The Myths and Realities of Succession Planning

By Patrick Ibarra

One only has to pick up a magazine or newspaper, glance at a TV, pull up a favorite web site or attend another in a seemingly endless series of retirement parties at work, to realize the workforce is aging and as a result, new challenges are presented. We have all heard about the "baby boomer" generation and the staggering numbers with which members of this group will be hitting the retirement rolls starting now and continuing for the next several years.

There are those who assert that these "boomers" will act differently than prior generations and not necessarily enter into retirement in the old-fashioned sense, but instead will want to remain active and work beyond what is/was considered a normal retirement age. It should be noted that at this point, this is merely an assertion and rather risky to presume since society is just now entering this phase and there is not sufficient evidence to support this as a trend. Organizations should not consider the idea that employees will continue to work even after reaching that "normal" retirement age as a means to ensure full-staffing.

In the public sector, the effect of an aging workforce is even more troubling. Over 46% of local government employees nationwide are 45 years of age and older, whereas in the private sector only 31% are 45 years of age and older. The age of 45 is not necessarily old by any stretch of the imagination but there are as many varied retirement systems as there are states in the union. In particular to some states, 45 is approaching retirement age—such as California, because of their retirement system. Within the public sector 30% of state government employees nationwide are eligible for retirement this year and by 2008, more than 50% of federal government employees will be eligible for retirement. Furthermore, in some public sector retirement systems there is a clear incentive for employees to retire, due to reaching a cap on retirement income and at some point if an employee stays working they are essentially earning just cents on the dollar.

The rate of unprecedented demands being placed on public-sector organizations along with the pending "brain drain" places these organizations at a critical juncture: the need for experienced and seasoned professional staff members has never been greater while the trend which shows these organizational members are the most likely to be departing the organization in the near future.

Many progressive organizations are pursuing comprehensive and systematic succession planning as a means to ensure their organization is capable of losing seasoned, knowledgeable employees without experiencing a disruption in service delivery. More than simply training employees, succession planning is both about developing talent both inside the organization and ways to recruit more qualified candidates to join the organization.

Most government organizations are chock-full of an assortment of plans—Budgets, Capital Improvements, Public Facilities, Information Technology, Public Safety, Utility Improvements, Thoroughfare, General/Land Use, and so forth. What's often missing is a clear strategy about the methods necessary to develop the employee's capabilities so that each of these plans is implemented on time and as intended. In other words, the most important ingredient required to ensure all the aforementioned plans are executed properly—the skills and knowledge of the employees charged with doing so—is often missing. Frequently so much attention is paid to resources that are more definable—such as equipment,

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finances, and geography—that what is overlooked is the focus on how the employees will need to grow and develop to make sure these plans hit their mark. Simply stated, where are these organizations' succession plans?

In an attempt to set the story straight about succession planning, what it is and what it is not and how it works and benefits those organizations that pursue it, the following ten Myths and Realities are presented.

Myth #1—In government, we can't do pre-selection of candidates and neither can we guarantee anyone a job or promotion.

Reality—A comprehensive and systematic succession planning program (SPM) is designed to be the most meritorious based selection system an organization could ever use. If utilized effectively an SPM is intended only to ensure that internal candidates can be competitive when promotional opportunities arise, and nothing more.

Myth #2—Our organization will simply re-hire those that employees that do retire so we don't have to be concerned with succession planning.

Reality—In the best of worlds, this is a short-term strategy that may serve as a "bridge" and buy time needed to begin developing internal employees for future opportunities. This type of strategy sends a powerful message to your internal employees that opportunities they thought might be available when long-term employees do retire will not be there. Translated this communicates to those employees affected that the organization is not that interested in their development. Second, and this is the risky part, employees that do retire and are re-hired can walk in any day and announce they indeed are retiring and do not intend to work at all, thereby leaving the organization scrambling to find their replacement.

Myth #3—Our organization is too small to put in place a systematic succession planning program. Besides, we're a relatively flat organization and don't have promotional opportunities that come along very often.

Reality—Small and large organizations should pursue succession planning. Small organizations have issues particular to their size such as few people in certain occupations and people wearing several hats so when one person departs they may very well take one, two or more actual jobs with them. On the other hand, large organizations typically have several employees filling similar occupations but their challenge is sheer volume: the number of employees departing will be extraordinarily high and might cause disruptions to normal service delivery while replacements are being sought.

Myth #4—Succession Planning is just some new marketing gimmick consultants have come up with to sell particular services.

