employees "engaged" perform at levels up to one and a half times better than the norm, according to results of a Gallup survey. The companies awarded *Fortune Magazine's* "100 Best Companies to Work For" distinction have been demonstrated over time to outperform the S & P 500.ⁱⁱⁱ In the private sector this linking of human resources to business strategy gained momentum throughout the 1990s; a 2003 Mercer Consulting report found that 88% of the 300 organizations studied had linked human resources to their business strategies.^{iv}

Despite its private-sector successes, prioritizing human resources and linking it to overall strategy has not been embraced by public school district. Most districts' reform efforts aimed at human resources have centered on the transactional level of improving employee services, record keeping, and benefits administration. Some progress has also occurred with regard to recruitment and selection, training, and compensation of employees. But the knowledge management, strategic redirection, and cultural change that would constitute transformation have not yet taken root sufficiently in districts.^v

Formal succession planning has not received much attention in school districts until very recently. Even now, to the extent that they exist at all, succession planning discussions have been focused primarily on building principals, and not on central office and non-instructional leadership positions. A good example is an initiative Maryland started in 2006, led by the State Department of Education, that attempts to escalate the amount of proactive succession planning aimed at the strengthening the pipeline of principal candidates statewide. The program essentially asks districts to take district processes to a new level in managing the pipeline, from leader identification all the way to leader retention. The program and concepts have received strong endorsement from DMC members, including non-Maryland districts that have had the opportunity to critique the program.

DMC feels it is critical for districts to focus on cultivating its human capital not only at the building level, but at the central-office level and for instructional and non-instructional leaders alike. We focus here on Succession Planning, and have laid out a step-by-step approach to tackling the challenge of succession planning, which will enable the district to better identify future leaders, to cultivate leaders, and to minimize disruption to the strategic direction of the district.

What Is Succession Planning?

Succession planning goes beyond the basic question of identifying replacements for positions. Replacement planning focuses on filling vacancies on an organizational chart; succession planning focuses on grooming talent for the future. Succession planning needs to encompass a dialogue about leadership in the public school district -- what characteristics define it, who displays it, who has the potential to display it, and how to cultivate it.^{vi} Formal succession planning should inspire a culture of motivation and focus that aligns with the district's strategic objectives and that infuses the work of all school officials.

The Urgency of Succession Planning

Succession planning becomes all the more imperative given the mounting challenge of finding qualified candidates for school leadership positions. After interviews with every major search firm in the school field, the District Management Council gathered startling quotes that expose the severity of the shortage problem. One search firm leader vividly described the movement from "having a flood of candidates for a superintendent vacancy in the early '90s to a lake, to a river and today to a puddle." Over 50 percent of superintendents "strongly agree" that the dearth of applicants for superintendent positions represents "a crisis in American education." Only 46.5% of superintendents see themselves still holding a superintendent position in five years.^{vii}

When vacancies inevitably occur, most school districts scramble for successors. Confronted with a vacancy, districts most commonly respond by 1) "Relying on expediency to identify someone to fill it" 2) "Secretly preparing successors" or 3) "Waiting until positions are vacant and then scurrying around madly to find successors." None of these options adequately prepares a district to face challenges and meet goals.

Reframing Succession Planning

Successions should not pose a crisis. Succession planning provides an opportunity to formulate a district's objectives and to develop a cadre of leaders who can execute them. Research on the effects of leadership has documented a consistent and statistically significant, albeit small, correlation with student achievement.^{viii} But the research has been too limited in scope. It has focused on "instructional leadership," the tactics for quality teaching and learning, and its relationship to student achievement. Largely ignored has been the importance of organizational leadership across the district and its importance in bringing about effective practices in schools throughout the district.^{ix}

Leadership vs. Management

Legendary management guru Peter Drucker captured the difference between leadership and management when he said,

“Management is doing things right; leadership is doing the right things.”

Both are necessary, but leadership and management entail distinct competencies. Leadership means developing vision, coping with change, and aligning, motivating, and inspiring people. Flowing from leadership, management provides the structure and has a technical quality; management involves coping with complexity, planning and budgeting, organizing and staffing, and problem solving.^x

DMC believes that the balance in public schools between management and leadership is off. Districts need to pay a greater regard to developing leadership skills.

