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Student Organization Succession Planning

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South Carolina Honors College
Senior Thesis

Student Organization Succession Planning

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STUDENT ORGANIZATION SUCCESSION PLANNING

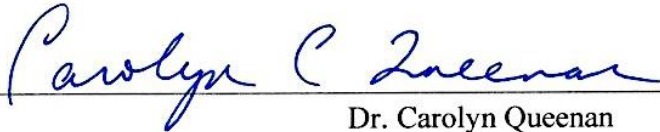
By

Rebecca Ann Kamer

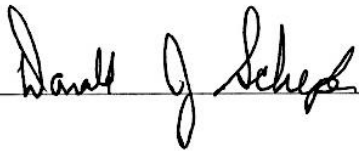
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Introduction

Inspiration

The topic for this thesis was inspired by my involvement in the University of South Carolina's Women in Business Council. I became a member as a sophomore and the club had about nine members. When I asked how to gain a leadership role within the organization, the position of president was essentially handed to me. However, the following semester, every single woman in the club graduated except for myself and **one** other student. We were given no information on how to run the club, but I knew that if I did not make drastic changes soon, the club would cease to exist. Admittedly, I was also extremely embarrassed to be the president of a club with two members.

My first step was recruiting new members, which mostly consisted of my closest friends. Without any prior exposure to succession planning, I subconsciously knew what needed to happen; we needed to recruit a younger generation to maintain the organization in the future when I was no longer a student. Once I developed a leadership team, I needed to put a systematic process in place to pick the next semester's leadership team and train them to be effective in their positions. Although I was unaware of it, I was already implementing the most important stages of succession planning. As a senior with my graduation approaching, I knew I wanted to establish an official succession process for the Women in Business Council and began to do more research on the topic. During this research, I realized this information would be helpful for all student organizations to have access to as well, especially organizations that are still in their early development stages. I decided to write my senior thesis about Student Organization Succession Planning with the ultimate goal of leaving behind a tool with the Darla

Moore School of Business Student Organization Council for students to use in the future. The topic of succession is very important to my personal life because of my hope to see the Women in Business Council thrive after my graduation, but I also know that it will help me in my career.

Why this is important

Succession is an important topic for any hierarchical organization ranging from large multinational corporations down to individual families. Student organizations have a profound need for a defined succession plan due to the high turnover rates of leadership positions. Students are in college for about four years, which limits the duration of leadership positions to a maximum of one or two years. Due to the brevity of leadership roles, student organizations are at an extreme disadvantage if they are not constantly planning for the future. This thesis defines several types of succession and the various issues that could arise throughout the course of the school year. It is critical to the organization's success that they implement a process to ensure a continuous pipeline of leaders.

Succession is a problem all organizations face that can lead to the gain or loss of millions of dollars. As much as a third of the CEO's bonus is dependent on the development of a succession plan (Naveen, 2006). For example, William Stiritz, the CEO of Ralston Purina, was awarded options estimated to be worth more than \$16 million contingent on his ability to find a suitable successor (Naveen, 2006). Possibly the most watched succession that is in progress right now is that of Warren Buffet, the 87-year-old CEO and Chairman of the Board of Berkshire Hathaway. Buffet has served as CEO for five generations and currently has two candidates that could possibly succeed him. This particular succession has a major risk because Warren Buffett

is synonymous with Berkshire Hathaway (Narayanan). CEO succession is a top priority for a corporation's shareholders and its employees. The board of directors of Abbott Labs was forced to fire chairman and CEO Robert Schoellhorn because he fired three of his potential successors (Naveen, 2006). The CEO and the shareholders of a corporation must work together for the benefit of the organization as a whole. A clear succession plan is needed for any organization to grow and be resilient for decades to come.

Overview of Thesis

This thesis is intended to be used as a tool by student organizations to help better plan for the future and improve efficiency during transition periods. There is a scarce amount of research currently available on student organization succession planning, but there is a significant amount of data collected on succession planning within corporate entities. It stands to reason that there are similarities between student organization and corporate entities. Therefore, this thesis draws parallels between the two and takes information collected from literature on corporate entities and applies it to student organizations.

In addition to this research, data from interviews with five presidents of student organizations within the Darla Moore School of Business is included throughout the thesis. The interviews were anonymous, so for the remainder of this thesis the interviewees will be referred to by the number assigned to them in the chart below (See Figure 1). The questions that were asked to spark conversation during the interview can be found in Appendix A. The results from the interviews are summarized in a table that can be found in Appendix B.

Figure 1

Student Organization	Number of Members	Years on USC's Campus
Example: The Women in Business Council	75	10
Interview #1	120	11
Interview #2	25	6
Interview #3	14	7
Interview #4	60	6
Interview #5	70	53

Examples from the University of South Carolina's Women in Business Council are included throughout this thesis. Information on the Women in Business Council can also be found in the

table in Appendix B. It is important to note that the Women in Business Council is operated as if it were a corporation. The leadership team can be hired and fired throughout the year and leadership titles are similar to that of a corporate entity (eg. CEO, CFO, COO). The examples provided often use the term *CEO*, which is synonymous for *president* in relation to other student organizations.

