Public Service Human Resources Management Agency of Canada
Agence de gestion des ressources humaines de la fonction publique du Canada

# Succession Planning and Management Tool

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Human Resources Planning Directorate

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# Introduction

Integrated human resources (HR) and business planning has become a critical component of modernizing HR in the public service by enabling organizations to determine their current and future needs and build for them. In order to enhance capacity for integrated planning, the Interdepartmental HR Planning Working Group was established and played a key role in developing the Integrated HR and Business Planning Tool Kit.

This tool builds on the work by the Interdepartmental HR Planning Working Group by providing information specific to succession planning and management strategies. Succession planning has been identified as a top priority among senior leaders in both the private and public sectors.[1] Trends such as the increasing diversity of the population, competition for skilled employees, and the ageing population reinforce the need to identify and develop skills in targeted areas and implement strategies to pass on corporate knowledge.

This tool is intended to provide departments and agencies with a road map of how to implement succession strategies adapted to their needs. The tool is primarily geared towards HR professionals. However, given that multiple players may be involved in the development and implementation of succession strategies, the tool may be of interest to other audiences, including senior leaders, managers, employees, corporate planners, and bargaining agent representatives. A streamlined version of the tool, entitled *Succession Planning and Management Tool for Managers*, has been developed for managers.

This tool can be used to:

- create a common understanding of succession planning principles and practices within your organization;
- form the basis for developing tailored succession planning tools, templates, presentations, and/or workshops for your organization;
- generate ideas about what kind of approach your organization may undertake to better plan and manage succession;
- improve existing succession planning processes; and
- serve as a general reference document.

The development of the tool involved a literature review of leading succession planning practices in both the public and private sector; focus groups conducted across regions and with various networks and stakeholders such as HR professionals, managers, functional communities, and bargaining agents; and the participation of over 40 departments and agencies.

# The Business Case

## Departures and retirements

Based on recent departure trends, between 20 and 25 per cent of indeterminate public servants are forecast to leave over the next five years.[2] In 2004–05, two thirds of all departures were through retirement. Because the retirements will occur over a period of time, this is a manageable issue. However, it requires strategic planning. Effective succession planning ensures that the federal government will have a ready supply of qualified candidates for leadership roles and for other key areas when positions become vacant.

## Competition for skilled employees

In a recent survey, over two thirds of public-sector managers reported current or expected skills shortages, and improving succession planning was identified as the top action to address skills requirements.[3] Succession planning helps to retain skilled talent by ensuring that employees are provided with challenging developmental assignments that support their career objectives and meet organizational objectives.

## Increasing diversity of the workforce

Immigration was the source of 70 per cent of recent labour force growth, and projections are that it will be 100 per cent by 2011, resulting in higher workforce availability of visible minorities.[4] Without a systematic succession planning process, job incumbents tend to identify and groom successors who are remarkably similar to themselves in appearance, background, and values.[5] Effective succession planning provides organizations with an opportunity to meet employment equity goals and thereby ensure that the public service reflects the Canadian population.

## Need to retain corporate knowledge

There are considerable costs to organizations when employees leave, not only in terms of loss of skills but also of loss of corporate knowledge. Effective succession planning ensures that strategies are in place for knowledge transfer.

## Career development leads to higher levels of employee engagement

Employees whose careers are being developed are more likely to report higher levels of engagement. In other words, they are more likely to be committed to the organization, are more likely to take pride in their work, and are more likely to work hard at what they do.[6]

# What is Succession Planning and Management?

Succession planning and management involves an integrated, systematic approach to identify, develop, and retain talent for key positions and areas in line with current and projected business objectives.

Different organizations are at different stages in their approach to succession planning. The following chart can be used to assess where your organization is, and the information in this tool can be used to build a more comprehensive and leading approach to succession planning.

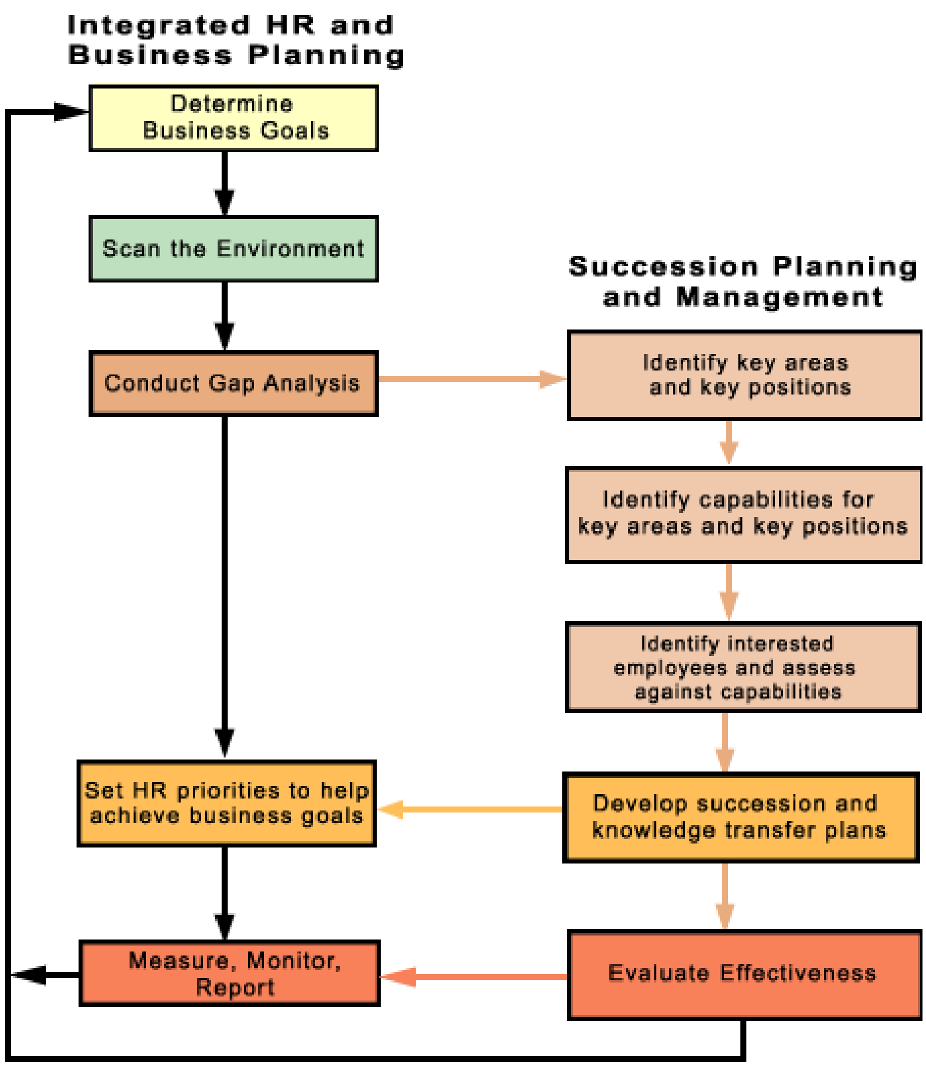
*Traditional Approach* → *Leading Approach*

