

The State of Succession Planning:

Are you doing enough to identify and develop talent to build bench strength?



A global review of key succession planning assessment and readiness factors, and action planning approaches to ensure a stronger talent pipeline.

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Introduction

Succession planning: are you doing enough to identify and develop talent to build bench strength?

Succession planning is a talent management program that is vital to an organization's long-term health, growth and stability.

In fact, factors like developing and maintaining a talent pipeline, and leadership readiness concerns make the **list of top concerns** in executive surveys from Harvard Business Review, PWC, Deloitte and Gartner year after year.

Yet many organizations either put off implementing a program or fail to invest sufficient resources in their program to make it effective.

While the reasons for this vary, a few themes emerge. Among the trends, many organizations:

- Consider themselves too small to need a succession plan
- Believe succession planning is the same thing as replacement planning
- Don't believe succession planning programs yield results
- Consider succession planning programs costs to be prohibitive
- Are concerned with program complexity around implementation and management
- Don't know where to start
- Can't get executive buy-in

But not having an effective succession planning program in place exposes your organization to risk.



A definition of succession planning

Succession planning is defined as any effort designed to ensure the continued effective performance of an organization, division, department, or work group by making provision for the development, replacement, and strategic application of key people over time.

Geared to developing the internal bench strength of an organization, succession planning is usually part of a larger talent management program that is intended to attract the best people through recruitment, keep them through effective retention practices, and develop them through well-targeted talent development efforts.

It's contrasted with replacement planning that identifies one or two individuals who are ready/able to replace someone (typically a leader) on short notice, sometimes in an emergency. Typically, this replacement is temporary. As such, a replacement plan is tactical and should be seen as a stopgap measure, not a long-term solution.



The benefits of succession planning

Here are just a few of the potential benefits an effective succession planning program can provide:

-  Reduced time to fill critically-important positions
-  Reduced turnover of high-potentials
-  Improved customer service
-  A more systematic and cost-effective approach to developing high potentials
-  Improved alignment between staffing and organizational strategic goals
-  Improved alignment between employee development efforts and organizational strategic goals
-  A better match between the people you need and the people you have
-  A deeper talent pool available for you to draw on as needs arise
-  Better decision-making about who to promote
-  Enhanced competitiveness by focusing promotion decisions on issues more effectively linked to the organization's competitive advantage

"After working with hundreds of organizations on their talent and succession planning programs we know the benefits of a successful program are broad — from reduced time to fill critical positions and reduced turnover costs, to cost improvements in developing high-potentials and enhanced competitive advantage."

Dr. William J. Rothwell,

President of Rothwell & Associates,
renowned Succession Planning author

Where does your organization stand?

In the spring of 2013, Halogen Software partnered with renowned succession planning experts, Rothwell & Associates, to develop a comprehensive assessment that allows HR leaders and executives to compare their organization's succession planning strategies and practices to established best practices.

Based on years of research and real-world analysis, the succession assessment surveys organizations on 20 key criteria that are tied to four succession planning effectiveness dimensions: identification, assessment, development and management.

The assessment then maps these four factors, fittingly, into a matrix of program "performance" dimensions, and program "potential" dimensions, which are elaborated on later in the report.



How does your organization compare to others?

Nearly two years later, more than 600 organizations worldwide completed the validated assessment.

This report aggregates the responses from those participants to provide a big picture view of the state of succession planning programs, and provides guidance for improvement.



Overall, the picture is not as promising as we'd hoped. The aggregate results of the assessment give a failing grade (**average 48 percent**) on the overall state of succession planning.

The findings clearly show that organizations are not doing enough to identify and develop talent to fill key positions.

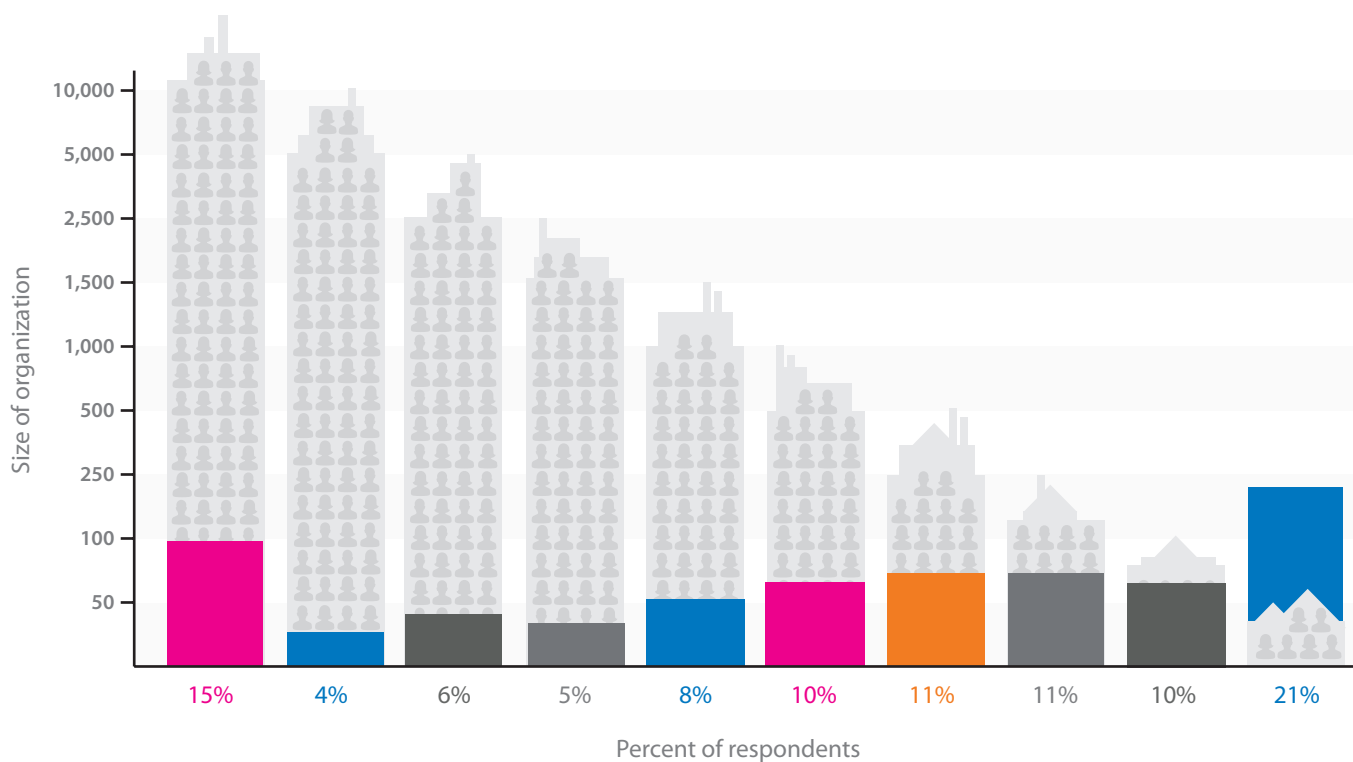
The following pages review the aggregated results for each assessment question and focus on areas to apply best practice.



A breakdown of the respondents

The respondents represent a wide cross section of companies from around the globe – from employee size, to geography, to key industry.

