



# Succession Planning: An Integrated Approach to Workforce Planning and Development

---

Council on Accreditation Conference

July 18, 2016

Mike Markovits

# About AchieveMission

## MISSION

Dramatically increase the impact achieved by nonprofits and the social sector by enhancing the sector's perception and practice of human capital management

## VISION

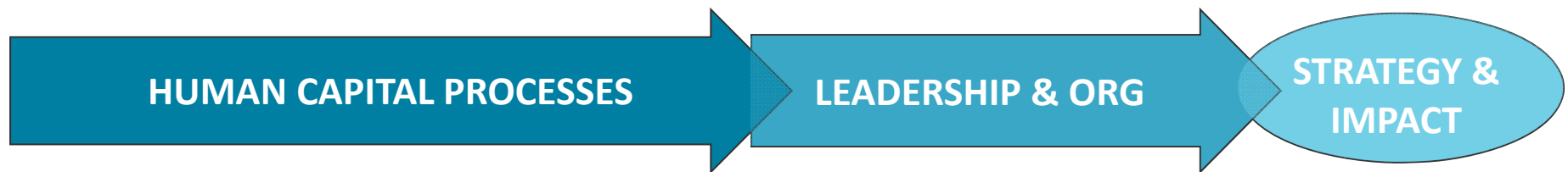
By 2030 human capital management best practices will be at least as widely accepted and practiced as are logic models, strategic planning and program evaluation

## TEAM

- Strong human capital management business (Mercer, Hewitt, GE, IBM) and nonprofit (Taproot, Independent Sector, Teach for America, Jumpstart, Citizen Schools, etc.) experience
- Priority sectors: Education, Philanthropy, Human Services, International

# What Is Human Capital Management?

## Processes for Building & Managing Leadership & Organization to Achieve Strategy & Mission Impact



### Activity

Build & run stronger human capital processes (e.g. recruiting)

### Outcome

Stronger leadership & organization

### Impact

More mission impact per dollar

# Human Capital Management







*"Miss Adamson, pluck someone from nowhere  
and put him in a position of responsibility."*

## Definition – Workforce Planning

- **Based on your organization’s strategy, you can anticipate your workforce needs (e.g., expansion to another city, adding an additional program, annual turnover historically in different positions).**
- **Do you have the ability to meet your anticipated workforce needs from within your organization?**
- **Succession planning is a key process to determine whether you can meet your workforce needs through the internal development and movement of talent.**

# Definition – Succession Management

Succession management is an set of processes for identifying, selecting and managing talent to build bench strength and to ensure the readiness of that talent to move immediately into key positions when necessary.

Does not work well if done only in response to an event (i.e. departure of leader) or is driven by HR.

Done effectively, it enables organizations to react quickly to change and to endure difficult times.

At its best, enables an organization to seamlessly merges its employees' capabilities and career aspirations with org. strategy and talent needs.

Many non-profits do not do succession management and only 12% of for-profits may have a fully developed program. Why do you think this is? What does it take to do succession management well?

Source: Bersin & Associates and Center for Creative Leadership - High Impact Succession Management



# Succession Planning Mitigates Risk

## Vacancy Risk

- Risk of critical leadership positions being left vacant

## Readiness Risk

- Risk of under-developed or unprepared successors in critical positions

## Transition Risk

- Risk of poor assimilation of leaders into the organization or into crucial roles

## Deployment Risk

- Risk of poor deployment of talent to execute strategy

Source: Adapted from Corporate Executive Board, 2009

# Best Practices for Succession Management

---

- Executive leaders drive succession management, supported by HR
- Name key roles based on strategy, identify high-potentials to prepare them
- Create actionable development plans
- Measure outcomes regularly and make adjustments
- Keep it Simple!