| Replacement Planning | Succession Planning and Management |
|---|---|
| ■ Focus is limited to executive-level positions. | ■ Focus is on key positions/areas at various levels. |
| ■ Focus is on identifying immediate and short-term replacements. | ■ Focus is on the development of talent for the longer term. |
| ■ Plans are limited to identifying one or two potential successors for senior positions. | ■ Plans include developing pools of talent for key positions/areas. |
| ■ Plans are linked to individual job requirements. | ■ Plans are linked to building competencies and skills for current and future business needs. |
| ■ Potential candidates are identified based solely on feedback from their immediate supervisor. | ■ A systematic process is used to assess candidates based on feedback from multiple perspectives and sources of information. |
| ■ Succession planning is done in isolation from other related HR activities (e.g. learning and development, diversity initiatives, and recruitment). | ■ Processes are in place to integrate succession planning with other HR activities. |

## How Does Succession Planning and Management Link With Integrated HR and Business Planning?

As illustrated below, the process of planning and managing succession is a subcomponent of the broader integrated HR and business planning process. A gap analysis may point to a number of priority areas, one of which may be succession planning. Other priority areas may include recruitment, change management, employment equity, official languages, etc. As illustrated, succession plans should be incorporated into your integrated HR and business work plan.

For more information on integrated planning, see the Integrated HR and Business Planning Checklist at http://www.hrma-agrh.gc.ca.



# Planning Considerations

## 1. Assess the current state of succession planning in your organization

- Is succession planning currently done? If so, how?
- To assess the current state of things, consider initiating discussions among key decision-makers and stakeholders, establishing a committee, or conducting a survey.[7]
- What are the areas for improvement?
- Is successing planning linked with business and program planning?

## 2. Assess the desired state and begin the planning process

- Are representatives from various HR areas involved (e.g. performance management, learning, employment equity, official languages, recruitment, staffing) to ensure appropriate linkages?
- Are representatives from program planning involved (e.g. corporate and strategic planners) so that succession planning is aligned with program planning and the impact of any organizational transformations is minimized?
- Have the roles and responsibilities of stakeholders been determined and clearly communicated?
- Which aspects of the process will be decentralized to the business unit level and which will be decided corporately?
- Has the business case been defined and communicated to enhance engagement of key stakeholders (e.g. managers, employees, bargaining agents)?
- Is there a communications plan, including key messages (e.g. no guaranteed promotions)?
- How will the transparency of the process be ensured?
- What will the data and technology requirements be?
- What resources are needed to ensure that the process can operate effectively?
- Has the organization identified which tools are needed to support the process?
- Has the organization considered a pilot project?
- How will effectiveness be tracked, monitored, and reported?

## Steps and Considerations

This section provides information so that your organization can incorporate activities for managing succession into your integrated HR and business planning process.

There is not a “one-size approach” to succession planning—what works in one organization may not work in another, given different contexts and resourcing issues. Activities to plan and manage succession may evolve over time as organizations learn what works and what needs to be improved.

### Respecting the key values of transparency, fairness, and accessibility

The approach your organization adopts for succession planning must operate alongside the core values of fairness, access, and transparency. These values are fundamental elements of the *Public Service Employment Act* (PSEA), which came into effect in December 2005. Within this context, it is important to ensure that:

- the succession planning process is transparent and communicated to all employees;
- assessments of candidates are made objectively and are free from personal favouritism;
- employees who have expressed an interest in career advancement have a reasonable opportunity to be considered for future roles; and
- appointments are based on merit.

For more information on the PSEA, go to http://www.hrma-agrh.gc.ca.

Succession planning and management ensures that those employees with an interest in and the potential for key positions and areas are provided with appropriate development opportunities so that they can acquire the necessary skills and competencies to compete for these roles when they become available. Succession planning does *not* entail guaranteed promotions. It is important that organizations carefully manage employee expectations to avoid these kinds of perceptions.

Although the focus of succession planning and management is on key positions and key areas, development initiatives should occur alongside more broad-based learning initiatives. In other words, all employees should be encouraged to have learning plans and participate in learning and training opportunities to further their career development. But the analysis of key positions and target areas may suggest tailored developmental programs and activities to build competencies for certain areas.

## The Five-step process

Five broad steps to successful succession planning are described in the following pages. The steps are as follows:

1. Identify key areas and key positions.
2. Identify capabilities for key areas and positions.
3. Identify interested employees and assess them against capabilities.
4. Develop and implement succession and knowledge transfer plans.
5. Evaluate effectiveness.

## Step 1. Identify key areas and key positions

### What are key areas and positions?

Key areas are the focus of your succession planning efforts. For example, succession planning activities may be geared to developing talent for certain occupational groups (e.g. executives, foreign service officers), functional communities (e.g. financial management, the HR community), or increasing representation of persons in a designated group.

