



A GUIDE TO SUCCESSION MANAGEMENT

Developed by



Public Service Commission

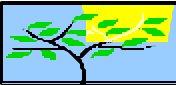
Province of Nova Scotia
Nova Scotia Public Service Commission
Innovation & Growth
February 18, 2005

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Innovation & Growth
Nova Scotia Public Service Commission
One Government Place
1700 Granville Street
PO Box 943, Station Central
Halifax, NS B3J 2V9
Tel: (902) 424-8082
General Email: RegistrarTraining@gov.ns.ca



INTRODUCTION

Succession management has been identified as a key strategy for addressing a number of critical Human Resource (HR) issues in the Nova Scotia Public Service:

- aging of the workforce
- increasing retirement rates
- tight labour market
- limited competitiveness, and
- fast-paced changes in work.

It has therefore become a corporate and departmental priority as identified by the Deputy Ministers and the corporate Human Resource Plan.

This guide provides departments, agencies, boards and commissions with a succession management program. The philosophy, processes, and tools developed and provided by the Public Service Commission (Innovation & Growth division) complement the corporate succession management programs such as Career Assignment

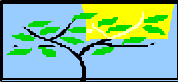
Program (CAP), Executive Career Assignment Program (ECAP), Leadership Continuity Program (LCP), and Career Starts.

The purpose of this guide is twofold:

- to provide an overview of succession management, and
- to provide some tools, and a process for implementing a succession management process within your organization.

Every department's readiness for succession management will differ based on a number of factors, such as size, available resources, impending crisis for leadership and/or specialized technical skills, and the level of integration of the other HR programs (e.g., performance management) that are so critical as supporting programs for implementing succession management.

It is recommended that you view this as a flexible and adaptable process to be implemented based on your own department's need and culture.



BACKGROUND

There are three key points to know about succession management: it is structured, has evolved, (and will continue to do so), and it does not stand alone.

Succession management is a structured effort by an organization to ensure leadership continuity in key positions and to retain and develop intellectual and knowledge capital for the future through:

- identifying positions and/or employees at risk
- growing leadership capacity
- bringing in diversity, including youth and experience, and
- encouraging individual advancement.

Succession management has evolved. It has typically been thought of as “putting names in boxes” to fill specific positions at senior levels in the organization. However, in today’s business environments, there are new and ever-changing demands for leadership talent in organizations. Instead of developing one person for each key position, the focus is on developing many people with the capacity to be effective leaders in any number of positions, in any department.

To be effective, succession management does not stand alone. The organizational and departmental direction and business requirements will influence the type of skills required. Succession management will also be supported by and linked to the HR programs and processes, such as performance management, recruitment, compensation, etc.

The terms succession planning and succession management are often used interchangeably, however they are different.

Succession planning is defined as: Any effort designed to ensure the continued effective performance of an organization, department or work group by making provision for the development and replacement of key people over time. A key person or position is defined as one required to meet the departmental need in the future that exerts critical influence on organizational activities, operationally and/or strategically.

Succession management goes a step further—it is more encompassing. It is defined as: A deliberate and systematic effort by an organization to encourage individual advancement and ensure leadership continuity in key positions, including management, technical and professional specialist roles.

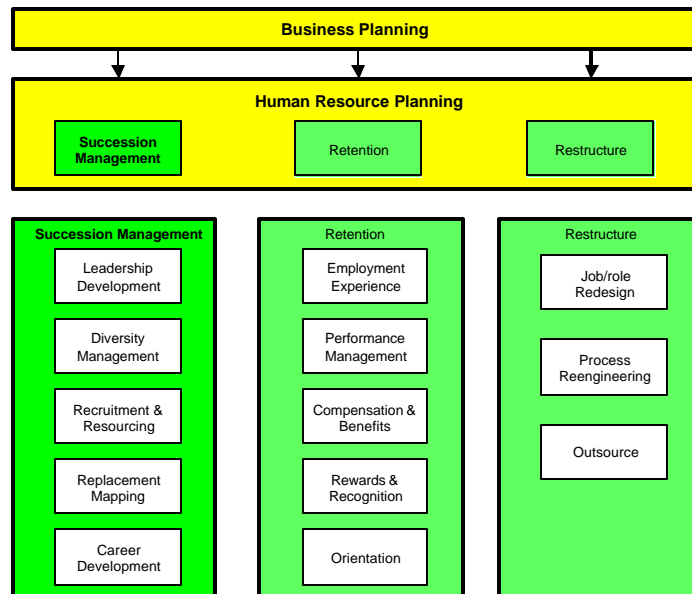
The need to extend beyond the focus on management and leadership roles is becoming more important as organizations take active steps to build high performance and high involvement work environments in which decision-making is decentralized and leadership is diffused throughout an empowered workforce.



