

SUCCESSION PLANNING

Manitoba Municipal Administrators Association

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AGENDA

- Succession planning and why is it necessary
- Issues to consider in the process
- Benefits of succession planning
- The succession planning process

SUCCESSION PLANNING AND WHY IT IS NECESSARY

SUCCESSION PLANNING

Succession planning helps in projecting future changes by anticipating key vacancies and then providing a model for dealing with them.

SUCCESSION PLANNING

Succession planning is a systematic process where managers identify, assess and develop their staff to make sure they are ready to assume key roles within the organization.

SUCCESSION PLANNING

Many organizations don't find the time to start the succession planning process until it's too late.

Most organizations face the consequence of not addressing succession planning proactively, in a time of crisis.

SUCCESSION PLANNING

Not being prepared to replace key personnel, can have a major impact on an organization's ability to achieve its goals and strategic initiatives.

SUCCESSION PLANNING

Key employees eventually cease to fulfill their roles. This may be a result of an internal promotion, a voluntary departure from the organization, a serious illness or a retirement.

SUCCESSION PLANNING

Establishing leaders creates a motivated and capable group of employees that are ready to advance within the organization when the need arises.

SUCCESSION PLANNING

Identified individuals should be exposed to as much of the working environment as possible so that they gain a good understanding of what the organization requires to remain successful.

SUCCESSION PLANNING

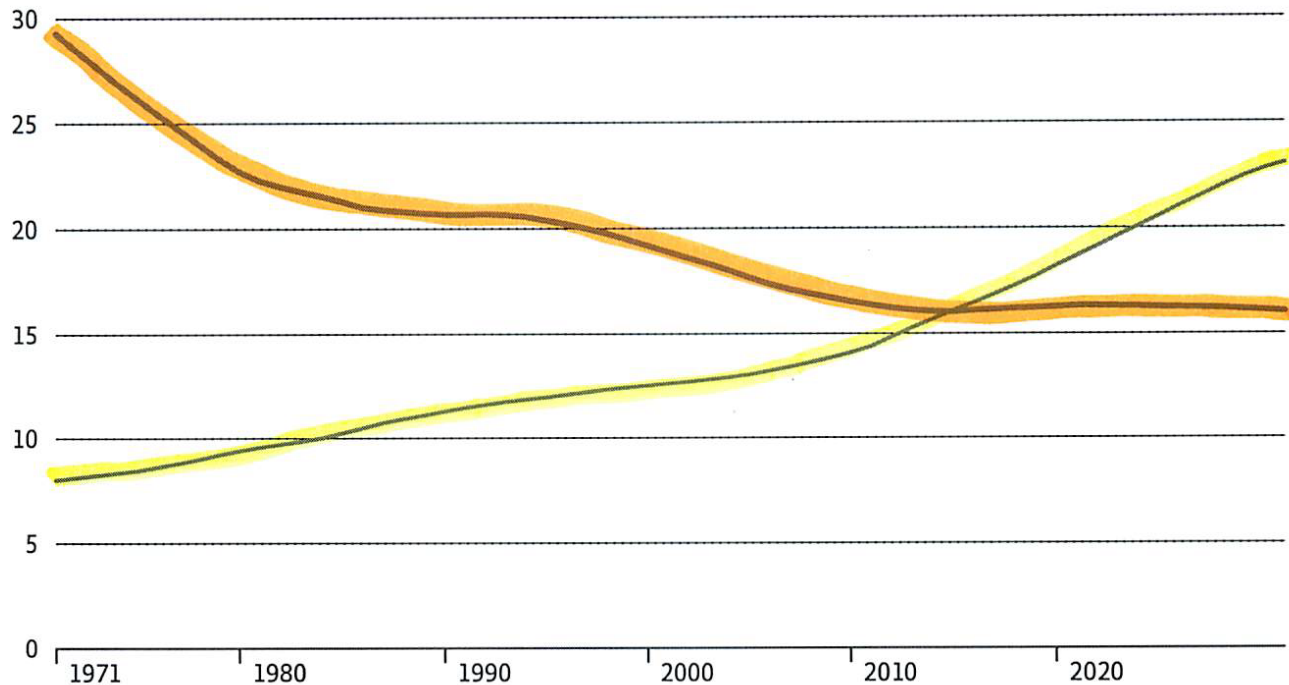
“High Potential” candidates must be mutually involved and provided the training and development necessary to give them the skills and competencies needed for tomorrow's business environment.

