Succession Planning: When Rotations Fail

Moving top employees into different roles can tell finance executives quite a bit about the weaknesses of a possible successor, as well as the strengths.

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CFOs often cite rotations, in which top employees are moved into challenging new jobs, as a key part of their succession planning. Designed to let possible successors test their abilities while learning about a different part of the organization and acquiring new skills, rotations can give managers a sense of whether their instincts about a high-potential employee are right. But what if they're wrong?

Sometimes the failure of square pegs to fit into round holes can be instructive. "Unsuccessful rotations give you a lot of information about what your successor candidate needs to work on or what their limitations are," says Heather Ishikawa, an organizational consultant with CPP, a workforce development firm that publishes and administers personality tests. "You might think that this person is going to be an ideal fit, and then you move them and find that they were excellent at what they were doing but they don't have the skills to succeed in another role."

Ishikawa stresses that CFOs shouldn't give up on those who struggle in new jobs, but adds that if problems are evident, the person should return to his old position after 90 days. Any longer, and the person's peers or reports may start to doubt their competence and the employee himself may find his confidence shaken. After moving the person back into his regular role, the CFO or manager can asses whether a different rotation might work better, whether training is needed, or whether the person is perhaps better off where he or she is.

Skills aren't the only element necessary for a successful rotation, notes Andrew Bonfield, CFO of Bristol-Myers Squibb. "I have very rarely moved a senior executive out of a role on the basis of somebody doubting their competence," he says. "The chemistry just doesn't always work."

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