WHAT IS SUCCESSION MANAGEMENT?

Succession management is a long-term HR strategy based on the human resource and business plan requirements.

As shown in the model, the strategy is based on the output from the department business planning and human resource planning process. The model also illustrates the point that succession management extends beyond the focus of filling future vacancies/skill gaps through individual development, but utilizes other HR strategies such as retention, restructuring, etc. to meet the business needs.



Due to the overlap with retention and restructuring strategies, ***it is critical that the succession management process is integrated and aligned with all HR programs and systems.***

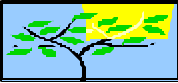
Succession management provides processes and tools that encourage and facilitate individual advancement at the same time it addresses the need for critical backups (replacement planning) on any job category, including key people in the professional, technical, clerical and production ranks.

It can take a specialized or generalized approach. The specialized approach targets gaps in selected job categories, levels, functions or locations and is usually adopted as result of a crisis in the targeted areas. The generalized approach is focused on creating leadership continuity by preparing individuals for advancement in all job categories, levels, functions, and locations.

Regardless of the approach you take, the process should be one of openness where work requirements, competencies, and success factors at all levels are identified and communicated. Input from all those involved should be sought to ensure that performance assessments and development processes and opportunities are seen as fair and equitable, resulting in a program that is seen as trustworthy and credible.

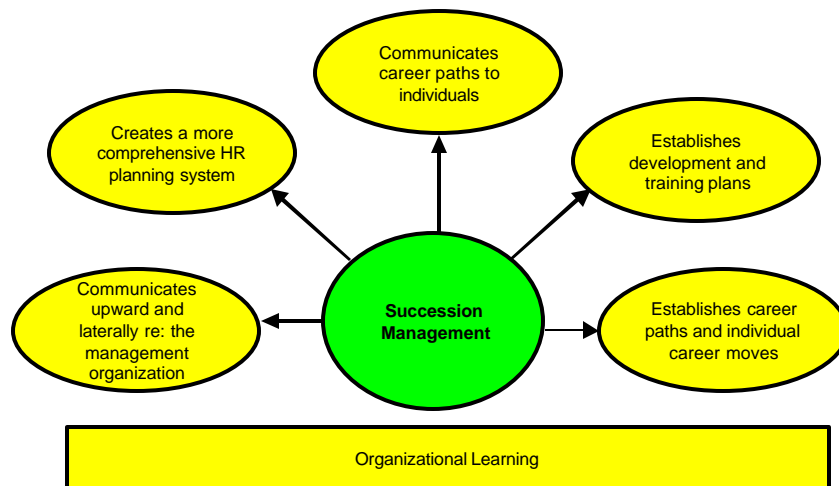
A good succession management program is identified through its:

- ✓ frequent opportunities for employees to accept new challenges
- ✓ recognition that employees have a stake in the organization and share in its success
- ✓ systematic approach to identifying succession candidates
- ✓ cross-divisional/cross-departmental sharing of people and information
- ✓ leadership that rewards managers for promoting rather than keeping their best employees for themselves
- ✓ career paths that don't just move up a specialized ladder, but across the organization, and
- ✓ managers and professional employees all having a career development plan.



BENEFITS

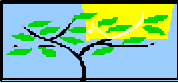
Succession management is fundamental to organizational learning as it is aimed at preserving institutional memory and continuous improvement in individual and organizational effectiveness.



Having a corporate approach to succession management will:

- provide a seamless service to the citizens of Nova Scotia
- identify replacement needs as a means of targeting necessary training, employee education and development
- provide increased opportunities for high potential employees
- increase the talent pool of promotable employees
- contribute to implementing the organization's strategic business plans
- help individuals realize their career plans within the organization
- encourage the advancement of diverse groups in the future
- improve employees' ability to respond to changing environmental demands
- improve employee morale, and
- allow us to cope with effects of attrition (e.g., retirements, restructuring, etc.)