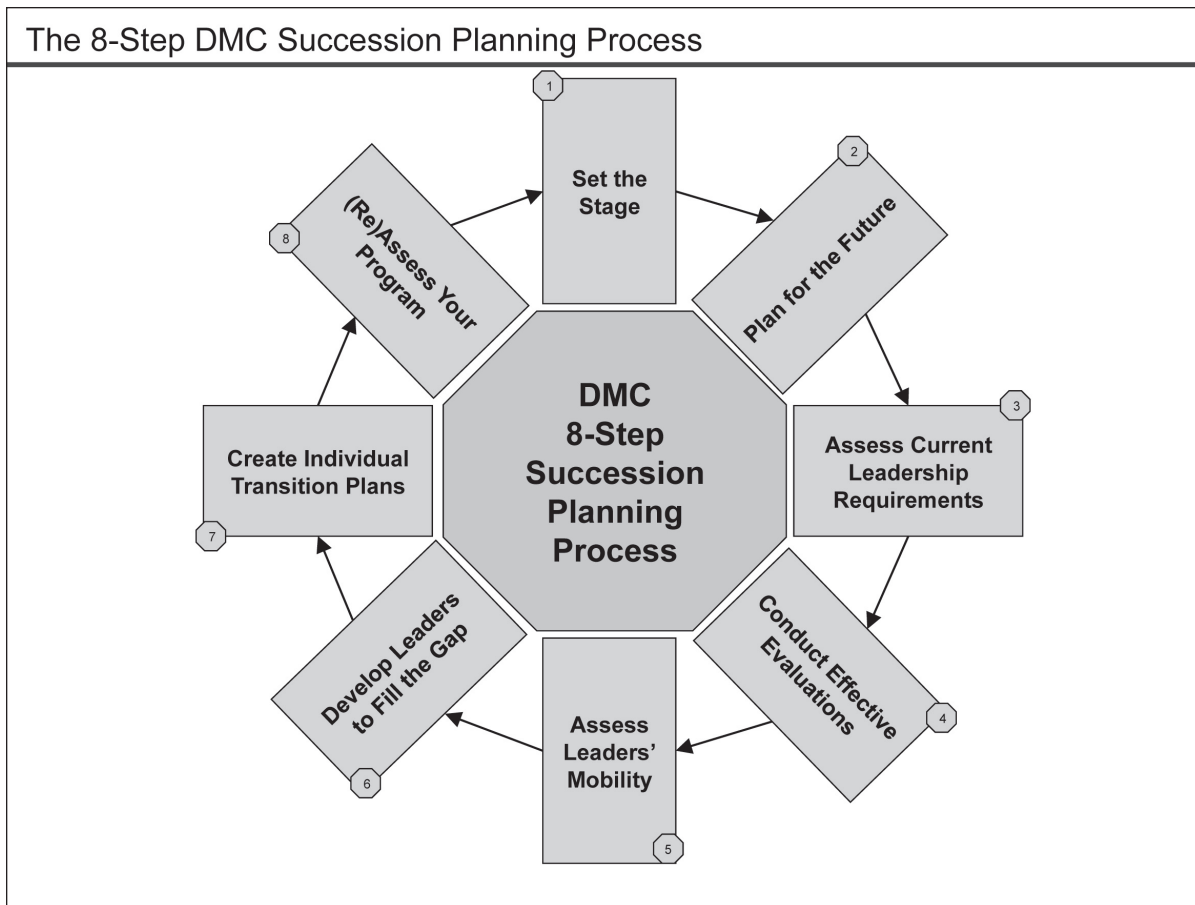
Developing Leadership Skills

Because leadership relates more to vision than hierarchy, all employees have the potential to exercise leadership. Breaking a large organization into smaller units can facilitate the dissemination of leadership by allowing workers to identify better with one another and to perceive the impact of their actions.

Studying leadership skills has dominated both the academic and the general press, from research by Kouzes and Posner to books by Malcolm Gladwell and Jack Welch. Much of this literature has taken the form of lists of specific traits that successful leaders embody. Creating a litany of characteristics, however, raises several problems. The very inclusiveness of such lists-“toughness” and “humanity,” “humility” and “confidence”-hinders their usefulness. Moreover, while it is possible to refine an individual’s personal attributes through formal coaching, it is nonetheless a formidable undertaking. Perhaps most fundamentally, categorizing certain qualities can obscure other essential dimensions of leadership.

Moving Toward “Situational Leadership”

It is more fruitful to view leadership as the interplay of many elements and the flexibility to adapt them to different situations. A leader must at various times apply diverse styles of leadership, sometimes being more authoritative or coercive and at other times being more democratic or collegial. Each of these styles demands different capabilities within a leader’s overall emotional intelligence. Daniel Goleman’s heralded work in this area is getting increased attention and traction with district leaders. By treating leadership as a set of common challenges and asking what leaders should do in these situations, we can study leadership as a series of steps to be implemented.^{xi} For this reason, DMC has created an 8-step process that captured best practices from school districts, the public sector, and the private sector.



The 8-Step DMC Succession Planning Process

1. Set the Stage

In beginning a succession planning process, it is worth “overinvesting” in setting the stage internally to avoid later roadblocks. Contemplate the purpose, goals, and expectations of the succession planning process. Recognize the expansive reach of succession planning – the avoidance of leadership crises, the potential cost savings in hiring new leaders, and the cultivation of a leadership culture. Use this information to write a mission statement that captures the urgency of succession planning for your district. Major stakeholder groups, such as the current leadership team and board must be behind the effort without reservation. Also, expectations need to be firmly established about process duration and intensity.

