

# Readying Them to Run

Managers can drive succession planning by coaching leaders at all levels.

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Succession planning is a critical talent management process, and one that every credit union executive team needs to be engaged in. As credit union leaders forecast prospective changes at the executive level during the next five years, it's very helpful to ask: "Are we actively cultivating our key talent and developing our future leaders at all levels?"

A fundamental purpose of succession planning is to ensure that, wherever feasible, the organization has internal replacement candidates ready to assume greater responsibilities in the face of planned or unplanned departures of key executives, managers and individual contributors in mission-critical roles. This requires continuously identifying, effectively developing, and retaining high-potential talent.

Preparing identified candidates to assume positions of greater scope and impact in the future requires an ongoing commitment to their development. For credit unions that place a high value on internal succession, readiness planning is absolutely critical. A readiness best practice emphasizes that each successor candidate has an *individualized, targeted development plan* in place. Managers of high-potential candidates play a vital role throughout the development process and, in particular, when serving effectively as "development coaches."

In this article, we'll discuss the role of the manager as a development coach, the challenges managers face in coaching their direct reports, and some suggestions for improving this important set of skills. The notion of managers as development coaches is not exclusive to high-potential successor candidates; therefore, we approach this discussion from the broadest perspective surrounding employee competency and career development.

## The Business Case

Many credit unions continue to seek ways to increase employee commitment and engagement, yet they often do not invest sufficient focus and resources on one of the most direct ways to move the engagement needle: enabling their people managers to become truly effective development coaches. While the business case for leadership development, succession management and building a vibrant learning culture seems intuitive (see



below), we find that investing in development still remains a “nice to do” rather than a true business imperative.

The following are principal among the benefits of investing in ongoing talent development:

- producing a deeper and wider talent bench to fill critical needs internally, foundational to the succession planning process;
- attracting, retaining and leveraging the capabilities of top performers and high potentials;
- creating and sustaining a high-performing work environment;
- increasing the collective skills, knowledge, and experiences to position the enterprise to remain competitive;
- enhancing organizational effectiveness (i.e. innovation, collaboration, customer service, etc.); and
- increasing both learning and change agility (ability to anticipate and quickly respond to change).

Successful organizations that have created a true “learning culture” have

defined and broadly communicated the roles and expectations surrounding career management and ongoing development to both their employees and managers. Emphasis has been placed on the specific, well-differentiated responsibilities of the organization, manager, and employee in this process.

While employees must ultimately “own” their development, in practice they cannot succeed alone. One key success factor remains paramount: the manager’s commitment and effectiveness in providing ongoing coaching and feedback targeted to each employee’s development needs and career interests.

### Performance vs. Development Coaching

Most organizations place considerable emphasis on performance management, having developed policies, processes and training to ensure managers are up to the challenge. As a result, managers have a clear understanding about their role in

managing employee performance and addressing poor performance. The same cannot be said about the investment in preparing managers to be effective development coaches.

Performance and past results inform an employee’s development priorities. Managers are in a prime position to help employees define and act on development needs based on performance review discussions. The key is to understand the differences between performance management coaching and development coaching, summarized in Figure 1, on page 14.

Both types of coaching are critical organizational processes that, when done effectively, work to the benefit of the employee, the manager and the organization.

The primary difference between the development discussion and the performance management discussion is that the manager must be willing to step back, be less evaluative, and let the employee drive the discussion and process to a greater degree. Why? Because the development

**Figure 1**

Performance Management Coaching	Development Coaching
✓ Focuses primarily on individual, team and departmental goal achievement	✓ Focuses on the employee's career aspirations and specific skill-building priorities
✓ Assesses the degree to which employee is meeting defined performance expectations	✓ Assesses opportunities and considers strategies to support/accelerate the employee's ongoing development
✓ Drives to increase employee productivity and effectiveness in current role	✓ Drives to increase employee capability, contribution and impact in current and future roles, resulting in an increase of the employee's job satisfaction and value to the company
✓ Often perceived as stressful in nature	✓ Often perceived as highly motivating and rewarding
✓ Owned and driven primarily by the manager	✓ Owned and driven primarily by the employee

discussion focuses on the employee's interests, motivations and career goals, within the context of a credit union's objectives.

The manager needs to "let go" and become a supportive guide and sounding board in the development process. In reality, employees are going to develop in the areas they consider most interesting, meaningful and important to them (with appropriate guidance relative to business needs). Therefore, letting employees come to their own conclusions about their development will have great impact in the long run.

### The Manager as Coach: What Are the Challenges?

In recognition of the major differences between performance and development coaching, what are the main reasons many managers struggle as development coaches?

- Many organizations have failed to congruently communicate expectations for development and succession management.
- Training and resources to enhance coaching effectiveness have been limited, ineffective, not mandatory, and/or not reinforced.
- Managers continue to be rewarded for "getting results," which historically has undervalued their role in identifying,

developing and supporting the growth of high-potential talent.

- Organizations are increasingly running lean, and more managers are "working managers" responsible for their own set of deliverables; this puts pressure on managers' time allocation and places their focus on short-term priorities.

- Managers often feel unprepared and out of their comfort zones when asked to serve as a coach or mentor to others; many managers have never had role models to draw experience from.