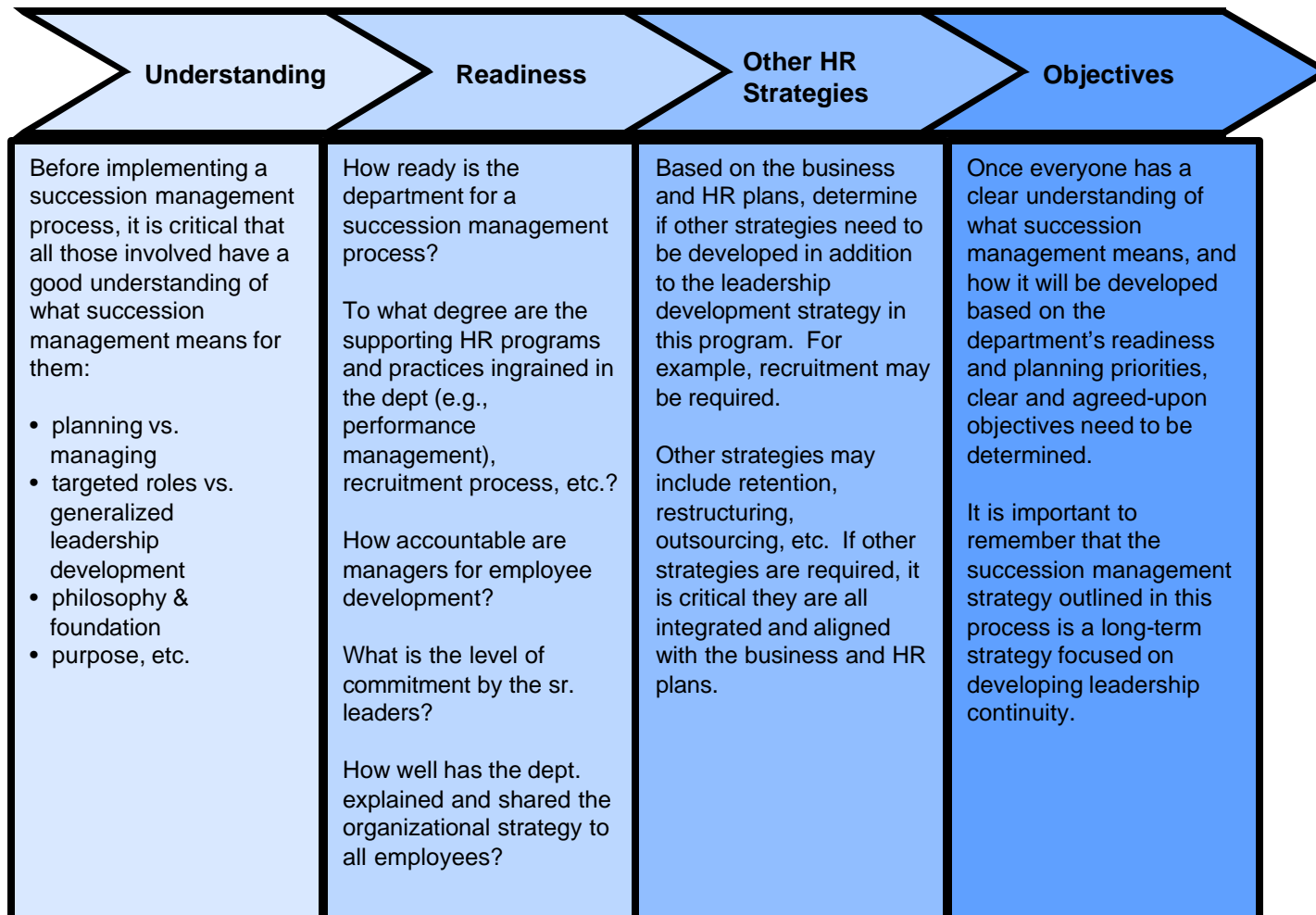
In summary, by creating an environment for people to develop their skills in preparation for a range of future possibilities, the workplace will be well positioned to face whatever lies ahead.



