

SUCCESSION PLANNING: An Idea Whose Time Has Come

by Patrick Ibarra

A great many members of ICMA grew up playing music on vinyl, wearing bell-bottom jeans, and thinking car phones were a sign of affluence. They are, of course, the members of the baby boomer generation, which covers persons born between the years 1945 and 1964. Trends, fads, and styles all come and go, but one thing is certain: the upcoming “brain drain” of a large number of retiring employees in upper and middle management positions, mostly baby boomers, will be chilling.

About 80 percent of senior and middle managers in the federal government are eligible for retirement now. The percentage of those eligible for retirement in state and local governments is unknown, but it is expected to be alarmingly high. In fact, 46.3 percent of government workers are aged 45 or older. Compared with the private sector, where just 31.2 percent are 45 years old and older, this fact indicates that the government sector is at the forefront of this trend.

There are those presenters and authors who believe that the talent wars of the late 1990s, before the dot-bomb, are over and done with. Not so fast! By the year 2010, the United States will have 10 million more jobs than skilled workers to fill them. Along with the “brain drain,” this projection demonstrates the urgency with which local governments must begin to systematically replace talent, as a way of sustaining the performance of their organizations.

The most popular and effective approach is succession planning, which contributes to an organization’s continued survival and success by ensuring that replacements have been prepared to fill key vacancies on short notice, that individuals have been groomed to assume greater

responsibility, and that they have been prepared to increase their proficiency in their work.

Some observers bandy about the notion that the systematic, mass exodus of seasoned professionals will simply be a minor blip on the radar screen. They speculate that many of those employees who will retire will return as contract employees and that no disruption in service will be noticed. A risky assumption, and a clear message to your still-working employees that promotional opportunities will be limited.

Identifying and developing the best people for key leadership roles is basic to future organizational success. To ensure that success is indeed continued, organizational leaders:

- Need the excellent performance in their organizations preserved, if not enhanced.
- Need important leadership positions identified.
- Want to strengthen individual advancement.
- Want to have the right leaders prepared for the right positions at the needed time.

Today, succession planning requires more than just an organization chart that shows who holds what job within the local government. Best practice organizations use succession planning to develop and maintain strong leadership and to ensure that they address all the competencies required for today's and tomorrow's work environment.

Best practice examples include Henrico County, Virginia; Anaheim, California; and Phoenix, Arizona, the latter two having implemented an extensive strategy to develop the next generation of leaders and home-grown talent. In practice, these cases exemplify the principle that effective planning engages managers at all levels of the organization and is not just another HR-driven initiative.

YOUR ORGANIZATION

Effective organizations do not passively wait for the future; they create

Figure 1. Attrition Data and Retirement Projections: A Worksheet

Department	Total Number of Employees	Age 50-54	Age 55-59	Age 60+	Total 50-60+
Administration					
Clerk					
Community Services					
Finance					
Fire					
Human Resources					
Human Services					
Police					
Public Utilities					
Public Works Department					
Other					
Totals					

it by investing their time, thoughts, and planning to ensure the continuity of their talent, both their leaders and their front-line employees. An excellent first step toward the adoption of a succession planning process, and a method that will truly reveal your own organization's situation with respect to the aging of the workforce, is to collect data.

Use Figure 1 as an indicated worksheet on which to enter the number of employees in each of the categories listed. You may want to consider adding another column for the age group of 45-49, especially for police and fire personnel, since many of these employees may be eligible for retirement at 50 years of age.

Gathering and analyzing these types of data (a process often referred to as workforce analytics) will permit your jurisdiction to grasp the current situation and begin to recognize its significance. You may want to take the analysis one step further to a more "micro" level, by job classification, for example. These types of solid data can be used to convince others, like senior executives and policymakers, not only of the gravity of the situation but also, more important, of the fact that resources must be provided to address it.