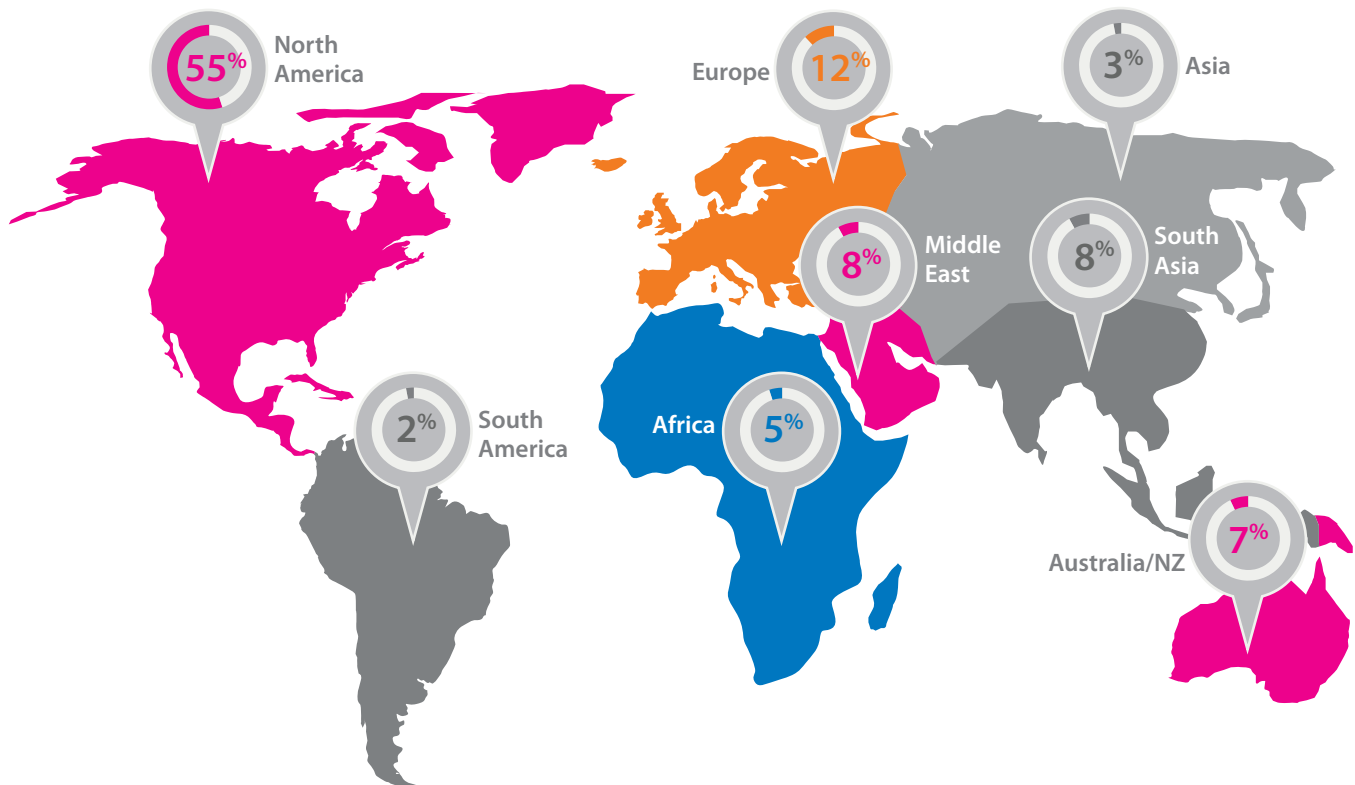
Respondents by organization size (number of employees)



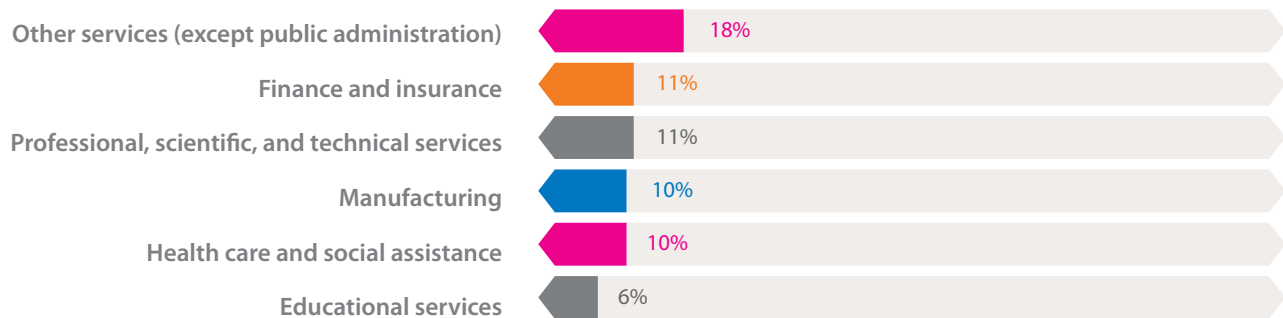
A breakdown of the respondents

(continued)

Respondents by region



Respondents by industry. The top industries represented by respondents include:



The succession planning assessment results

The assessment evaluated organizational performance in four key succession planning program dimensions.

Two of these dimensions are considered part of the program's "Performance factor," because they provide insight into how well the program is operating, and two are considered as contributing to the program's "Potential factor," because they provide indicators of future improvements or possibilities for the program. Each of the four categories is scored out of 100, and considered part of an overall succession planning "intelligence" rating. Throughout the results, the averages of all respondents are shown in aggregate.



Identification: How well the organization has identified its succession planning needs, linked needs to goals, and linked goals to strategic vision. The Identification score is a weighted factor in the overall "Potential" rating of the organization's program.



Assessment: How well the organization has used the identification pieces to assess their needs, and assess individual/department promotion potential. The Assessment score is a weighted factor in the overall "Potential" rating of the organization's program.



Development: How well the organization has worked with individuals to shrink the development gaps, and moved forward in helping each area develop talent pools. The Development score is a weighted factor in the overall "Performance" rating of the organization's program.

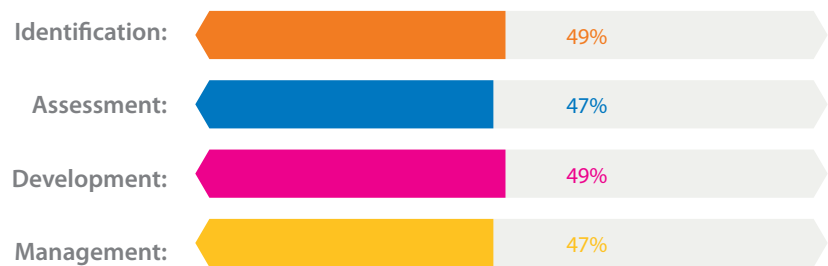


Management: How well the organization has actively kept senior management, department level management, and individuals apprised of progress, encouraged active participation on succession planning programming, and evaluated the program and then responded to needed changes. The Management score is a weighted factor in the overall "Performance" rating of the organization's program.

Results by dimension

The overall average succession planning intelligence score for all respondents is 48 percent. Not an impressive result given the importance and impact of succession planning.

When we looked at the average scores by succession planning program dimension, the results are similar:



These results tell us that there's much room for improvement in the way organizations are planning for their futures and helping manage employee career development.

