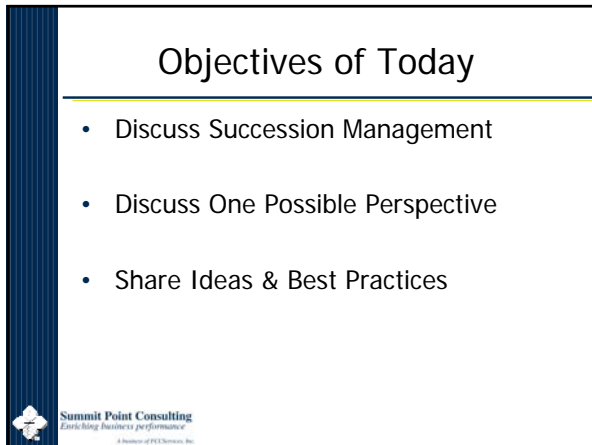


Succession Management
North Dakota Human Resources Conference

October 1, 2009

Jay Lux
Director, Organizational Effectiveness
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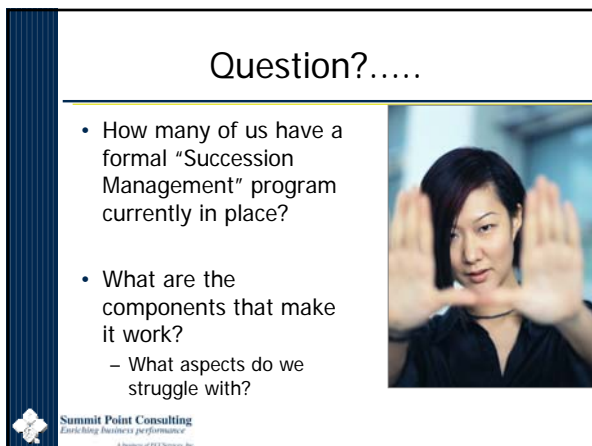
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Objectives of Today


- Discuss Succession Management
- Discuss One Possible Perspective
- Share Ideas & Best Practices

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Question?.....

- How many of us have a formal "Succession Management" program currently in place?
- What are the components that make it work?
 - What aspects do we struggle with?

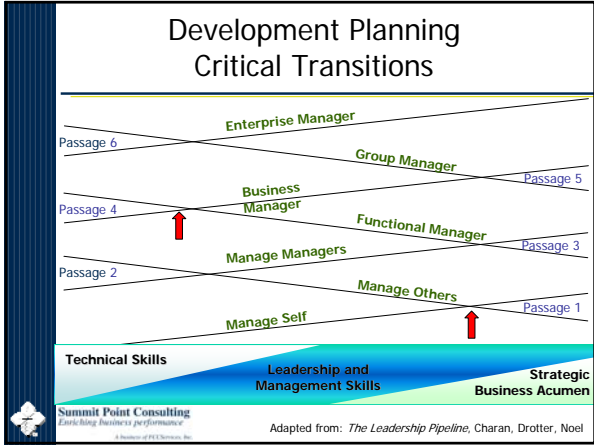


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One possible approach...

1. Define succession management for your organization
2. Set clear objectives specific to **your needs**
3. Clarify & agree on a process
 1. Identify **where** to start - Sr. Management, Mid-mgt., etc.
 2. **Who** will be involved in the discussions
 3. **How** you will educate & inform on the process
4. Execute the process
 1. Defining "talent" (competencies?)
 2. "Talent Reviews"
 3. Developing or selecting talent
5. Follow up & measurement

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Succession Management...a definition

Succession Management is a structured effort by an organization to ensure continuity in key resources. It strives to retain and develop intellectual capital and knowledge for the future through:

- Achieving long-term business results
- Grow internal capacity – skills, leadership
- Identifying needs to select externally
- Identifying positions and/or employees at risk
- Maximizing diversity
- Encouraging individual development

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Set Clear Objectives for *Your* Organizational Needs

Clarify Senior Leadership agreement on the needs of the organization:

- What are your purposes of succession planning?
 - Replacements/Contingency Planning
 - Talent Gap
 - Develop our people
 - Growth, performance of the organization
 - Strategic changes
 - Etc....
- **Measurable** objectives of Succession Management
 - “Success looks like _____.”
 - “X% of our roles will be filled via promotion.”