Key positions are those that exert critical influence on the operational activities or the strategic objectives of the organization.[8] This means that without this role, the organization would be unable to effectively meet its business objectives.

### How do organizations identify key areas and positions?

The results of your organization's workforce analysis and environmental scan are a critical tool for identifying key or vulnerable areas. Based on current and future business goals, changes in programs, retirement forecasts, turnover rates, current vacancies, representation of designated group members and mobility patterns, an organization may identify an existing or impending shortage that will affect its ability to deliver on its priorities.

Because key positions are linked to the operational and strategic objectives of the organization, management needs to play a primary role in their identification. HR professionals, however, can play a supportive role by providing criteria to assist in their identification.

*Tips*

- Link the identification of key areas and key positions to current and future business objectives.
- Create a template to help managers identify key positions (see "Managers' Checklist" on the next page).
- Review key positions periodically because they may change over time, depending on developments in programs (e.g. new initiatives, sunsetting programs), changes in government direction, and the introduction of new technology.

## Managers' checklist

- ☐ Which positions, if left vacant, would cause major difficulties in achieving current and future business goals?
- ☐ Which positions, if left vacant, would be detrimental to the health, safety, or security of the Canadian public?
- ☐ Which positions would be difficult to fill because they require particular expertise and/or the incumbents possess a wealth of corporate knowledge?
- ☐ For which necessary skills in your branch or sector is there a current or projected labour market shortage or which positions have been traditionally difficult to fill?

## Step 2. Identify capabilities for key areas and positions

A clear understanding of capabilities needed for successful performance in key areas and positions is important for guiding learning plans and may serve as the basis for self-assessment tools. Moreover, knowing the required capabilities is necessary for setting clear performance expectations, assessing performance, and for selection purposes. For the purposes of this tool, capabilities may consist of knowledge, skills, and abilities (KSAs) or competency profiles.

Regardless of which approach or definition of capabilities your organization uses (KSAs or competency profiles), it is important that these are incorporated into your succession strategies to better assess gaps and focus development efforts.

### What are knowledge, skills, and abilities (KSAs)?

Although various definitions exist, we have defined these terms as follows:[9]

*Knowledge* is a body of information that allows a person to perform a task successfully (e.g. budgeting and accounting principles).

*Skill* is an individual's level of proficiency in performing a specific task (e.g. statistical data manipulation).

*Ability* is more general than skill and refers to an enduring trait or capability in performing tasks (e.g. the ability to analyze).

### What are competencies and competency profiles?

Many organizations define a *competency* as any knowledge, skill, or ability, demonstrated through behaviour, that results in superior job performance. Some definitions include personal qualities, values, or traits as competencies. Examples of competencies include interpersonal effectiveness, teamwork, technical capability, and reliability.

A competency profile is a set of competencies typically applied to groups of positions such as occupational groups (e.g. executives) or that are function-specific (e.g. IT, finance). Some organizations also identify a set of core competencies that are aligned with their organization's mission and values and that apply to all employees in the organization. Competency profiles facilitate the integration of HR activities, such as succession planning aligned with recruitment, learning, performance evaluation, etc. through a common language and framework.

## How do organizations identify the capabilities for key areas and key positions?

Consider creating a list of the most important capabilities needed for key areas and positions by using information from the job or position description and merit criteria, and by interviewing job incumbents and stakeholders.

A discussion of how to develop competency profiles is beyond the scope of this document. Activities may include interviewing content experts, job incumbents, and other stakeholders; conducting focus groups; administering surveys or checklists; and validating the profiles.

If your organization wants to learn more about developing competency profiles, consider becoming a member of the Interdepartmental Committee on Competency-Based Management. For more information, go to http://www.hrma-agrh.gc.ca. For additional information, please see “Additional Sources of Information” at the end of this document.

## Managers’ checklist

- ☐ Have you used information from the job description and merit criteria and have you spoken with job incumbents to identify the relevant knowledge, skills (including language), abilities, and/or competencies needed to achieve business goals?
- ☐ Has your organization checked to see whether you can leverage knowledge from the functional communities (see http://www.communities-collectivites.gc.ca) or other departments and agencies that have developed competency profiles for similar key positions and areas?
- ☐ Are you using the revised Key Leadership Competencies Profile (available at http://www.hrma-agrh.gc.ca) for relevant positions and/or any leadership profile your department or agency may have?
- ☐ Have you communicated to employees information about key positions and areas, as well as skills needed for these positions and areas, so that this information can be considered in the development of learning plans?

## Step 3. Identify interested employees and assess them against capabilities

The main purpose of identifying and assessing employees against the capabilities for key areas and positions is to tailor development opportunities in such a way that employees can acquire the requisite skills and competencies they need to prepare them for future roles.

### How do organizations identify and assess employees?

Organizations typically use a combination of the following approaches to determine which individuals are interested in and demonstrate potential for future roles.

### Self-identification

As a starting point in the process, many organizations give employees the opportunity to express their interest in leadership roles, career advancement, or lateral moves. There are various ways organizations can gather this information, including:

- encouraging career and learning discussions between employees and managers, and rolling up key information from these discussions for the management team;
- administering a survey;
- soliciting applications for a more formalized developmental program; or
- creating a skills inventory database or employee profile that provides information on employees' career interests and skills/competencies.

### Assessment methods and instruments

Organizations may use a variety of tools for assessing potential for leadership or other key roles. These include:

- performance reviews;
- talent review meetings;
- assessment centres;
- 360-degree feedback;
- written examinations;
- behaviour-based interviews;
- in-basket exercises;
- simulation exercises or role-playing;
- aptitude tests;
- employees' résumés; and
- reference checks.

## Talent review meetings

Talent review meetings are used by some organizations to identify the requirements for leadership and key positions, assess the capability of people in their organization to fill those positions, and ascertain the developmental needs of potential candidates. A solid understanding of these issues assists in developing strategies to balance organizational needs with the career aspirations of employees.