2. Plan for the Future

The succession planning process should not be designed to address today's organizational challenges, but those of the future. As with many DMC initiatives, the succession planning process is designed to take a reactive district process (e.g. filling leadership vacancies) to one that is deliberately proactive (growing the district's leadership talent pool.) Districts should use succession planning as a process for reflecting on the district's future. In this step, districts should take into account both endogenous factors (organizational changes, board priorities, curricular approaches, decentralization, etc.) and exogenous factors (demographics, economy, state and federal legislature, etc.) to identify future needs for an evolving organization.

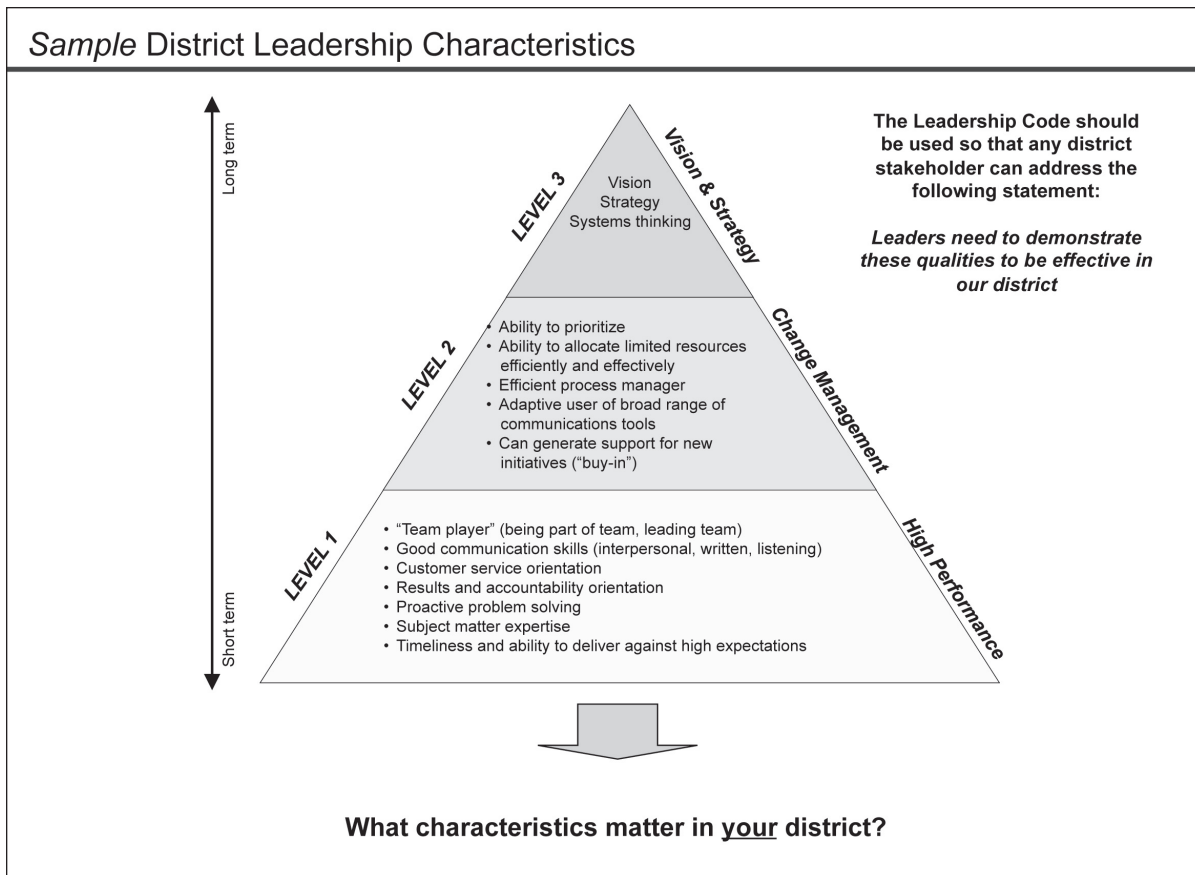
3. Assess Current Leadership Requirements

Having charted a vision for the district's future, examine the role of leadership in realizing the vision. Assess the characteristics necessary for leadership in the district. Build a "leadership code" that explains leadership characteristics and behaviors that drive success in the district.^{xii}

Aspirationally speaking, certain skills should transcend an organization and unite all of its leaders. A "leadership code" is a consolidated viewpoint of what matters as leaders progress up the organization. For example, Jim Collins' popular "Good to Great" model traces a progression from capable management – the ability to make productive contributions, through effective leadership – the vigorous pursuit of a clear and compelling vision, and, finally, to enduring executive greatness.^{xiii}

Yet leadership is, of course, not a rigid concept. To emphasize an earlier theme, the roles and responsibilities differ for instructional, organizational, and public leadership. While districts are quick to emphasize the importance of instructional leadership as closest to the core mission of public education, real-world job responsibilities force ever-increasing amounts of organizational and public leadership responsibilities as leaders rise through the organization. Even within these subfields, the desired traits and behaviors depend on the organization's objectives and the time horizon.