Reality—Quite the contrary. The fact is public sector organizations have been doing succession planning for years, but many didn't know what its official name was. However, their method of succession planning, Simple Replacement Planning which is a process where possible internal replacements are identified, only works in organizations that are stable. For years in Police Departments for

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example, it was fairly predictable that when a Captain was promoted it was known who was in line from the Lieutenant ranks as his/her replacement, When the Lieutenant was promoted, it was known who from the Sergeant ranks will be in line for that position and this method functioned extremely well for years. The situation now is that many of those Captains, Lieutenants, Sergeants and Police Officers are all about the same age so that method of promotion cannot continue. And it's not just in Police this is happening, but Fire, Public Works, Public Utilities, Health & Human Services, Parks and Recreation, and so on down the line.

Much more than a gimmick, comprehensive and systematic succession planning provide organizations a clear and actionable strategy to target their investment of time and money on where it's needed the most.

Myth #5—We heard there's succession planning software so we'll buy our way of this issue by installing the latest cutting-edge technology software package.

Reality—Absolutely there is software available, but its primary purpose is to warehouse employee data on what positions they have held and similar database capabilities. Indeed, implementing SPM is not as simple as installing a new software package and waiting for it to manage the process. Similarly, succession planning does not have to be unreasonably burdensome. Most likely, it will be somewhere in the middle: an approach that's well-designed, repeatable and practically oriented.

Myth #6—We've always found the "cream rises to the top" to be our best method of employee development.

Reality—This "old school" approach should be discarded immediately as its premise is everyone in organizations is afforded the same opportunities to learn, grow and contribute. The fact is all too often an employee's ability to grow and learn is a function of who their supervisor is and how much time, effort and energy their supervisor chooses to invest in helping them along. Unfortunately, the practice of supervisors/managers deciding to help their employees grow and prosper is not universal and organizations suffer the consequence because some employees quit and leave while others quit and stay. In SPM, a large net is cast as part of an inclusive approach to employees with the tag line, "opportunities for growth are available so let's sit down and chat about what this organization needs and how your growth can help meet those needs."

SPM is most definitely not the tail wagging the proverbial dog, allowing employees personal discretion on what they ultimately choose to participate in, meanwhile the organization gains nothing for its efforts. Instead SPM is about a blending of employees' desires and interest with an organization's needs for improved service delivery—resulting in a give and take on both parties' parts.

Myth #7—Implementing succession planning is too expensive and/or is a massive undertaking.

Reality—To design and implement a comprehensive and results-based succession planning and management program is entirely affordable and can be accomplished if experienced and knowledgeable consulting services are obtained. Remember that when implementing a SPM, it should be a repeatable process that allows for a rather long shelf-life. Beyond obtaining external consulting assistance to help establish a SPM, it should not require annual investments in such services.

Myth #8—We'll simply deliver more employee training as our way of dealing with all retirements.

Reality—Ever wondered why training budgets are one of the first areas adversely impacted when budget dollars become scarce? It is a typical response by organizations to an activity (i.e. training) that rarely is evaluated for the type of impact it's having on employee performance. Evaluating the impact of training by adding up the number of hours employees spent in training is the equivalent of assessing the quality of an automobile by the size of its gas tank—what does one have to do with the other? Very little, actually.

Simply training more employees is not the solution to the mass exodus of talent. For too long, many public sector organizations have invested a large majority of their training budgets on technical or compliance training. Instead more dollars should be invested in training employees in the so-called "soft skill" areas. These "soft-skills" are what employers critically need to ensure the delivery of public services—the ability to exercise good judgment, manage resources and execute against goals and objectives.

Employee development must also be a component of an effective SPM. The following is a list of a range of employee-development type activities designed to help employees acquire perspective, exercise judgment, collaborate with others, and motivate team members; all areas not so easily accomplished in a training class.

Employee Development Strategies

Job Assignments	On-The-Job Coaching	Higher-Level Meeting
Training Sessions	Mentoring	Conference Leader or Instructor
Self-Study	Job Shadowing	Task Force Assignments

Myth #9—Succession Planning should be an initiative spearheaded by the Human Resource Director.

Reality—This myth is code for department heads not having to participate and instead, rely on the HR Director to handle the entire issue. For Succession Planning to reach the desired outcome, all members of the executive team must be involved. Instituting a robust SPM can be the equivalent of a culture change and as such, requires strong and visible leadership from the executive team to not only introduce the SPM, but to ensure it's success, as well.

Myth #10—We'll use some other agency's SPM and adopt it as ours.

Reality—While most, if not all, organizations will experience the trend of people departing in high numbers, and there are similar approaches of responding to it, there remains organizational-contextual issues which must be factored in. Simply transplanting another agency's SPM into your organization may be efficient and inexpensive, but with that it's risky, as well. For a SPM to truly be effective it must be customized to fit your organization's particular needs and that cannot be accomplished by lifting one from another agency and dropping it in your workplace.

In summary, designing and implementing a comprehensive and systematic Succession Planning and Management Process remains the most viable alternative to respond to the growing trend of employees retiring.

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