In preparation for these meetings, some organizations create a one- or two-page employee profile (see Appendix A). Information in these profiles may pertain to career interests, interest in leadership roles, competency strengths and vulnerabilities, performance ratings, willingness to relocate, retirement plans, and development plans. In addition, a separate profile may be created for key positions (see Appendix B).

Effective talent review discussions:

- Begin meetings by measuring progress against last year's goals.
- Encourage participants to offer their input on employees so that assessments are based on multiple perspectives.
- Encourage honest and frank discussion rather than reporting.
- Include discussions on employees' learning and development needs.
- Have discussions led by a skilled facilitator.
- Allow sufficient time for discussion.
- Follow up on action items within a couple of months of the meeting.

*Tips*

- In order to minimize subjectivity, use multiple ways of assessing employees and include multiple perspectives.
- If your organization is considering a more formal process of identifying internal talent for accelerated development, it is important to carefully manage expectations to avoid the presumption of guaranteed promotion and to protect against the risk of alienating those not selected. Employees who are not initially considered for accelerated development need to understand that they can be considered in the future with further career development and/or that there are alternative paths for development (e.g. opportunities for deployment).

## Managers’ checklist

- ☐ Have you spoken to each of your employees to discuss his or her career plans and interests in order to identify those who are interested in leadership roles or who wish to move to more senior or alternative roles?
- ☐ Has the organization considered building an inventory of its employees’ skills, experience, and career interests?
- ☐ Do you know which of your key positions are vulnerable (e.g. which incumbents will be retiring or leaving for other reasons within the next several years)? Have you assessed whether there are enough candidates who are ready to advance or who could be developed in that time frame?
- ☐ Is there a sufficient pool of bilingual candidates, as well as members from designated groups, in feeder groups for key positions and areas?
- ☐ Have you addressed the potential barriers for the advancement of employees from designated groups?
- ☐ Have you identified a temporary back-up for each key position with the appropriate knowledge, skills (including language), and abilities to carry out the responsibilities in the short term?
- ☐ Have you conducted a risk assessment for key positions based on when you think the position may become vacant? The assessment should evaluate the overall impact on the business and whether there is a shortage of qualified candidates.
- ☐ Does your management team meet to discuss the requirements of key positions and areas, as well as the development needs of interested candidates?
- ☐ Does your organization base the identification and assessment of employees with potential for key roles on multiple assessments and perspectives (e.g. talent review meetings, assessment tools, 360-degree evaluations, performance)?

## Step 4. Develop and implement succession and knowledge transfer plans

Research has shown that experience-based learning is more effective than classroom training in preparing potential candidates for future roles. Consider incorporating some of the following into your succession strategies. Some of these strategies may not apply to the Executive Group.

### What are various strategies for learning and development?

*Stretch assignments* allow employees to “stretch” beyond their current abilities. Some examples include chairing a committee or meetings, leading a special project, or being assigned a challenging new task.

*Acting assignments* can be a good opportunity for employees to get experience at a more senior level by temporarily taking over another employee’s responsibilities while they are absent from their post.

*Job rotations* give employees the opportunity to work in different areas of the organization and acquire experience in different disciplines or functions. The employee remains in his or her substantive position but is exposed to different streams or domains of work.

*Mentoring and/or coaching* provide opportunities for employees to obtain ongoing guidance and support from more experienced employees. These arrangements can be formal or informal.

*Formal training, including language training,* may include classroom training, web courses, and the pursuit of higher education and training.

*Tips*

- Identifying critical development experiences is essential to ensuring that employees acquire the necessary experience to assume more senior or alternative roles. Some organizations identify critical experiences by interviewing incumbents in key positions.
- Ensure that templates for learning plans make the link between developmental activities and capabilities for current and future roles on the one hand and performance appraisals on the other.

## What are various strategies for corporate knowledge transfer?

Explicit knowledge and tacit knowledge are different and they require different strategies. Explicit knowledge can be tracked and codified in manuals, directories, and procedures. On the other hand, tacit knowledge, which makes up 80 to 85 per cent of an organization's knowledge assets, is much more difficult to codify because it encompasses people's insight, judgment, and know-how. It requires strategies that rely more on interpersonal interactions such as coaching, mentoring, and job shadowing. Consider incorporating strategies that track and retain both kinds of knowledge.

Many of the previously mentioned learning strategies also facilitate the transfer of knowledge. In addition to those, the following may be used to transfer knowledge. Some of these strategies may not apply to the Executive Group.

*Documentation of critical knowledge/job diaries*: This is a record that contains key knowledge, including contacts, networks, resources, learning, best practices, answers to frequently asked questions, etc. A template may facilitate the recording of information.

*Special Assignment Pay Plan (SAPP)*: Using this option, employees below the executive level can be appointed to classified or unclassified positions for periods not exceeding three years. This option would allow the incumbent of a key position to be assigned under SAPP and remain in the organization, thereby creating a vacancy. Following staffing of the position, the former incumbent would still be available to facilitate the transfer of knowledge to the new incumbent. For more information, go to http://www.tbs-sct.gc.ca.

*Exit interviews*: Employees who are leaving the organization voluntarily complete an interview and/or questionnaire, which can capture critical information.

*Communities of practice*: These are groups of people who share a common purpose or concern and who exchange ideas.

*Pre-retirement transition leave*: Under this arrangement, employees who are within two years of retirement may reduce their work week by up to 40 per cent without affecting their benefits and pension. This may be used as a retention strategy, thereby allowing more time for knowledge transfer. For more information, go to http://www.tbs-sct.gc.ca.

> *Tips*
>
> In order to encourage knowledge transfer, management must consider giving the person whose knowledge is being "tapped" the time to share it, e.g. by reducing that person's workload so he or she can mentor, coach, train, or otherwise share information.

