

CREATING A SUSTAINABLE SUCCESSION PLANNING SYSTEM

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Having a trained and experienced workforce, including managers and supervisors, is proving to be a very critical piece to building a successful organization in the 21st century. Changing demographics necessitate the creation of a sound leadership development and succession planning process. At this point in the 21st century, these two elements are of paramount importance for the success, even survival, of most organizations.

Statistics abound regarding the impact that aging Baby-Boomers are starting to have on the workforce. For example, *American City & County* magazine recently cited a study that identified the average age of public works directors to be 50. Another study projected the expected range of water and wastewater retirees in the next 5-10 years to be from 25% to 35% of the workforce.

Departures are just the beginning. Gallup Corporation's research suggests that "companies fail to choose the candidate with the right talent for the job 82% of the time." Marcel Schwantes, in an article in *Inc. Magazine*, states that "When companies get the (hiring) decisions wrong, nothing fixes it." This emphasizes the importance of a well-designed succession program.

Over the last 20 years, TAP Resource has worked with many managers in a number of public works, utility, and other local government organizations. We have provided leadership development and coaching services to over 250 managers at all levels of the organization. It has become clear that sustain-

ability is not always easy with today's changing workforce. We have found time and time again that this means having a sound succession process in place and an effective performance management system to ensure implementation.

Comprehensive succession planning involves aligning leadership with the organization for which the leader is responsible. **Leadership and management positions need to be filled based on talent, fit with the needs of the position and with how the organization provides for the needs of its customers.** For that reason, we recommend a six step process for effective succession planning that involves the entire organization:

- Understand the organization.
- Analyze risk with a focus on mission critical positions.
- Develop competency models for the affected positions.
- Create an integrated and individualized leadership and supervisory development program.
- Identify and remove barriers to succession planning.
- Implement a management system to ensure success of the succession planning process.

Understand the Organization

The successful creation of an effective succession plan is dependent on having a firm understanding of the organization and its purpose, culture and degree of alignment. For this reason, an organizational assessment is critical to successful succession planning. This type of assessment includes an in-depth understanding of how the organization provides value to its customers (is there a strategic plan?), the organization's culture (how do things get done or implemented?), and does leadership support the cul-

ture, processes, and strategic plan of the organization?

The type of analysis will accomplish the following:

- Involve the entire organization in understanding the organization and its current situation.
- Enable the leadership team to get below symptoms and identify core issues.
- Identify strengths and barriers to successful implementation of the succession planning process.
- Encourage clarity of strategic focus throughout the organization.

Through the assessment process, the leadership team will gain an understanding of the organization's focus, culture, leadership, the alignment of culture and leadership with purpose, and the level of integration among elements of culture and leadership.

Risk Analysis and Needs Identification

The risk and needs analysis builds on the organization assessment to make sure that the jobs that are critical to how the organization provides value to its customers, bringing the right skills and behaviors to meet the organization's needs. The succession plan should address:

- Areas where critical skills and knowledge are concentrated. Are there areas where there are a limited number of employees filling a position? If so, a Knowledge Management Plan should be implemented with a strong focus on critical positions.
- Risk of retirement. The plan should identify the number of employees in each demographic range for each position or at least each critical position. It should also identify which current employees are eligible to retire now or planning to retire in the next 1 to 5 years.
- Risk of attrition. With the high demand for trained and experienced utility employees; are there current employees that are at risk of leaving the organization? Are any of these positions critical to the organization's mission?
- Availability of candidates. Are candidates available now, internal and/or external to replace

someone that leaves?

Keep in mind the future needs of the organization throughout the risk and needs analysis. What new or different skills will be needed to meet future service needs and expectations?

Develop Competency Models

Effective succession planning requires a clear understanding of the behaviors or competencies required for leadership and management in the various positions within the organization. This is how we get the leaders and managers that will bring talent to the position and fit with the needs of the organization's purpose. This comprehensive competency model is a listing of the competencies needed for each leadership position and serves as a guide to connect the position with the organization's strategy and purpose. It also provides leaders and managers with direction and focus for their development efforts. And it allows the organization to assess and develop its leadership talent using a specific set of development tools. The process of competency modeling involves:

- Gaining a thorough understanding of each position and the competencies required to successfully accomplish its purpose or job description. We recommend describing the position using desired ranges within a set of 22 specific attributes or behaviors.
- Creating a team of knowledgeable staff to review and finalize the model. We recommend a process called Strategic Direction Setting that takes a focus group approach to survey results.
- The result is a list of primary and secondary attributes for the position. It's important to keep the list of leadership attributes for each position as short as possible, including only the sets that would be the key behavioral components of the position.

Leadership/Supervisory Development

The development of leadership and management within the organization needs to begin at the lowest levels of the organization and with every new em-

ployee. Supervisory training should be required of employees, team and crew leaders, and supervisors at all levels. A primary goal of supervisory training should be to assist employees in understanding the difference between being an employee and being a supervisor. There is a significant difference in role and responsibility between being an employee in the organization and being a supervisor. A comprehensive supervisory training program should be developed for the specific organization.

Due to the very nature of leadership, effective development is an individualized training process that consists of the following activities:

- **Leader Assessment.** TAP Resource uses an assessment system that provides comprehensive information to individual managers about their leadership attributes. It is a non-judgmental assessment process involving individual managers, peers, direct reports, and supervisors. By combining this information with the culture and strategy data already obtained from the Organizational Assessment, we establish the foundation for the creation of individualized leadership development plans.
- **Creation of Individual Leadership Development Plans.** Each leader participating in the leadership development planning process designs a preliminary plan for his or her individual development. The plan should include specific goals along with metrics tied to goal accomplishment. Plan development should be accomplished by the leader and his/her supervisor. Plans should also be integrated within the development needs of the particular workgroups.

Succession Planning and Implementation Consultation

Identify and create a plan to ensure that critical positions can be filled with the right people for the job and they are prepared and available when needed. While the planning process should be led by the organization's leadership team; it should include a cross-section of the organization. The goal is to create a process for identifying candidates for leadership and management positions, particularly those

identified as critical, based on skill alignment with the needs of the position.

As our experience in working with utility, public works and local government clients has demonstrated, the development of a sound leadership development and succession planning program is the foundation that an organization needs in order to build their "bridge to the future" and in fact, taking this approach is quite possibly organizational management's best tool in ensuring long-term measurable success for the organization, its customers, and its employees.

Implement a Management Process

A successful succession planning process must be a living document; not one that is created and then sets on a shelf in someone's office. Activities within the plan should have specific, measurable timeframes and be monitored on a periodic basis. The overall plan should be updated at least every couple of years. An effective way to accomplish this is to include succession planning within an overall Organizational Performance Management System of measurable goal setting and planned follow-up.

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