Unfortunately, planning for succession is often overlooked or occurs

when it is too late, after key people have left the organization and no internal candidates remain to fill the leadership positions. If your organization executes succession planning correctly, it will have fully prepared front-line and management staff to step into positions left vacant because of retirement and general attrition.

It is imperative to recognize that the process of establishing systematic succession planning is the equivalent of making a long-term culture change. It can be a major shift in an organization whose decisionmakers have been accustomed to filling one vacancy at a time. Succession planning requires a commitment to a longer-term, strategic view of talent needs, and it features these benefits:

- Having identified leadership "bench strength" in place. This will help the jurisdiction meet both long-term and emergency leadership needs at all levels.
- Ensuring continuity of management.
- Growing your own leaders. This practice sends a positive message throughout your workforce. Promoting people from within is good for morale and essential to a positive organizational culture. People will want to join and stay with your organization because it develops its own people. And promoting

from within is consistent with an empowerment philosophy that encourages people to take on responsibility, assume risks, measure outcomes, and grow through their achievements.

- Clarifying a sense of each internal candidate's strengths and opportunities for improvement, as well as offering access to more and better data on that person's performance than you would have with outside candidates. In this way, you will be able to make more informed and accurate selection decisions.
- Helping to align human resources with the strategic directions of the organization.

HOW TO IMPLEMENT SUCCESSION PLANNING

The primary task of succession planning is to outline a sequence of personnel moves so that candidates for key positions are known in advance of actual need. Several factors are present in many city and county organizations that are barriers to effective succession planning, including:

- The assumption that your employees' retirement options are a don't-ask, don't-tell issue.
- The perception that predetermining the best candidate for a position resembles favoritism.
- The principle of seniority as the primary factor in promotions in both union and nonunion environments. An agency that uses time in grade (i.e., seniority) as its fundamental criterion for getting ahead is encouraging organizational hardening of the arteries.

Realizing that these factors might be embedded in your particular organization, you should assess each and establish a consensus in favor of minimizing its influence. One option to consider is revising policies or negotiating new terms in collective bargaining agreements for all newly hired employees after a particular date. While not generating short-term results, this approach will bring structural, long-term ben-

Figure 2. Succession Planning: A Project Plan



efits that unbind the hands of future leaders.

A comprehensive strategy for instituting succession planning involves a series of strategies and tactics that, together, make up an overall project plan. After completing the attrition data and retirement projection analysis intended to reveal your level of need for succession planning (as shown in Figure 1), your organization would do well to execute eight steps as part of this project plan (see Figure 2).

Involved in each of the eight steps are several sequential actions. Choosing only those actions that are the easiest to implement or most politically expedient, so-called cherrypicking, is discouraged, as it can lead to a fragmented process and less-than-optimum results.

Briefly described, here are the eight steps:

1. Assess future service needs. A strategic plan identifies current and future priorities that are the essence of building a succession plan. Frequently, organizations concentrate their short- and long-term planning processes on capital improvements, and occasionally on operations, without fully integrating the impacts on the development needs of

the employees responsible for delivering the services. A strategic plan, when adopted, is powerful, as it outlines how the organization will reach the measurable goals and objectives that support its mission and vision, both of which should be driving forces in the more traditional capital-improvements planning process.

2. Identify critical positions and high-potential employees. Critical positions are those that are essential for the organization, department, division, work unit, or team to achieve the necessary work results. A high-potential employee is someone who has the capability to advance to one of the following: 1) a critical position; 2) a higher level of responsibility; or 3) a higher level of technical proficiency. This identification step should be completed at the department level by senior management and by the executive management team for the entire organization.

3. Identify competencies. A subject that generates its own quota of concern and frustration is that of job descriptions and the continued effort to revise them so they reflect

Figure 3. Employee Development Strategies



today's workplace. As an alternative, a jurisdiction could slowly phase out job descriptions with their often-narrow sets of duties and tasks that in the wrong hands become shields, and instead move toward the use of competencies that cut across job classifications, departments, and even organizational boundaries. Examples of competencies include coaching, decisionmaking, initiating action, managing conflict, and tenacity. Competencies should be integrated into the organization's performance management system, into training and development, and into the compensation system. The point of identifying competencies as part of succession planning is to choose those abilities that are necessary for today's and tomorrow's workplace.