## Managers' checklist

- ☐ Has your organization defined the developmental experiences that it requires for its leadership positions and other key areas?
- ☐ Have you explored various options to support your employees' career goals, including acting assignments, stretch assignments, mentoring arrangements, job shadowing, courses, and language training?
- ☐ Do employees have learning plans that are linked to the appropriate knowledge, skills (including language), and abilities required for current and future roles?
- ☐ Have you had discussions with your employees regarding the various possible means of passing on their corporate knowledge?
- ☐ Do you encourage employees to work in teams and cross-train employees to foster knowledge transfer and broaden employees' skill sets?
- ☐ Have you explored whether employees who are planning on retiring within the next few years are interested in participating in a mentoring arrangement?
- ☐ Have you explored options that would allow you to bring in a new employee while the incumbent remains in the organization in order to facilitate knowledge transfer?
- ☐ Has your organization considered offering professional development courses or establishing a professional development and apprenticeship program to identify and develop talent in key areas and among designated groups?

## Step 5. Evaluate effectiveness

In order to ensure that your organization's succession planning efforts are successful, it is important to systematically evaluate and monitor these activities and make adjustments as necessary. This section provides some questions for reflection, as well as examples of indicators that may be used to assess effectiveness.

### What are some HR metrics for succession planning?

The following can be used to measure progress:

- the number of vacant positions;
- average days elapsed for each position vacancy;
- the ratio of key positions for which no internal replacement can be found relative to the total number of key positions (otherwise known as "bench strength");
- average performance ratings of new employees in key positions;
- turnover statistics within key areas (look at change over time);
- the percentage of key positions that are filled internally;
- dropout rates in accelerated development programs;
- designated group representation among feeder groups and participation in accelerated development programs;
- the number of complaints to the Public Service Staffing Tribunal under the PSEA;
- questions from the Public Service Employee Survey that can be used as indicators of succession planning and management (e.g. the percentage of employees satisfied with promotion opportunities) and;
- the People Component of the Management Accountability Framework, a guide to accountabilities for deputy heads and managers in HR management, that includes some indicators that could be used for succession planning (e.g. external hires as a percentage of total hires). It is available at http://www.hrma-agrh.gc.ca.

### What other methods can be used to assess the effectiveness of succession planning initiatives?

In addition to outcome measures, it is also useful to measure and monitor the effectiveness of professional development and apprenticeship programs and other corporate initiatives such as satisfaction with development programs and progress on individual development plans.

Various methods can be employed to evaluate these initiatives, including the following:

- *Program logic models* map the key activities or components of a program and how they link to short-, medium-, and long-term objectives. They can be used as a basis for process- and outcome-based evaluations.
- *Cost-benefit analysis* is a technique used to quantify and compare the costs and benefits of a program. Costs may be direct (e.g. covering money spent on an assessment centre) or indirect (e.g. covering time spent away on training).
- *Surveys* can be used to measure satisfaction with different aspects of your succession planning process or developmental program.

## Managers' checklist

- ☐ Do all key positions have succession plans?
- ☐ Are key positions filled quickly?
- ☐ Do new employees in key positions perform effectively in their role?
- ☐ Are there qualified employees who are ready to compete for key positions and areas?
- ☐ Are designated group members adequately represented among feeder groups for key positions and areas?
- ☐ Do you review your succession plan following organization changes (e.g. changes in priorities, restructuring)?

## Who are the various players and what are their roles?

Effective succession planning requires commitment and effort from various players in the organization. Under the Management Accountability Framework, deputy heads and managers are expected to carry out integrated HR and business planning, as evidenced by “HR planning that incorporates future needs, effective recruitment and retention, succession planning, learning and diversity.”[10]

A summary of the roles of the various players is listed below. This document can be used as a starting point for discussions, and modifications can be made to better suit your organization. Discussions with each group can help determine how they see their role and how they view the role of other players.

### Deputy heads

- Communicate and champion the importance of effective succession planning and management.
- Participate in the succession planning process and talent review meetings for senior executives.

### All levels of management

- Participate in the identification of key positions.
- Identify knowledge, skills, and abilities for key positions.
- Communicate to employees where the organization has identified critical or emerging gaps so that they can better tailor their learning plans.
- Reserve time for career development discussions with employees.
- Provide employees with opportunities for development.
- Conduct performance reviews and assist employees in determining areas in need of further development.
- Participate in talent review meetings and in the development of succession plans for key positions.
- Complete documentation (forms, templates, etc.) on succession management.
- Consult with stakeholders as appropriate. These include bargaining agent representatives and employees.
- Link succession planning strategies to program and financial planning to minimize unexpected impacts such as expenditure reviews.
- Communicate plans to promote a transparent approach.
- Evaluate the effectiveness of succession planning initiatives and amend the succession plan as required.

## Employees

- Learn about key positions and areas, and their skill requirements.
- Discuss their career interests and plans with their manager.
- Assess individual development needs with input from their manager.
- Learn about, and take advantage of, developmental opportunities.
- Complete a learning plan, keep it up to date, and ensure follow-through.
- Be open to and act on feedback.

## Human Resources

- Develop HR tools for managers and employees.
- Provide timely advice and guidance to managers, e.g. by assisting in the identification of vulnerable or key areas and positions.
- Engage in and ensure ongoing discussions with bargaining agents.
- Ensure ongoing discussions with corporate planners and ensure that linkages are made to program management.
- Facilitate Performance Management Program exercises and talent review meetings as requested.
- Consult with the functional communities that can provide a horizontal, government-wide perspective on the identification of current and future HR needs for their community.
- Assist managers with the evaluation of succession planning initiatives.
- Assist in the communication of key positions and areas to employees.