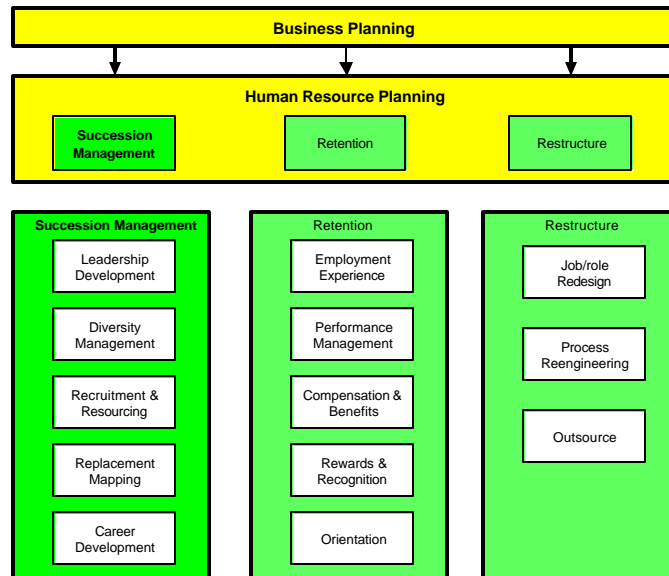
BEFORE IMPLEMENTING SUCCESSION MANAGEMENT

It is strongly recommended that before implementing a succession management program that all those involved have a clear and agreed-upon view of what succession management means to them and what is expected from the program.

The following model provides four key steps for an organization to take in determining its readiness and approach in implementing a succession management program.



Succession management is a key strategy for addressing a variety of critical HR issues that can involve other strategies such as recruitment, retention, compensation, etc.



Good succession management is about harnessing all the human resource systems of recruitment, training, performance management, compensation, etc., in support of the organization's future. For example, if you are unsuccessful in filling vacancies, you might consider:

- process redesign
- outsourcing
- creating and maintaining competitive skill inventories of high potentials outside of the organization
- organization redesign

as some short and long-term strategies.

It is important to think beyond merely replacing key positions or people as the method to achieving organizational effectiveness. Instead, explore innovative ways to tap individual talents while achieving the same or better work results—use the performance management system to integrate work and learning.

When you do have critical vacancies to fill, consider more non-traditional methods. Think outside as well as inside the organization's boundaries and explore innovative approaches such as:

- develop temporary or permanent partnerships
- “trade” personnel temporarily with other divisions, departments, and/or organizations
- create talent pools, and
- create “two in the box” positions (i.e., assistant roles)

You might find you will need to address gaps by “bringing in” the skills you require. This too can take a number of approaches, such as utilizing:

- temporary employees
- job sharing
- part-time workers
- consultants
- overtime
- job rotation, and
- use of retirees.



IMPLEMENTATION—SETTING THE FOUNDATION

The succession management process must be driven by the business and HR planning process.

Early fall, the government goes through a department-based process which focuses on identifying key priorities that will in turn drive key initiatives. An integral part of this process is the associated HR planning needed to support the business plan.

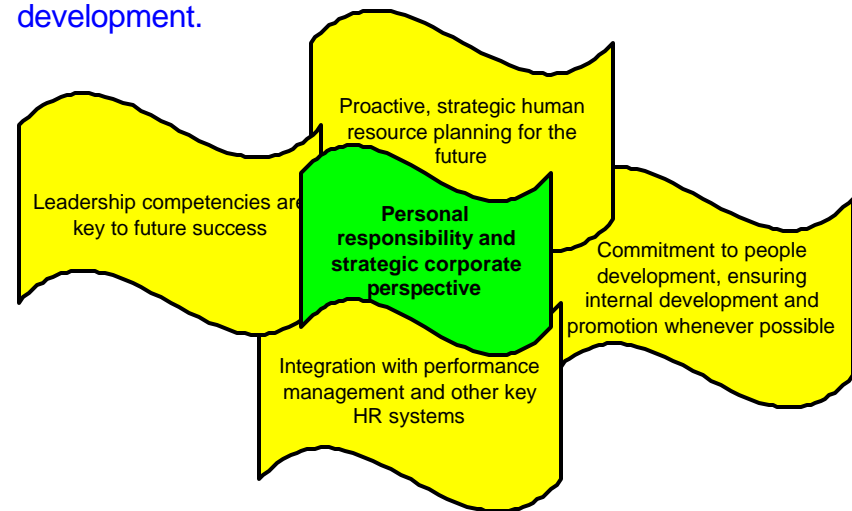
The HR plan looks at the challenges and issues that will be faced from a people and skills perspective and how they will be addressed. It also looks at the future organization, what will be needed, where the people will come from (internal or external). From a high level, the department also needs to define skills gaps and training and develop specific strategies to address their specific needs.

The objective of the succession management process suggested in this guide is to:

- ensure long-term success of service excellence by developing strong leadership capacity
- identify potential “at risk” positions that could have a significant impact on service delivery

- ensure a systematic review of managerial talent at the department level
- ensure a systematic review of management opportunities at the department level, and
- effectively facilitate the movement of people in leadership roles

As shown in the following model, the foundation for our succession management program is based on a philosophy of individual responsibility for career management and organizational support for personal development.



