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Succession Planning: Who Is Responsible for Its Success?

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Succession planning has been a subject widely discussed among upper management for businesses and organizations of all sizes and industries, including for-profit, not-for-profit, and governmental agencies. The topic of succession planning is broad in scope and has several implications for the workplace. Why, you ask? For one, the workplace is larger and more diverse by generation, gender, and race than ever.

Why is succession planning so essential? Succession planning focuses on individuals and their potential to fill key leadership roles. Therefore, it provides the cornerstone for motivating the economy, and more importantly, allowing culture to progress in a positive direction. It would be a mistake not to address this issue because ignoring it would enable it to develop into a crisis. Since economic, culture and lifestyle are more integrated than ever before, what happens in our domestic and work lives will certainly have an impact around the world.

Let's examine who should be responsible for developing an appropriate succession plan for an organization. The workplace is currently comprised of five generational groups based on year of birth, as follows:

- 1925-1945 Silent Generation
- 1946-1964 Baby Boomers
- 1965-1979 Generation X
- 1980-2000 Millennials or Generation Y
- 2001-present Generation Z (the new silent generation – too young to make much noise yet)



Keep in mind, millennials make up a majority of today's workforce. In getting back to our initial question of responsibility, each generation must take on their share for generational succession planning to work. Let's take a closer look at each group.

For the most part, the Silent Generation has done their part in transferring leadership and responsibility, to its successor generation. For the purposes of this discussion, we'll let them off the hook. Next are the



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baby boomers. This generation group is known as “the post-World War II” group. They took the reins of power and responsibility through revitalization, consisting mostly of expansion, economic success, and profitability. Now, they have the responsibility of passing the torch to the next generation.

Baby boomers have achieved wealth, prosperity, and sustainability, and in general, can be viewed as successful. But now comes the critical phase of transferring not only economic wealth but leadership as well. Some have insinuated that the baby boomer generation has sat on its “laurels” taking in its economic success and beginning retirement instead of providing guidance to the next generation. What is meant by transferring values? We are talking about the transfer of experience, knowledge, and positive momentum which all stem from the natural maturing or aging process. Meaning, the aging of culture on the whole rather than in years and includes evolved best business, ethical and prudent practices.

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We have watched many baby boomers retire and generally it seems that they fail to transfer their values to the next generation. They should possess the desire to sustain what they have developed instead of leaving it for others to blindly take the reins. It is essential that they impart the tools and methodology of their success to future generations. This issue is one of the reasons why most companies seek the support of alliances such as mergers or acquisitions because they have not adequately developed the transferability of values. This

problem has led to a professional failure which has incidentally been overshadowed by economic success.

Let’s focus our attention on future generations and in some respects group them together, namely Generation X and Millennials. As the beneficiaries of the baby boomers, they have the joint responsibility of asking for leadership roles since they are the successors. It is up to them to convince baby boomers that they have the dedication, courage, knowledge, and emotional quality to take on the responsibility of leadership, and accept the training and learning necessary to gain momentum. To this point, baby boomers need to share and embrace these qualities in every way possible to make this transition meaningful. One reason why companies seek alliances with others instead of achieving an individual succession plan is because they do not see the talent that exists within their employee base. They are hungry for growth, so they try to secure their success by selling out to others. This misstep is rapidly becoming the norm within our economic culture and stifles new thinking, leadership, and entrepreneurship.

Similarly, generation X and Millennials need to learn to respect the values of their predecessors. Certainly, they can learn to develop new methodologies and practices through proactive planning and analysis of best practices. They should promote a culture of investing in their future instead of an expectation of reaping the rewards of others without developing further opportunities, for themselves and for generations to follow. This partnership between the generations is essential in establishing a continuum of progress and success by working to overcome perceived cultural and generational differences. These differences are factors of inaction that can be transformed into positive, productive action steps.

Bridging the generational gap may seem like the most obvious solution in achieving forward progress, but it does little to mitigate gender and ethnic concerns in our culture. We have witnessed many success stories over the past years regarding gender advances, partially due to an acceptance based need in the workplace and a change in female roles both professionally and domestically. Let’s not forget that women now possess

a greater share of the workplace than ever before. More women offer the necessary skillset— based on education— to enter the workplace and provide economic resources for themselves and their families. This activity inadvertently works to level the playing field and promote equality. The role of women throughout our culture is evolving; we see this not only in domestic life, but in the corporate world, the political arena, and even in the military. We continue to see progress being made in this aspect of our diversification process, and this momentum must build and develop as the generation gap grows in tandem with advances made in relation to gender issues. This development creates new role models within the workplace and helps to set the tone for the successor silent generation.

The most complicated succession planning initiative appears to be race equality. This issue is steeped in the past and continuously affected by existing cultural divides. It must be dealt with aggressively, proactively, and with the tools necessary to implement change. Many companies have developed diversity officers within their human resource functions to help address the issue. Their role is to integrate the workforce. These efforts require a sufficient amount of attention to be successfully achieved. An organization’s culture is greatly influenced and judged by the success of these efforts. This initiative should include acceptance, education and the motivation to achieve fiscal, economic and emotional success. Race equality is the most critical issue facing diversification efforts.

How can we create diversification in our professional and personal lives? Let’s look to success as a pivotal point in this process. It signifies accomplishment and prosperity. Successful businesses, families and society as a whole have been instrumental in showing us that in its optimal form diversity ignores bias based on generational, gender and ethnic issues. Their stories serve as lessons to empower others facing similar challenges. Embedded in this success are several key factors such as the transfer of thought leadership, continued support of independent thinking, inclusion during decision-making situations, collaboration at all levels of management, effective communication, and broadening conformity and acceptance of others’ ideas

and recommendations. This evolving process incorporates the realities of each person’s experiences, lifestyles, and goals.

Now is the time to tackle these challenges which ultimately will lead to increased opportunity and favorable results. The accounting profession as a whole can positively influence change if we diligently work towards identifying the right path to accomplish these goals. Succession planning in all its forms and methodology should be a positive experience and is a necessary process for achieving sustainability and maintaining a unique culture, style, and successful practice or operation. It is up to us to promote and improve equality and inclusion within the workplace.

Need help to develop a game plan of your own? WeiserMazars can assist you in creating a succession plan tailored to your specific needs and will guide you every step of the way.

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