CANADA'S AGING POPULATION

Share of Canada's population

0 to 14 65 and up

35% As of July 1



THE GLOBE AND MAIL » SOURCE: STATSCAN / NOTE: ACTUAL TO 2015, THEN MEDIUM-GROWTH SCENARIO (M1) UNTIL 2031

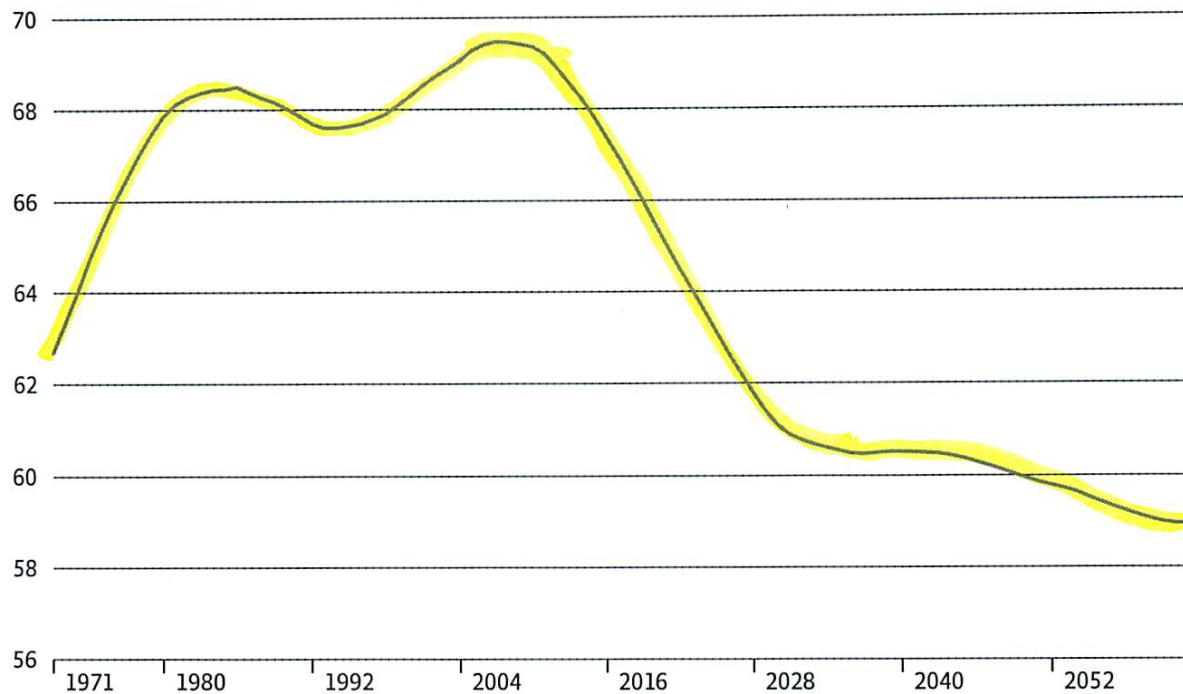
IMPACTS

2015 was the first time Canada has had more people over the age of 65 than under 15

WORKING AGE SHARE OF POPULATION

Working age share of population

72% As of July 1



THE GLOBE AND MAIL » SOURCE: STATSCAN / NOTE: ACTUAL TO 2015 AND MEDIUM-GROWTH SCENARIO (M1) TO 2063

IMPACTS

- New retirees jumped from 170,000 annually five years ago, to nearly 250,000 today.
- Within a few years, we face rates of 400,000 annually
- Is your organization prepared for this?

ISSUES TO CONSIDER IN THE PROCESS

ISSUES TO CONSIDER

For any organization to implement an effective succession plan, there are a number of key issues that need to be considered

ISSUES TO CONSIDER

In order to ensure success the succession planning process must have the support and backing of an organization's leaders and senior management.

ISSUES TO CONSIDER

Succession planning must be part of an integrated process that includes training, development and performance management

ISSUES TO CONSIDER

A successful plan takes into consideration the skills that the organization be requiring over the next 5, 10 or 15 years

ISSUES TO CONSIDER

A system must be established for communicating succession planning information to managers

BENEFITS OF SUCCESSION PLANNING

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Employees better understand the organization's long-term goals and objectives.

BENEFITS OF SUCCESSION PLANNING

Employees better understand what the company is looking for, what skills and talents are highly valued and what they need to work on to become better candidates for future roles.

BENEFITS OF SUCCESSION PLANNING

When a key leader/key employee leaves, effective succession planning has already helped to identify the top candidate who is then ready to advance.

BENEFITS OF SUCCESSION PLANNING

Organizations that create teams of solid, talented team members are much less likely to struggle during difficult times and have a higher probability of experiencing continued growth.

BENEFITS OF SUCCESSION PLANNING

A well-developed succession planning process increases the retention of superior employees, because they recognize that time, attention and skill development is being invested in them for the purpose of career development

BENEFITS OF SUCCESSION PLANNING

When you continue to challenge and reward talented employees, you eliminate their need to seek opportunities elsewhere

BENEFITS OF SUCCESSION PLANNING

Effective succession planning, forces your organization to identify its long term goals and to hire superior staff

BENEFITS TO SUCCESSION PLANNING

Succession planning transfers knowledge, culture, ethics and helps develop home-grown leadership. It also defines career paths and expectations while promoting “management” as a desirable goal

Succession Planning a Process

STEP 1 – IDENTIFICATION OF KEY POSITIONS

IDENTIFICATION OF KEY POSITIONS

To begin the process of succession planning, the strategic leadership team will have to identify the key positions by evaluating the impact each position has on achieving strategic goals and objectives

IDENTIFICATION OF KEY POSITIONS

There are a number of approaches that can be used to identify key positions. The approach used may vary from municipality to municipality.