The original title for this thesis was *Student Organization Success and Succession Planning*. The first chapter was intended to explain several elements that need to be in place for an organization to set itself up for long term success. Once those elements were in place, an organization can begin planning out the finer details of exactly how it will evolve and transition over time through succession planning. However, this proved to be too extensive of a topic and could be a separate body of work or a thesis on its own. For this reason, the scope of the thesis was narrowed and the title was changed to *Student Organization Succession Planning*.

The information collected on succession planning is broken out into five chapters. Chapter one gives an overview of succession planning and chapter two follows with more details on commonly used methods of succession planning. Chapter three gives specific examples of issues that often arise within student organizations. The fourth chapter lays out the comprehensive plan on how the ultimate goal of creating a tool for student organizations will be accomplished. The fifth and final chapter is the conclusion which will summarize the entirety of the thesis.

Abstract

Succession planning is a critical to an organization's existence and success. There is a scarce amount of research currently available on student organization succession planning, but there is a significant amount of data collected on succession planning within corporate entities. Research was conducted on succession planning within corporate organizations. The purpose of this research is to take information collected from literature on corporate entities and apply it to student organizations. As part of this research, interviews were conducted with five presidents of student organizations at the Darla Moore School of Business to examine current succession planning practices. Results indicated that most organizations are not using the most effective succession method. This thesis is intended to be used as a tool by student organizations to help better plan for the future and improve efficiency during transition periods.

Chapter 1: Succession Planning

Leadership transitions are often a time of uncertainty for organizations. Succession planning is a tool that is utilized by entities to reduce internal disruption. **Succession** is “the process of transferring power” and **succession planning** is “a systematic process of leadership preparation for the future” (Mohd Salleh, 2017, p. 791). Preparing for leadership transitions with succession planning ensures consistent and effective leadership. Having a continuous process for leadership succession provides a more seamless transition from one leader to the next (Walker et al., 2018). It is important to discuss and refine a succession plan and constantly have a pipeline of leadership in case of emergencies. An example of an emergency in a corporate entity would be a CEO’s early retirement or sudden illness/death while an example of an emergency for a student organization could be the president deciding to study abroad and step down a semester early. This continuous, fluid process “occurs from the day a new CEO steps into office” (Nyberg et al., 2018, p. 4). Anticipating a firm’s future challenges and time line of succession is often an imprecise estimate, yet detailed succession planning remains crucial (Nyberg et al., 2018).

Why is succession planning important? Effective leadership is a major determinant for an organization’s progress and success (Mohd Salleh, 2017). In order to sustain high quality performance, it is necessary to have a leadership succession plan (Mohd Salleh, 2017). With a constant flow of talented leaders, organizational goals can be achieved. Effective succession planning also reduces the costs of CEO succession and provides a smooth transition from one leader to the next (Naveen, 2006). Failure to produce a new generation of leadership can be detrimental to an organization.

One of the two most common types of succession planning, the **horse race** method, is a competition between two or more candidates to find the most qualified person for the job. The candidates compete until the board feels confident in appointing one the new CEO. However, there is a great amount of risk of losing top performing executives associated with this method. For example, in 2010, Johnson & Johnson had a horse race between Sheri McCoy and Alex Gorsky to find a successor for the incumbent CEO, William Weldon. Alex Gorsky won and Sheri McCoy immediately left to work at Avon Products (Berns & Klarner, 2017). This exemplifies the risk of losing top performing executives.

An alternative to the horserace method is the **relay** method. The two main components of the relay method are the “heir apparent” and the “grooming period” (Berns & Klarner, 2017). The heir apparent, is an individual that is selected to be the successor to the incumbent. They are often an internal employee who is selected, often several years in advance, and works with the incumbent leader during the grooming period to prepare to step into their new role (Naveen, 2006). The grooming period is a phase during the succession process during which the heir apparent is trained to replace the CEO and assessed for weaknesses. This allows ample time for the incumbent CEO to pass on their knowledge to the heir apparent and resolve weaknesses before they take on their new role. Their performance is evaluated continuously and they are able to step in once the board determines their readiness. It is possible that corporate entities that have relay successions could also have a version of a horse race for a leadership position. The two methods are not mutually exclusive (Naveen, 2006); organizations that utilize the relay succession are likely conducting some style of a horse race earlier in the succession process.

Although these two methods (horse race and relay) are fairly prevalent, research shows that one enables an organization to perform substantially better than the other. A study of large, public American manufacturing firms in 2004 states that companies will perform better under a new leader “if that person has been groomed as the heir apparent” (Passing the Baton, 2018, p. 58) because they have a chance to become knowledgeable about their new role. The organization is able to ensure that the new leader possess all the required skills and obtains all valuable information from the incumbent leader before the transition occurs. Relay succession lead to a better post-succession firm performance (Yan Z, 2018). In a study of 691 firms, 422 (over 60%) used the relay method and had an heir apparent (Naveen, 2006), making the relay method the most popular method of succession amongst corporate entities. The relay method is often preferred by corporations because it capitalizes on the successor’s experience within the company and there is a lower possibility of imprudently choosing the wrong candidate (Mohd Salleh, 2017). There is also a reduced risk of losing top management. Anne Mulcahy, previous CEO of Xerox, said that the relay method is better because “you can develop one very strong player and some peripheral candidates who could be groomed if necessary, and if you can put your energy into making sure that one person is absolutely the best person for the job” (Mulcahy & McGinn, 2010, p. 51). While studies show that the relay method is the superior and more commonly used method in the corporate world, student organizations within the Darla Moore School of Business are most likely to use the horse race method.