Succession Management Philosophy

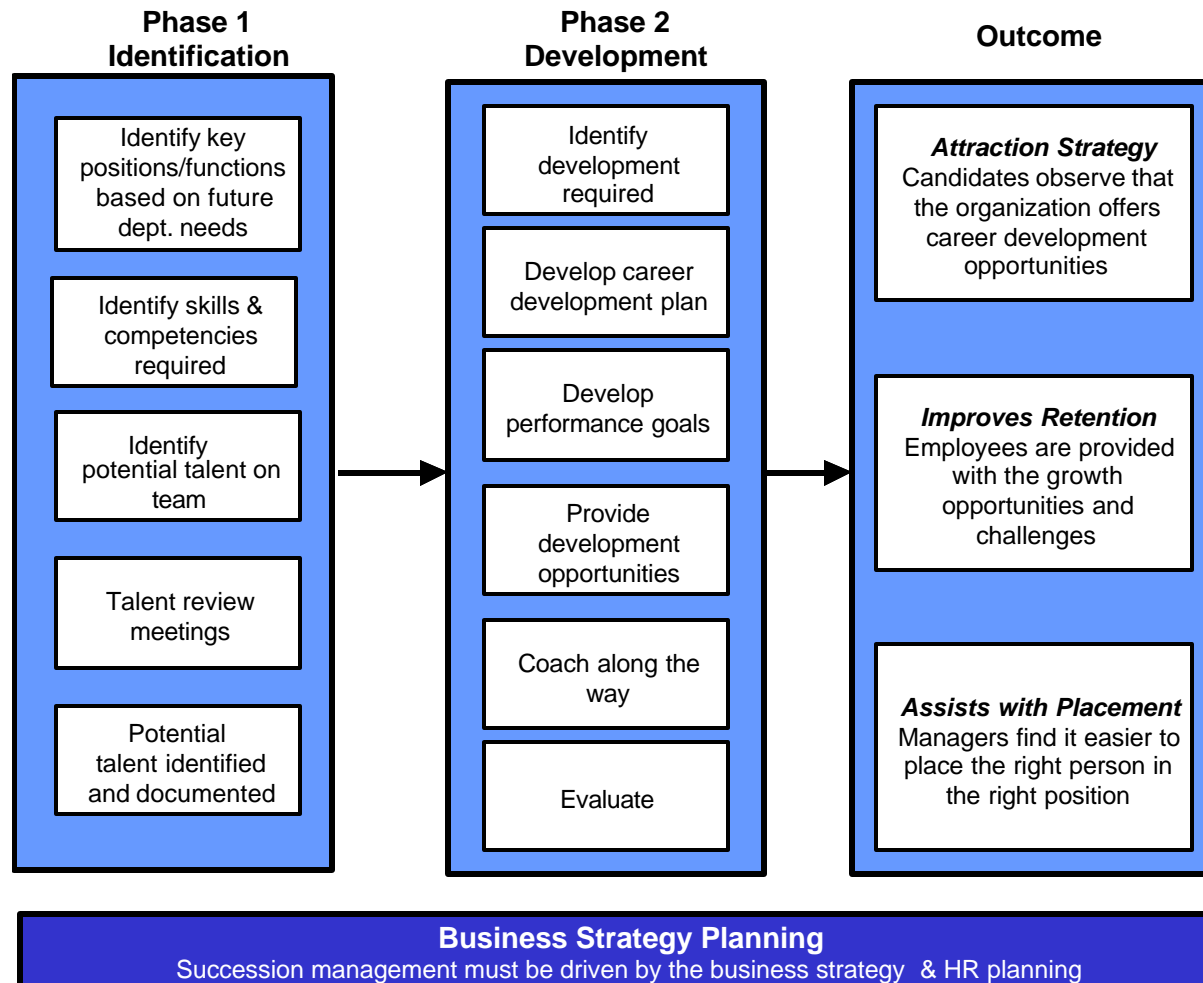
Key points underlying the philosophy:

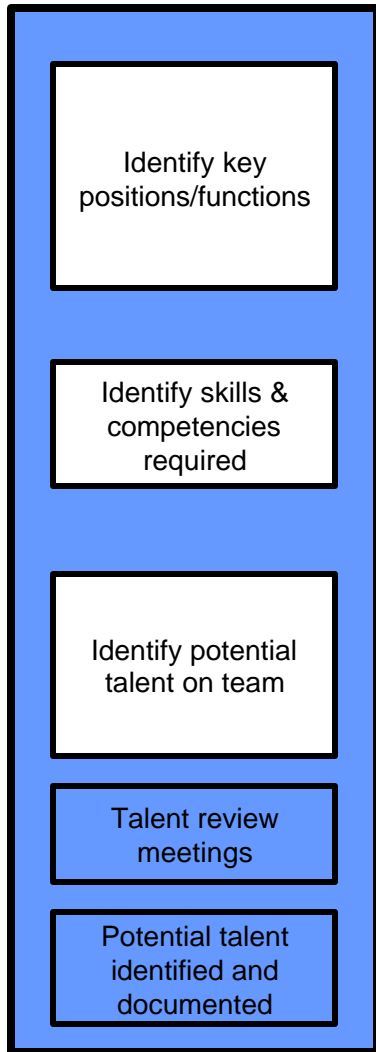
- Communication of the program and philosophy by the senior leadership team is critical to its success. Succession management is often a mystery to employees—promotions, new appointments often viewed as good luck or favouritism rather than the result of corporate planning.
- Employees need to be shown how the organizational vision and goals, global trends, skills and competency profiles and organizational support for training and development fit together to help the workplace navigate an increasingly unpredictable future.
- The approach is on developing the future skills through job experiences and assignments to ensure both business needs and personal career aspirations are realized.



DEPARTMENTAL SUCCESSION MANAGEMENT MODEL

This model is a step-by-step process for departments or division to use. Details are provided on the following pages for each step in the identification and development phases.

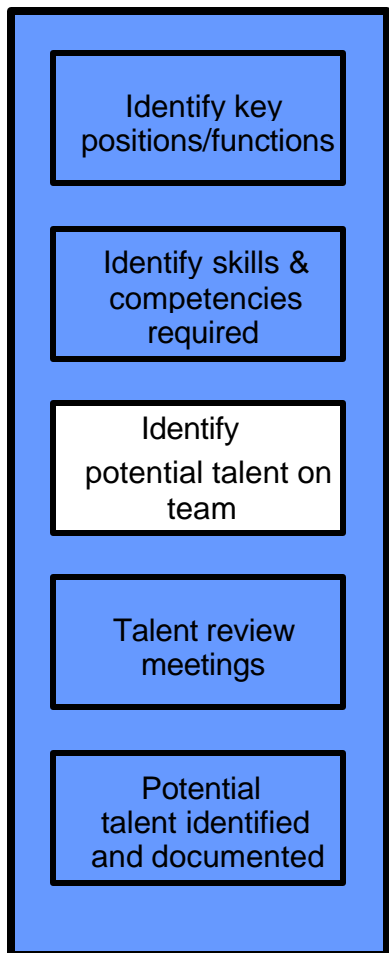




A key position or function required to meet the departmental need in the future is one that exerts critical influence on organizational activities—operationally, strategically, or both. As there are several corporate succession management programs aimed at developing senior leadership capacity, departments may choose to focus on supervisory and mid-management positions. However, it is important to keep in mind that key positions or functions may be found at other points in the organization chart, for example, professional or technical experts or specialists. A department may choose to implement succession management for these positions also.