While resolving all these challenges is beyond the scope of this article, we will address the last bullet: the manager's skills, confidence and effectiveness as a development coach.

### The Focus of Development Conversations

What will help managers to become truly effective development coaches? First, managers need to recognize and leverage the link between performance and development.

While current performance and skill proficiency should always be considered as key inputs to development discussion, the development conversation should primarily center on the employee's

short- and longer-term career aspirations within the context of business needs. Where the employee is an identified successor candidate for one or more key positions, discussion of the critical competencies required in these positions is an essential component of the ongoing development process.

We suggest a simple three-point framework to maximize the impact of development and career-oriented conversations:

1. Find out how employees define career success. What are their goals, both in the near term and long term? Their goals may be broader than specific roles or positions, and may include how they see their careers fitting into their overall life priorities. Confirmation of an employee's interest in the position(s) for which they have been identified as a potential successor can be a central theme in these discussions.
2. a) What skills, competencies, and/or other attributes do employees see as important to achieving their goals? b) What strengths can employees leverage and what competency gaps are most important to fill as part of this ongoing development process?
3. What motivates employees? What keeps them interested and engaged?



## The Good News

Coaching is a learned behavior, and practice does make a difference.

We are often asked, “What can a busy manager do to increase effectiveness as a development coach?” First, we address the manager’s mindset around development coaching, and then we suggest some practical approaches and skills to enhance development discussions.

- Certain beliefs can affect how a manager approaches his or her role as a development coach. When speaking with managers, we suggest that they consider the following:

First, give up the idea that you have to be the perfect coach. More than anything, your team wants to know you are listening and care about their development.

Recognize that your greatest legacy (and perhaps most inherently satisfying role) may be in helping others to develop and achieve their career aspirations.

In addition to the right mindset, here are some practical approaches and skills for further consideration:

**1. Reserve time for ongoing development discussions.** We strongly recommend separating *performance* discussions from *development* discussions. We recognize that the two conversations and processes relate and overlap. However, be willing where possible to allow the employee to dictate the content and direction of the development discussion, and to set the time and place. This requires the employee to take ownership and prepare.



### 2. Demonstrate genuine interest.

Emotional intelligence and appropriate concern are key skills. Your employees want to know you care about them and their interests. Being focused, setting aside distractions, and staying engaged in the discussion will go a long way toward building a personal connection and demonstrating genuine consideration. A tangible way to demonstrate genuine interest is periodically following up and checking in throughout the year. Find out what they need from you.

**3. Listen actively.** Active listening is perhaps the most powerful coaching tool. Listening is about hearing the words, but it’s also about understanding the *meaning* behind the words.

**4. Ask the right questions.** Use open-ended questions, which require more of a response than “yes” or “no” and invite further exploration. For example, “What did you learn from filling in for the branch manager?”

Keep your questions simple. Simple questions are the most powerful. Be careful to avoid multiple questions in

one statement. Follow your curiosity—this is why listening is so critical. Your questions will be insightful only when you’re deeply engaged in the conversation.

Allow space. As managers, we look for quick answers and solutions. Development is usually not quick or simple. After you ask a question, pause; give the employee the time they need to consider and respond, even if that requires meeting again later.

### 5. Encourage

**accountability.** Help employees take accountability for their own progress. Remember, these are the employees’ careers we’re focusing on. Part of your role is to ensure employees are clear about their next steps, plans, consequences and measures of success.

Given the importance of ensuring viable succession plan outcomes and the broader, ever-growing business case for talent development, credit unions can benefit greatly from an increased investment in leadership and employee development at all levels. Central to these objectives are providing development coaching skills for managers, as well as career planning and competency development skills for employees.

Managers can measurably improve their effectiveness in supporting employee development through a more engaged commitment to the development process. What greater contribution can a manager make to an organization than helping employees to reach their highest potential?

## Resources

Also read “Coaching Outside the C-Suite” at [cues.org/0113coaching](http://cues.org/0113coaching).

United Federal Credit Union supported its asset growth goals by growing its people. Read more at [cues.org/0612growinggreat](http://cues.org/0612growinggreat).

Plan for your star leaders to continue working for your CU—and not get lured away by competitors—by offering the best possible education and financial benefits. Read more at [cues.org/1213makethemchoosyou](http://cues.org/1213makethemchoosyou).

Personal coaching will be a key feature of CUES’ new “blended” (online) learning offerings. Two courses will be offered initially: “Women in Leadership” and “Leadership Shadow.” Learn more by emailing [cues@cues.org](mailto:cues@cues.org).

Consultants with CUES Supplier member/strategic provider DDJ Myers are experts in executive coaching. Learn more at [cues.org/ddjmyers](http://cues.org/ddjmyers).

Randall Harris has over 35 years of organization effectiveness, leadership development, talent management, and succession planning expertise across a number of industries. He is highly skilled in working with leadership teams across all functions to build and sustain organizations that are committed to innovation, customer service, employee engagement and peak performance. Paul Terry, SPHR, ACC, founded Paul Terry Consulting Group in 2013 after 20 years of working in corporate HR and with the HR consulting firm Global Novations, part of Korn/Ferry International.