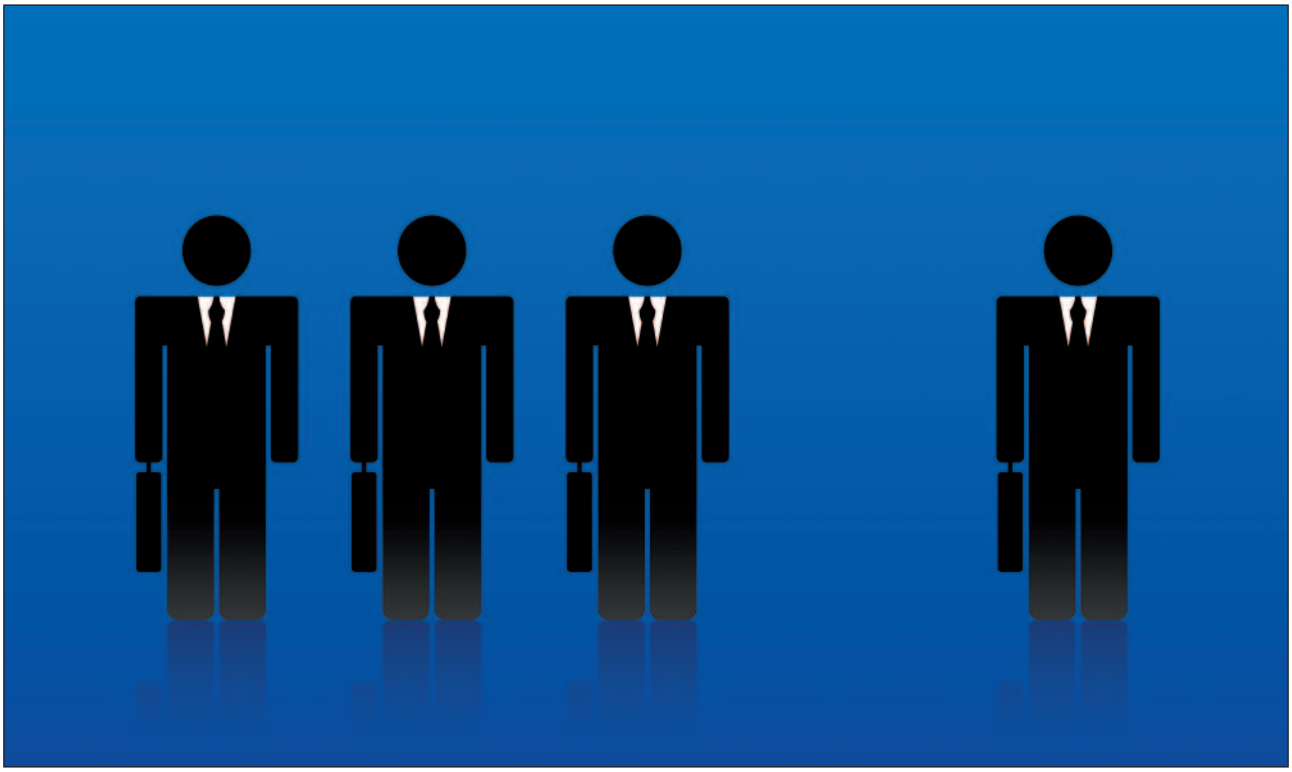

Once Upon a Time... **'I resign'**

By **Anne Beitel**, Executives Online

Recent research from the fast-track headhunting company Executives Online indicates that 35% of the time organisations are ignoring clear indicators that a key Senior Manager is set to leave the business. Furthermore it postulates that 75% of organisations have contingency plans that you could drive a hypothetical bus through. As a result of this we are seeing the emergence of a new trend; the increase in the utilisation of interim executive staffing at a very senior level.

Provided is an analysis of the telltale signs organisations should look out for, and an emphasis on the importance of conducting an audit of employees in the key roles. By carrying out this audit, organisations can arm themselves with valuable insights into identifying where succession planning is most needed.