To create a district-specific leadership code districts should first gather opinions from stakeholders about what really matters for successful leadership in the district. At this stage, the superintendent should listen, not talk, while the stakeholders brainstorm leadership qualities. Then, draft a summary viewpoint that graphically expresses the district's leadership factors. Synthesize the common and distinct constituents of leadership into a District Leadership Code. This single cohesive structure, the eventual product of the process of developing and refining a leadership definition for the district, should allow any district stakeholder to state: "Leaders need to demonstrate these qualities to be effective in our district." Finally, establish metrics, such as performance reviews, survey data, and recruiting statistics that gauge and adjust the leadership program.



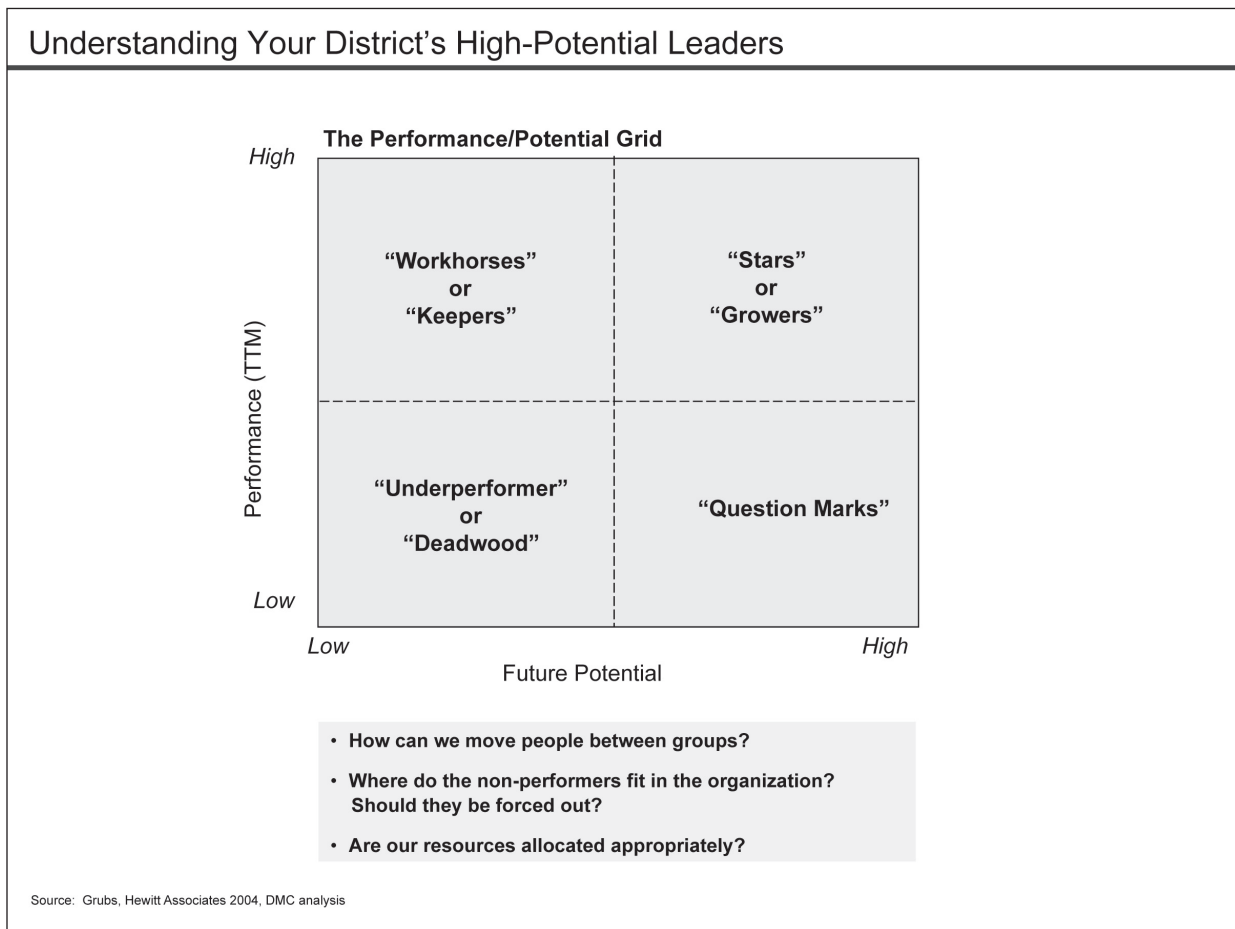
Though designing a leadership code is a district-specific process, the basic components of leadership generally apply to all districts. Indeed, DMC-led exercises in several mid-size districts yielded central office leaders and building-level leaders generating, on balance, very similar lists of desired leadership characteristics.

