

# SUCCESSION PLANNING AND MANAGEMENT GUIDE

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HR POLICY AND PLANNING DIVISION  
HUMAN RESOURCE BRANCH

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## Introduction

*The concept of succession planning is driven by two complementary elements that are available to the Core Public Service (CPS).*

First is the established design of the organization, which functionalizes broad Government commitments to the Newfoundland and Labrador (NL) public into discrete, highly specialized jobs. There are literally thousands of unique jobs within the CPS, each with a set of roles and responsibilities that must be fulfilled. Many of these positions are specific to the public service and, thus, skill sets may not be readily available in the labour market.

Second, of course, are the people who assume these roles and responsibilities. Given the scope of work that occurs within the CPS, employees are often highly specialized in their jobs. Focusing on a rather small set of duties, out of the thousands that exist within the organization, allows employees to become an expert in their particular field of practice. In turn, this expertise allows the CPS to operate efficiently and effectively. However, for a number of different reasons, employees may move from one job to another over relatively short periods of time. Keeping a job filled with a qualified person can sometimes be challenging but is necessary to ensure business continuity.

Business continuity refers to the organization's ability to ensure that qualified employees are always available and in place to carry out its plethora of job functions. Developing the potential for business continuity is emerging as a priority in the CPS. As part of a broader human resource (HR) planning framework, succession planning is just one strategy that can help or support the organization to address HR issues related to:

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-  The ageing workforce

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  -  Increasing retirement eligibility in the CPS

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  -  Competitive labour markets

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  -  Negative net migration and shrinking population

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  -  Potential skill shortages

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  -  Internal competency gaps

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  -  Immigration and employment equity
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As the CPS prepares for these emerging issues, succession planning and management is becoming an important corporate and departmental responsibility. The following guidelines are intended to provide a general method to help departments develop and implement their own succession planning process.

## What is Succession Planning?

Essentially, succession planning is a conscious decision by an organization to foster and promote the continual development of employees, and ensure that key positions maintain some measure of stability, thus enabling an organization to achieve business objectives.

Traditionally, succession planning has sometimes taken a replacement approach, often focusing on executive-level positions. One or two successors might be identified and selected, probably based on the exclusive input of their immediate supervisor, and then placed on the fast-track into a senior position. However, succession planning has evolved into a process that can be used to:

1. Replenish an organization's HR at a broad or specific level;
2. Identify, assess and develop employee knowledge, skills and abilities to meet the current and future staffing needs of the organization; and
3. Ensure a continuous supply of talent by helping employees develop their potential, as successors for key departmental positions.

Some of the current practices in succession planning include the following:

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 Knowing what jobs at various levels, if removed, would cause a significant loss to the organization, and which of these jobs represent the greatest retention risk.

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 Knowing which employees are both interested in, and demonstrate short- and/or long-term potential for, succession into key positions.

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 Significant investment to ensure that employees have appropriate and structured learning, development and training opportunities to fulfill their potential.