- 4. Do a complete gap analysis.** Conduct a gap analysis to determine the existence or extent of a gap in the competencies for each position.
- 5. Select training and development activities.** A variety of resources is available for individuals and groups to close the gaps and

build stronger competencies in employees (see Figure 3).

While training can be an effective solution, there tends to be an overreliance on it in many organizations, a belief that it's the unequivocal "silver bullet." Many areas in which employees need to improve their capabilities cannot be solved by a training workshop but can instead be enhanced through such means as on-the-job coaching, rotation of assignments, and task force assignments, to name a few. This step of the succession planning process provides for the selection and design of these development strategies.

Frank Benest, city manager of Palo Alto, California, along with the California League of Cities and ICMA, has undertaken an aggressive approach to developing the next round of local government professionals. Frank served as editor for the development of ICMA's *Preparing the Next Generation* resource guide, which discusses several effective strategies designed at building capabilities.

Beyond the employee development and training options available, a range of solutions should be considered during this stage of the

succession plan, including recruitment and selection, retention, and organizational interventions like process improvement, structure/possible reorganization, and measurement systems.

- 6. Conduct management training.** Managers should participate in training focused on augmenting the skills and expanding the knowledge necessary to develop the talent of their direct reports. They should fully engage in the agency's succession plan. As a contributor to succession planning, each manager must work in concert with others in the organization to do the following: identify key replacement needs and the high-potential people and critical positions to include in the succession plan; clarify present and future work activities and work results; compare present individual performance and future individual potential; and establish individual development plans (IDPs) to prepare replacements and develop high-potential employees.
- 7. Implement development strategies and tactics.** Managers ought to determine when strategies should be implemented, but before they begin implementation, they should communicate the plan to all employees. Use the intranet, payroll staffers, large group/town hall meetings, and labor/management committees as means to communicate the varied aspects of the succession plan and its accompanying benefits. Be sure to obtain feedback from employees to determine how well the communication plan is working.
- 8. Monitor and evaluate.** Once local government managers have implemented their succession plans, they should monitor progress, evaluate the implementation, and revise their plans as needed. Review progress at predetermined times and include components like the program schedule and interim results.

Figure 4. Essential Components of Succession Plans

Component	What Is It?	What Purpose Does It Serve?
Replacement chart	An organization chart that depicts internal successors for each critical position in the organization.	Shows possible internal successors for each critical position, describes how ready they are to replace the key job incumbent, and predicts how long it will likely take to prepare each successor for advancement.
Critical-position profile	Similar to a job description, a critical-position profile is a list typically written on a single page.	Lists key responsibilities, duties, and activities for each critical position in the organization.
High-potential profile	Similar to a resume, a high-potential profile is usually written on a single page and lists important biographical information about the key job incumbent and any individuals identified on replacement charts as a possible successor.	Lists an individual's education, work experience, performance rating, career goals (when possible), and other important work-related information that has a bearing on advancement potential and/or present performance.
Employee performance appraisal	Rates the individual's performance on their present job. (Advancement usually depends on an employee's performing at least competently on their present job.)	Assesses an individual's present work performance.
Individual potential assessment	Rates the individual's potential for advancement, either to one critically important position or to higher levels of responsibility or technical proficiency.	Assesses an individual's potential for advancement or for exercising increased technical proficiency in their current position.
Individual development plans (IDPs)	A plan to narrow the developmental gap between what the individual currently knows or does on their current job and what they need to know or do to advance to a future, critically important position or to a higher level of responsibility.	Although individuals are sometimes promoted on the strength of their performance on a previous job, an IDP assumes that higher-level positions demand special preparation. An IDP, though usually updated annually, is typically long-term (covering several years) and may include various training and work assignment requirements to help an individual qualify for a succession, achieve a higher level of responsibility, or exercise increased technical proficiency.