Succession
assessment
average rating

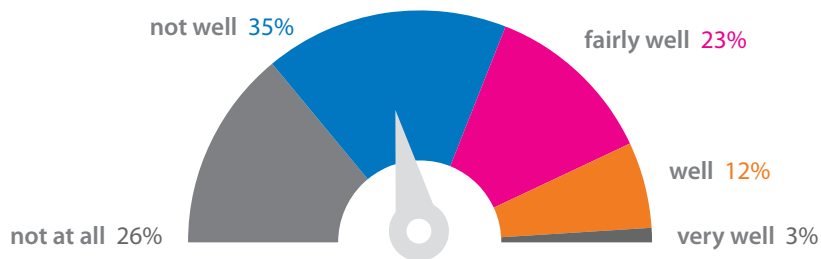
48/100



Succession Identification Program Focus:

Respondent Questions, Results and Action Planning Guidance

Q: How well has your organization established measurable goals to guide the succession planning program?



In this area, only 15 percent of respondents rate themselves as doing well or very well. Sixty-one percent rate themselves as doing not well, or not doing this at all.

Without measurable goals, your succession program simply can't succeed. You're investing money and resources with no way to measure the return on your investment.

And without clear, agreed to, measurable goals, there may be confusion among your senior leaders and other stakeholders about the results your succession program is working to achieve. That can lead to disjointed efforts. And it may lead to disappointment later.

As a first step to improving your program, establish clear, measurable goals for it. And remember, all goals should be specific, measurable, achievable, realistic and time-bound (SMART).



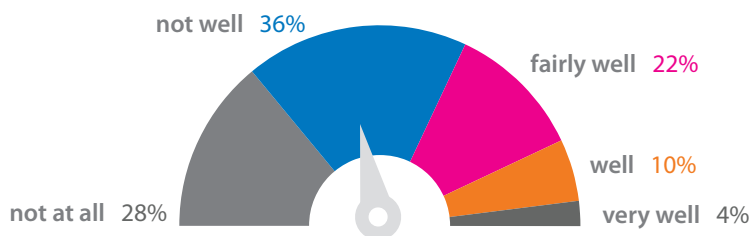
Action Planning Questions:

- Who needs to be involved in setting goals for our succession planning program?
- What goals does our succession planning program need to achieve?
- How will we measure success?
- How will we track progress towards our goals?
- When and how will we evaluate the achievement of our goals?



Identification

Q: How well has your organization closely aligned the measurable goals of the succession planning program to the organization's measurable strategic goals?



Here, a mere 14 percent say their organizations are doing well or very well; 64 percent say they aren't doing it well, or aren't doing it at all.

Not only should your program have clear measurable goals, those goals need to be tied to your organization's strategic goals.

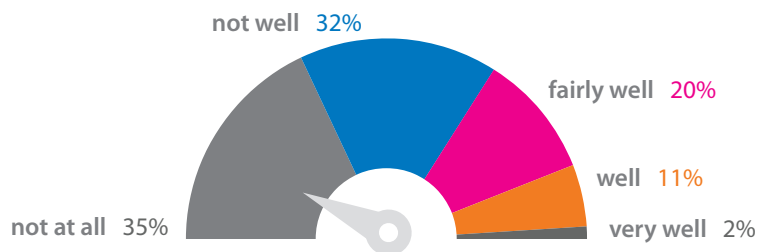
As an example, suppose an organization has a goal to increase market share by 10 percent within the next two years. The succession program should have a goal to develop all or some of the leaders and key contributors the organization needs to achieve that goal.



Action Planning Questions:

- What current organizational goals need the support of our succession plan?
- How can our succession plan help the organization meet those goals?
- Which of our succession planning program goals should we link to organizational goals?

Q: How well is your organization recalibrating succession planning program goals annually against changing competitive and organizational conditions & priorities?



We all know the truism: "the one constant is change." For a succession planning program to be effective, it needs to adapt to the organization's changing needs.

Only 13 percent of assessment respondents rate their programs well or very well when it comes to the annual recalibration of goals; 67 percent say they don't perform well, or adapt at all.

The goals of your succession planning program should not remain static. They need to continually evolve in response to your organization's strategic needs, and the realities of the industry and market in which you operate. Without this regular recalibration, your program will become obsolete or fail to yield meaningful results, even if it does accomplish your original goals.

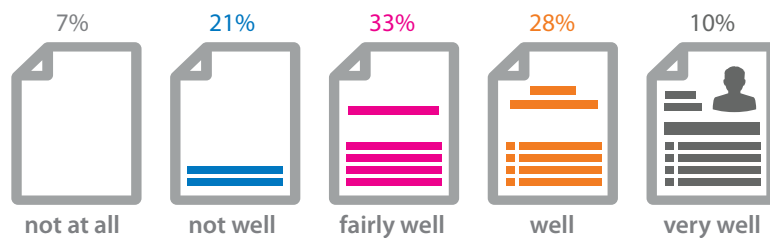


Action Planning Questions:

- How often do we need to review the goals of our program? (should be at least annually)
- Who needs to be involved in the review and establishment of goals?
- When would be an appropriate time to regularly review the goals of our succession planning program? (should be after organizational goals are set)
- What's the best mechanism/method to conduct this review and realignment?



Q: How well has your organization prepared current job descriptions so that the work to be performed is clear?



Job descriptions are an important support for all your talent management programs, including your succession planning program. They help you identify and communicate not only the expectations, requirements and accountabilities for a role, but also the attributes that underpin success.

When it comes to succession planning, they help you assess the caliber and readiness of employees for progression in their careers, and their fit for a new role/promotion. They also help you create effective learning paths to develop the knowledge, skills, abilities and experience required for key roles.

While more organizations are confident in their abilities here than in the goal-setting area of succession planning, only 38 percent of respondents say their organizations do this well or very well; 33 percent say they do fairly well, and 28 percent say they do not do this well, or not at all.

Without current, well-crafted, and detailed job descriptions, you may not know how to prepare employees for career progression or succession needs. So your development programs may not be serving your employees or organization very well. And you risk promoting candidates who aren't really ready or qualified for the job, increasing the likelihood they will struggle or fail in their new role.

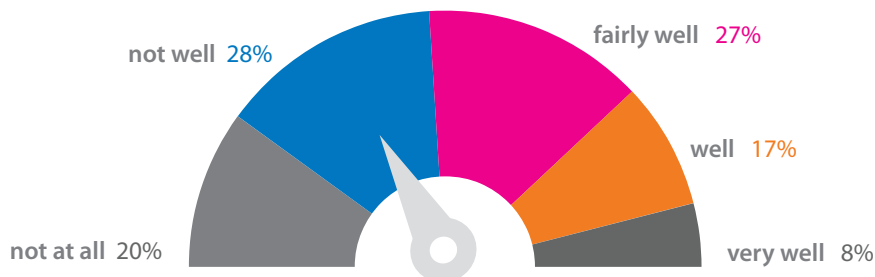


Action Planning Questions:

- How can we ensure we have best practice up-to-date job descriptions for every role in the organization?
- What tools and/or processes do we need to put in place to ensure the effective creation and maintenance of best practice up-to-date job descriptions?
- How can we leverage job descriptions to improve our succession planning program today?



Q: How well has your organization prepared competency models by level on the organization chart, based on a rigorous examination of objective performance requirements?