Only one club out of the five interviewed uses the relay method in any capacity. This particular student organization uses a combination of the two methods by holding an election in the fall semester and then having a grooming period during the entirety of the spring

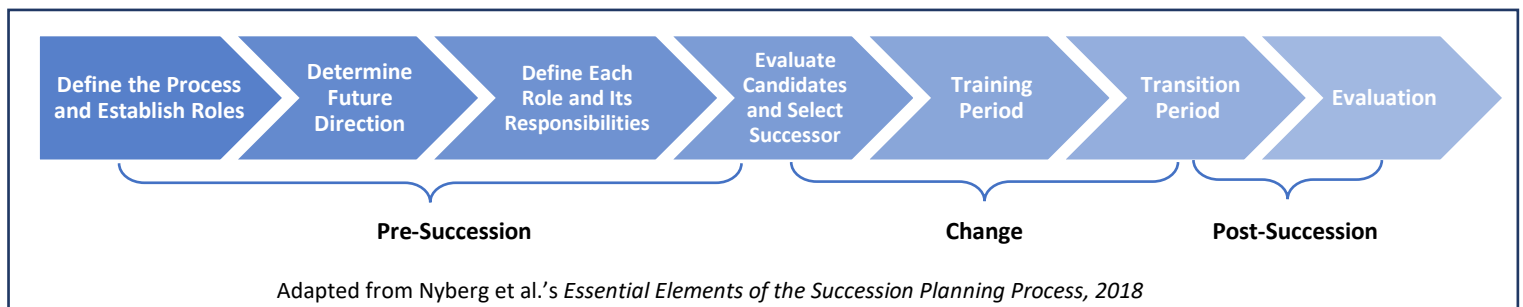
semester (Interview #1). This method works well because it allows them to “pick the best candidate because students who are abroad in the spring are able to be present for elections” (Interview #1). The grooming period provides ample time for students to learn the duties that come with their new role and observe the current leader during their tenure. All other clubs hold elections or some form of competition for open leadership positions and then almost immediately initiate the new leaders into their role without an extended grooming period.

In conclusion, there are multiple methods of choosing a successor. Typically, the relay method is preferred within corporate entities because it has a higher retention rate of top performers who are not selected for the CEO position. Regardless of the method an organization chooses, there are certain elements that are essential to the succession planning process. These elements will be discussed in chapter three.

Chapter 2: Succession Strategy

There are several “essential elements” that make up any succession strategy (Nyberg et al., 2018). Using the information collected during interviews with six club presidents, Nyberg et al.’s process diagram has been adapted to fit the needs that a student organization would be most likely to have during the succession process (See Figure 2). An example of the Women in Business Council’s succession plan is provided in a blue text box for each essential element of the succession process.

Figure 2



These seven elements can be categorized into three sequential phases: Pre-succession, change phase, post-succession (Berns & Klarner, 2017). The pre-succession phase is made up of the preparatory activities. This is when the process is defined, strategic plans are formed, and potential leaders are identified. The change phase is the transition period when the current leader is phased out and the new leader steps into their role. During the post-succession phase, the organization should evaluate the new leader’s performance as well as the organization’s overall performance. The information they collect during this period can help them decide what to change the next time this process is repeated (Berns & Klarner, 2017).

The first essential element in a student organization succession strategy is **Define the Process and Establish Roles**. During this stage, the key idea is for the leadership team to clearly define a systematic process. Having a process in place that can be repeated from year to year helps student organizations remain efficient “without having to start from scratch each time” (Interview #3). Another key part of this element is establishing roles. Each membership of the leadership team should know what their role is throughout the succession process. This allows leaders to balance their time between the organization and other external commitments which might otherwise prevent their full engagement in the succession planning process.

Within the Women in Business Council, each current leader is in charge of selecting a successor for their own position. They have the freedom to choose between applicants in any way they see best fit. Her role is to develop a selection process and determine the candidate that she thinks would be the ideal successor for her position. In order to avoid bias, all successor selections are approved by the leadership board. Therefore, each current leader is also responsible for attending meeting to approve all nominations in addition to her personal responsibilities.

The second essential element during the pre-succession phase is **Determine Future Direction**. In the same way a corporation performs a SWOT analysis in order to fully understand its position within its industry, a student organization needs to take the time to reflect on its strengths and weaknesses and to be fully aware of what opportunities and threats could potentially arise during the upcoming year. Determining a future direction will help

The Women in Business Council holds an annual executive retreat when leaders brainstorm new ideas and recognize potential issues that could arise during the upcoming year.

organizations take advantage of opportunities and recognize potential hurdles (Nyberg et al., 2018).

The third essential element is **Define Each Role and Its Responsibilities**. This stage is important not only for the current leaders, but also for future leaders who are interested in taking on a role but are not sure what the job would entail. Having a scope of the duties with each role gives a direction without limiting creativity. During this phase, an organization should make a list the important qualities and capabilities for each role. This will help them select a candidate that has the necessary qualities for the position. However, this list should be used as a guide and not as a law. Over-reliance on this list and focusing only on technical qualities can lead to an organization overlooking great candidates.