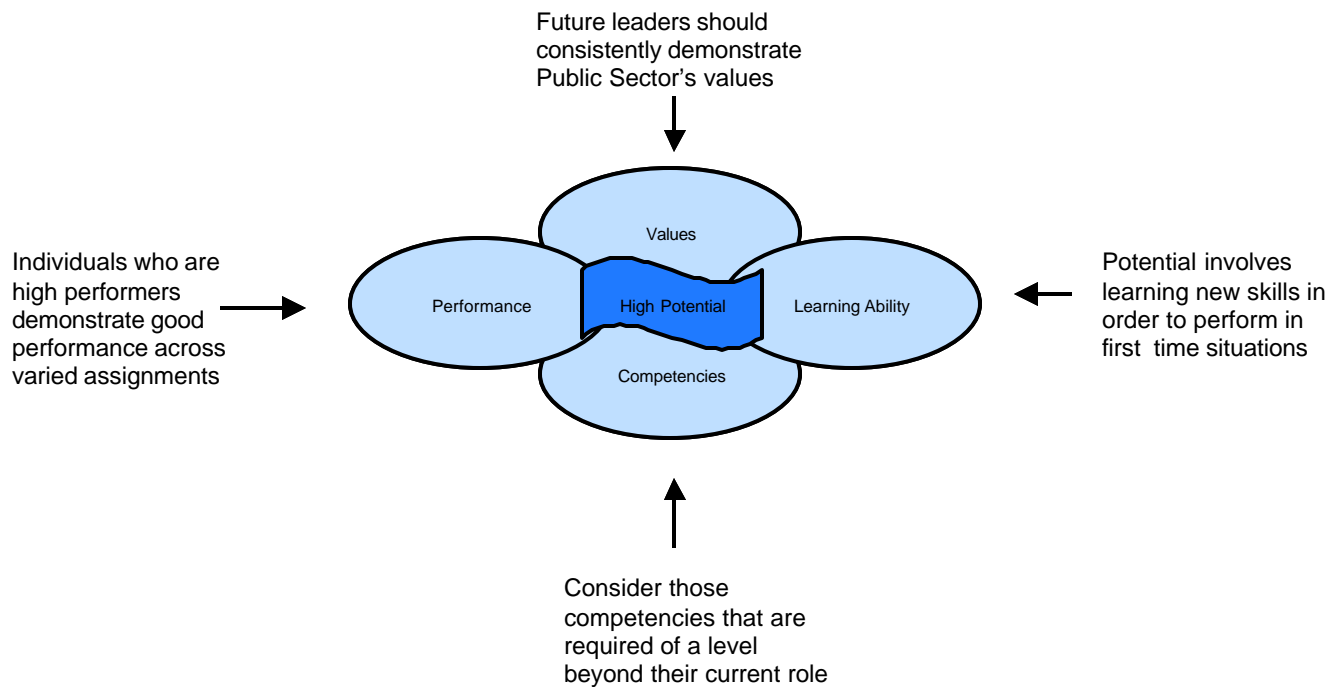
Leadership competencies have been identified and are incorporated into the performance management process. These competencies are used in the identification of high potential employees and for development purposes. This process can also be used to identify specific technical requirements for a function or department.

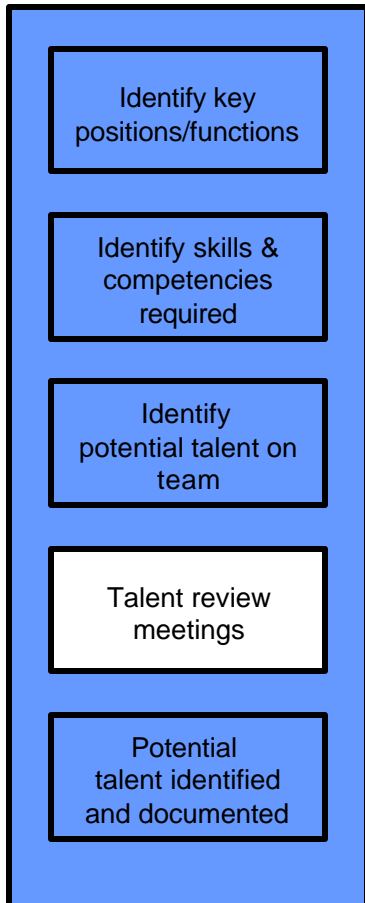
Individuals with advancement potential represent the Nova Scotia Government's inventory of future leaders. They are usually individuals who are capable of advancing two or more levels beyond their present placement or individuals who have not reached their career plateau. Confidence exists that these individuals could move into a more senior leadership role. When identifying high potentials consider our organizational values, leadership competencies, performance, and learning agility.



Identification should be based on a combination of looking at those characteristics that don't change much and can be detected early (e.g., the ability to learn quickly), and those that develop across time as the person learns to deal with new situations (e.g., business acumen or negotiation skills).

The following model provides four key factors that should be considered when identifying high potential employees.



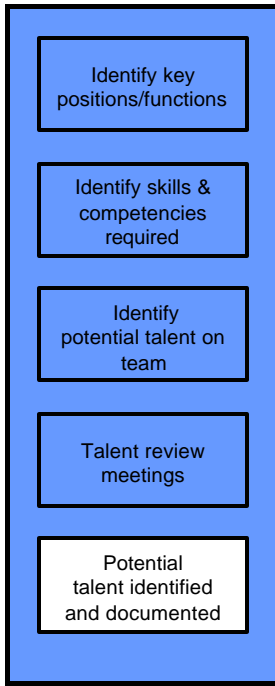


The talent review meeting, which is facilitated by HR is an opportunity to discuss individual reports and come to agreement on the list of “high potentials” within the department. Through these discussions and opportunities to share information on individual employees, the final list will be compiled.