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“What are *our* organizational objectives for Succession Management?”

Sample Objectives:

- Prevent gaps in leadership by impending retirements
- Build the critical skills that drive performance
- Foster development with each employee, increasing engagement and performance
- Differentiate our team as an employer of choice for top talent within and outside of our company
- Identify individuals to assume key positions in the organization
- Strategies & skills in our market are changing
- We're not performing as well as possible and need to change some skills in order to do so



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The Process

1. Key leaders are involved, purposed defined & objectives agreed-upon
2. Define key competencies or skills – the “Target”
 - a) Determine how will you **measure** competencies
3. Talent Review Session:
 - a) A **facilitated discussion** where everyone is expected to contribute educated opinions
 - b) Education on the process has been done in advance
 - c) Leaders have done their homework & are prepared
 - d) “Now that we know how we have evaluated performance & potential, **what are we actually doing for them?**”
4. Identify gaps internally; where you must recruit externally
5. Action Plans (Personal Development Plans) are built
6. Successive TRS’ begin with reviewing Action Plans & holding one another accountable for Action Items



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Sample Competencies

- Strategic Thinking
- Communication
- Problem Solving
- Execution
- Innovation
- Organizational Savvy
- Leading & Developing Others
- Collaboration
- Attention to Detail



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Talent Worksheet

Name	Competency	Rating (circle one)	Rank Order 1 - 8	Talent Review Rating	Performance Strengths	Developmental Needs	Developmental Activities
Name	Communication	1 2 3 4 5					
Title	Strategic Thinking	1 2 3 4 5					
Team	Problem Solving	1 2 3 4 5					
	Innovation	1 2 3 4 5					
	Organizational Savvy	1 2 3 4 5					
	Leading & Develop Others	1 2 3 4 5					
	Collaboration	1 2 3 4 5					
	Attention to Detail	1 2 3 4 5					

Talent Review Definitions

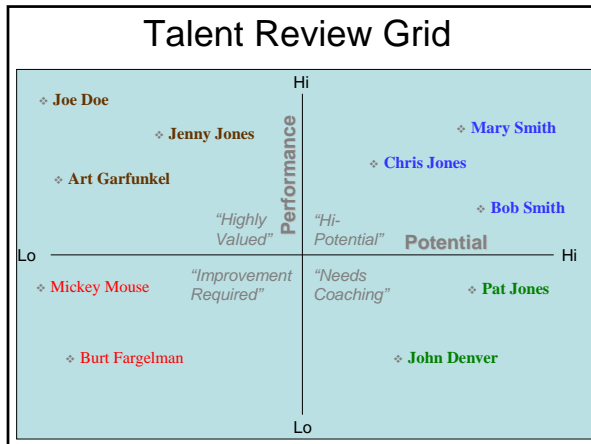
Highly Valued –
Performance in their current role is strong, but do not see them as moving to SMT level

Improvement Required –
Both low performance and not seen as having the ability to move beyond current role. Will need to make improvements in performance in order to maintain current level in the organization

Highly Promotable –
High performance & high potential. Strong performance & seen as being promotable to SMT level

Needs Coaching –
Potential is high and the individual is seen as having the ability to move beyond current role. However, for any number of reasons (new to role, new to organization, etc), performance in their current role needs time and/or cultivation. But, they are clearly seen as having the ability to move up in the organization





Key points on the *Process*

- Use SM as a part of business planning process
- Logistics/details
 - Levels, positions, persons included, how often?
 - How do we assessment performance & potential?
 - How is succession linked to other systems?
 - How will it be communicated to the organization & to individuals?
- Cultural implications
 - How to train & prepare managers to participate?
 - How good are we at assessing talent? Do we agree?
 - What resources are we willing to commit?
- "Who *owns* the process?"
- "How will we measure our success?"

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Follow up & Measurement

- Are we meeting the objectives we outlined?
 - If not, why? What specific actions do we need to take to get back on course?
- Do we need to reevaluate any of our initially set objectives?

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Hi-Potentials....

- What are we doing to maximize engagement of our Hi-Pos?
- How are we maximizing their knowledge & skills?
- Do we have any retention risks?



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Questions, ideas, follow up....



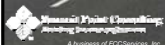
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Anticipating What's Around the Bend

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