Competencies form a foundation of all effective talent management programs, so every organization needs a solid competency model.

Competencies help define “how” work should be done in your organization, and describe what it takes to succeed, as well as your organizational culture and values.

For succession planning purposes, competencies describe the abilities a person needs to succeed in a role, usually based on an investigation of existing, outstanding performers to find out what makes them so productive.

Disappointingly, only 25 percent of our respondents say they do well or very well in this regard. More concerning, 48 percent say not well, or not at all.

Without a comprehensive competency model, you have no way to assess and groom candidates for key areas of the business in an informed and purposeful way.



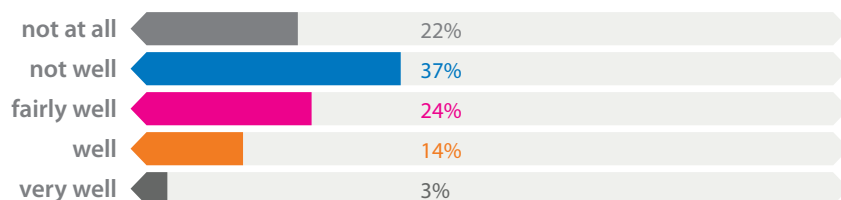
Action Planning Questions:

- What core competencies best describe our organizational culture and values?
- What competencies best describe the leadership attributes our organization needs?
- Who are our most successful leaders?
- What leadership competencies do they exhibit, that contribute to their success?
- Who are our most successful contributors in key areas?
- What are the key competencies needed for success in each of the key roles we’re looking to develop a talent pool for?
- How can we cultivate these competencies in our workforce, and particularly in our succession talent pools?



Identification

Q: How well has your organization planned for future competencies that are necessary to achieve future strategic goals?



If you haven't identified the competencies that lead to success in your organization today, you likely haven't identified the competencies your organization needs to be successful in the future.

Our assessment results bear that out, with only 17 percent of respondents saying they do this well or very well, and 59 percent saying they do it not well or not at all.

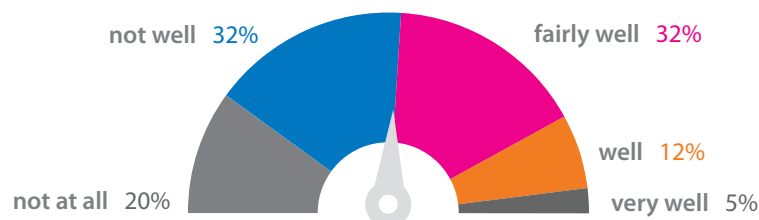
As your organization progresses towards achieving its strategy, you will likely need a different set of competencies in your people. It's critical to constantly develop your employees, particularly those you are grooming for progression or advancement, to have the knowledge, skills and experience you need in the future. But first you need to know what those are.



Action Planning Questions:

- If we're going to achieve our short and long-term strategies, what competencies will our staff need in the future to be and make the organization successful?
- How can we start to develop these in our employees, and particularly our high-potential employees today?

Q: How well has the organization succeeded at making all competency models clear and measurable?



While it's great to have a competency model that defines success, both for individuals in particular roles and for the organization, it's not much value unless you communicate it to all your staff, measure everyone's performance against it, and take active steps to develop these competencies in your employees.

Only 17 percent of respondents believe they do this well or very well; 52 percent would say they don't do it well, or don't do it at all.

Your competencies need to be well-defined, in measurable terms, so employees understand what the various levels of demonstration are, and what the behaviors look like in your organization. These detailed definitions help employee performance, help managers better evaluate employee performance, and help your learning and development team develop or source learning activities that help cultivate employees.



Action Planning Questions:

- What means can we use to communicate our competency model to our entire employee population?
- Do we have sufficiently detailed descriptions of each of the competencies in our model?
- Do our definitions/descriptions include measures of performance?
- Do we need to train our managers in assessing competency demonstration?
- Do we need to include a competency assessment section in our performance appraisals?
- Have we identified a progressive set of learning activities to help develop each of the competencies in our model?



What lower identification dimension results may indicate

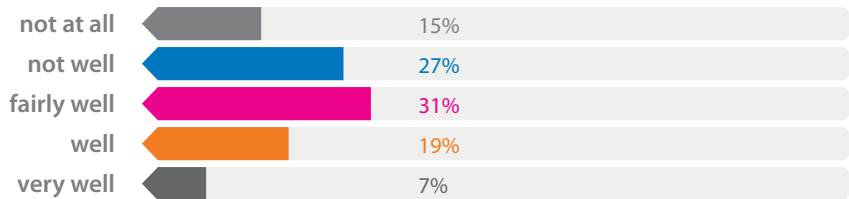
- There may be **confusion among your senior leaders about the intended results of your succession program**. That will lead to disappointment later. You need to clarify the goals so that everyone agrees on desired results.
- There may be some **confusion over how your succession planning program relates to your organization's strategic goals**. If not clarified, your succession efforts may come to be viewed as non-essential rather than strategic. You need to clarify and communicate the relationship between business goals and succession planning goals.
- The goals of your **succession planning program may change over time**. Create a mechanism or process to revisit them periodically and make sure they stay relevant and aligned with the organization's goals.
- **The profile of the ideal person for each key role or leadership position may not be clear**. As much as possible, your succession development efforts should be based on objective assessments of the people needed for each level of responsibility. Success at one level does not guarantee success at other levels of responsibility. Find ways to identify the knowledge, skills and experience that will be needed in different key and leadership roles that go beyond merely cloning current incumbents, because future competitive conditions could be different from the present. Your organization may also need consulting help to define the competency requirements for current and future strategic goals.
- **Your competency models may not be effective because they may not be measurable**. You may need to revisit your organization's competency model for each key role and level of leadership to determine if they are sufficiently measurable to guide organization's and individual's developmental efforts.



Succession Assessment Program Focus:

Respondent Questions, Results and Action Planning Guidance

Q: How well has the organization aligned its performance management systems so that individuals are measured on results and behaviors tied to competency models (performance management)?



The way to build competencies in your organization is to regularly evaluate employees' demonstration of those competencies in their current roles, then put development plans in place to increase performance, as required.

Our analysis of assessment results shows room for improvement in this area as well. Only 26 percent of respondents say they do this well or very well; 42 percent are not doing it well, if at all.



Action Planning Questions:

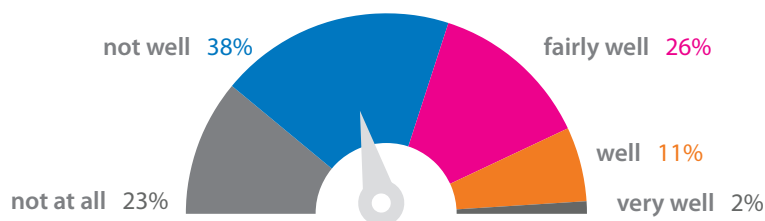
- Do you need to alter any of your performance management processes to ensure they effectively leverage your competency model and build individual and organizational strength?
- Is your competency model robust enough and complete enough to be used in these ways?

To truly build strategic strength in your workforce, your competency model should serve as the foundation for all your talent management programs.