The Women in Business Council's Google Drive contains a document that explains the responsibilities, qualifications, and important qualities for each position. This is shared with potential candidates before the application process begins to help them determine the positions in which they would thrive. For example, the Recruitment Director is responsible for maintaining a presence at all student organization fairs and promoting the WIBC to the student body through other means such as email, social media, and presentations at other organization's meetings.

After the first three elements are complete, the next step is to **Evaluate Candidates and Select Successor**. During this stage, current leaders should seek out members with leadership potential and encourage them to apply for positions. Throughout the interviews, presidents often stated that is especially important for their club because "young members often do not have the confidence to apply for a position unless a current leader taps them as a future leader" (Interview #1). Once an organization has a list of potential candidates, they can begin to

evaluate and rank each one based on the list of important qualities and capabilities defined in the previous stage. When an organization has developed a pipeline of potential leaders, they “have less to worry about and can focus on other aspects of [their] club like expansion and improvement” (Interview #3). From this list of candidates that meet the requirements, an organization can opt to select one and begin a grooming period or hold an election. During this phase, it is also important to develop plan to retain members who did not get the position that they wanted.

It is up to the discretion of each current leader in the Women in Business Council to decide how she would like to fill her role. Two examples of common evaluation and succession methods include reviewing written applications and/or conducting interviews.

The next element is the **Training Period**. Although it is cited to be the most important element during a corporate succession process, the training period is often overlooked by student organizations. The training period provides time to assess the elected leader’s weaknesses and allows a mentor to coach them to a point where they feel comfortable stepping into their new role. It also allows the new leadership team to have enough time to build relationships and understand their role and the challenges that come with it (Nyberg et al., 2018). Without a training period, a new leader will probably be overwhelmed trying to figure out how to perform their duties. This is highly inefficient for a student organization, but

It is up to the discretion of each current leader of the Women in Business Council to determine the length and intensity of the training period for her position. During this time, critical information is handed down and the successors are mentored.

most still neglect to have a set training period because often times the “outgoing leadership is not dedicated to training the next leader because they have gone abroad or graduated” (Interview #2). Another president said, “most of the officers quit last year and did not attend the officer transition meeting and left us with a Google Drive that was a mess and a very outdated handbook” (Interview #5).

After the training period is the **Transition Period**. Three out of five student organizations interviewed have an initiation ritual or an official day which marks the beginning of the new leader’s term. A majority of organizations interviewed claim that the new leadership team steps into their roles on the first day of the following semester and recommends that they meet individually with their successor to gather any necessary information and materials. Organizations that do hold an initiation ritual feel that “both the ingoing and outgoing parties benefit from having a specific timeline for transition process” (Interview #4).

Each current leader in the Women in Business Council is required to meet with her successor at least once in person before the leadership transition takes place. The current leader and the successor work together to determine the best transition date.

The final element that should be a part of any student organization succession process is **Evaluation**. This stage is extremely rare to find within student organizations. Out of the five

The Women in Business Council sends out an evaluation via Google forms three times per semester. These evaluations ask leaders for their ideas/goals at the beginning of the semester, include a benchmark evaluation halfway through the semester, and have a final evaluation at the end of the semester to determine whether or not the goals were met. The CEO reviews each leader’s individual evaluation. Additionally, each leader evaluates the CEO and the organization as a whole anonymously.

student organizations interviewed, *zero* formally evaluate their leader's performance after leadership succession takes place. However, all five agree that they could benefit from evaluating the new leader's performance as well as the organization's overall performance. The information they collect during this period could help them decide what to change the next time this process is repeated (Berns & Klarner, 2017).

Chapter 3: Common Problems

Even within an organization with a clearly defined succession plan, countless problems can arise throughout the succession process. Each phase of succession (pre-succession, change phase, and post-succession) has its own unique complications, and this chapter discusses common issues for student organizations that could potentially arise during each phase.

During the pre-succession phase, two common issues are unclear role assignment and lack of engagement (Nyberg et al., 2018). Assigning roles and duties regarding who is responsible for what activities in the succession process is crucial for avoiding confusion and conflict. Problems are more likely to occur when individuals involved do not fully understand their specific responsibilities (Nyberg et al., 2018). When asked if roles were clearly assigned during the succession process, one president stated, “we’re not sure [what the roles are] yet. We’re going through the decision-making process” (Interview #3).

Another common pitfall during the pre-succession phase is that leaders often have other commitments externally that prevent effective engagement in planning and evaluation (Nyberg et al., 2018). Four out of five interviewees expressed that they were affected by this problem, making it the most frequently cited issue during the pre-succession phase for student organizations. It is difficult to pick a meeting time to talk about succession planning because “student leaders are often involved in more than one club and might also have a job or a test that week” (Interview #2). These two issues are common but can be avoided with constant communication that clearly defines roles and expectations and lays the foundation for a smoother change phase.

The change phase can be very internally disruptive to an organization. Changes in leadership often bring about great change to an organization. The CEO position alone accounts for 12-26% of a firm's performance variance (Nyberg et al., 2018). Leadership changes also influence the company's culture, establish the company's strategic direction, and affect the chances of future success (Nyberg et al., 2018). Drastic changes can cause confusion and inefficiency. For this reason, it is important to limit this internal disruption as much as possible. The most commonly cited problem faced by student organizations during the change phase is the absence of a training period for incoming leaders. Similarly, some student organizations had an informal training period but found it ineffective because it was unorganized and lacked supervision from the incumbent leaders. For example, one student leader interviewed said that new leaders were "given access to a google drive, but they did not know what was in it" (Interview #4). In this scenario, a formal training period could be utilized to maximize efficiency and reduce wasted time at the beginning of a new leader's term when they need to search through the google drive alone and try to dissect the information.

