

Succession Planning: The Essentials

By Patrick Ibarra

You've attend the conferences where a presenter spoke about it. You've read the articles which focused on the impacts from it. You've scanned a number of Web sites to learn more about what your agency can do to address it. You've discussed it at staff meetings. The topic at the center of all this is the unprecedented number of retirements currently happening within public sector organizations. Retirement parties used to be an occasional office event; nowadays, they occur almost weekly, or so it seems. I have dubbed this phenomenon the "(baby) boomerang" effect: the impacts resulting from the exodus by baby boomers from government agencies. As these seasoned employees depart and take with them their judgment and problem-solving capabilities, (two areas essential to continued effectiveness for an organization), the question arises about what you can do to replace them and their talent? In two words: succession planning.

Succession planning can be a sensitive issue. The process itself is sensitive in that it includes some people and excludes others. Challenging the assumption that "seniority translates to competence," succession planning is not about pre-selecting employees or playing "favorites" when it comes to promoting employees. What it is, in fact, is an effort to increase the likelihood that current members of your workforce will be competitive when promotional opportunities occur and to ensure the pipeline of talent is abundant with qualified candidates. The overall purpose is for your agency to (continue to) execute its mission.

As a result of the "brain drain" underway, public sector agencies are facing a number of specific challenges, including:

- A reduction in the workforce and productivity.
- The loss of knowledge, experience, and institutional memory of retirees.
- A limited pool of employees qualified to replace retirees because of past reductions in force or budgetary cutbacks on training and development opportunities.
- A limited pool of potential candidates because of a national decline in the number of workers in the 25-to-44 years range, and
- Stiff competition with other employers to retain talented employees who are not retiring.

Human resource professionals have experienced a number of trends that have generated a certain level of anxiety on exactly how best to respond. A sample list of these trends include new state and federal laws being adopted and with them their interpretation by the courts, rising health care costs, outsourcing, increased reliance on technology and the changing workforce.

Some of the less-complex trends have been remedied with the creation and enforcement of a new agency policy or a change to a particular procedure or administrative regulation. Other more complex issues have required a shift in thinking towards a more strategic orientation. Getting ones arms around the impacts of the changing workforce is the first step in translating it from another in a series of predictable trends to the dramatic shift that defines it.

The numbers tell the story:

- Forty-six percent of local government employees are 45 years of age or older
- Upwards of 30 percent of state government employees are eligible for retirement right now
- In 2008, more than 53 percent of federal government employees will be eligible for retirement
- Baby boomers comprise almost half of the U.S. workforce. This is slightly more than the combined number of workers from the succeeding two generations.

- The proportion of older workers is expected to increase an average of four percent per year between 2000 and 2015. The proportion of younger workers is shrinking.

Succession planning serves as the crossing point between the human resource function and the strategic direction of an organization. In this role, it is an essential resource in anticipating the future needs of the organization and helps find, assess, develop and monitor the human capital required by the organization's strategy.

Succession planning is accomplished by clearly defining the needs for particular positions and planning how to develop people to meet those needs, either through promotions or recruitment. Simply having lists of potential candidates without understanding current and future job needs will relegate succession planning to another well-intentioned but poorly executed "fad." Comprehensive and systematic succession planning involves a range of activities that touch every stage of the employee life cycle:

- Recruitment and selection
- Performance management
- Compensation and benefits
- Training and development
- Leadership development
- Career development
- Retention

An effective succession planning process must include: 1) a systematic rather than anecdotal way of identifying candidates; 2) leadership that rewards managers for promoting (rather than holding onto) their best employees; 3) career ladders; 4) progressive recruitment and selection practices; 5) human resource policies that reflect a contemporary workplace; 6) training that focuses on competency development, is accessible to employees and is well-designed and delivered; 7) frequent opportunities for employees to accept new challenges; and 8) recognition that employees have a stake in the organization and share its successes. Consequently, effective succession planning requires a comprehensive strategy of multiple tactics.

The following are what I refer to as the "Ten Elements of effective Succession Planning Programs," which integrate seamlessly into the employee lifecycle with a strategy and series of tactics:

1. **Receive Active Support of Top Leadership.** Visible support from the top administrator and all members of senior management is crucial. Beyond advocacy, top leadership also demonstrates its support of succession planning and management when it regularly uses these programs to develop, place, and promote individuals. Support by top leadership is also evident when succession planning initiatives receive sufficient funding and staff resources necessary to operate effectively and are maintained over time.
2. **Link to Strategic Planning.** Leading organizations use succession planning and management as a strategic planning tool that focuses on current and future needs and develops pools of high-potential staff in order to meet the organization's mission over the long term. The creation of a strategic plan, which is drastically different than a budget plan, is growing in popularity by public sector jurisdictions as a roadmap toward the future. A segment of the strategic plan includes future service demands and accompanying employee competencies necessary to meet those demands.

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3. *What positions actually will need successors?* The numbers begin to tell the story. Collect and analyze data (a process that is sometimes referred to as “workforce analytics”) for the purpose of succession planning should include:
- Age distribution of the workforce
 - Retirement eligibility projections
 - Retirement patterns
 - Other attrition patterns

The data is not the point of this step, or its most critical outcome. The real substance is the composition, or the shape, of the workforce: the skills and competencies available, the skills and competencies that will be needed in the future, and the gap-closing strategies needed.