Nonetheless, while the desired characteristics of leadership may go across districts, those qualities take color in the context of the individual district. The culture of a district should also be reflected. For instance, do we need leaders who must function with a high-degree of independence or do we need leaders that must be flexible enough to respond to central direction? Is our culture ruthless or supportive? Do we tolerate risk-taking or not? What types of leaders will be successful in this culture? With brutal honesty, deliberate on the district's attributes, positive, negative, and neutral. Adopt the perspective of a candidate considering various districts to put into relief the opportunities, resources, and culture your district would offer a leader, both positive and negative. Positive or negative features of a district may include opportunities, or lack thereof, for new projects and responsibilities, availability of resources in staff, materials, and technology, and presence of a culture of collegiality and high family and teacher engagement.

4. Conduct Effective Evaluations

Perhaps the single most significant factor underlying effective leadership development is open and honest feedback about an emerging leader’s performance. Without honest discourse about an individual’s strengths and weaknesses, proactive development opportunities cannot be deliberately pursued. A district should evaluate its current and emerging leaders against its leadership code through development and use of a formal evaluation rubric.

To provide a relative view of these emerging leaders, districts can evaluate leadership candidates on a matrix that serves as a function of both past performance and future potential. One purpose of such a matrix is to identify the district’s “high-potential” leaders, commonly referred to as “hipos”. Using such a matrix to drive further proactive human capital development activities is widely considered a “best practice” in the private sector, and is increasing in use in the public sector as well.^{xiv}

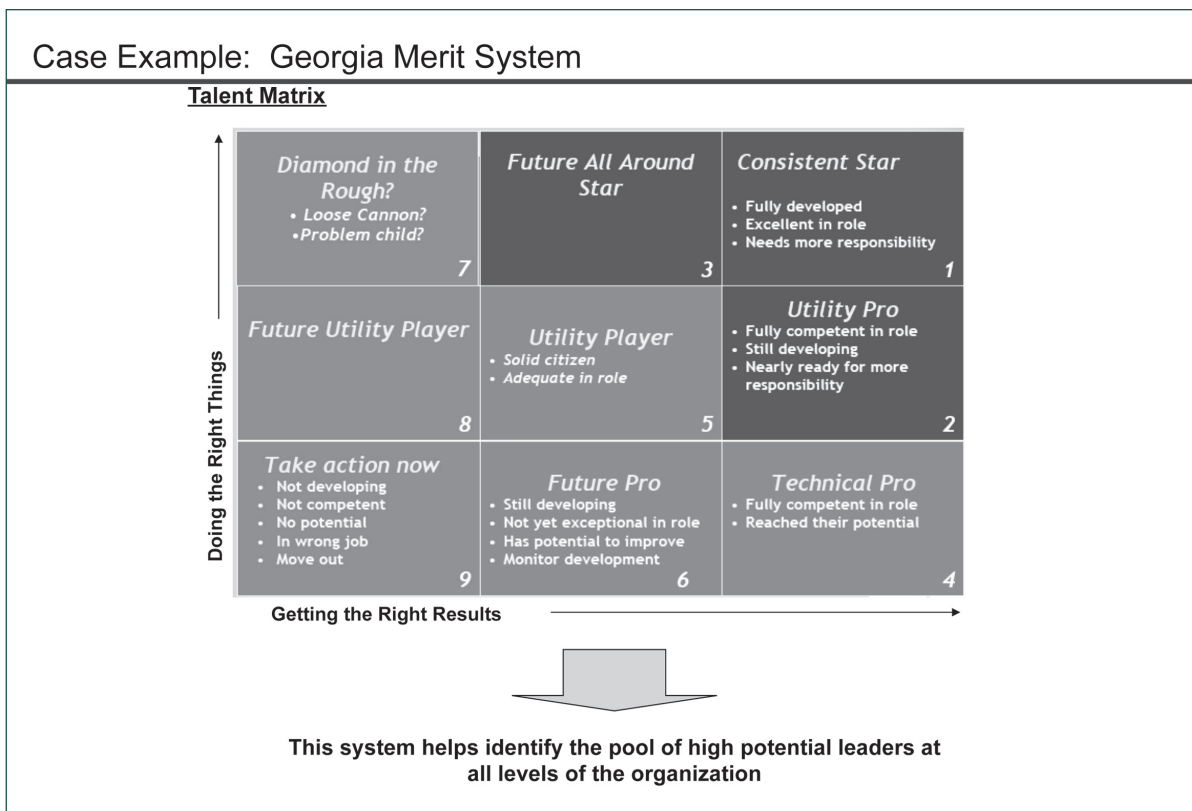


The performance rating assesses an employee’s fulfillment of the requirements of his/her position. “Workhorses” and “stars” have surpassed their overall job requirements, whereas “underperformers” and “question marks” have not satisfied duties or have extensive room for improvement.