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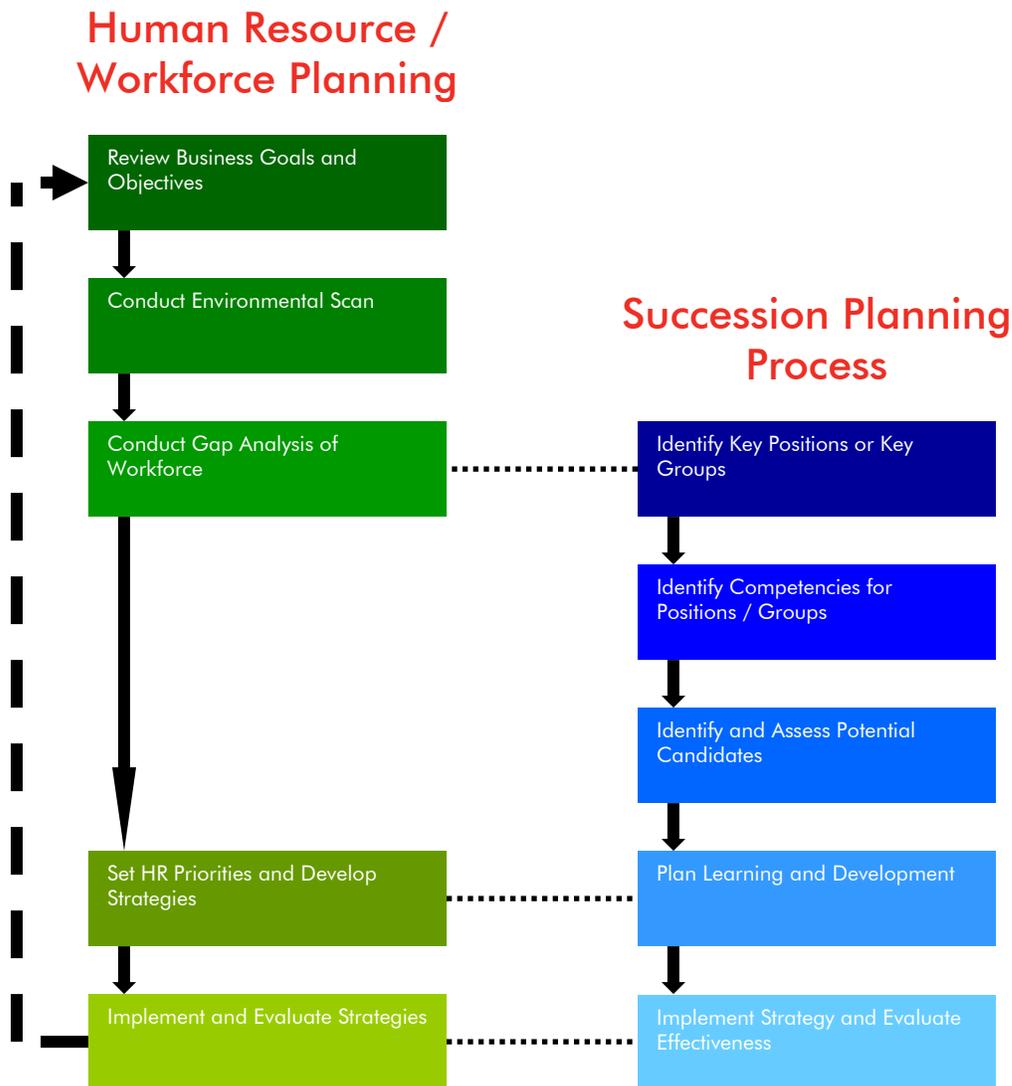
 Aligning succession planning with current and anticipated business goals and objectives.

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Succession management is principally about knowing the needs of the organization and its employees and developing the capacity to address emerging issues that can or will affect business continuity.

# Succession Planning Supports Workforce Planning

*Contemporary succession planning should not be done in isolation of the broader HR / workforce planning process. Specifically, a gap analysis might identify succession planning as one of several priority strategies for the organization.*



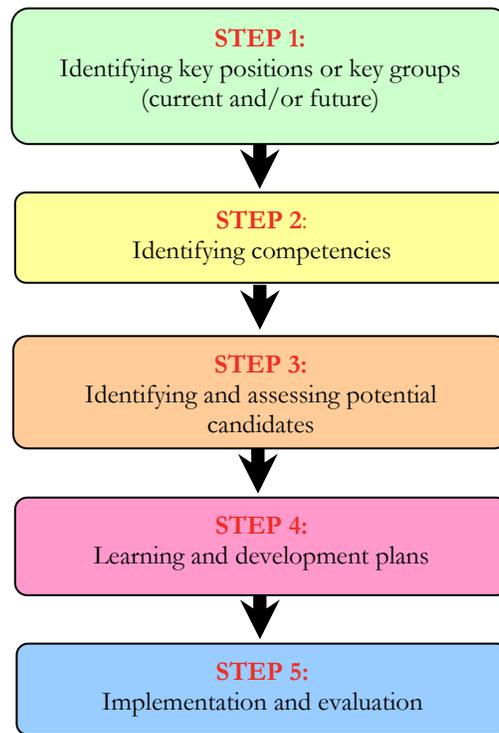
## Important Considerations for Succession Planning

As part of the broader workforce planning process, there are several considerations that should preface any succession planning initiative. Some preliminary questions to consider include the following:

- ❖ What is the business case for succession planning in the organization?
- ❖ Is planning based on short- and long-term goals and objectives?
- ❖ Have the key stakeholders and decision-makers been consulted?
- ❖ How involved are the leaders?
- ❖ Is succession planning linked with workforce planning?
- ❖ Can succession planning be linked with other HR strategies?
- ❖ Is there accountability at the departmental level?
- ❖ Are HR professionals and departmental planners involved with the planning process?
- ❖ What are the roles and responsibilities of stakeholders?
- ❖ Is the process, and its expected outcomes, clearly understood by everyone involved?
- ❖ What decisions should be made at the departmental and corporate levels?
- ❖ How will the process demonstrate value for transparency, fairness and accessibility?
- ❖ How will the department ensure that all employees are provided the same opportunities and are treated without significant bias?
- ❖ Is there a plan or strategy to manage employee expectations?
- ❖ Do employees understand that they are not guaranteed a promotion?
- ❖ What resources are required to plan effectively and efficiently?
- ❖ How will succession plans be evaluated?
- ❖ How will evaluation results affect decision-making?
- ❖ Do employees understand they are responsible for managing their own career path(s)?
- ❖ Is the department capable of supporting necessary learning and development?
- ❖ Is the work environment supportive of succession planning?
- ❖ How will the collection, retention, use, and protection of personal information be compliant with the *Access to Information and Protection of Privacy Act*?

## Succession Planning Process

It is important to acknowledge that succession planning will vary slightly between organizations. Different resources, different organizational designs and different attitudes all mean that succession planning should be flexible and adaptable in order to accommodate varying needs and achieve business continuity. However, there is a general framework that departments can use as the basis and guide for their succession planning activities. This framework involves:





## Step 1 – Identifying Key Positions or Key Groups

A key position or occupational group can be defined in many different ways, but two important criteria that should be considered are *criticality* and *retention risk*. A critical position is one that, if it were vacant, would have a significant impact on the organization's ability to conduct normal business. The significance of the impact could be considered in terms of safety, operation of equipment, financial operation, efficiency, public opinion, and so on. Retention risk refers to positions where the departure of an employee is expected (e.g. retirement) or likely (e.g. history of turnover). By examining these criteria on a low-to-high scale, an organization can determine what positions require short- or long-term planning.

A gap analysis, as a part of workforce planning, can also be an invaluable tool to identify key areas or occupational groups. Information that may help identify key positions can include:

 Current and future strategic goals and objectives
 Retirement forecasts
 Turnover rates
 Current and expected vacancies
 Changes to existing programs and services
 Highly specialized function

In addition to the analysis of criticality, retention risk, and other workforce data, it might be beneficial to consider the following types of questions:

- ❖ What jobs, if vacant, have the potential to prevent the organization from achieving goals and objectives?
- ❖ What jobs have a direct impact on the public?
- ❖ What jobs would be difficult to fill because of required expertise or because the exiting incumbent possesses a wealth of unique and/or corporate knowledge?
- ❖ Is there a projected labour market shortage for relevant job skills?
- ❖ Is there a need to plan for anticipated positions that do not currently exist?



## Step 2 – Identifying Competencies

All positions have a requisite set of knowledge, skills and abilities that are expected of employees who are filling that function. Thus, knowing the competencies of a job is a mandatory component of recruitment, serving as a general baseline to measure against interested potential candidates. However, succession planning provides an opportunity to review the competencies traditionally associated with jobs, particularly with respect to current goals and objectives. Several ways to determine and develop required competencies include:

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-  Reviewing job descriptions, advertisements, and relevant merit criteria

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  -  Interviewing current and former job incumbents

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  -  Interviewing supervisors, clients, and other stakeholders

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  -  Conducting focus groups or surveys

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  -  Reviewing any existing development programs (i.e. leadership competencies)

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  -  Reviewing organizational values
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Although job descriptions offer a good starting point for the identification of competencies, it is important to consider some of the other sources of information listed above.

Current incumbents, for example, would have a good understanding of which competencies are the most important to their job. Interviewing these people may reveal knowledge, skills and abilities that are necessary for the job, but are not currently identified in the job description. Given the practical scope of any job, valid identification of competencies is necessary for:

- ❖ Establishing minimum requirements for job success;
- ❖ Creating a baseline for assessing interested potential candidates; and
- ❖ Identifying appropriate learning and development opportunities.

Some questions to consider might include:

- ❖ What are the specific functional competencies that apply to a key job or group?
- ❖ What competencies apply to all employees and groups? Are these competencies aligned with the organization's vision, mission and values?



## Step 3 – Identifying and Assessing Potential Candidates

The key purpose of identifying and assessing employees against core job competencies is to help focus their learning and development opportunities in order to prepare them for future roles in the organization. Traditional approaches to succession planning have the potential to result in a one-sided selection process – the organization identifies a key position, and then executives select a high-potential individual for preparation or training. Given the potential sensitivity around the decision-making process in these situations, an employee might be advised about their prospective opportunity for advancement in private. This process is not transparent and can negatively impact the morale of other employees (including the person chosen for succession) and their relationship with the organization.