- Include them in job requisitions/postings so you recruit and hire staff with the right skills and who will be a good cultural fit.
- Include them in job descriptions to clearly communicate job expectations and introduce a measure of consistency across jobs with similar requirements.
- Use them in your performance reviews as a means to communicate performance expectations and evaluate performance.
- Leverage them in your learning programs to guide learning activity design and sourcing, and to assist managers and employees in selecting the right learning activities to build desired knowledge, skills and/or experience.
- Consider them in your compensation program to guide decisions about job classifications and pay scales.
- Use them in your succession programs to communicate the requirements for key roles, direct talent pool development and guide promotion decision.



Q: How would you rate your organization on creating a rigorous, effective means to compare individuals to the future competency requirements necessary for promotion (potential assessment)?



While your performance management process measures employees' performance in their current roles, for succession planning purposes you need an assessment of how people could perform in a job with a higher level of responsibility.

Only 13 percent of our assessment respondents are doing this well or very well; 61 percent are not doing it well, or not doing it at all.

There are a variety of ways to assess a candidate's potential or readiness for promotion, including: 360-degree assessments of an employee's current performance of the competencies required at the level above them, aptitude tests, leadership assessment tests, temporary work assignments (e.g., an employee performs their boss's job when he or she is on vacation or sick.)

To ensure your methods for assessing potential are effective, it's important to measure their success at predicting candidates' future success in increasingly responsible roles.



Action Planning Questions:

- What tools and/or processes do we have in place to assess the potential of our workforce?
- Are these enough?
- What additional tools and/or processes could/should we put in place to assess the potential of our workforce?
- What methods can we put in place to measure the effectiveness of these tools/processes?

What lower assessment dimension results may indicate

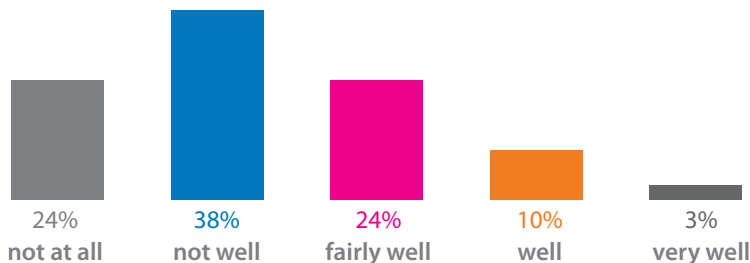
- **Your organization may need to strengthen or extend your competency model** so you can use it as a strategic foundation for all your talent management programs.
- **Your organization may need to further leverage your competency model** to communicate expectations, build your organizational culture, and cultivate strategic strengths.
- **Your organization may not have an effective and objective means to assess an individual's potential and readiness** for promotion as compared to competency requirements. Your organization may also need consulting help to establish more objective ways to assess potential/readiness.



Succession Development Program Focus:

Respondent Questions, Results and Action Planning Guidance

Q: How well have succession goals been linked to career planning goals so that individual development has a clear “what’s in it for me” for employees?



Preparing for career advancement takes focus, dedication and motivation. While employees need to have this inner drive, they also need a sense that they have a career progression path and a future with the organization. So they need visibility into your succession planning program, your succession needs, and even your goals for internal mobility.

Most of the organizations who took part in our assessment are not providing that. Only 13 percent rate themselves as doing well or very well on this front; 62 percent are not doing well, or not doing it at all.

The big risk here is that your high-potential employees will leave you for an organization that more openly supports their career progression.

To implement an effective program, organizations should have career paths that map a clear career progression and document the requirements for each level/ position. They also need processes in place to ensure promotions or internal hires are based on potential, not just past performance. And they need to link individual career development plans to their succession goals.

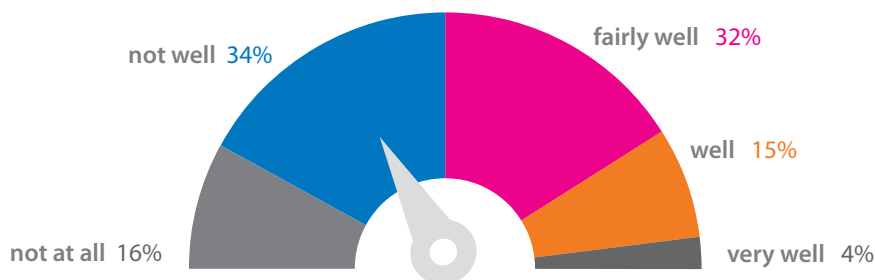


Action Planning Questions:

- Do we have clearly articulated career paths that define the requirements (knowledge, skills, experience) required for each role?
- Are these accessible and known to our employees?
- Can we/should we communicate succession requirements or plans to our employee population?
- Do we help employees link their individual career development plans with our organization's succession plan goals?



Q: How well has the organization established methods to plan for closing developmental gaps and thereby make people promotable (individual development plans)?



Development planning is an essential talent management activity. Organizations that continually invest in “upskilling” their workforce do so to increase employee performance, build workforce capabilities, and drive employee engagement and retention.

Do you have formal, established methods in place to identify and address employee development needs?

If you're like at least half of your peers, you don't. Fifty percent of those who took our succession assessment don't do this well, or have nothing at all in place.

A mere 19 percent of respondents say their organizations are doing well or very well when it comes to closing development gaps and preparing people for promotion.

There are lots of ways you can address learning needs and prepare employees for career progression. Formal training is just one of them. You can also address learning needs through: work experiences, job shadowing, working with mentors, relationships with peers, volunteer work, reading, online courses, etc.

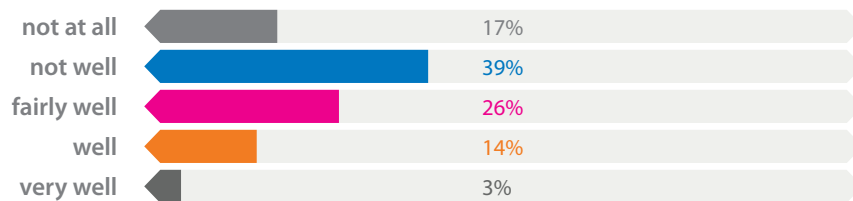


Action Planning Questions:

- How many of our employees currently have individual development plans?
- What programs/processes do we need to have in place to better support employee professional and career development?
- How much money should our organization be investing in employee professional and career development, and how can we request/secure the budget?
- Do we need to train our managers to better identify learning needs and support employee development?
- Do we offer a sufficient range of development activities to effectively close performance gaps?
- How can we measure the effectiveness of our employee development programs and practices to ensure we're seeing a return on our investment?



Q: How well is the organization doing at holding employees accountable for implementing their individual development plans (IDPs)



You can have a great process for identifying learning needs and assigning individual development plans, but if you don't hold employees accountable for completing their assigned learning activities and demonstrating improvements in performance, your plans won't be worth very much.

Only 17 percent of our assessment respondents rate their organizations as doing well or very well in holding employees accountable for implementing their individual development plans. Fifty-six percent say their organizations are not doing this well, or doing nothing at all.

While you first need to ensure that employees are being given the support they need (including the time they need) to complete the learning activities in their individual development plans, it's also vital that you hold them accountable for doing so. Plans need to lead to actions.

Someone needs to be tracking learning activity completion. Someone needs to be ensuring that learning is being applied. Someone needs to ensure the organization is getting value for their investments in employee development.