During the change phase, several organizations that utilize the horse race method have a high risk of losing high-performing employees who were not chosen for the position that they wanted. Anne Mulcahy, the CEO of Xerox from 2001 to 2009 said, "having winners and losers isn't good for the company: You wind up losing top talent" (Mulcahy, 2010, p. 51). An organization can mitigate this risk by developing a plan to retain those candidates who were not selected. The Women in Business Council experienced this first hand when an incumbent leader applied for CEO and was not chosen for the position. She was given the opportunity to retain her current leadership position, but ultimately left the organization and was no longer

involved with the Women in Business Council in any capacity. The Women in Business Council was able to learn from this experience and handled “rejections” differently from that point forward. In this scenario the results were posted publicly, so all applicants found out at the same time whether or not they were selected. The Women in Business Council was able to learn from the negative experience with a rejection, and from that point forward was more respectful of those who were not selected for the position. They are contacted privately first to update them on the situation and see what they would like to do moving forward before that information is made public. This reduces embarrassment, promotes a more supportive environment, and increases retention of top-performers who are not selected for a new position.

The post-succession phase is the time for organizations to reflect on the decisions made during the pre-succession phase and the change phase. It is important for organizations to evaluate their performance in order to know if they should continue to use the same process or make strategic changes. Failure to evaluate performance could lead to an endless cycle of repeating the same mistakes. Organizations should establish success metrics and evaluate the performance of the leaders as well as the organization overall at predetermined intervals (Berns & Klarner, 2017).

During the assessment, an organization may realize that the candidate that was selected is the wrong person for the job. When a candidate does not meet the requirements for a position or lacks the skills that are needed for success, the post-succession phase will have various problems to overcome (Nyberg et al., 2018). The new leader may require more training or may need to be replaced entirely depending on the situation. During the 2016 school year, the

Women in Business Council was forced to ask a student leader to step down when her duties were not being executed. She was the wrong person for the job and a more qualified candidate was willing to take on the role and dedicate the required amount of time to the role.

Additionally, a new leader may have a poor performance record due to information asymmetry. Information asymmetry occurs when one party “possesses greater material knowledge than another party” (“Asymmetric Information,” 2018). During a succession, this issue can emerge if a CEO does not share all of their information with their successor. The successor may have all of the necessary skills and requirements for their position, but their training period was insufficient and they are not prepared for the job. It is important for student organizations to have a process in place to guarantee that all important documents, passwords, and tools are passed down to the successor. Three out of five organizations interviewed have a process in place to prevent information asymmetry, and all three of which use a Google Drive to save and share important materials. One student organization reported having a constant issue with information asymmetry. The president stated, “there are very little processes in place to prevent [information asymmetry]. We actually had a really tough time with this at the beginning of the year since we use the school year as the officer terms” (Interview #5). Establishing an open line of communication between the outgoing and incoming leader is a remedy to this problem. This allows the outgoing leader to remain involved and available when assistance is needed even if they study abroad or graduate. The opposite situation is also a serious problem and occurs when an outgoing leader remains too involved and does not fully relinquish their duties to the incoming leader. Delaying the full transfer of

power hinders the new leader's development and ultimately hurts the organization (Nyberg et al., 2018).

The post-succession phase of one leadership transfer ultimately becomes the pre-succession phase of the next cycle. Succession planning needs to be a continuous process in order to be effective. The CEO at Procter & Gamble from 2000-2015, Alan Lafley, began to discuss succession immediately after taking office (Berns & Klarner, 2017). Despite the vast amount of research highlighting the importance of succession planning, it is discussed less than once per year at 40% of S&P 500 companies while only 34% regularly include in in the agenda at board meetings (Berns & Klarner, 2017). Procrastination or failure to begin planning for the next transfer of leadership is extremely risky because unexpected problems could arise at any time. For example, one student organization struggled to survive when their faculty advisor left unexpectedly. The president stated that the new advisor "didn't commit until halfway through the summer so there was a large period where we didn't know what we were doing. It was stressful" (Interview #3). Zero out of five student organizations claim to have an order of succession in place for emergencies. If emergency situation were to occur, two presidents that were interviewed said that having "extra meetings" (Interview #3) or having another leader "step up and help out" (Interview #4) is sufficient. While it is nearly impossible to avoid unexpected complications, having a proper succession plan in place can reduce stress during an organization's period of uncertainty.

Chapter 4: Plan for Dissemination

The ultimate goal of this thesis is to provide a tool for student organizations to use to learn more about succession, plan for the future, and improve efficiency during transition periods. In order to accomplish this goal, the following brochure was created (See Figures 3 and 4). It contains a summary of each chapter of the thesis and advice for future student organization leaders that was collected during the interviews with current club presidents.

The brochure will be distributed to the Darla Moore School of Business Student Organizations Council at the University of South Carolina during the final meeting of the spring semester on April 23, 2018. It will constantly be available on the DMSB Student Organizations Council's Facebook page. Each student leader that was interviewed for this thesis will receive a copy of the brochure via email.

