



Australian Government



Guide to Board and Organisation Succession Planning

This guide outlines what arts and cultural organisations might consider for long-term succession planning. It includes an example succession policy.

This guide and template may assist boards and board members of all arts organisations to engage in better practice and meet their legal obligations. All organisations should check relevant state, territory and federal legislation for any specific legal requirements.

Succession planning is the strategic process of identifying and developing potential successors to key leadership positions within an organisation, including board members. It involves assessing current and future leadership needs, and identifying strategies to ensure a smooth transition when key leaders depart or retire.

The goal of succession planning is to maintain organisational continuity and sustainability while minimising disruptions to operations. This helps ensure the long-term success of the organisation. Succession planning may also be needed to increase diversity in the board or organisation, or identify if new skills, knowledge or expertise are required to help adapt to a changing operating environment.

Succession planning can look very different across arts and cultural organisations depending on their scale, maturity and context. However, it is crucial for all organisations to implement some level of succession planning to support the development and sustainability of the organisation and its respective artists, staff and community.

While there are always unknowns, preparing for inevitable future changes in board leadership and key staffing positions, however distant that may be, ensures the smoothest possible transition that minimises interruptions to day-to-day operations.

Who is involved in succession planning?

Succession planning is typically a collaborative effort between the board and an organisation's CEO and/or senior leadership. While the board holds the ultimate responsibility for overseeing succession planning, both the board and senior leadership play a central role in helping identify what a smooth transition periods looks like, and any key attributes or considerations for recruitment to the role [Note: see Creative Australia's *Guide to Board Recruitment and Induction*]. Open communication and a shared commitment to the organisation's long-term sustainability are essential for ensuring smooth transitions and to achieving the best possible results.

Steps in succession planning

Step: 1

Assess current and future needs

- Evaluate the organisation's current and anticipated needs in terms of governance and key leadership positions.
- Identify the skills, competencies and qualities required to drive the organisation's mission and strategic objectives.
- Ensure you have clear position descriptions for key roles that outline the role, responsibilities and any specific requirements for the role such as an identified position.
- Ensure there is a strong, open and honest relationship between executive leadership and the board, as this is key to ensuring succession plans are indeed a plan and not an emergency response. By recognising and helping CEOs and ADs achieve their future goals, leadership responsibilities can be more evenly shared across the organisation.

TIP: Review board composition

- Succession planning for key executive roles should be done alongside succession planning for the organisation's board.
- Regularly review the composition of the board to ensure diversity, expertise and alignment with the organisation's strategic goals. Identify areas where additional skills or perspectives are needed and proactively recruit new board members accordingly. [Note: see Creative Australia's *Guide to Board Recruitment and Induction*].

Step: 2

Identify and develop succession candidates

- Identify potential internal candidates who possess the necessary skills and potential to assume leadership or key positions, or who could assume leadership roles with further development or support.
- Consider external candidates who could bring fresh perspectives and expertise to the organisation

For internal candidates:

- Create individualised development plans outlining training, mentoring and stretch assignments. For example, having senior staff present at a board meeting.
- Provide opportunities for successors to gain exposure to various aspects of the organisation's operations and decision-making processes. For example, providing mentorship opportunities either internally, with board members or with a leader at a peer organisation.

For external candidates:

- Explore methods for engaging with potential external candidates. For example by inviting them to events and networking opportunities.

TIP: Succession planning and diversity

- Implement targeted recruitment and support strategies to ensure a diverse talent pool for leadership positions, including underrepresented groups and marginalised communities.

Step: 3**Support knowledge transfer**

- Implement knowledge-sharing initiatives to capture and transfer critical organisational knowledge from outgoing leaders to successors.
- Encourage collaboration and mentorship between outgoing and incoming leaders to facilitate a smooth transition. For example, ensure an outgoing CEO develops a detailed handover document which outlines key areas of responsibility, current activities and their status, and any unresolved actions. Where possible, ensure a meaningful cross-over period between outgoing and incoming individuals to encourage a smooth transition and to facilitate knowledge exchange.
- Create a practical resource that collates key information such as links to important internal documents and folders that will help the incoming CEO navigate critical information quickly.

Step: 4**Create and document plans**

- Develop a clear outline of how you will identify and develop leadership candidates and manage transitions in leadership, including departure processes, communication strategies and onboarding. Some organisations may convene a board sub-committee that focuses on recruitment or may engage an external recruitment specialist to assist with transition processes.
- Consider when and how to communicate the leadership transition to key stakeholders including staff, artistic community, funders and the media. This might be through delegating who tells who and when or creating a formal communication and engagement strategy.

TIP: Succession testing and emergency planning

- Conduct succession testing scenarios to assess the organisation's preparedness for unexpected leadership departures or emergencies. This might include understanding processes for transferring authority for bank accounts and changing contact details with key partners and funding agencies.
- Develop emergency succession plans to address unforeseen circumstances that may impact the organisation's continuity. This might include any urgent issues that may need to be addressed and transitional leadership arrangements.

Step: 5**Continuously monitor and evaluate**

- Regularly review and assess the effectiveness of succession plans, ensuring they align with the evolving needs of the organisation. [Note: see Creative Australia's *Guide to Developing a Board Review and Evaluation Policy*].
- Get feedback from stakeholders, including board members, staff and your artistic community, to gauge the success of succession planning efforts, where appropriate.

To understand how succession planning can work in practice, see our case studies on succession planning and governance [here](#).