There are lots of ways you can drive up accountability for learning completion:

- Ask employees to keep development journals
- Include development plans in your performance reviews and rate employee completion
- Require employees to formally share their learnings with their team (email, presentation, report, lunch and learn session, etc.)
- Ask managers to report monthly on employee development activity completion

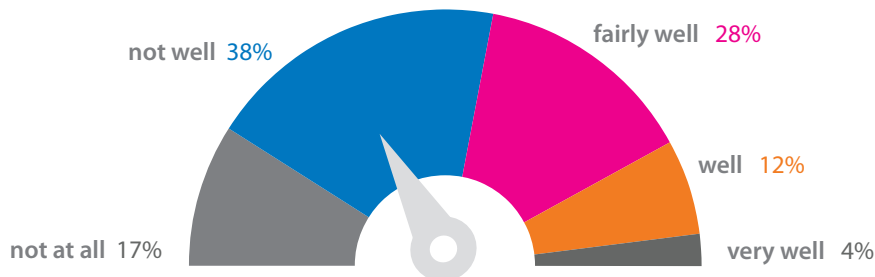


Action Planning Questions:

- What impediments to learning activity completion exist in the organization, and how can we remove them?
- Who should be responsible for tracking learning activity completion?
- How many employees are currently not completing their individual development plans?
- What methods or programs can we put in place to make employees more accountable to complete their individual development plans?
- How can we ensure the organization is getting value for our investments in employee development?



Q: How well is your organization developing talent through planned learning experiences, peer and social media-based learning, and/or on-the-job development tied to competency acquisition?



Your employees undoubtedly have lots of unplanned learning experiences in their day-to-day work, as they interact with each other, read trade publications and blogs, participate in cross-functional teams, tackle stretch assignments, get coaching and feedback, etc.

What are sometimes lacking are the planned, systematic learning experiences that gradually build knowledge, skills and experience, particularly related to a specific competency.

In fact, only 16 percent of survey respondents do this well or very well; 55 percent say not well or not at all.

Planned systematic development is critically important for intentionally developing the competencies required for advancement in a key area, or in leadership. It helps your organization ensure you have a pool of talent groomed and ready for advancement whenever a role opens up. And it helps you intentionally build strength across the organization.



Action Planning Questions:

- What competencies — core, leadership, or job specific — to we need to build organizational bench strength in?
- What learning activities can help build these?
- Can we create curricula or learning paths that help to gradually build these competencies in our employees?
- Do we need to institute a formal development planning process to prepare employees for career progression?
- Do we need to train managers to better support and encourage their employees' professional and career development?
- How can we encourage employees to take greater responsibility for their own professional and career development?
- How can we verify that employees, and particularly high-potential employees, have a formal career development plan?
- How can we verify the effectiveness of our career development processes and plans?



What lower development dimension results may indicate

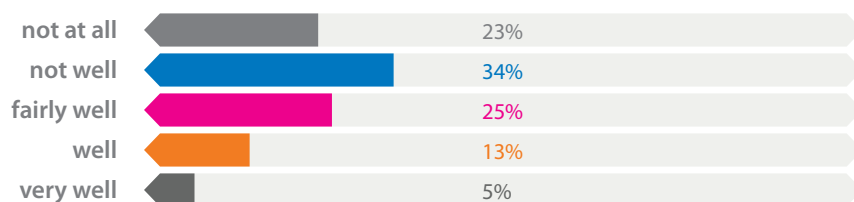
- Sometimes **individuals are not sure why they should develop themselves**, especially since not everyone wants to climb the management ladder. You may need to consider ways you can help your employees find a reason to develop themselves for the future by connecting with their deeper motivations.
- **Your organization needs a systematic way to plan for closing the developmental gaps** that keep people from being ready for promotion. You may want to engage some consultants to help you develop an approach to individual development planning.
- **Your organization needs to have effective ways to hold individuals accountable for their own development.** You may want to devote time and attention to designing and implementing ways to do so.
- **If your organization doesn't have an effective, systematic way to prepare high-potential employees for future responsibility** through a broad range of developmental methods, you might want to engage with an experienced consultant to help you design and implement a more formal career development program.



Succession Management Program Focus:

Respondent Questions, Results and Action Planning Guidance

Q: How well is your organization keeping senior managers involved and committed to the succession planning program?



Your succession planning program can't succeed without the ongoing support of your senior management team.

They need to:

- Give the program their financial support, but also their leadership support
- Treat it as a corporate asset, and encourage participation
- Support and mentor employees who aspire to leadership
- Leverage your program to find internal candidates for new openings

They also need to make their support visible to employees throughout the organization.

Unfortunately, only 18 percent of respondents say their organizations do well or very well here. The majority, 57 percent, say not well or not at all.

There are lots of ways you can keep managers and senior managers committed to your succession planning program, including:

- Make 10% of their annual bonus contingent upon meeting measurable talent development goals
- Require every leader to mentor a more junior staff member
- Include succession goals in their key performance indicators (KPIs)
- Hold annual Talent Review Meetings so that managers must regularly meet to discuss what they're doing to build internal talent in the organization
- Make their promotion contingent upon them having groomed potential successors for their role

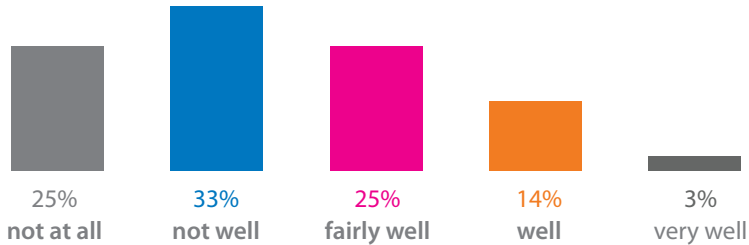


Action Planning Questions:

- Do our senior managers demonstrate their support for our succession planning program?
- Is their support sufficiently visible to the employees at all levels?
- What methods or programs can we put in place to better actively involve and engage them with our succession planning program?



Q: How well has your organization carefully defined the roles to be played by each key stakeholder group (board, CEO, senior executives, middle managers, supervisors, and even workers) in the succession planning program/process?



Only 17 percent of respondents say their organization does well or very well at defining the roles of the various stakeholder groups in their succession planning program. A total of 58 percent are either not doing it at all, or not doing it well.

That's unfortunate. Because if you haven't clearly defined each player's role and accountabilities, they're likely not very engaged with your program.

And let's face it, in a busy work world, with competing priorities and pressures, it's all too easy to say "That's someone else's problem".

But succession planning is everyone's responsibility.

Ensure your organization:

- Clearly articulates the roles and responsibilities of each and every participant or stakeholder group in your organization
- Provides everyone with the training they need to effectively complete their succession planning tasks
- Sets up a mechanism to monitor performance

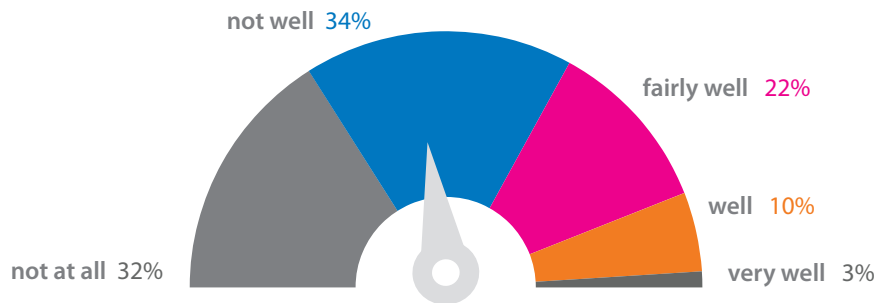


Action Planning Questions:

- What are all the stakeholder groups that need to be involved in our succession planning program?
- What are each of their responsibilities/accountabilities?
- What knowledge, skills or experience do each of these groups need to successfully complete their succession planning tasks?
- What learning activities can/should we provide to support them in successfully completing their succession planning tasks?
- How can we communicate these expectations to each stakeholder group?