For any organizations that wish to obtain additional information, the link to find this entire thesis and any other South Carolina Honors College Senior Theses is included in the brochure (scholarcommons.sc.edu/senior_theses/).

Figure 3

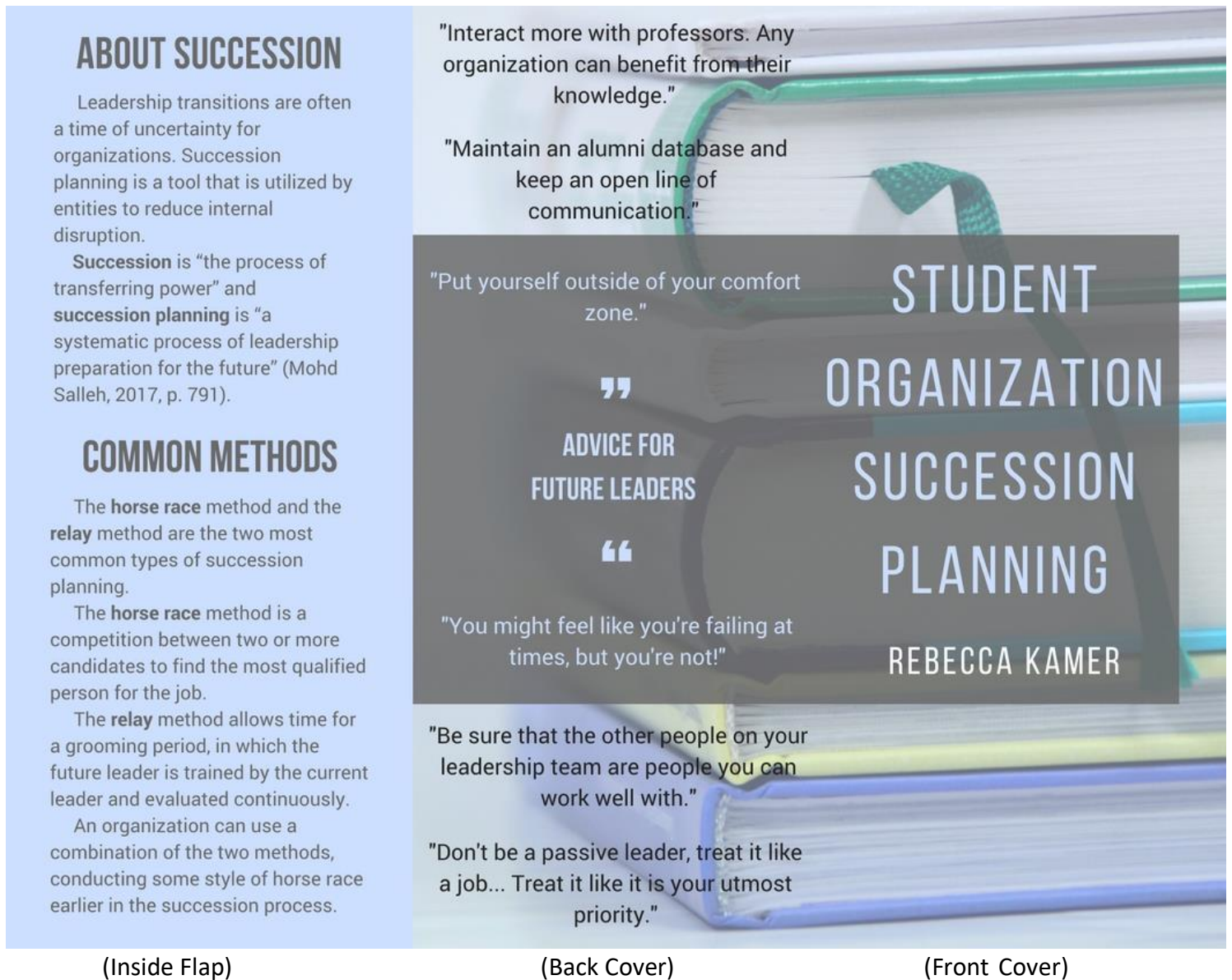
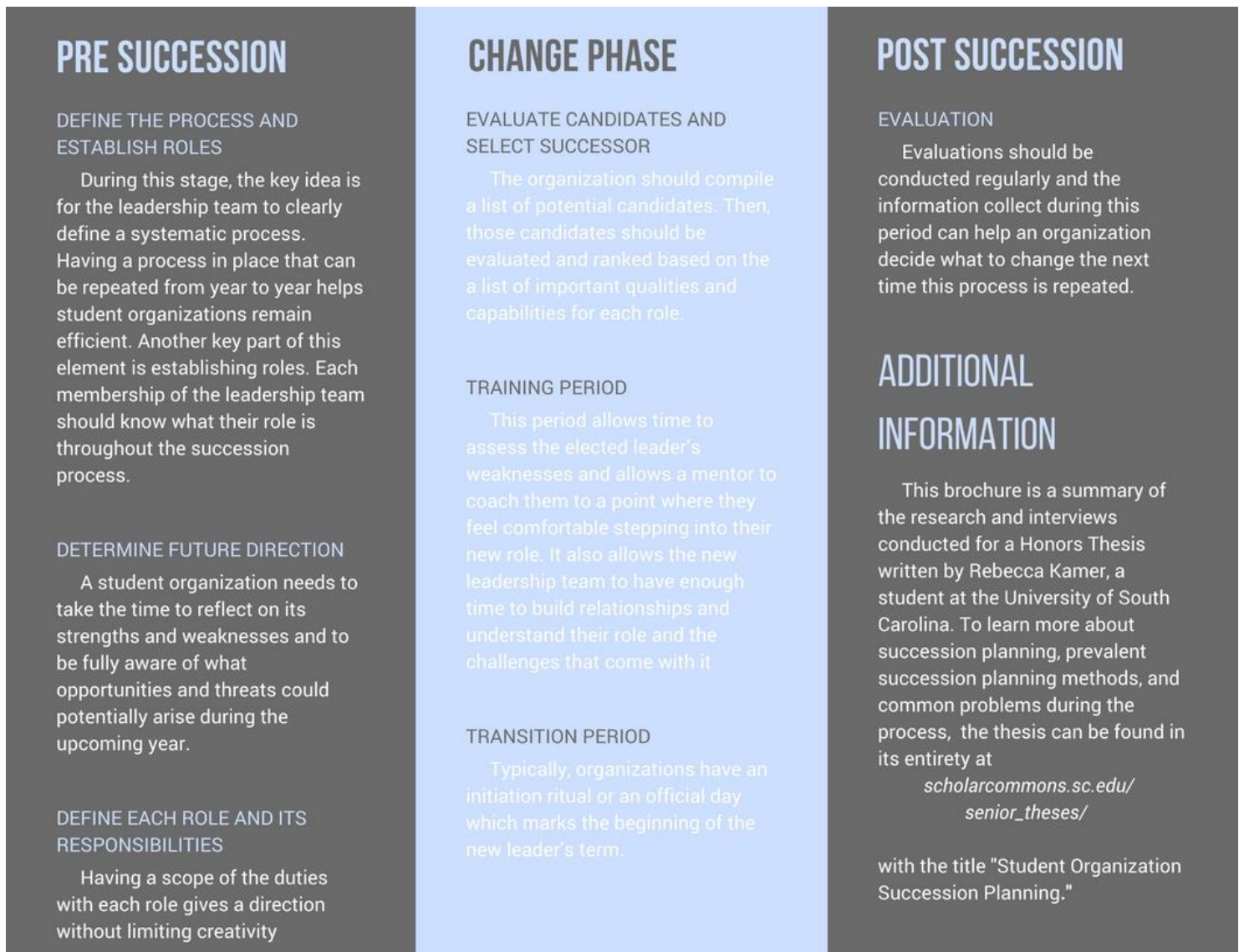