The potential rating forecasts an employee’s latent value. It rewards “stars” and “question marks” who can proceed to levels above their current position or who can at least undertake additional responsibilities. By this measure, “workhorses,” who possess vital technical knowledge that precludes transfer, and “underperformers,” who are functioning at or near capacity, receive lower scores.

On average, about 20 to 25% of employees may reside in the “stars” category displaying both outstanding achievement and great potential, whereas 10-15% may reside in the “underperformer” category. An individual’s placement is not immutable. Rather, the matrix should prompt a discussion about how to shift people to higher groups on the grid while addressing clear non-performers.

A good example from the public sector is The State of Georgia, which employs a variation of such a talent matrix to evaluate its employees and nourish leaders. Echoing Peter Drucker’s leadership/management scheme, Georgia distinguishes between “doing the right things,” a reflection of leadership potential, and “getting the right results,” an appraisal of management process. As state employees hone their technical prowess and their functional leadership, they can ideally reach the level of “consistent star,” someone who is fully developed in the current assignment and merits more responsibility.^{xv}



Understanding where your leaders are helps the district plan corrective action, either driven by the district in forms like formal training or job rotations, or by the employee through self-actuated behavioral change.

5. Assess Leaders' Mobility

Once the pool of leadership talent has been identified against the leadership code rubrics, further analysis is needed to evaluate the district's "bench strength" and leadership mobility within the organization. Districts should force themselves to complete a deep bench strength analysis, which yields measures concerning the depth of leadership talent within the organization. Compute this measure by listing potential successors for each major position and assigning successors a ranking to denote:

Level 1-Successor ready to lead within one year

Level 2-Successor ready in one to two years

Level 3-No successor ready within a five-year period

A Level 3 ranking presents an organizational "hole." The lower the percentage of holes relative to key positions, the greater the organization's bench strength.

The basic bench strength measure serves as a foundation on which to calculate several other metrics of an organization's human capital inventory, such as:

- Average number of candidates "ready now" for key positions
- Number of vacant key positions
- Percentage of positions open without "ready now" candidates
- Total number of high-potential leaders in the succession pool per key position

Armed with this data, districts can make targeted investment in readying internal candidates or proactively recruiting external candidates where succession risk is present.

