Succession Planning – SDG & PR

The Case for Succession Planning

- Succession Planning is an important component of an organization that is often addressed as part of strategic planning.

  - The succession plan is usually linked to the vision and mission of an organization.

  - It outlines a development plan for each key/critical position in the organization.

The Case for Succession Planning

- Provides for a process that recognizes, develops and retains talent.

  - Builds a leadership pipeline/talent pool to ensure organizational continuity.

  - Develops potential successors in ways that best fit their strengths (best candidates for categories of positions).

  - Concentrates resources on targetted talent development processes yielding a greater return on investment.

Why Succession Planning?

Organizations in today's world face:

- Increasing turnover rates.

- Fast-paced changes in the workplace.

- The need for a diverse workforce at all levels.

- Competition for the same talent.

- Vacancies due to unplanned leaves.

Why Succession Planning?

- Succession planning is becoming particularly important as the baby boomer generation nears retirement.
  - Critical timeframe between zero to ten years.
- Statistics show us that there will be a limited pool of candidates in our area.

Benefits of Succession Planning

- Builds capacity in employees which has an almost immediate positive impact on the workplace.

- The development, engagement and attraction of talented employees, contributes immediately to the achievement of the business' goals and priorities.

- Individuals in whom the organization invest experience a number of benefits such as:

  - Guidance in career planning.

  - Help in reaching their career goals.

  - Feel recognized and valued for their contributions, etc.

Snapshot SDG / PR area

- Slow population growth and aging population.
  - Median age in SDG (45.6) and PR (42.6) is higher than that of Ontario's (40.4)
- Participation rate is lower in SDG (60.8%) than that of the province (65.5%) but higher in PR (69.0%)
- 11.3% of SDG and 11% of PR's labour force is self employed which is higher than the provincial average of 10.6%.

Source: NHS Profile – Stormont, Dundas & Glengarry and Prescott-Russell

Occupations in SDG/PR that are impacted by an aging workforce

- Workforce age between 45 to 54* in 2011 would now be 50 to 59+ in 2016.

- Occupations represented according to National Occupational Classification (NOC). The NOC is Canada's national system to classify and describe all occupations across the country.

- Examples of occupations shown are those with 500 individuals +.

  * Sources: TOP Report October 2016

Aging workforce in Business, Finance and Administration Sectors

NOC	Occupation	No. in Occ'n	% Age 50-59	Outlook	Possible available positions
Business, Finance and Administration Occupations					
1431	Accounting and Related Clerks	1,140	39.50%	Good	450
2171	Information Systems Analysts/Consult.	795	37.70%	Good	300
1241	Administrative Assistants	2,370	37.30%	Limited	884
1221	Administrative Officers	1,590	33.60%	Fair	534
1311	Accounting Technicians/Bookkeepers	835	31.70%	Good	265
1111	Financial Auditors and Accountants	835	29.90%	Good	250
1414	Receptionists	910	29.10%	Fair	265

Aging workforce in Health Sector

NOC	Occupation	No. in Occ'n	% Age 50-59	Outlook	Possible available positions
Health Occupations					
3012	**Registered Nurses/Reg'd Psych. Nurse**	1,805	26.60%	Good	480
3413	**Nurse aides, orderlies and patient service associates**	965	47.7%	Good	460

Aging workforce in Social Science, Education, Government Services and Religion Sectors

NOC	Occupation	No. in Occ'n	% Age 50-59	Outlook	Possible available positions
Occupations in Social Science, Education, Government Services and Religion					
4413	Elemnt'y/Secnd'y School Teacher Asst.	685	37.20%	Fair	255
4412	Home Support Workers/Housekeepers	730	26.00%	Good	190

Aging workforce in Sales and Services Occupations Sectors

NOC	Occupation	No. in Occ'n	% Age 50-59	Outlook	Possible available positions
Sales and Services Occupations					
0621	Retail and Wholesale Trade Managers	2,485	31.40%	Fair	780
6411	Sales/Account Reps – Wholesale	580	30.20%	Good	175
6341	Hairstylists and Barbers	705	29.80%	Fair	210
6733	Janitor, Caretaker, Building Supervis's	1,500	29.00%	Fair	435
6731	Light Duty Cleaners	1,215	28.40%	Good	345

Aging workforce in Trades, Transportation and Equipment Operators and Related Occupations Sectors

NOC	Occupation	No. in Occ'n	% Age 50-59	Outlook	Possible available positions
Trades, Transportation and Equipment Operators and Related Occupations					
7511	Transport Truck Drivers	2,535	34.90%	Good	885
7521	Heavy Equipment Operator (not crane)	785	29.90%	Fair	235
7512	Bus Drivers & other Transit Operators	995	28.10%	Good	280
7514	Delivery and Courier Service Drivers	625	26.40%	Fair	165

Aging workforce in Occupations Unique to Primary Industry Sectors

NOC	Occupation	No. in Occ'n	% Age 50-59	Outlook	Possible available positions
Occupations Unique to Primary Industry					
821	Managers in Agriculture	2,215	35.70%	Unavail.	791
6541	Security Guards ARO	715	28.70%	Fair	205

Look Out! - Common mistakes made by organizations when it comes to succession planning

- Stopping at highest level of management

  - The best succession planning programs look at the full leadership team as well positions that are identified as critical to the viability and success of the organization.