Figure 4



(Inside)

Chapter 5: Conclusion

In conclusion, succession planning is a critical for any organization to be successful and enduring throughout time. Succession planning is a tool that is utilized by entities to reduce the internal disruption caused by transition periods. **Succession** is “the process of transferring power” and **succession planning** is “a systematic process of leadership preparation for the future” (Mohd Salleh, 2017, p. 791). Preparing for leadership transitions with succession planning ensures consistent and effective leadership and also provides a more seamless transition from one leader to the next (Walker et al., 2018).

There are several types of succession planning, but the two most common types are the horse race method and the relay method. The horse race method is a competition between two or more candidates to find the most qualified person for the job. The relay method allows time for a grooming period, in which the future leader is trained by the current leader and evaluated continuously. An organization can use a combination of the two methods, conducting some style of horse race earlier in the succession process. Although the relay method has proven to be the most effective, the horse race method is the most popular among student organizations.

Succession Planning can be categorized into three sequential phases: Pre-succession, change phase, post-succession (Berns & Klarner, 2017). The **pre-succession phase** is made up of the preparatory activities. This is when the process is defined, strategic plans are formed, and potential leaders are identified. The **change phase** is the transition period when the current leader is phased out and the new leader steps into their role. During the **post-succession phase**, the organization should evaluate the new leader’s performance as well as the organization’s

overall performance. The information they collect during this period can help them decide what to change the next time this process is repeated (Berns & Klarner, 2017).

Various problems can arise throughout the succession process. As each phase of succession (pre-succession, change phase, and post-succession) has its own unique complications. During the **pre-succession phase**, two common issues are unclear role assignment and lack of engagement (Nyberg et al., 2018). During the **change phase**, the most common issue is the absence of a training period for incoming leaders. Also, organizations that utilize the horse race method have a high risk of losing high-performing candidates who were not chosen for the position that they wanted. During the **post-succession phase**, most student organizations fail to conduct evaluations, which could lead to an endless cycle of repeating the same mistakes.

The post-succession phase of one leadership transfer ultimately becomes the pre-succession phase of the next cycle. Succession planning needs to be a continuous process in order to be effective. While it is nearly impossible to avoid unexpected complications, having a proper succession plan in place can reduce stress during an organization's period of uncertainty.

The overall goal of this thesis is to create a tool that student organizations can utilize to help better plan for the future and improve efficiency during transition periods. In order to accomplish this goal, a brochure was created containing a summary of the thesis and advice for future student organization leaders. The brochure will be distributed to the Darla Moore School of Business Student Organizations Council at the University of South Carolina during the final meeting of the spring semester on April 23, 2018 and will also be readily available on the DMSB

Student Organizations Council's Facebook page. Each student leader that was interviewed for this thesis will receive a copy of the brochure via email.