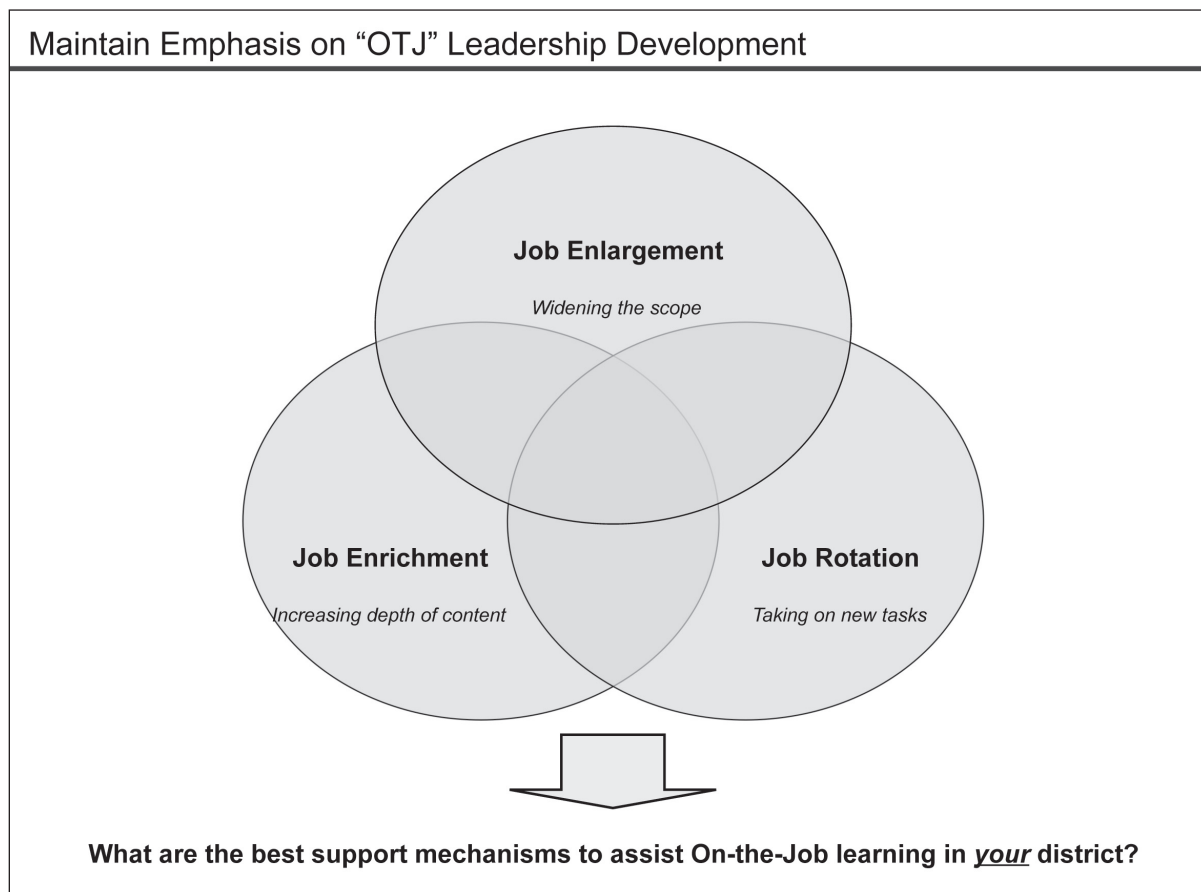
6. Develop Leaders to Fill the Gap

By this stage in the succession planning process, a district will have a very good view of where the high potential leaders lie and where the major risks are. Those potential successors ranked in an organization's bench strength must be further cultivated through on-the-job learning and formal training. Districts may be forced to answer, "How can we get someone ready more quickly?" or even, "Do we have anyone that's ready now?"

Each participant in leadership training programs should be the subject of an individualized development plan (an "IDP"). The plan should ask such questions as: For what key position should this person be prepared? What kinds of competencies should be developed? What are the individual's career objectives? What learning objectives should guide the individual's development?

By what methods or strategies may the objectives be met?

Generally, the most productive lever for leadership development is on-the-job opportunities that widen the scope, increase the depth, and vary the routine of responsibilities. Examples of assignments that satisfy these three areas could take the form of relaunching or revamping a failing service, launching a new service, managing a turnaround situation, handling a rapidly expanding service, preparing a strategic proposal for top management, taking on a difficult assignment, leading an unpopular change, or chairing a multi-functional team.^{xvi}



In addition to on-the-job opportunities, organizations may be able to invest in expert leadership coaching and mentoring with good results. Through a “360 degree” evaluation, expert coaches help leaders to understand all their areas of strength and weakness and to grow their emotional intelligence. Best practice coaching structures follow a sequence of enrolling the individual, building a relationship, fact-finding based on existing and new assessment data, collaborating to create a development plan, coaching to the development plan, evaluating the process relative to stated objectives, and planning next steps.^{xvii}

“Best Practice” programs of leadership development in both public and private sectors combine aspects of on-the-job responsibilities, coaching and mentoring, and formal training. General Electric, for example, uses a tiered system. It starts with a residential course at GE’s Management Development Institute, similar to a business school executive program. The most promising participants then move to a business management course that integrates classroom work and action learning projects. GE’s program culminates with executive development that features less classroom instruction and more personalized involvement by GE executives. DMC member Meridian School’s Administrators’ Academy employs a similarly sequenced progression to move administrators from an “aspiring” to a “veteran” level of leadership. At the “aspiring” level, instruction occurs on a more traditional basis with large-scale university partnerships. At the “veteran” level, the academy utilizes more internal instructors and more varied methods.^{xviii}

7. Create Individual Transition Plans

As districts devote greater resources to identifying and preparing leaders, assuring the transfer of leadership responsibilities in succession is increasingly crucial. When transitions suffer, initiatives get put on hold and progress slows, often never to regain momentum. Ideally, the replacement of leaders should involve substantive overlap allowing for on-the-job training and a smooth handoff of responsibility. However, this may often not be feasible due to sudden departures, budgetary constraints or other mitigating circumstances.

To facilitate a smooth transition, many districts are structuring plans that outline the process of orienting new leaders. Transition plans have been used by new superintendents for some time, but enormous variance exists in the structure and approach of those plans. Transition plans can be applied to a broad variety of senior leadership positions. DMC favors a “goals-based approach” to constructing a transition plan. The product is a results-oriented plan around specific desired outcomes in managerial and organizational performance and district accomplishment. For example, one goals-based objective from a new DMC member superintendent reads, “Develop a plan to decentralize the organizational structure in order to be more responsive to the needs of principals, schools and the public.” This is a clear structure that allows for broad stakeholders’ understanding of what the leader is doing and why. Conversely, an “activities-based approach” focuses on what the new leader will do, but does little to focus the leader on why they are doing it.

8. (Re)Assess Your Program

Succession planning is a fluid and continual process, and requires regular assessment and adjustment. Evaluation should include an assessment of bench strength by measuring the number of well-qualified internal candidates for each key position, the record of promotions, and the retention of high performers. At the same time, evaluation should also capture more subjective human capital metrics, including the perceptions of fairness, transparency, morale, confidence, and competence.^{xix}

Ultimately, a successful succession planning program will be a tailored, systematic, and clear process that enjoys dedicated organizational support and that emphasizes long-term leadership development.

Toolkit

Should you make Succession Planning a priority? Take this quick test to find out how big an opportunity exists to improve your human capital operations through succession planning.

All districts struggle with replacing district leaders. The opportunity exists to make the process much more proactive, and thereby minimize disruptions to the continuity of district operations and reform. Most districts will have some of the components of true succession planning well underway, but few will have connected the pieces to run the process as a system.