IDENTIFICATION OF KEY POSITIONS

For small municipalities, the strategic leadership team can begin with a review of all of the positions in order to determine which are key positions

IDENTIFICATION OF KEY POSITIONS

If the leadership team wishes to conduct a broader succession planning initiative, or finds they have not captured the key positions, they may go a step further by including individuals with specialized skill sets or mid-managers

IDENTIFICATION OF KEY POSITIONS

Once the key positions have been identified leadership should evaluate the impact each position may have in achieving the strategic goals and objectives, as well as the vacancy risk and marketability of the identified incumbents

IDENTIFICATION OF KEY POSITIONS

Review the different assessment tools provided in your package. They will be useful in identifying and analyzing key positions in your organizations.

1a, 1b & 1c

IDENTIFICATION OF KEY POSITIONS

Organizations may assign a numerical value to the High, Medium and Low assessments in order to create a rank order of positions for succession planning. Alternatively, they may choose to focus on positions rated high for both vacancy risk and impact

IDENTIFICATION OF KEY POSITIONS

Positions should be prioritized for succession planning based on this analysis

Succession Planning a Process

STEP 2 – ASSESS SUCCESS FACTORS FOR KEY POSITIONS

ASSESSING SUCCESS FACTORS

Now that the priority positions have been identified, the next step is to document the education, experience, key competencies, and other factors necessary for success for each key position.

ASSESSING SUCCESS FACTORS

At your tables review the Position Success Profile developed to assist in identifying and analyzing competencies required

2a

Succession Planning a Process

STEP 3- ASSESSING CURRENT BENCH STRENGTH

ASSESSING BENCH STRENGTH

In order to gauge bench strength, you need to determine whether critical positions have one or more employees ready to successfully assume the role and responsibility of the position.

ASSESSING BENCH STRENGTH

Knowing the depth of talent within the organization will allow leaders to focus on strategy development and measurement where needed.

ASSESSING BENCH STRENGTH

As leaders evaluate the depth of the available talent for each key position, its important that they don't inflate their preparedness assessment. This can happen by relying on the same person for multiple positions, especially if each are high impact and high risk positions

ASSESSING BENCH STRENGTH

At your tables, review the Position Bench Strength Assessment worksheet to see how it can be useful in identifying the number of potential candidates for each of the key positions identified in the first step

3a

Succession Planning a Process

STEP 4 - IMPLEMENTATION OF CAREER DEVELOPMENT STRATEGIES

CAREER DEVELOPMENT STRATEGIES

Now that the strategic leadership team has evaluated the bench strength for the prioritized key positions, attention shifts to the continued career development of the employees determined to be eligible, or potentially eligible, for these positions

CAREER DEVELOPMENT STRATEGIES

This step in the succession planning process is focused on helping these employees by discussing career development plans. Discussing and encouraging the career development of all employees is an important part of management

CAREER DEVELOPMENT STRATEGIES

The annual performance review session provides an excellent opportunity to begin discussions of career development opportunities.

Managers need to clarify with employees that career development discussions are separate and distinct from those of the just-completed performance review

CAREER DEVELOPMENT STRATEGIES

Performance management is focused on the past year's goals and objectives, while the career development discussion is focused on future career opportunities

CAREER DEVELOPMENT STRATEGIES

Upon completing an employee's annual performance review, the manager should initiate a discussion about the employee's career interests, as well as career development options and possible barriers to career movement

CAREER DEVELOPMENT STRATEGIES

Managers can assist employees in setting appropriate career goals by providing feedback based on observation and assessment of the employee's abilities and potential

CAREER DEVELOPMENT STRATEGIES

The assessment should be based on actual experience and observation of the employee's knowledge, skills and experience, and not on assumption or personal biases

CAREER DEVELOPMENT STRATEGIES

Based on these discussions, managers should choose appropriate career development activities for the employee

CAREER DEVELOPMENT STRATEGIES

It is important that candidates realize that participation in associated career development programs is not a guarantee of promotion and/or job selection

CAREER DEVELOPMENT STRATEGIES

At your tables take time to review the Management and Employee Guidance packages. These will assist managers in understanding the municipalities succession planning process and provide employees information on advancement

4a & 4b

Succession Planning a Process

STEP 5 - PROCESS EVALUATION

PROCESS EVALUATION

The final step in the succession planning process is monitoring and evaluating the effectiveness of strategies implemented to close the high priority talent gaps

PROCESS EVALUATION

Succession planning strategies are designed to be an inclusive opportunity to increase the available talent pool of candidates for key positions thus meeting the future needs of the municipalities.

PROCESS EVALUATION

Continuous monitoring and data collection by the Strategic Leadership Team will provide the necessary information as to whether the strategies are meeting the organization's needs

PROCESS EVALUATION

As with the previous steps, this process can be as simple as an assessment of the number of candidates ready to compete for key positions. At minimum, the measurements should monitor the timeframes, and achievement of expected outcomes