The interviews conducted for this thesis were limited to undergraduate student leaders within the Darla Moore School of Business, but further research into student organizations throughout the University of South Carolina could have given deeper insights into student organization behavior and common practices across a wider variety of clubs. Additionally, the sample could have been expanded to graduate student organizations. Lastly, it would be beneficial to conduct a second round of interviews on the same leaders to learn if they changed their organizations succession planning strategy after the interview or after reading the brochure.

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Appendix A: Interview Questions

Preliminary Questions

- About how many members are currently in your organization?
- How long has your organization been on USC's campus?

General Questions

- Does your organization have a mission statement (or fundamental purpose)? Why or why not?
- Have you seen your organization evolve slowly over time or change drastically with new leadership?
- How does your organization preserve its core ideologies while it adapts to meet the needs of new generations of members?
- Is succession planning a priority for your organization?

Succession Planning Questions

- What process(es) does your organization have in place to select the next leader (election, interview process, Board of Directors selection, etc)?
 - Do you think the current process is effective in finding the most qualified individual?
- Does your organization utilize a Board of Directors (or a similar governing body) to select the next generation of leadership? If yes, what is their role?
- Does your organization have a process in place for the transition of power?
- How often does your organization select new leaders?
 - As-needed basis or is there an entirely new top management team (TMT) based on an annual/semester cycle?
- What guidelines or mechanisms has your organization constructed to ensure that it will prosper in the future?
- How does your executive team perform during times of stress?
- What process are in place to prevent information asymmetry? (Mentors, leadership development program, grooming period)
 - Example: The past leader did not pass down all of their knowledge and information to the next leader

Personal Questions

- Have you thought about succession planning?
- Within your organization, what do you wish had been in place when you started that wasn't?
- What advice do you have for future organization leaders?
- Do you evaluate your leaders and your organization's performance regularly?

Appendix B: Interview Results

	Ex. WIB	Interview 1	Interview 2	Interview 3	Interview 4	Interview 5
Number of active members	75	120	25	14	60	70
Years on campus at USC	10	11	6	7	6	53
Mission Statement	Yes	Yes	Yes	No	Yes	Yes
Evolve Slowly over time or change drastically with new leadership	Change Drastically	Evolves Slowly	Evolves slowly (limited change)	Evolve Slowly	Evolve Slowly	Slowly w/ recent drastic change
Prioritize Succession Planning	Yes	No	No, needs work	No	Yes	No
Succession Method	Horse Race + Relay	Horse Race + Relay	Horse Race	Horse Race	Horse Race	Horse Race
Effective (Y/N)	Yes	Yes	Yes	No	Yes	No
Board of Directors	Yes	No	No	No	Yes	No
Transition process in place	Exec Retreat	Officer transition ritual	No process	No, but adding one	Formal Transition Dinner (New)	New Officer Banquet
Leadership turnover frequency	As needed each semester	Annual	Annual	Annual	Annual	Annual
Guidelines to ensure success	Alumni Database	Written document of "standard operating procedure"	Work in Progress	Limit leadership positions to committee members	Google Drive, lots of room for improvement	Involved faculty advisor
How do you reduce stress	Order of Succession	"we're all in this together" mentality	Nothing in place	Extra Meetings	Stay organized and be willing to help out	Teamwork
How do you avoid information asymmetry	Google Drive that explains responsibilities	Constant communication	Nothing in place	Nothing	Google Drive (information is available, may not know how to use it)	Very little aside from new Google Drive
Have you thought about succession planning?	Not before this	Somewhat	No	Yes	No	Yes
What do you wish had been in place when you started?	Clearly defined process with simple steps to follow	More interaction with professors	Open communication with advisors	Membership expectations	Transition Dinner, or a more formal training process	Google Drive (recent addition)
Do you evaluate your leaders and your organization?	Yes, at the beginning, middle and end of each semester	Not officially	No	No	No	Not officially

Appendix C: IRB Exemption



OFFICE OF RESEARCH COMPLIANCE

INSTITUTIONAL REVIEW BOARD FOR HUMAN RESEARCH DECLARATION of NOT RESEARCH

Rebecca Kamer
Moore School of Business
Department of Accounting
1014 Greene Street
Columbia, SC 29208

Re: **Pro00077721**

Dear Ms. Kamer:

This is to certify that research study entitled ***Student Organization Succession Planning- Honors Senior Thesis*** was reviewed on **4/26/2018** by the Office of Research Compliance, which is an administrative office that supports the University of South Carolina Institutional Review Board (USC IRB). The Office of Research Compliance, on behalf of the Institutional Review Board, has determined that the referenced research study is not subject to the Protection of Human Subject Regulations in accordance with the Code of Federal Regulations 45 CFR 46 et. seq.

No further oversight by the USC IRB is required. However, the investigator should inform the Office of Research Compliance prior to making any substantive changes in the research methods, as this may alter the status of the project and require another review.

If you have questions, contact Arlene McWhorter at arlenem@sc.edu or (803) 777-7095.

Sincerely,

Lisa M. Johnson
ORC Assistant Director
and IRB Manager