# Distinguishing Replacement & Succession Planning

## Replacement planning *identifies immediate understudies*

Replacement planning focuses on suitable replacements for top executives

Replacement planning creates a short list of candidates

## Succession planning *develops talent to move forward*

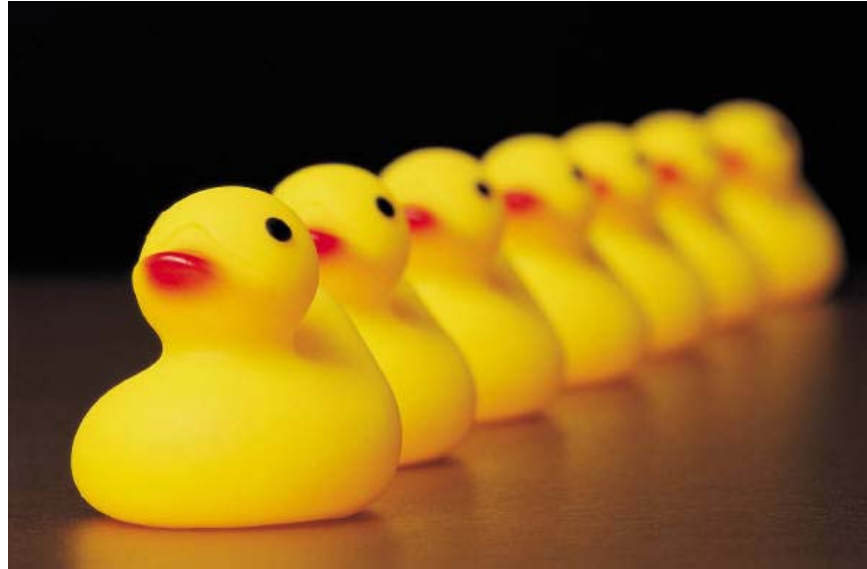
Succession planning leads to ease in filling vacancies throughout the organization because employees are being empowered and developed

Succession planning builds a large talent pool



***Succession planning takes a little more time and effort from leaders, but it yields a high return***

## Succession Planning is a Process



To achieve its full impact, succession planning must be thought about as an **ordered business process**, just like other strategic planning processes, and conducted on at least an annual basis



# Smart Succession Tools

---

## While It's a Newer HCM Practice, There are Previous Models



*"We've traveled the world looking for our next C.E.O., as was foretold in our corporate legends. We think your little Tim might be that C.E.O."*

# Talent Reviews are a Core Succession Planning Tool

**A talent review is a structured process for evaluating an organization's talent in order to understand**

- Who has potential for other roles
- Plans for succession to key roles
- What key development actions are needed for organizational success

## **Benefits include**

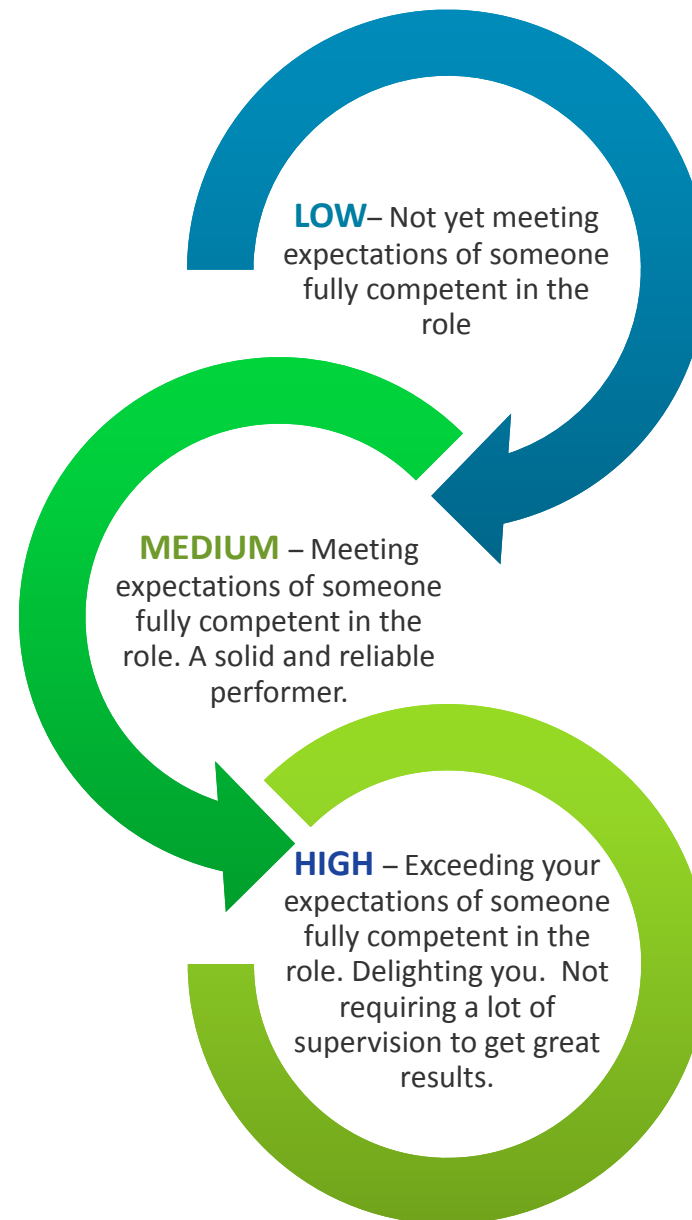
- Linking business plans with the necessary human capital capabilities
- Judges the health, quality and robustness of the leadership pipeline
- Clarifies potential replacements for key roles
- Exposes where there are insufficient replacements available for key roles
- Identifies higher potential staff and plans to accelerate their development
- Identifies critical gaps in capacity and develops plans to address those gaps
- Leadership team dialog and calibration ... leading to better teamwork