## Critical Success Factors

Consultations with various stakeholders and research on effective succession planning and management pointed to the following success criteria. You may want to consider these points as your organization builds or improves existing succession planning strategies:

- Senior executives communicate the importance of succession planning and management as an organizational priority and are actively involved in the process.
- Succession planning is aligned with business plans and to the broader HR planning process and activities, including performance, development, learning, and recruitment.
- A fair, accessible, and transparent process is used.
- Planning extends to all levels of the organization rather than remaining limited to senior executive positions.
- There is collaboration among key players and buy-in from stakeholders.
- Employees are assessed through multiple sources of data, and critical development opportunities are identified early.
- Experiential learning is encouraged and is supported by coaching and evaluation of progress.
- A range of developmental activities is employed. These activities are individually tailored to address gaps in skills and competencies.
- Competencies and skills for key positions are reinforced in various HR systems such as recruitment, learning, development, and performance management.
- Mechanisms are in place to ensure the full realization of employment equity and diversity goals.
- A good communications plan is in place.
- Managers and employees participate in workshops and information sessions to learn about the succession planning process and their role in it.
- Tools that support the process are easy to use and accessible.
- The process is ongoing, monitored, evaluated, and refined based on feedback from stakeholders, leading research, and new developments in technology.

# Examples of Departmental Practices

## Knowledge transfer

In 1999, results from Transport Canada's workforce analysis revealed that 69 per cent of the regulatory and inspection population was eligible to retire within a decade. An analysis of internal and external trends revealed that the labour supply of technically trained workers would be insufficient to meet the demand. As a result, a succession planning and corporate knowledge pilot project was initiated to identify critical subject matter experts (SMEs) and develop strategies to guard against the loss of corporate knowledge. For more information, go to http://www.ricommunity.gc.ca/reference/documents/prevent_knowledge_collapse/index_e.asp.

Statistics Canada has developed an alumni program that assists managers in need of expertise and knowledge by allowing them to obtain the services of retired employees. As part of the program, they have established an inventory of retired employees who are interested in sharing their expertise. The program facilitates the transfer of knowledge, allows retirees to mentor younger employees, and increases the organization's flexibility in handling busy periods.

A number of departments and agencies have established scientist emeritus programs in which retirees with an established reputation or a long-standing record of superior performance are allowed to continue their research. This gives former employees the opportunity to transfer their knowledge. Agriculture and Agri-Food Canada, Natural Resources Canada, Environment Canada, National Research Council Canada, and Fisheries and Oceans Canada have established such programs.

## Integration of competencies with HR planning and succession planning

Effective succession planning programs reinforce competencies in various HR areas such as learning and development, recruitment, selection and performance management, ensuring better integration, and simplicity. The Royal Canadian Mounted Police, National Research Council Canada, the Canada Revenue Agency, Agriculture and Agri-Food Canada, the Public Service Commission of Canada, the Communications Security Establishment, the House of Commons, and Foreign Affairs and International Trade Canada are examples of federal organizations that have developed competency profiles for certain occupational groups and have integrated them into various HR areas.

More information is available from the Interdepartmental Committee on Competency-Based Management at http://www.hrma-agrh.gc.ca.

## Online tools to self-assess capabilities and competencies

The Canadian Transportation Agency, Industry Canada, the Immigration and Refugee Board, Public Works and Government Services Canada, Service Canada, and National Research Council Canada are examples of departments and agencies that have developed online tools so that employees can self-assess against their competency profile. Some of these online tools also provide information on learning and development strategies to strengthen competencies.

### Skills inventory

Health Canada, Quebec Region, has launched a pilot project to better understand their employees' expertise. They have established a database inventory containing information on such things as position, job title, employment status, linguistic profile, career objectives, education, professional experience, years of experience, and skill set. Participation in the database is voluntary and information is provided by the employees. The database allows the organization to leverage the knowledge and skills of its employees by quickly identifying employees with specialized expertise for special and/or urgent projects.

### Succession strategies

In 2002, as part of their Action Plan to address succession issues, Human Resources Development Canada initiated a series of focussed "succession conversations" between the Deputy Minister's Office and each Management Board member to identify development needs, retirement plans, possible replacements, and readiness of potential candidates, as well as corporate issues that could not be addressed in the branch or region. In preparation for the conversations, templates were provided to participants to facilitate discussions, and external consultants were available for coaching and preparation for the meeting. The process and actions were guided by a set of principles (e.g. "The goal is to identify pools of leadership talent, not heirs to specific positions"). Other aspects of the Action Plan included updating their Leadership Competency Profile; aligning recruitment and selection with succession issues; focussed learning and development for potential leaders; accountability measures such as rewarding excellence in leadership development; and tackling systemic barriers.

At the Royal Canadian Mounted Police (RCMP), the Senior Executive Committee meets quarterly to discuss the organization's succession needs. Meetings take place in a "succession room," in which current and potential positions are graphically displayed for the organization's more than 600 senior employees. In preparation for these meetings, representatives from Executive Officer Development and Resourcing travel across the country to meet deputy heads and senior staff to discuss regional pressures, the requirements of key positions, potential vulnerabilities, and development strategies. The information is brought back to headquarters and is graphically displayed in the succession room, with each region represented on a different wall. The RCMP develops talent at multiple organizational levels, offering a range of development programs that identify and develop employees with potential for more senior roles. These programs include the Full Potential Program, the Officer Candidate Development Program, the Senior Executive Development Program, and the Executive Development in Policing Program. A competency-specific approach to leadership development has been incorporated into development programs at the senior management and executive levels.

# Frequently Asked Questions

## What is succession planning and management?

Succession planning and management involves an integrated, systematic approach aimed at identifying, developing, and retaining talent for key positions and areas in line with current and projected business objectives.

## What are some of the key messages that should be communicated to get buy-in?

Succession planning and management is about developing employees and supporting them in their careers to ensure that the organization has pools of talent for key areas. It is *not* about identifying heirs to specific positions.

Succession planning extends to all levels of the organization—it is not limited to those in executive positions.

Employees play a role in the process by identifying their career interests, having an opportunity to be assessed for key roles, and developing their learning plans.

Succession planning and management is a priority among senior management.