Staff churn across the entire workforce is a fact of business life with organisations accepting that it is something they must address. Most companies will have a recruitment methodology in place and if they are extremely lucky, an available talent pool to draw upon, in order to ensure that the gaps can be filled relatively easily. However, when a Senior Manager or Director leaves unexpectedly the effect can be severe commercially, as well as being demoralising and destabilising to staff. With 38% of the 102 companies surveyed in Executives Online's recent 'Business Exposure' report stated that they had faced such a situation in the past year. Such circumstances can leave an organisation exposed whilst it tries to rapidly recruit specific skills and experience which are rarely easy to find.

In order to reduce risk and limit exposure, organisations can look for typical telltale signs that a senior member of the team wants to leave.

The most important signs are:

1. The person is no longer inclined to work extra hours or be flexible
2. They find reasons not to attend internal management conferences, team events, or even regular operational meetings
3. Taking half days/full days off at short notice
4. A sudden noticeable change in attitudes to management instructions/tasks
5. The person declines new opportunities within the company which otherwise would have been embraced with enthusiasm
6. Contact with recruitment consultants when there is no apparent business need
7. The person is less challenging on important issues, i.e. they have given up the fight
8. Poor recent performance, conversely an unusual upturn in performance

9. LinkedIn or Facebook profiles are updated giving the indication that they are gearing up for job-seeking networking
10. Secretive or furtive behaviour which could include a desire for additional privacy when making personal phone calls

Observing the telltale signs is important, but it is only one piece of the jigsaw. Organisations must also ensure that continuous succession planning is carried out in order to identify future potential leaders who are able to fill key management positions. It is surprising to note that whilst companies may have plans in place to cope with the sudden breakdown of a critical piece of production equipment or IT system, they do not appear to take the same care with their people. The results of the Business Exposure report concluded that just one in four companies have plans in place to cover the sudden departure of a senior member of the team. Some describe quite robust systems involving succession plans, where internal replacements for the top three levels of management have been identified. Others are more reliant on recruitment solutions such as interim management or consultants as a means to plugging the gap.

There is a small minority of organisations whose idea of a plan is simply to have a sufficient notice period in place during which time they expect to address the fallout from a senior employee's unexpected resignation. Traditional recruitment can take around six months to find a new senior team member, allow sufficient time for the new person to settle in and make sure they are right for the role. Yet the typical notice period is three months, leaving companies who rely purely on the notice period with a disturbing vacuum. Even those companies who believe they are forward thinking in their succession planning acknowledge that when compared with other assets, the senior team is relatively unprotected in today's business world.

Identifying potential internal recruits

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for each management position may often be impracticable but organisations must have more robust contingency plans in place which go beyond having a three month notice period. Conducting an audit of the key roles would be an extremely valuable starting point for organisations that are ill-prepared. This assessment should be an ongoing process and include areas such as: identifying how difficult it is to recruit a certain role; the immediate impact if the role is left

vacant and to what extent does the particular job role contribute to the organisation's ability to keep going, all of which will differ depending on the size and type of organisation. Companies could then focus their succession planning on the key roles identified by the audit as being the most crucial.

It is also important for organisations to determine whether conventional search is the most effective approach as a recruitment methodology for permanent executives. Traditional search will usually only be able to deliver a short list of candidates after a couple of months. This is entirely out of line with the need of the client who needs to fill the role quickly and reduce business exposure. A short list of pre-screened, pre-selected candidates should be provided in a matter of weeks rather than months. This will help to keep competitors at bay and minimise the commercial vulnerability that the business experiences while the role is in performance paralysis.

Organisations should also spend the time considering the role that interim management can play within the recruitment strategy; particularly bearing in mind the speed with which highly skilled senior interim executives can be in place and operational. The recent report highlights that it can take on average four months to fill an executive vacancy therefore the financial impact of a Director or Senior Manager unexpectedly leaving can run into millions of pounds. The top two reasons why organisations engage with interim executives are to bridge a sudden gap in the management team and because they cannot hire permanent executive's quick enough. With the right interim provider, organisations have the opportunity to plug their recruitment gap in a matter of days which will ensure the financial risk highlighted is minimised.

No organisation wants to lose their good people, but most of them will. That is why at a time when companies are working hard to protect their competitive edge, ideas, brands and reputations, the same level of emphasis must be put on protecting your human capital.