# WORKSHEET: 9-Box





# Distinguishing Levels of Performance

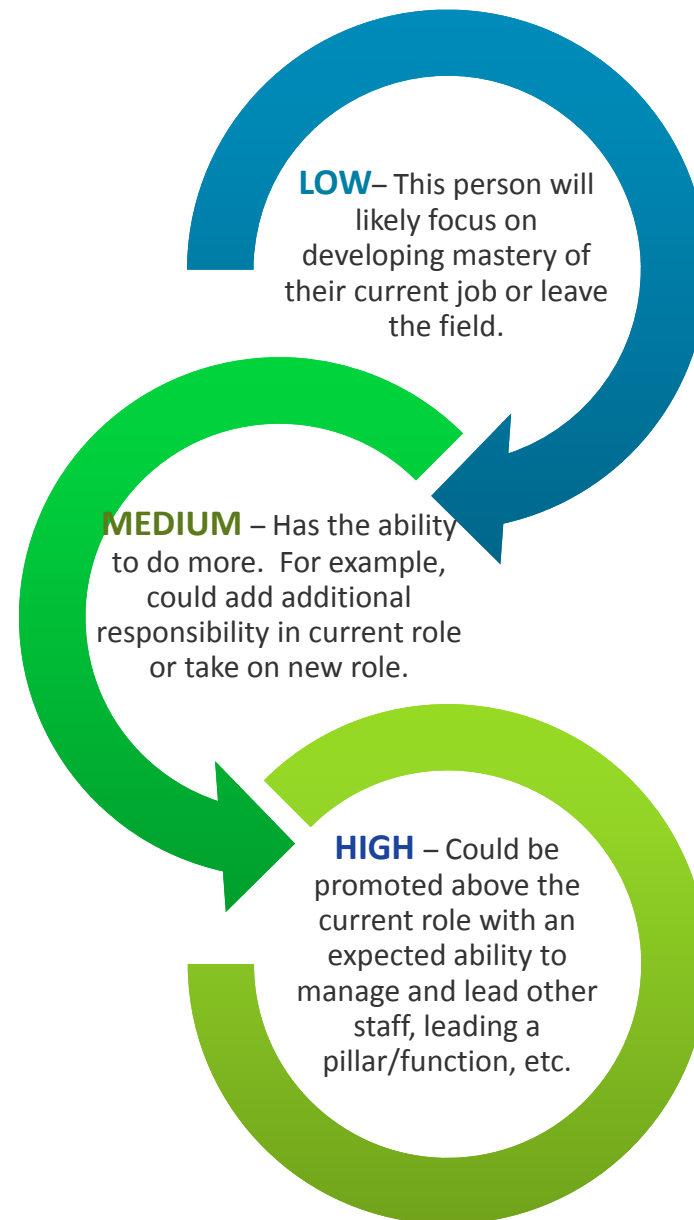


# What is Potential?

- It is an organization's view of an **employee's ability to rise and succeed** in more senior roles, broader responsibilities or more critical positions within an organization
- **Agility, promotability & track record of success** are indicators