Do you agree with the following statements?	Completely Agree	Somewhat Agree	Disagree	Don't Know
1. We have a clearly articulated definition of desired leadership characteristics that are broadly understood and communicated to stakeholder groups district-wide.				
2. We evaluate leaders (both for internal performance reviews and promotions and for external candidates seeking employment) against these criteria.				
3. We give open, honest, and constructive feedback to our existing and emerging leaders on a regular basis.				
4. We proactively identify future leadership talent at lower levels in the organization, rather than simply rely on self-selection.				
5. We monitor, district-wide, how many critical positions have no immediate successors available and create action plans to reduce this risk.				
6. We monitor how many vacant positions are filled by external candidates. We set target percentages for this metric based on district objectives.				
7. We have individualized development plans for all of our high potential leaders.				
8. We integrate our human capital efforts with our development of professional learning communities.				
9. We have structured processes to ensure smooth handoffs of responsibility when leaders turn over.				
10. We have a culture that values internal development of leaders.				

Score Your Results

How big an opportunity exists in your district to improve human capital operations through succession planning?

- Give yourself **1 point** for every time you answered *completely agree* _____
- Give yourself **5 points** for every time you answered *somewhat agree* _____
- Give yourself **10 points** for every time you answered *disagree* _____
- Give yourself **10 points** for every time you answered *don't know* _____

TOTAL SCORE _____

Your Score	Your Opportunity for Succession Planning
0 - 25	You have most of the components of a succession planning process in place, but you might need to do some final alignment and tweaking.
26 - 50	You have a good start on identifying and tracking leaders, as well as aligning important human resource practices, but you still have work to do.
51 - 75	Don't be too hard on your district, but many tools and practices are available to help you manage your leadership talent pool more proactively.
75 plus	Like many districts, there is much work to be done. Ask yourself, do you have the motivation and energy to begin. Also ask, can you afford to wait?

You might be wondering why answering “not knowing” counts so much? If senior district leaders don’t know the answers to these questions, then you probably don’t have a detailed understanding of the day-to-day procedures around human capital operations, and you may be missing opportunities to better manage succession planning.

ASK YOURSELF

- **Is internal leadership development a district priority? If not, why?**
- **Does your district have a clear leadership development plan in place? Can you point to clear succession planning processes? If not, who would take the lead responsibility in developing these?**
- **Are career paths clearly identified across the organization to facilitate planning?**
- **Do your district’s professional performance evaluation protocols address career planning and individual aspirations?**
- **Do you measure and track the success of your leadership development efforts?**

Endnotes

- i Center on Reinventing Public Education; North Central Regional Educational Laboratory; P. Hallinger and R.H. Heck.
- ii The Laboratory for Student Success; K. Leithwood and D. Jantzi, 2000; K. Leithwood and K.S. Louis, 2004; P. Hallinger and R.H. Heck, 1996.
- iii Public Agenda, 2003.
- iv Center on Reinventing Public Education, 2003; U.S. Department of Labor; National Association of Elementary School Principals; Public Agenda, 2003; American Enterprise Institute; Consortium for Policy Research in Education; Stanford Educational Leadership Institute.
- v Public Agenda, 2003; RAND Education; Broad Foundation.
- vi A. Levine, 2005; Catalyst Chicago.
- vii Center on Reinventing Public Education; Wallace Foundation.
- viii RAND Education.
- ix U.S. Department of Education; National Association of Secondary School Principals; Stanford Educational Leadership Institute; Consortium for Policy Research in Education; Missouri Professors of Education Administration; S.J. Stein and L. Gewirtzman, 2003; A. Levine, 2005.
- x New York City Department of Education; NYC Leadership Academy; Broad Foundation.
- xi New Leaders for New Schools; Knowledge Is Power Program; Institute for Educational Leadership; A. Levine, 2005.
- xii New Leaders for New Schools; S. Leschly, Harvard Business School, 2002; U.S. Department of Education; Institute for Educational Leadership; e-Lead: Leadership for Student Learning.
- xiii U.S. Department of Education; RAND Education; Wallace Foundation; Southern Regional Education Board; Consortium for Policy Research in Education; Institute for Educational Leadership.
- xiv National Association of Elementary School Principals; C. Elsberry, 1993; V.N. Petzko, 2004; R.M. Waldron, 2002; National Association of Secondary School Principals; L. Lashway, 2003; Institute for Educational Leadership; Association of California School Administrators; National Staff Development Council; V.N. Petzko, 2004; Harvard Education Letter; Consortium for Policy Research in Education.
- xv RAND Education.

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The District Management Council

The District Management Council actively engages with its member districts on these and other management-related topics by helping develop and implement relevant strategies and tactics. DMC is a member-driven organization, and will continue to research and deliver brand management insights on an ongoing basis. To learn more about how the council and membership can advance your district's agenda, please contact us at 877.DMC.3500 (toll free) or by email.

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