- Lack of engagement

  - Vetting of process with administrators / board and communication of goals with individuals in the organization.

  - Lack of incentives for executives to mentor talent - It should be considered a badge of honor to have your people selected for promotion.

Look Out! - Common mistakes made by organizations when it comes to succession planning

- Retrospective instead of forward looking vision
  - Select talent according to the skills needed to align with the organization's long-term strategic vision.

- Evaluate talent and redefine positions
  - To stop individuals from topping out of leadership roles, organizations should redefine or create new positions and collaborative opportunities to ensure that internal talent has room to grow.

- The wrong people making decisions.
  - The best companies involve their Human Resources department (or external consultant) and the Board/succession Planning Committee when making succession planning

Steps in a Successful Succession Planning Process

1. Identify owner of project & creation of work plan
2. Define process
3. Perform critical risk analysis
4. Identify talent pool
5. Develop succession strategies
6. Implement succession strategies
7. Monitor, evaluate and adjust

Identify owner of project and creation of work plan

- Identify who will manage the process:
  - Internally - HR or Succession Planning Committee
  - Externally – Consulting firm

Identify owner of project and creation of work plan

- Define the key responsibilities, objectives and expectations for manager:
  - Recommendation of processes to the organization's Board of Directors or Leadership Team.
  - Develop communication strategy.
  - Develop assessment tools, plans and timelines.

Define process

- How will the Succession Planning process be done?
  - Overview of the Organization to identify key and risk positions.
    - What are the key responsibilities for the position today, in one year, in three years and in five years from now.
    - Will the positions be the same or should they be restructured.

Define process

- How will the Succession Planning process be done?

  - Introduction of new assessment and development tools.

  - Approval of process by leadership or board committee.

  - Communication of exercise to members.

  - Monitoring and Feedback.

Critical Risk Analysis

- Identify core competencies and technical competency requirements to ensure viability of the organization.
  - Identify "real" continuity issues (risk assessment).
  - Develop a plan based on talent needs, not on position replacement.
  - Determine skills needed for the short, medium and long term.
- Determine key positions.

Identify Talent Pool

- Identify internal talent with critical competencies from multiple levels—start early in career and often.

- Assess competency and skill levels of current workforce, using assessment instrument(s).

- Use feedback processes for development purposes.

- If needed, analyze external sources of talent.

Develop Succession Strategies

- Identifying retention strategies.
  - Compensation and retention bonuses - Can we make it attractive to people with different compensation priorities (salary vs. flex-time, work remote, vacation, development path, education)?

- Identifying recruitment strategies.
  - Recruitment and relocation bonuses.

Develop Succession Strategies

- Identifying development/learning strategies.
  - Planned job assignments - action learning projects, rotational assignments, job exchange
  - Formal development – corporate learning
  - Knowledge transfer – team meetings, shadowing, cross-training
  - Coaching and mentoring

- Performance assessment, feedback and adjustments.

Implement Succession Strategies

- Linking succession planning to HR processes:
  - Performance management.
  - Compensation.
  - Recognition.
  - Recruitment and retention.
  - Workforce development and planning.
- Implementing strategies for maintaining senior level commitment.

Implement Succession Strategies

- Communicate to the organization the implementation processes surrounding the Development of Succession Strategies.

- Determine and apply measurements of success.

Monitor, Evaluate and Adjust

- Obtain feedback on selections from talent pools:

  - Listen to leader feedback on success of internal talent and internal hires.

  - Analyze satisfaction surveys (from customers, employees, and stakeholders).

- Assessing responses

  - Do they meet success measures?

  - Do plans need to be adjusted?

Succession planning assists in situations of <u>unplanned leaves</u>

- Identify urgency of need for replacement.
  - Develop critical timeline for filling of vacant position.
  - Create a job description for the transition position.

Unplanned leave for prolonged period of time - internal

- Determine if transition position can be filled by internal staff person (or persons).
  - Identify minimum skills needed for the position.
  - Confirm reporting hierarchy.
  - Review current staff members.
  - Identify period of time that staff member(s) will occupy the position.
  - Establish salary compensation and provide an adjustment for increased responsibility during period.