# Distinguishing Levels of Potential





# Pitfalls to Avoid



# Worksheet: Successor Chart

First row - From inside our organization

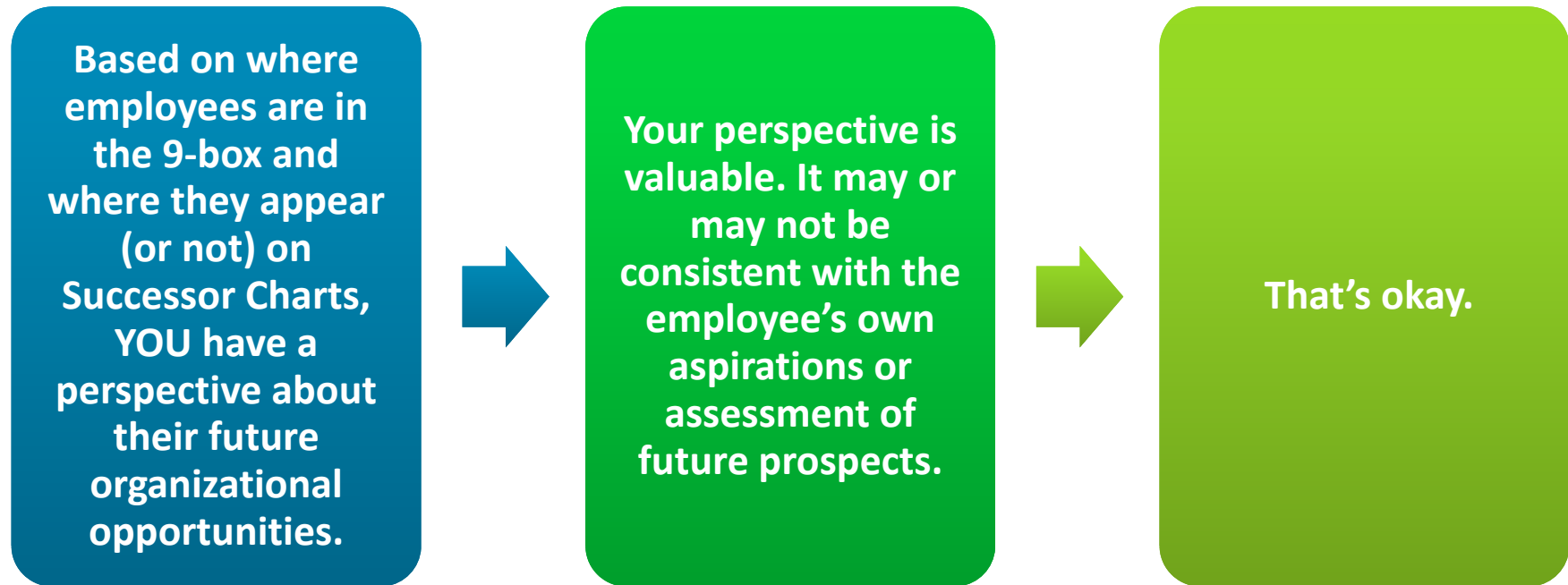
Second row- From outside the org (alumni staff, volunteers, BOD, partners, etc.)