Modern approaches to succession planning suggest that transparency and accountability are the best practices for an organization. Recruitment in the public service is based on merit, fairness and respect, and these concepts are maintained and supported by the succession planning process. To demonstrate these values, succession planning must be:

- ❖ Objective and independent of personal bias;
- ❖ Merit-based;
- ❖ Communicated to and understood by all employees; and
- ❖ Transparent at all stages of the process.

Under these circumstances, self-identification is a useful starting point to see which employees are interested in leadership roles, career advancement or lateral moves that might not be easily attained without focused training or other learning and development opportunities. Several ways to solicit for self-identification include:

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-  Circulating an expression of interest
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-  Employees discussing career goals and objectives with their supervisor
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-  Developing an inventory of employee skills/competencies and careers interests
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There are a number of other supporting methods to identify potential candidates once a pool of interested candidates has been established. Some of these methods can include:

 Written exams
 Candidate interviews
 Review of résumés/CVs
 Simulated work exercises
 Performance reviews
 Reference checks
 Talent review meetings

This step of the succession planning process is closely related to regular recruitment practices, but succession planning goes one step further by helping interested candidates develop the requisite skills prior to the formal recruitment process that begins once a position becomes vacant. Public service organizations should consider consulting with the Public Service Commission to ensure that the steps used for identifying potential candidates support decisions that are based on merit, fairness and respect.

Some critical questions that may help departments prepare for this step include:

- ❖ Has there been one-on-one discussion with employees regarding their career goals and interests?
- ❖ Have all employees been made aware of available succession opportunities?
- ❖ Do employees understand the purpose and process of succession planning? Specifically, do they understand that they are not guaranteed a promotion as a result of this process?
- ❖ Do employees who were not considered for a current opportunity understand that they can be considered in the future with further development of their knowledge, skills, and abilities?
- ❖ How will the organization communicate the outcome of a succession-based appointment?
- ❖ Have alternative career paths (i.e., relevant lateral moves) been identified for employees who were not considered for a current opportunity?
- ❖ Will the organization use multiple sources of information when assessing a candidate?
- ❖ How will the organization develop an inventory of employee skills and interests?
- ❖ Are an appropriate number of candidates being developed for a key job?
- ❖ How will the candidate pool demonstrate the organization's value for employment equity and diversity?



## Step 4 – Learning and Development Plans

Once the relevant candidates have been identified, based on their interest and potential for success in a key position, the organization must ensure that these employees have access to focused learning and development opportunities.

Some key points to remember when developing learning and development plans are:

- ❖ Plans should focus on decreasing or removing the gap between expected competencies and the current knowledge, skills and abilities of candidates.
- ❖ Manage expectations – modern succession planning is based on learning and development to fulfill employee potential, rather than merely filling a vacancy.
- ❖ There are a wide range of learning and development opportunities to consider, which can include:
  - Job assignments that develop and/or improve a candidate’s competencies;
  - Job rotations; and
  - Formal training.
- ❖ Ensure appropriate strategies are in place to support the transfer of corporate knowledge to candidates for key jobs, which can include:
  - Mentoring, coaching or job-shadowing;
  - Documenting critical knowledge;
  - Exit interviews; and
  - Establishing communities of practice.



## Step 5 – Implementation and Evaluation

Evaluating succession planning efforts will help to ensure the effectiveness of the process by providing information regarding:

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- 📖 How the process operates – the relationship between inputs, activities, outputs, and outcomes

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  - 📖 Impact of the process relative to stated goals and objectives

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  - 📖 Functional strengths and weaknesses

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  - 📖 Potential gaps in planning and assumptions

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  - 📖 Cost-effectiveness and cost-benefit

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Planning to collect and assess these types of information will ensure that the organization monitors its succession planning activities, appropriately measures success, and adjusts the process accordingly given sufficient evidence. Some evaluative questions for departments to consider might include:

- ❖ Have all key jobs been identified and do they have succession plans?
- ❖ What is the impact of succession plans on business continuity in key positions?
- ❖ Are successful candidates performing well in their new roles?
- ❖ What is the impact of learning and development efforts? Are employees ready to compete for a vacant key position?
- ❖ Is the candidate pool diverse and reflective of employment equity values?
- ❖ What are the areas for improvement in the succession planning process?

Once a succession plan has been established, monitoring its efficiency and effectiveness will be essential. Thus, each succession plan should be developed within an evaluation framework in order to measure progress and success, as well as provide any evidence to support changes to the succession planning process.

## NOTES

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