The benefits are wide-ranging, including:

- improved employee engagement through career development and resulting cost benefits;
- the development of a qualified pool of candidates ready to fill key positions or areas;
- a better appreciation of employees on the part of managers;
- the opportunity for corporate knowledge transfer;
- gains toward the attainment of employment equity and official languages goals;
- increased ability to deliver on business goals; and
- a more efficient and effective public service.

## If organizations do not have the required resources to implement a succession planning and management process, what should they do?

The succession planning process begins with the identification of key areas and positions, in consultation with managers and HR advisors. This step can be completed with minimal impact on the organization's financial resources. However, resources to develop, implement, and manage the program would be built into the organization's Integrated HR and Business Plan for subsequent years. Consider implementing a pilot project for a segment of the organization; it will require fewer financial resources at the outset.

## How can organizations implement succession planning in times of transition?

Changes in government, restructuring, and downsizing are part of the ongoing reality of our times. Knowing this, organizations develop their short- and long-term integrated HR and business plans based on their current reality and what they can reasonably forecast for the future.

Given these circumstances, succession planning becomes an indispensable tool for managers because it ensures a pool of qualified candidates capable of assuming challenging assignments on short notice, despite unanticipated events.

It is important to revisit the succession plan at least annually or following organizational changes and, if appropriate, make the necessary adjustments. In essence, plan for what you know and adjust for the rest.

## What are some of the confidentiality considerations associated with collecting and using information for succession planning purposes (e.g. retirement plans, performance, learning and training, etc.)?

Some of the privacy issues include what information is being collected; what the sources of information are; and who has access to the information and for what purpose.

It is important that these questions be addressed and that the answers be shared with employees prior to their giving consent.

## How do you identify feeder groups for key positions and key areas?

At the outset, it is important that managers speak to employees to determine their interests and obtain their agreement to become part of a feeder group for key positions and areas. To participate, employees would need to agree to share information such as their career aspirations and skills. This information could be used to build a skills inventory. An assessment of the current talent supply against key positions using multiple assessment tools would identify potential candidates for key positions in both the short and long term.

## Whom do I contact for more information?

You may contact the HR Planning Directorate at (613) 946-9300 by e-mail at hrp-prh-ref@hrma-agrh.gc.ca for more information.

# Additional Sources of Information

## Competencies

*A Blueprint For the Future: Competency-Based Management in the Public Service of Canada— A Background and Issues Paper.* Available at http://www.hrma-agrh.gc.ca.

*Overview of the Framework for Competency-Based Management in the Public Service in Canada*. Available at http://www.hrma-agrh.gc.ca.

The Profile of Leadership Competencies developed for the Public Service has recently been updated. The Profile includes four competencies common to all management levels and in all departments (management excellence, engagement, strategic thinking, values and ethics), as well as separate behaviours for each of the six levels of management. Go to http://www.hrma-agrh.gc.ca for more information.

The Interdepartmental Committee on Competency-Based Management assists in building and clarifying the application of competency-based management in the federal public service. Go to http://www.hrma-agrh.gc.ca, where you will also find a publication that highlights some best practices in departments.

*Meeting the Challenges of the Future: Competencies for the Federal HR Community*—May 3, 2004. Available at http://www.hrma-agrh.gc.ca.

The following functional communities have developed competency profiles: Financial Management, Information Management, Information Technology, Science and Technology, Service Delivery, Program Evaluation, Communications, Community of Federal Regulators, and Procurement, Materiel Management and Real Property. The following competency profiles for functional communities are available on the web:

*An Enhanced Framework for the Management of Information Technology Projects—Project Management Core Competencies*. Available at http://www.tbs-sct.gc.ca.

*FIS Training Framework*. Chapter 3, "Competencies Required." Available at http://www.tbs-sct.gc.ca.

Key Competencies (PE-01—PE-03). Available at http://www.hrma-agrh.gc.ca.

Standard for Competencies of the Federal Government Procurement, Materiel Management and Real Property. Available at http://www.tbs-sct.gc.ca.

Core Competency Profile Assessment Tool. Available for materiel management, procurement, and real property at http://publiservice.tbs-sct.gc.ca.

IM Competency Profiles. Available at http://www.tbs-sct.gc.ca.

*Building Community Capacity—Competency Profile for Federal Public Service Evaluation Professionals.* Available at http://www.tbs-sct.gc.ca.

## Development/leadership programs

The Management Trainee Program (MTP) recruits high-potential individuals to the public service and develops them for key positions of responsibility. The Career Assignment Program (CAP) serves to accelerate the development of public service employees who demonstrate executive potential. As of April 2006, the alignment of MTP and CAP came into effect to reflect the continuum of leadership development. More information about the programs can be found at http://www.hrma-agrh.gc.ca.

In addition to these programs, the Accelerated Executive Development Program (AEXDP) serves to accelerate the development of public service executives. More information can be found at http://www.hrma-agrh.gc.ca.

A program to develop pools of talent is established in situations where there is a current or projected gap in specific skills or in occupational groups large enough to pose a threat to the achievement of organizational goals. Professional development and apprenticeship programs (PDAPs) usually involve a combination of formal training, coaching, and developmental assignments in order to recruit and retain talent in hard-to-find skills areas. For information on establishing a PDAP, go to http://www.hrma-agrh.gc.ca.

A number of departments and agencies have established leadership development programs aimed at enhancing their leadership capacity. These include Statistics Canada, National Research Council Canada, Health Canada, and National Defence.

## Environmental scan—public service-wide

To better assist departments and agencies in identifying their short- and long-term HR needs, the Public Service Human Resources Management Agency of Canada (PSHRMAC) has released a public service-wide environmental scan for 2004–05. Go to http://www.hrma-agrh.gc.ca for more information.

## Executive community

The Advisory Committee on Senior Level Retention and Compensation (Seventh Report, December 2004) recommends that succession plans, coupled with current and forecast demographics, be reviewed to ensure that HR needs can be met in the executive ranks. To download the report, go to http://www.hrma-agrh.gc.ca.