Incumbent	Ready Now	1 Job Away	2 Jobs Away
Your Name, Your Role	name	name	

## FOR TOP POTENTIAL SUCCESSORS: GAPS/WORRIES & DEVELOPMENT

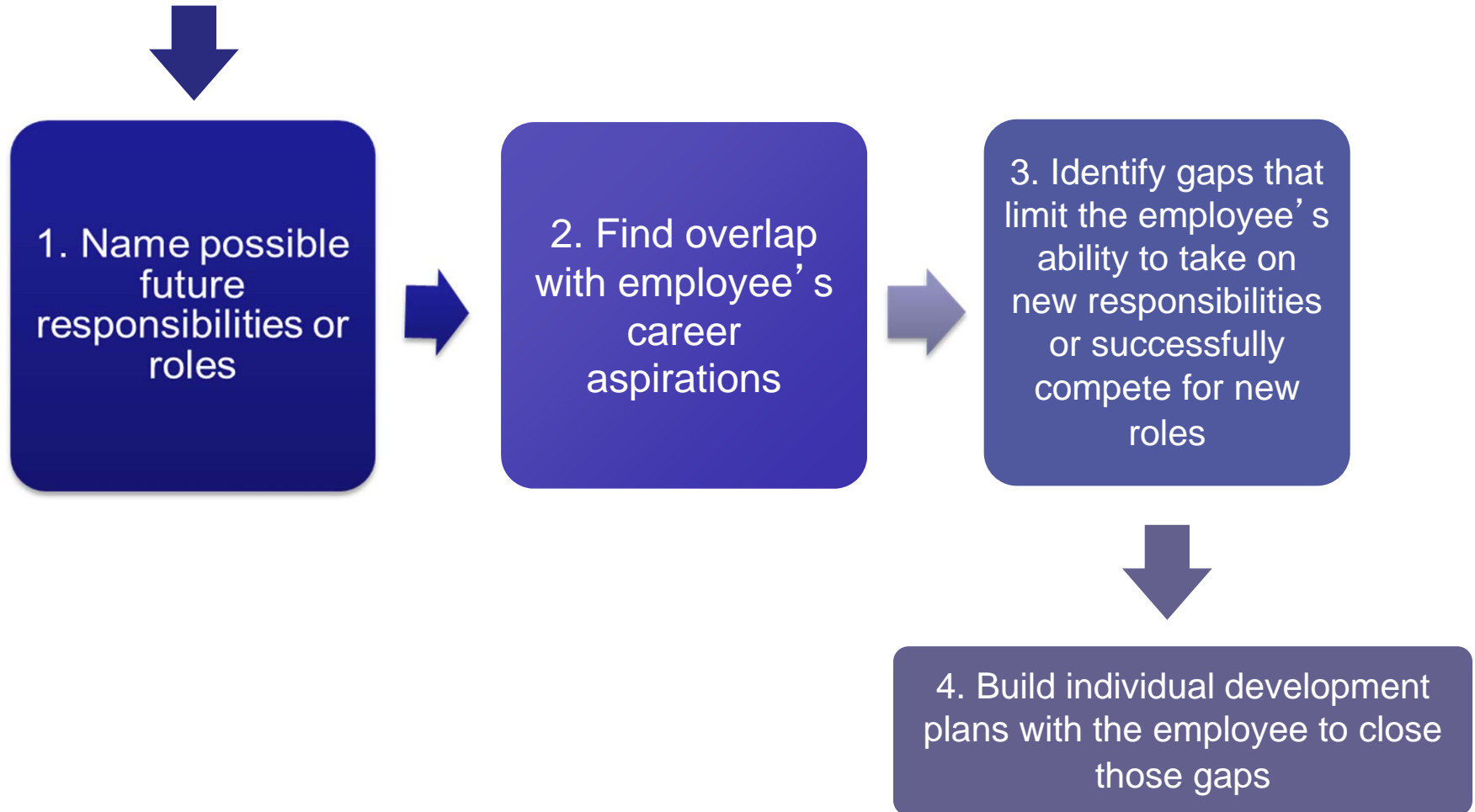
Person	Strengths	Concerns	Action
Person X			
Person Y			
Person Z			

# Utilizing Talent Review Output



# Career- & Succession-Driven Development Plans

Nine-box & Successor Chart





# Retention Planning

- **Doing Talent Reviews will help you identify who is most critical to retain**
  - **Those who are higher performers and who have more potential tend to be the people most critical to retain in any organization**
- **Once you have identified who is most critical to retain, then you need to understand what motivates them to stay at your organization**
  - **When you are talking with your staff members about their individual development plans, also talk with the people who are critical to retain about what would most motivate them to stay at your organization**
- **As part of individual development plans, include actions that would increase likelihood of retention for those identified as critical to retain**

## **Risk of Inadequate Workforce Planning**

**In the absence of conducting Talent Reviews on at least an annual basis, the risks to your organization include:**

- **Decreased retention of key personnel, especially those staff with the most potential to advance to bigger roles in your organization**
- **Increased reliance on recruiting to meet workforce needs with the associated recruiting and onboarding costs and time delays**

# Questions and Discussion

Thank You

---

Mike Markovits

[mmarkovits@achievemission.org](mailto:mmarkovits@achievemission.org)

203-536-5413