4. *Identify Talent from Multiple Organizational Levels, early in careers, or with critical skills.* Effective succession planning and management initiatives identify high-performing employees from multiple levels in the organization while still early in their careers. Identifying and grooming talent strengthens retention, as well.
5. *Revise human resource policies that reflect the current state of business.* For example, if your agency is competing for those employees seeking a lateral position (i.e. leaving their agency for yours), vacation accrual policies that allow them to remain “whole” are much more lucrative than asking employees to start entirely over. Progressive policies that reflect the current reality are much more appealing to prospective job-seekers than those from the past which, if still in place, will deter top candidates from even considering your agency. Other policies equally as important include work-life balance related issues, outdated job classifications, rigid compensation rules, portability of pension balances, relaxing of residency requirements, and revising outdated provisions of the civil service system (if applicable).
6. *A concrete plan to recruit human capital* is an aspect of workforce planning where significant improvements can be made and accomplished in a short amount of time. Beyond promoting existing employees, comprehensive succession planning focuses on the pipeline of talent as well. The practice of traditional recruitment has shifted dramatically; the days of posting an advertisement in a newspaper or trade journal and expecting the phone to ring from a number of qualified candidates is over. The new focus is on branding your agency, which is much more than simply commissioning a new agency logo. It involves the reputation of your agency—is your agency a place where candidates can go and grow or is it a place that’s not focused on developing its talent? A solid and sound reputation has tremendous influence on recruiting qualified candidates. Accelerate the recruitment process and invest in a Web-based application process, which is a minimum to even be in the game in today’s reality. A PDF form does not constitute a Web-based application, by the way. Strategies for sourcing candidates should include:

- Establishing business partnerships with Monster, CareerBuilder and other Internet-based search services.
- Employee referral programs can be very effective
- Campus recruitment and strengthening relationships with colleges and universities
- Career fairs, including hosting one of your own
- Career links on agency Web site for each department
- Testimonials from existing employees
- Instead of using a job description as a job announcement, which often lack sizzle, craft one that really reflects your agency, its culture, and the role the employee will have in impacting your customers and their quality of life
- Recruiting young people during a time when public service, according to recent surveys, is perceived by most as lacking appeal. Begin posting

advertisements by way of downloading them to iPods. In today’s world where technology is ubiquitous, organizations who recruit top talent recognize that in order to reach that top talent you must go where they are.

7. *Identification of internal succession candidates should be based upon objective, job-related assessments and ratings of promotability or readiness for future positions.* Organizations historically have relied on anecdotal assessments of candidates, and as a result, management often fails to identify all the best candidates, and those considered for advancement or developmental placements are simply those who have become visible to management. In addition, when relying on subjective assessments, management personnel tend to focus on potential successors similar to themselves, rather than identify candidates with skills and experiences needed to succeed in the future. Objective and job-relevant assessment data can help effectively identify succession candidates, while also providing essential information regarding the developmental needs of the candidates. A number of off-the-shelf assessments are available for use. These assessments should not involve possible increases in compensation for the employee as this is strictly about evaluating one’s potential.
8. *Training.* Succession planning must include a training and development component. Beyond technical and compliance training, the essence of this training is that it’s based on competency development. The key for public-sector jurisdictions is to transition away from the typical past practice of offering training to those employees who may or may not want to participate, which is akin to a random approach of ensuring capacity within your agency, and instead utilize a more targeted approach. A targeted approach is focused on merging employee desire with organizational need, which when blended constitutes a formidable combination. The competencies being provided via the training are those the agency is seeking as necessary for members of their workforce to meet today and tomorrow’s challenges.
9. *Emphasize developmental assignments in addition to formal training.* Leading succession planning and management initiatives emphasize developmental or “stretch” assignments for high-potential employees in addition to more formal training components. These developmental assignments place staff in new roles or unfamiliar job environments in order to strengthen skills and competencies and broaden their experience.
10. *The most effective approaches to succession planning are not just spearheaded by Human Resources, but engage managers at all levels of the organization.* HR definitely has a visible and influential role in helping steer succession planning efforts, which also happens to coincide with the trend toward a business partner approach by many HR departments in how they partner with their customers. At the same time, to be successful, “horsepower” from all departments is needed for an effective succession planning program.

Succession planning is an ongoing, dynamic process that helps an organization to align its goals and its human capital needs. To achieve outstanding results using succession planning, an organization must develop an effective and highly focused strategy that results in continued performance excellence.

Patrick Ibarra, a former city manager and human resource director, owns and operates The Mejorando Group (www.gettingbetterallthetime.com) and is an expert on succession planning for the public sector. Mejorando is Spanish for “getting better all the time” and Ibarra’s firm partners with governments to help them increase employee performance and organizational effectiveness by providing consultation (including designing and implementing succession planning programs), facilitation, and training. Additionally, Ibarra has presented workshops and spoken about succession planning at various public sector conferences in Arizona, California, Florida, Georgia, Illinois, Iowa, Kansas, Nevada, North Carolina, Ohio, Pennsylvania, Texas, Virginia and Wisconsin. For those seeking additional information regarding succession planning, contact Ibarra by phone at (925) 518-0187 or by e-mail at patrick@gettingbetterallthetime.com. —N