With respect to appointments to or within the EX Group, the new EX Qualification Standard has been approved. The Standard, which represents the minimum requirements for staffing an EX position, can be found at http://www.hrma-agrh.gc.ca.

## Knowledge transfer and mentoring

The following references may be helpful.

*Mentoring Programs in the Federal Public Service: Status and Best Practices*. http://www.hrma-agrh.gc.ca.

*Succession Planning for Corporate Knowledge Transfer—A Guide for Managers and Human Resource Specialists*. Treasury Board of Canada Secretariat. Available at http://dsp-psd.pwgsc.gc.ca/Collection/BT22-84-2002E.pdf.

## Additional Reference Material

Australian Public Service Commission. Managing succession within the APS. Available at http://www.apsc.gov.au/publications03/managingsuccession.htm.

Belcourt, M. and K. J. McBey. *Strategic Human Resources Planning*. Toronto: Thompson, Nelson, 2004.

Cheloha, R. and J. Swain. "HR's role in succession planning." *Canadian HR Reporter*, 5–8 (October 2005).

Corporate Leadership Council. *Succession Planning in the Government Sector*. Washington, D.C.: Corporate Executive Board, 2004.

Corporate Leadership Council. *High-impact Succession Management: From Succession Planning to Strategic Executive Talent Management*. Washington, D.C.: Corporate Executive Board, 2003.

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Hirsh, W.*Succession Planning Demystified*. The Institute for Employment Studies: Brighton, 2000.

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National Academy of Public Administration. *Final Report and Recommendations: The 21st Century Federal Manager*, 2004. Available at www.napawash.org.

National Academy of Public Administration. "Strengthening Senior Leadership in the U.S". June 2006, http://www.napawash.org.

Rioux, S. M. and P. Bernthal. *Succession Management Practices*. Washington: Development Dimensions International. Available at http://www.ddiworld.com.

Rothwell, W. J. *Effective Succession Planning*. Amacom: New York, 2001.

United States General Accounting Office. *Insights for U.S. Agencies from other countries' succession planning and management initiatives.* Report to Congressional Requesters, September 2003. Available at http://www.gao.gov.

Weiss, D. S. and V. Molinaro. *The Leadership Gap*. *Building Capacity for Competitive Advantage.* Mississauga: John Wiley & Sons, 2005.

# Appendix A: Sample Template for an Employee Profile

| | |
|---|---|
| Name | Position (Group and Level) and Title |
| Retirement Eligibility Date | Projected Retirement |
| Years in Position | Willing to Relocate?<br>Yes No |
| Language Profile and Expiration Dates<br>Reading Writing Oral | |
| Key Strengths (knowledge, skills, abilities, experience, etc.) | |
| Performance Ratings (if applicable)<br>2003–04: Ongoing, Key Commitments<br>2004–05: Ongoing, Key<br>Proposed: Ongoing, Key | |
| Results of Tests and Assessments (if applicable) | |

*This template is intended to assist your succession planning efforts. It is not intended to replace any that your department may already have in place.*

| |
|---|
| Career Aspirations |
| Learning Needs (knowledge, skills, abilities, experience, etc.) |
| Learning Plan (activities and timeline) |
| Knowledge Transfer Plan |

Employee's Signature_________________________ Date___________

Manager's Signature __________________________

# Appendix B: Sample Template for a Key Position Profile

Date:

| | | |
|---|---|---|
| Position (Group and Level) and Title | Name of Incumbent | Employment Status (e.g. term, indeterminate) |
| Departure Date (if known) | Reason for Departure (e.g. retirement, language training) | Return Date (if applicable) |
| Language Profile of Position | | |
| Skills, Knowledge, and Abilities (e.g. can manage multi-disciplinary teams) | | |
| Replacement Challenges (e.g. low interest in supervisory roles among employees in feeder groups) | | |
| Risk Assessment Low Medium High<br><br>To assess risk, consider the timeline for vacancy, the overall impact on business, and whether there is a shortage of skills. | | |

*This template is intended to assist your succession planning efforts. It is not intended to replace any that your department may already have in place.*

| Critical Knowledge to be Transferred (e.g. contacts, formal and informal networks) |
| --- |
| Succession Strategies |
| List of Employee(s) Qualified to Act in the Position on an Interim Basis (if needed) |

Note: Incorporate succession planning strategies into your integrated HR and business work plan.

# Endnotes


1. Marson, B. and P. Ross. “Deputy Ministers Identify Top Management Issues.” *Institute of Public Administration of Canada,* 2004. Available at http://www.ipac.ca/research/surveys_of_dms_and_caos/2004_survey.html.

2. These departures include retirement as well as resignation and any other type of separation from the core public administration. Calculations are based on analyses by the Research and Analysis Directorate, PSHRMAC.

3. Canadian Labour and Business Centre (November 2005). Status of Skills Shortages in Canada: Sources, Implications, Solutions. IQPC National Forum.

4. Statistics Canada (February 2003). The Changing Profile of Canada’s Labour Force. Available online at www12.statcan.ca/english/census01/Products/Analytic/companion/paid/contents.cfm

5. Rothwell, W. J. *Effective Succession Planning*. Amacom: New York, 2001.

6. “Winning Strategies for a Global Workforce: Attracting, Retraining, and Engaging Employees for Competitive Advantage” *Towers Perrin*. June 2006. Available at http://www.towersperrin.com.

7. Examples of survey questions to assess the current state of succession planning are provided by Rothwell, W. J. *Effective Succession Planning.* Amacom: New York, 2001.

8. Rothwell, W. J. *Effective Succession Planning.* Amacom: New York, 2001.

9. Definitions have been adopted from Belcourt, M. and K. J. McBey. *Strategic Human Resources Planning*. Toronto: Thompson, Nelson, 2004.

10. MAF Elements and Indicators—2005. Available at http://www.tbs-sct.gc.ca.