Q: How well does your organization rate at establishing clear, measurable accountabilities for each manager in achieving the goals of the succession planning program? (Example: tying achievement of measurable talent goals to key performance indicators of a manager or to bonus plan targets of senior managers.)



As with all goals, unless you have some way of regularly checking in on progress, and periodically reviewing performance and attainment, they tend to get filed away and forgotten.

Only 13 percent of respondents are doing well or very well in establishing clear, measurable accountabilities for achieving succession planning program goals. Sixty-six percent aren't doing it well or at all.

Ensure all goals, including succession planning program goals, are specific, measurable, achievable, relevant and time-bound (SMART). And every leader in your organization, from front line managers to your CEO, should have a role to play in your succession planning program, know what it is, and be accountable for it.

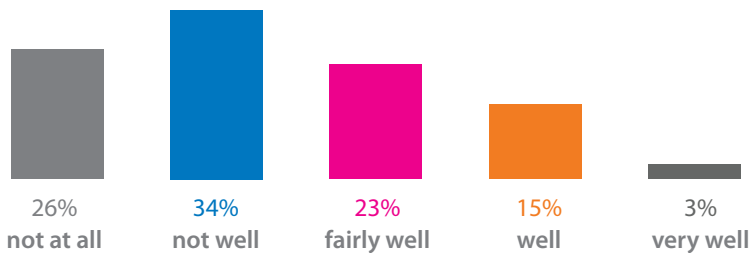


Action Planning Questions:

- How can each level of management contribute to the achievement of our succession planning program goals?
- How can we make every manager more accountable for achieving their succession planning related goals?
- How often should we review and revise program and individual goals?
- How can we effectively regularly review and revise program and individual goals to increase accountability and performance?



Q: How well has your organization established talent pools by levels based on the strategic strengths of the organization?



The best way to prepare for succession is not to identify a few successors for each senior management/executive position, but rather to:

- Identify all key areas in the organization where the loss of a key contributor could have a significant impact on business.
- Identify the competencies, knowledge, skills and experience required for high performance in each key area/role.
- Create pools of talent (people) who are developing themselves to assume a role of greater responsibility in a specific key area. Talent pool members will be at varying levels of readiness for promotion/progression.

A talent pool is a group of people who are being groomed to meet future workforce needs and for possible advancement, though no promises of such advancement have been made. They can be organized by level (middle managers being groomed for senior management) or even by area (such as people who would be good to lead or act as key contributors in customer service). Each member of a talent pool has an individual career development plan to prepare them for progression in that area. And each one's performance is reviewed each year to assess their developmental progression and needs.

Our review of assessment results shows that only 18 percent of respondents believe their organizations are doing well or very well at creating talent pools. A whopping 60 percent are not doing well or have no talent pools at all.

But talent pools are your "insurance policy" for the future. They build organizational bench strength in all key areas of the business.

And they help you to attract and retain high-performing, high-potential employees.

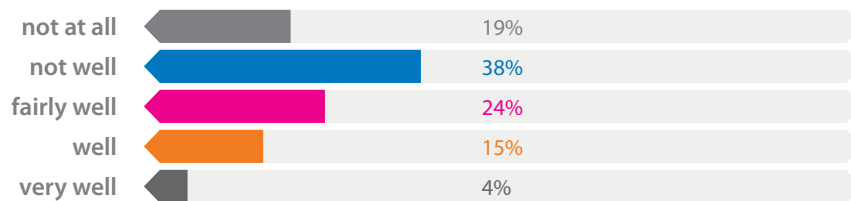


Action Planning Questions:

- What are all the key areas of our organization where the planned or unplanned loss of an employee would have a significant business impact?
- Do we need different talent pools for different levels of management? If yes, how many?
- What are the key competencies, skills and experience that are critical for each area?
- What learning activities would gradually build these competencies in talent pool members for each area?
- Who would be good members for each of our talent pools?
- How can we support their career development?



Q: How successfully has your organization inventoried talent so that individual strengths are recognized, as well as individual areas for improvement?



Every organization should maintain an inventory of talent that captures individual strengths and areas for development.

If you have a good performance management system, with strong reporting capabilities, it can fulfill a portion of this information requirement.

When it comes to succession planning, you also need an inventory of the competencies, skills and abilities of your high-potential employees, particularly those who are being developed as part of your succession program (i.e. talent pool members).

It can also be helpful to have an inventory of the knowledge, skills and experience your employees have that they aren't necessarily using in their current roles, so they're not being evaluated by your performance management program. These can include things like language and cultural skills, technical skills, etc. Your employees may have acquired these through previous work experience, volunteer work or their formal education. These skills are often referred to as your employees' "hidden" talents, because as an organization, you don't have any visibility of them. They're a valuable, often untapped, corporate asset.

Nineteen percent of respondents believe their organizations do well or very well at inventorying employee strengths and areas under development; 57 percent demonstrate a need for improvement, rating their organizations as doing not well or not at all.

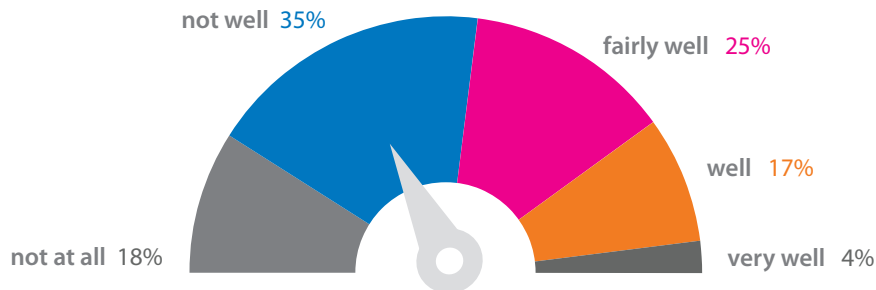


Action Planning Questions:

- What information do we currently have about our employees' broad strengths, skills, and experience, and areas for development? Is it current?
- How easily can we access and report on this information? Do we need to improve access?
- Do we know who our top performers are?
- Do we know who are high-potential employees are?
- How can we better use this information when making decisions about succession planning and/or promotion/progression?
- Do we need a better process/tool for inventorying the skills and development needs of our employees?



Q: How well has your organization reviewed talent on a continuing basis to ensure that promotable individuals are being properly developed over time? (conduct talent reviews)



It's one thing to identify your high-potential employees. But you also need to continually monitor and manage their performance and development to ensure they remain high-performing, high-potential employees and that they're making progress in their professional and career development. That way they're ready for a promotion or progressive move when the opportunity arises.

