



FUTURE-PROOFING LEADERSHIP: ENHANCING ORGANISATIONAL RESILIENCE

by Karen Chiew and Alistair Clark, Odgers Berndtson

In this article, Karen Chiew, Head of Leadership Advisory, Asia Pacific, and Dr Alistair Clark, Head of Chief People Officer Practice Australia, share their insights on the importance of a thoughtful succession planning framework to ensure a business-resilient organisation.

The pace of change, unexpected crises and economic uncertainty that face today's business world have never been as fierce. Disruption also comes through the inevitability that in any organisation, leaders will eventually transfer, be promoted, retire, or resign, leaving their positions vacant. When this happens, how prepared are organisations to ensure business continuity? Succession planning is an organisation's best strategy to future-proof against these continuous challenges and rapid change.

A [Deloitte publication](#) revealed that while 86% of leaders believe that leadership succession planning is an "important" or "urgent" priority, only 14% of them believe they do it well.

At Odgers Berndtson, we surveyed high-profile CHROs from diverse industry backgrounds to discuss their succession planning practices, specifically exploring the robustness of their respective companies' mechanisms for managing their leadership pipelines.

The survey findings in this article indicate a clear intention for comprehensive, proactive talent management and succession planning processes. However, common challenges include the need for more thoughtful management of the leadership pipeline, enhancing the C-Suite's ability to coach and sponsor high potentials in the organisation, and aligning talent with role availability.

One Chief People Officer respondent of a leading healthcare business said:



Executive Leaders don't always naturally value a shared Executive conversation about the identification or development of high potential people until it happens. [Similarly], they don't always appreciate that a proper succession plan is about risk management of what most organisations call their 'greatest asset'.

When aiming to develop their talent and leadership pipelines, the majority of surveyed CHROs expressed confidence in identifying talent within their organisations. Simultaneously, they emphasised the significance of strategic and ongoing flexible processes in leveraging the external market for leadership vacancies.

While some organisations maintain a balanced approach, including market mapping for both internal and external succession planning, challenges lie in avoiding biases and valuing internal growth. Some admitted a tendency to hire externally for C-Suite roles, highlighting the need to develop internal talent more effectively.

The preference for home-grown talent is rooted in established relationships, talent retention, and lower transition risks. Decision-making depends on the role, with evolving approaches focusing on internal talent before exploring external options for critical roles.

Odgers Berndtson's Perspective on Succession Planning

We stand with our CHRO colleagues in the belief that succession planning is not simply a one-off event where an appointment is made to the top layer. Without a sufficient road map in place, we can only be reactive to succession requirements. This results in “emergency” executive replacement and risks disruption to operations (and commitment to stakeholders).

While there is typically considerable time and energy rightly devoted to CEO succession, our succession planning philosophy shifts from a reactive to a proactive approach. This approach involves taking a more deliberate and comprehensive view of the leadership and talent pipeline, delving deeper into the organisation.



We endorse a dual strategy for succession planning, concentrating on both internal and external talent pools to pinpoint potential leaders.

Does your organisation employ a dual approach to cultivating its leadership pipeline, drawing from internal talent while strategically identifying market leaders to bring in at the most opportune moments?

The following are some key practices to consider when evaluating the robustness of your organisation's approach to building leadership pipelines:

Your Internal Talent

- Establishing a consistent understanding of the difference between performance and potential, and rigorous methods of measuring both;
- Identifying high potential (for broader leadership roles) and high specialist (technical experts) leaders;
- Looking several layers deep into your organisation to identify and nurture emerging leaders;
- Gaining clear insights into how your leaders compare against external talent;
- Having a view of your leaders across the organisation through rich talent review conversations and calibration;
- Implementing actionable development plans to address experience, behavioural or mindset gaps, in order to assume increasingly senior and complex roles;
- Developing meaningful talent programmes to retain and grow leaders.



Your External Talent

- Knowing which roles are most “at risk” due to scarcity of talent in the market;
- Gathering intelligence on trends and development in the talent landscape (e.g., compensation practices, pace of career progression in other organisations);
- Mapping the market at regular intervals to identify both established and up-and-coming leaders (and keeping track of them);
- Utilising a variety of channels to access both active and passive candidates for leadership positions;
- Building strong and consistent employer branding, committed to the best experience for both successful and unsuccessful candidates;
- Making strategic hires using robust assessment processes to evaluate for fit, readiness or potential.

Whether focused on internal or external talent, when building a leadership pipeline, progressive organisations define the key, measurable criteria for success at different levels or seniority and critical roles; seek diversity related to experience, background or culture; and put in place impactful onboarding and integration processes to accelerate “time to impact”. All with the sponsorship of the organisation’s most senior stakeholders and Board.

According to our CHROs surveyed, priorities for 2024 will continue to revolve around talent development and fostering diversity in talent pipelines. Common themes include the need for robust methods of leadership assessment, formal development plans for high-potential talent, more impactful talent reviews, a deliberate focus on critical experiences for key successors, enhancement of employer branding, and continuing to source external talent for C-Suite roles. The overarching goal is to either re-set or prioritise talent and succession conversations, address flight risks, and accelerate leadership development.

The “right” mechanisms to plan for leadership succession will vary for different organisations.

Considerations related to your company’s strategic priorities, whether you are a developing or mature organisation, and the competitive landscape in which you operate – all contribute to finding the best practices to identifying, accessing and developing your future leaders.

The Authors



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Karen leads Odgers Berndtson’s Asia Pacific Leadership Advisory practice that covers services in assessments, executive coaching and leadership development. She supports clients and their leaders to maximise their potential to thrive in an increasingly disruptive world.

In her over 20 years’ experience as a consultant and as an in-house talent leader across both Asia and Europe, she has worked with organisations in a variety of roles and industries to identify key talent, build healthy leadership pipelines, develop both emerging and senior leaders, and drive culture change efforts.



Dr. Alistair Clark

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Alistair leads Odgers Berndtson’s Human Resources Practice in Australia and New Zealand, with responsibility for Chief Human Resources Officer and other senior People and Culture leadership appointments for the firm’s clients across all industry sectors. He is also a Principal in the firm’s Consumer, Education and Professional Services practices.

Prior to joining Odgers Berndtson, Alistair led the Sydney office for a boutique executive search and leadership advisory firm, with overall responsibilities for the firm’s consulting and research teams. He has worked with board leadership and senior human resources executives across a range of industries, with a track record leading CEO and top team succession, leadership advisory and assessment, and executive search projects.