Example: Leadership transition and succession policy

The following is an example leadership transition and succession policy.

Author:

Review period:

Date published:

Next review:

Policy statement

This leadership transition and succession policy outlines how [Organisation name] will ensure a smooth and effective leadership transition. The objective of this policy is to provide a clear framework for identifying and developing potential leaders, managing leadership transitions, and ensuring the continuity and success of the organisation.

Assess current and future needs

Evaluation of current and anticipated needs in terms of the board and executive leadership will be conducted via the Board Skills and Diversity Matrix and board's annual review process with the board chair. The composition of the board will be reviewed annually to ensure diversity, expertise and alignment with the organisation's strategic goals. Areas where additional skills or perspectives are needed will be identified and new board members will be proactively recruited accordingly.

An annual review for key leadership roles will ensure transparent discussions about the role and career aspirations to ensure the position description is accurate and to maintain an open line of communication on potential changes.

Internal succession

Employee reviews and professional development plans for all staff will capture potential internal candidates who demonstrate the necessary skills and aspirations to assume leadership or key positions. Individualised development plans should be created for these staff, which outline training, mentoring and opportunities to gain exposure to various aspects of the [Organisation name] operations and key decision-making processes.

External succession

[Organisation name] will follow the Board Recruitment Policy in case of board succession requirements. [See *Creative Australia's Guide to Board Recruitment and Induction*].

[Organisation name] will maintain an up-to-date Succession Plan for key leadership roles. The plan will be reviewed by the board twice a year and implemented on receipt of notice from key leadership staff.

The chair or deputy chair working with the CEO/AD will lead board and leadership recruitment OR a board sub-committee will be convened to lead recruitment.

Continuity planning

[Organisation name]'s documentation and filing guidelines will be updated at least annually to ensure continuity of critical documentation and system access.

Board members' and executive directors' notice of resignation to the board is a minimum of six months, in line with contracted agreements. [Note: These timeframes are for consideration; many organisations may want more].

Example: Leadership transition and succession policy (continued)

Leadership on-boarding

Leadership appointments will commence employment at least six weeks prior to outgoing leadership's date of departure, to capture and transfer critical organisational knowledge and ensuring continuity. Collaborative efforts between outgoing and incoming leaders will be encouraged to facilitate a smooth transition.

Outgoing leadership will develop and submit a comprehensive handover report to the board for validation. Where necessary, key senior leadership personnel may be required to engage with higher duties to address unforeseen circumstances that may impact the organisation's continuity, including temporary adjustments to contracts and remuneration.

Review of this policy

This policy will be reviewed annually to ensure effectiveness and feasibility. Feedback from board members and staff will be solicited to improve the policy and align it with evolving [Organisation name] needs.

Adjustments and updates will be made to the policy as necessary to reflect changes in [Organisation name] needs and industry standards.

Example: Handover document checklist for an outgoing CEO/director

1. **Executive summary:** Begin with a concise overview of the organisation, its current state and any immediate priorities.
2. **Key contacts:** Provide a list of important contacts within and outside the organisation, including board members, senior executives, partners and key stakeholders.
3. **Organisational structure:** Include an updated organisation chart with names, roles and reporting lines for all key team members.
4. **Strategic plan:** Outline the current strategic plan, including goals, objectives and the progress made so far.
5. **Financial information:** Summarise the financial health of the organisation, including budgets, forecasts and any ongoing financial or sponsorship initiatives or challenges.
6. **Operational/programming details:** Provide insights into day-to-day operations, including key processes, ongoing programming and any upcoming milestones.
7. **Legal and compliance:** Highlight any legal or compliance matters that require attention or ongoing monitoring.
8. **Artist and community insights and key initiatives:** Detail any major initiatives or projects in progress, including currently engaged artists, creatives, communities and stakeholders, their status and timelines.
9. **Crisis and risk management:** Share information on potential risks, crisis management plans and how to respond to critical situations (for example, the risk management framework and crisis management plans).
10. **Culture and values:** Share information on the organisation's culture, values and any ongoing efforts to maintain them. Include all key documents or plans in place to uphold organisational culture or values (for example, equity, access and inclusion plans).

Example: Leadership transition and succession policy (continued)

11. **Technology and IT systems:** Provide an overview of the organisation's IT systems, folder navigation and permissions, and any potential technology or cyber-related challenges.
12. **Succession planning:** Discuss any ongoing succession planning efforts for key leadership roles.
13. **Key metrics and KPIs:** Share relevant performance metrics and KPIs that the new CEO should monitor.
14. **Audience insights:** Include information about the organisation's current and targeted audiences, recent market insights, and relevant community feedback and data.
15. **Board and shareholder relations:** Share information on the relationship between the CEO, the chair and board members.
16. **Legal documents:** Include copies of important legal documents, contracts and agreements, including insurances and all organisational policies and procedures.
17. **Password and access information:** Share login credentials and access details for critical systems and accounts.

Resources

Community Directors: Ten Questions Every Board Director Needs to Ask about Succession Planning

Key questions for boards and leaders addressing succession planning and processes.

Australian Human Rights Commission: Leading for Change

A revised report on cultural diversity and inclusion in leadership positions in Australia including recent statistics and steps for change.

Creative Equity Toolkit: Build a Succession Plan Centring Equity

A suite of resources for addressing and developing an equitable succession plan, including culture change, increasing diversity and recruitment practices.