Here again, the aggregated scores from our succession assessment show some room for improvement. A total of 21 percent of respondents are doing very well or well at regularly monitoring the performance and development of their top performers. About 53 percent have considerable room for improvement.

Regular talent reviews can serve this purpose well. In a talent review, a manager or talent pool manager reviews the performance and development progress of those who've been flagged as promotable. They ensure this designation is still appropriate, and assign the employee new development plans.

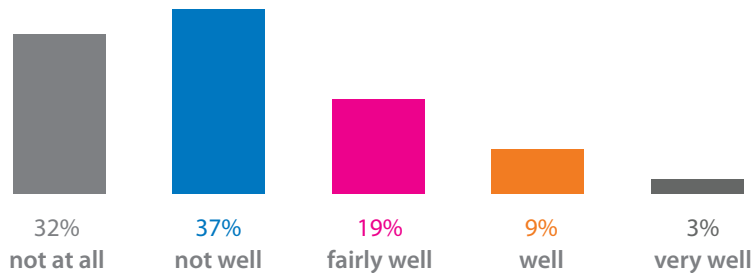


Action Planning Questions:

- How does our organization systematically and regularly manage the development of our most talented people?
- Do we need a more formal process?
- How often should we review the performance and development of those we've identified as promotable?
- Who is best positioned to review the performance and development of those we've identified as promotable?
- Should we gather 360-degree feedback to inform/support this process?
- Who will review the results of these talent reviews?



Q: How well have you evaluated the entire succession planning program on a regular (usually annual) basis against the measurable succession planning goals established at the beginning of the yearly planning cycle?



As with any program, it's important to regularly review your succession planning efforts to make sure it's achieving its goals, and is efficient and effective. If you don't, you might be wasting your time and efforts without realizing it.

Only 12 percent of respondents believe their organizations are doing this well or very well; while 68 percent say they're not doing well or not doing it at all. That isn't surprising when you consider how many say their program doesn't even have measurable goals.

But the only way you'll continually improve your process and its effectiveness is to regularly and formally review its performance relative to the goals you set for it.



Action Planning Questions:

- How often should we formally evaluate our succession planning program's attainment of its goals?
- How should we conduct this evaluation?
- Who should be involved in the evaluation?
- What will we do with the resulting information?



What lower management dimension results may indicate

- **Succession planning is a program senior leaders should own, not HR.** If your organization doesn't have an established, best practice succession planning program in place, you'll need to find ways to show leaders why they need a program and how it helps the business. You'll also need to reinforce the importance of their engagement with the program.
- **Succession planning programs often fail because no one is clear about what they're supposed to do,** and who has ownership of what. There may be a temptation to assume that HR should do everything. It's important to regularly review, clarify and communicate roles and responsibilities for your program.
- **Managers should be held accountable for developing future talent.** Ensure you have a process or system in place to communicate and reinforce this, as well as to evaluate managers' contributions. And don't forget the importance of providing them with ongoing training so all your managers become proficient at developing others and supporting their career progression.
- **The concepts of talent pools and talent pool-based succession planning may not be well understood** in your organization. Identify all the key areas where a planned or unplanned departure could significantly affect your business, not just leadership roles, as well as the competencies required for high performance in each of the identified roles/areas. You may want to engage experienced consultants to help you identify the areas where you need to develop talent pools, the competencies that talent pool members need to develop, and the learning paths that can help them develop those competencies.
- **Your organization needs to know what talent it has at its disposal.** Without a talent inventory, you may not be able to quickly identify employees with required skills on short notice. You may need to put a process and/or tool in place to help you gather, aggregate and access this information.
- Every organization needs to **regularly review the career development progress of all its "promotable" talent.** Ensure you're developing these high-performing, high-potential employees in a systematic and progressive way, to prepare them for career progression/advancement. You may want to engage experienced consultants to help you introduce more effective, ways of periodically reviewing the competencies, skills and experience of your organization's promotable talent, as well as systematic ways to develop that talent to the benefit of individuals and the organization.
- **Your organization needs an established a means to evaluate your entire succession planning program on a regular basis (usually annual)** against the measurable succession planning goals you established at the beginning of the yearly planning cycle. These regular and formal reviews will help ensure your organization gets the results it needs from your program, and that your program remains aligned with your organization's strategy.

Conclusion

Developing a leadership and talent pipeline remains a top concern of organizations globally.

Ultimately, your workforce is your organization's only sustainable competitive advantage and should be considered the most critical means to achieve your company's strategic goals, both today and in the future.

That means taking steps to hire, retain and engage the best employees you can.



One of the primary ways to support this is with a best practice succession plan. Succession planning helps your organization:

- Respond effectively to change
- Recruit and retain the best talent
- Support organizational growth

The focus of the program should be on:

- Developing strength (talent pools) in all key areas that deliver a competitive advantage
- Developing your high-performing/high-potential/high-knowledge employees (in part so you can retain them)
- Developing the strategic competencies the organization needs to thrive and succeed both today and tomorrow — in all key areas
- Developing and maintaining corporate knowledge and a leadership pipeline



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Halogen
Succession™

Resources



How Halogen Succession™ can help

Halogen Succession succeeds where other succession planning software fails. With Halogen Succession you get best practice talent pool based succession planning that ensures every part, section, department, and division of your organization has a large pool of employees ready to step into new roles. And that doesn't mean just executive leadership positions.

Now you can expertly cultivate talent from within your organization, through targeted individual, organizational and leadership development programs that align with your strategic plan.

Talent pool based succession planning:



Has proven to be more effective than traditional organization chart-based programs that focus more on replacement planning



Increases employee engagement and retention



Establishes and develops a large number of promotable employees for all key areas in the organization



Supports your 3–5 year strategic plans, ensuring the organization has the knowledge/skills/competencies/experience required for continued success



HALOGEN
Succession™



Learn more about
Halogen Succession™

More great succession planning resources

For additional resources to help you design and implement a best practice succession planning program, visit www.halogensoftware.com.

Here's a sampling of the resources you'll find:



Succession planning center of excellence



Reference Article: [What makes an effective succession planning program?](#)



Reference Article: [Creating talent pools](#)



Reference Article: [How to avoid common succession management blunders and make sure you promote the right people](#)



White Paper: [10 key steps to effective succession planning](#)



Templates: [Succession planning templates](#)

And of course, you can download your own custom Succession Assessment.



Take the [Succession assessment](#) now and see how your organization rates compared to best practices.



If you'd like to access the latest thinking on talent management check out Halogen's [TalentSpace Blog](#).

Wrapping it up

We hope you've found this resource valuable in your talent management journey. At Halogen, our vision is to help organizations like yours build a world-class workforce that is aligned and engaged, and delivering exceptional results. We know that your people can be a sustainable competitive advantage.

You can also stay connected via all of our social channels. Join the conversation!



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About Halogen Software

Halogen Software offers an organically built cloud-based talent management suite that reinforces and drives higher employee performance across all talent programs – whether that is recruiting, performance management, learning and development, succession planning or compensation. With over 2,000 customers worldwide, Halogen has been recognized as a market leader by major business analysts and has garnered the highest customer satisfaction ratings in the industry. Halogen Software's powerful, yet simple-to-use solutions, which also include industry-vertical editions, are used by organizations that want to build a world-class workforce that is aligned, inspired and focused on delivering exceptional results.

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