A CASE STUDY

Recently, a local government that was experiencing unprecedented growth also recognized the pending “brain drain” that would place the organization at a critical juncture. Its need for seasoned professional staff members had never been greater yet the trend showed that these organizational members were the ones most likely to be leaving in the near future. The locality’s past efforts at succession planning had been inconsistent, and it was

interested in adopting a prescribed methodology.

No one involved presumed that the need for succession planning was realized equally by each member of the senior management team. Therefore, it was decided that two off-site meetings of the senior managers would be the forum at which to introduce the concept of succession planning and to adopt its implementation.

To address possible reservations by key decisionmakers about the per-

ceived need for this kind of planning, a segment of the first off-site meeting contained exercises to reveal data on pertinent trends, to draw out the different perspectives held by managers, and to discuss them constructively and candidly. Some of these exercises were:

- “What-if” scenario planning, with ministudies designed to illustrate the need for succession planning within each department.
- A brief questionnaire about succes-

sion planning efforts within the organization.

- Review and discussion of the benefits of systematic succession planning and of the components necessary to implement it.
- Identification and discussion of the forces driving and barriers preventing the undertaking of succession planning.
- Decision making among group members to choose which barriers to succession planning should be resolved.

The outcome of this first meeting was a strong consensus about the urgent need to start succession planning.

Building on the work of the first meeting, the purpose of the second meeting was to draft a succession planning program and to assemble an oversight task force to monitor its implementation. The work completed at this second meeting resulted in:

- A draft succession planning program, including steps, milestones, and responsible parties.
- Securing of management commit-

ment. Succession planning will be effective only when it enjoys support from its stakeholders, and obtaining and building management commitment to such planning is essential before a systematic program can work.

- Assembly of an oversight task force composed of a cross-section of employees and positions. This body is responsible for monitoring the implementation of the succession plan and ensuring that succession planning maintains its proper visibility within the organization. The task force also demonstrates to the city or county organization that succession planning is not strictly an initiative of the human resources department.

The outcome was a robust and well-crafted succession plan, fully supported by executives.

KEY POINTS TO REMEMBER

Several critical elements required for effective succession planning in your organization are:

- A commitment by the city or

county manager and senior managers, and alignment with organizational strategy.

- Full use of the eight-step approach (as illustrated in Figure 2).
- Competency models that serve as a blueprint for high-performers now and in future.
- A functioning performance management system that measures individuals against the competency models.
- Assessment methods that measure how well prepared an individual is to assume additional, or specialized, responsibility.
- An individual development planning process that helps to narrow 1) the present gap between current competencies and current performance, and 2) the future gap between future competencies needed and potential.
- Employee development and training strategies that are aligned with building the competencies necessary to achieve organizational results.
- A measurement method that assesses how well the overall succession program is functioning over time.

To determine the current state of your organization's succession planning efforts, visit www.gettingbetterallthetime.com, and download *Succession Planning: Where Are We?*—a free, 20-question self-assessment tool. **PM**

SELECTED READINGS

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PM Ideas In Action

Mobile Medical Unit

The town of Farmville, Virginia (7,000), set up a mobile medical tactical unit that can respond to hazardous-materials spills and bioterrorist attacks, as well as major emergencies. The unit is staffed by trained emergency-management team volunteers who are on call 24 hours a day, as well as a volunteer physician. When hazardous materials are involved in an event, the team can begin overseeing officer and civilian safety within minutes while the hazmat team mobilizes, which can take up to two-and-a-half hours.

The unit has all the equipment needed to identify potentially hazardous materials and to carry on decontamination procedures until the hazmat unit is ready to take over. The unit can also provide emergency medical attention, including minor surgery. The vehicle for the mobile medical tactical unit is a donated ambulance with \$100,000 worth of equipment, some of it donated and some provided by the town.

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