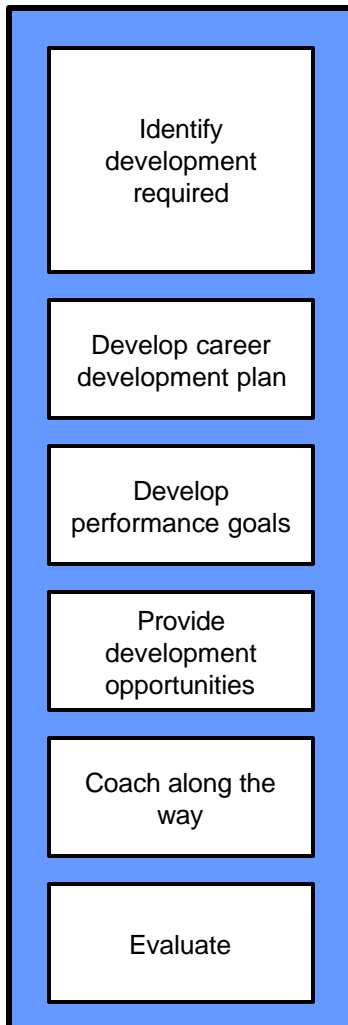
These sessions provide an opportunity to:

- link the succession management process to the business strategy—consider what has changed inside the department or organization that might impact succession management
- get everyone on the same page—not everyone will have the same idea of what it means to be “high potential”. Through discussion, managers will establish common standards and bring multiple viewpoints together
- give employees a sense of fairness—employees must feel succession management is being implemented in an objective way. It is not one person making the decisions, but a team of individuals across the department—even including other stakeholders
- make real action happen—through the conversations that take place, managers learn more about the capability of the people. This will lead to better assignment decisions

Hold talent review meetings twice a year. Just as it is important to review the budget on a regular basis, it is important to review your people resources.



HR should maintain a “talent” database. This should include information for each employee, such as their potential, performance level, career interests and goals, and retention risk. As a result of the talent review meetings there should be documented actions for every individual, such as a specific assignment, project, training course, etc. Each action should have an identified sponsor.



The Nova Scotia Public Service committed to the development of its employees. All employees should have documented performance goals that include a development or competency goal. The goal should focus on the education or experiences required to achieve their results-focused goals. Managers and employees work together on the career development plans.

Considering a person's knowledge, skills and competencies, identify where development is required. It is important not to focus only on those areas where someone is weak, but also to consider how someone can further develop their strengths.

Work with the employee to create a development plan to close the gaps and/or strengthen existing skills and competencies.

Develop goals that are aligned with the business plan and wherever possible, integrate development or competency goals that close any skill/competency gaps.

Development opportunities could include a targeted job assignment, a project (departmental or inter-departmental), a formal training program, or an external activity.

Continue discussion with the employee to exert a positive influence in their motivation, performance, awareness for improvement and development to help them be as effective as possible.

Consider if goals are being achieved and gaps are being closed. Remember, individuals may move on the talent map. Some may drop from the "advancement potential" category, while others may be added.



DEPARTMENTAL ROLES AND RESPONSIBILITIES

Employees are responsible for:

- expressing their interest in pursuing a more senior role
- creating and keeping up-to-date career development plans
- working with their managers to identify development opportunities
- being open to, and acting on, feedback
- making every effort to achieve their performance management goals
- taking opportunities and/or risks to further their development and career

Managers are responsible for:

- fairly assessing the individuals who report to them
- actively participating in talent review meetings

- having open and honest career discussions with employees
- working with individuals on career development plans and providing growth opportunities
- providing ongoing coaching
- ensuring the current and future needs of the business are met

HR Consultants are responsible for:

- facilitating talent review meetings as requested
- collecting names of “high potentials” to keep in a central repository and updating it as required
- facilitating career development moves to provide individuals with growth opportunities
- assisting hiring managers match positions and individuals for possible promotions and/or assignments

The key to success is having a senior leadership team or committee that is actively engaged in the department's succession management program. This would involve championing the program, working with managers to identify and facilitate development opportunities (both internal and external to the department), and acting as role models, coaching and supporting managers through the process.