Don't let succession planning pave the way for discrimination

Many companies design succession plans so they can spot the next generation of leaders early and develop current employees to their full potential. But, if everyone tapped for promotion comes from the same race or gender—or the chosen group excludes older workers or the disabled—employers may face discrimination litigation.

The goal: A succession-planning process that identifies all good candidates for promotion without leaving out employees who might later sue for discrimination.

Succession planning doesn’t mean cloning your current workforce. The candidate pool you choose to move up the management ladder should look like your hiring pool, not the existing management team. That means considering the demographics and abilities of the entire work force—in all its racial, ethnic, gender, disability status and age diversity.

Look at who among the current work force is leaving—and why. That information is the baseline on which to build a succession plan. Are certain jobs prone to turnover while others are stable? Are workers lured away by a competitor’s higher pay or better benefits? Or are they driven away by poor management and little chance for advancement?

Exit interviews are the best way to find out. They help identify organizational weaknesses and threats.

As the careers of baby boomers undergo rapid transitions, age discrimination has become a succession-planning issue. Experienced baby boomers are heading en masse for retirement, leaving some employers with high turnover. Succession planning allows employers to develop a pool of well-trained candidates to fill the shoes of departing boomers.

However, it’s a mistake not to consider other older workers to replace retirees.

Under the Age Discrimination in Employment Act, employers may not exclude older workers (those 40 and older) from succession planning solely on the basis of age.

To keep your succession plan out of court, focus on likely retirement dates and statistical data drawn from your company’s experience, rather than age alone.

Succession plans and the ADA