Unplanned leave for prolonged period of time - external

- Determine if transition position is to be filled by external hire.
  - Identify minimum skills needed for the position.
  - Confirm reporting hierarchy.
  - Update job description.
  - Determine the period for the transition position.
  - Determine salary scale.

Succession Planning Offers Opportunities for Discussion

- Some key questions to be asked during the process:

  - Does the organization want to refine its leadership model?

    - Does it meet today's needs?

    - Does it need to be adjusted to meet future needs?

  - Will the identified position remain the same or should it be restructured?

    - What are the key expectations and responsibilities of the position?

    - In what ways will / should it be different than the current structure?

      - In one, three, five years from now?

Why use Labour Market Information in Succession Planning

See which jobs are in high demand in Stormont, Dundas and Glengarry;

Identify employers that may be competing for the same talent;

Research different/alternative occupations and skills sets;

Research employment conditions and current wage ranges for various occupations;

Assist with targeting skills to be included in development plans for staff.

Why use Labour Market Information in Succession Planning

Write or update job descriptions;

Establish a competitive wage rate and benefits packages;

Recruit qualified staff;

See what type of talent is being attracted into the community;

Understand labour market conditions.

Remember to be flexible

- One shoe does not fit all – each organization will have unique needs and solutions.

Resources section

- Succession Planning – Action Plan template

- Learning and Knowledge Development plan

- Critical Positions and Risk Assessment template

  - Documents available in the Resources section of the Labour Market Information webiste - http://labourmarketinfo.com/sdg-resources/

Resource material – Succession Planning - Action Plan template

Sections address organization's Vision – Building of Capacity – Recruitment for Tomorrow – Retention & Engagement – Monitoring & Communications – Other

- Goals/Objectives
- Critical Positions Addressed
- Action Items/Activities
- Required Tools
- Responsibilities
- Target Date
- Progress/Comments

Resource material – Succession Planning - Action Plan template

- Example

1. VISION						
Goals/Objectives	Critical Positions Addressed	Action Items/Activities Required	Tools	Responsibilities	Target Date	Progress/Comments
		•				
		•				

2. BUILD CAPACITY:						
Goals/Objectives	Critical Positions Addressed	Action Items/Activities Required	Tools	Responsibilities	Target Date	Progress/Comments
		•				
		•				

3. RECRUIT FOR TOMORROW:						
Goals/Objectives	Critical Positions Addressed	Action Items/Activities Required	Tools	Responsibilities	Target Date	Progress/Comments
		•				
		•				

4. RETAIN & ENGAGE:						
Goals/Objectives	Critical Positions Addressed	Action Items/Activities Required	Tools	Responsibilities	Target Dates	Progress/Comments
		•				
		•				

Resource material - Learning, Knowledge Transfer and Development Plan

- To establish
  - Short and long term career goals
  - Planning of development goals
    - Development area
    - Timelines
  - Knowledge Acquisition Plan
    - Skills
    - Determine the level of urgency & prioritize actions
    - Timelines

Resource material - Critical Positions and Risk Assessment template

- What positions (are instrumental to delivering on the business' commitments and corporate priorities (i.e. performance agreements)?

- What positions exert critical influence on achieving operational and strategic goals (i.e. business plans)?

- What positions are essential in meeting legislative or regulatory requirements?

- What positions are instrumental to the health, safety or security in the workplace?

Checklist – Preparedness of Organization for Succession Planning

✓ Clearly identified organizational chart with lines of authority and responsibilities designated

✓ Talent (Staff or Board Members) is ready and prepared to step up in the event of a change – planned or unplanned

✓ Accurate and up-to-date list of key stakeholders exists with at least one board member and one staff member having access. (should included funders, board members, staff members, partner organizations, key collaborators, etc.)

✓ Communication plan on who is contacted when and why during a transition.

✓ Organized and central source for corporate documents including minutes, grants, contracts, vendors and account numbers.

- Annual organizational work plan with key performance outcomes, annual calendar of key activities and funding/contract deadlines.

- Annual operating budget with current month comparison to actual expenditures. 12 month cash flow projections.

✓ Board approved policies and procedures for personnel, finance, operation, etc Board approved succession plan for filling the position.

Template to determine criticality score – Examples of questions

Please indicate the extent to which you agree with the following statements using the 0-5 scale where 5 means that you strongly agree.	Strongly disagree 1	Disagree 2	Disagree somewhat 3	Agree Somewhat 4	Agree 5	Strongly Agree 6
If this position were left vacant, it would cause serious difficulties in delivering on commitments and corporate priorities						
If this position were left vacant, it would cause serious difficulties in achieving operational and strategic goals at the department level.						
If this position were left vacant, it would cause serious difficulties in meeting legislative or regulatory requirements.						

Sources

- Labour Market information – www.labourmarketinfo.com

- Employer One Surveys - http://www.eotb-cfeo.on.ca/

Contact the
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