success through
people

A Guide to
Succession Management

Province of Nova Scotia
Nova Scotia Public Service Commission
Innovation & Growth
July 4, 2005

The Succession Management process has been designed to support the leadership and career planning and development of all employees and is based on our values of ***respect, integrity, diversity, and the public good***.

Nothing in this document should be interpreted as modifying or limiting the provisions of any collective agreement between the Province of Nova Scotia and its employees. In all cases, the terms of the collective agreement will take precedence over the contents of this document.

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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
- fast-paced changes in work, and
- the need for a diverse workforce at all levels.

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 complement corporate succession management programs such as Career Assignment Program (CAP), Executive Career Assignment Program (ECAP),

Leadership Continuity Program (LCP), Career Starts, the Diversity Talent Pool and the HR Strategies for Professional Groups.

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.

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 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 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, valuing diversity, 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 continuity in key positions, including management, technical and professional specialist roles.
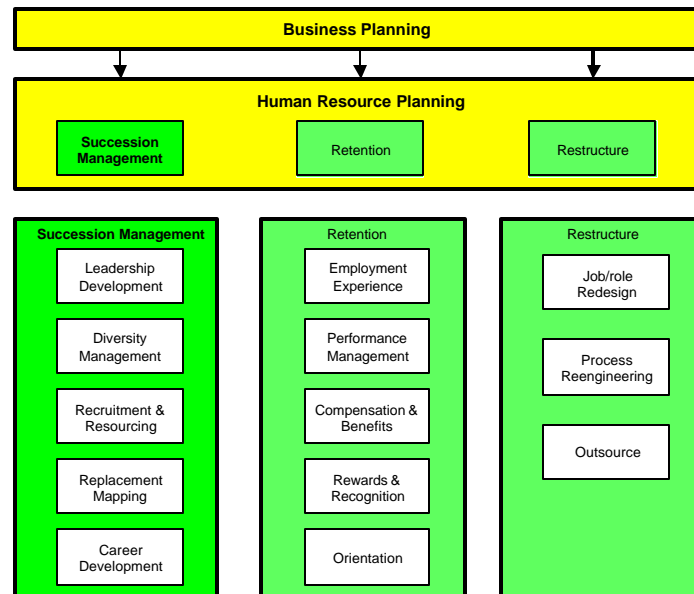
The need to extend beyond the focus on management and leadership roles is becoming more important as organizations take active steps to build high performance and high involvement work environments in which decision-making is decentralized and leadership is diffused throughout an empowered and diverse workforce.

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.

Business Planning

Human Resource Planning		
Succession Management	Retention	Restructure

Succession Management	Retention	Restructure
Leadership Development	Employment Experience	Job/role Redesign
Diversity Management	Performance Management	Process Reengineering
Recruitment & Resourcing	Compensation & Benefits	Outsource
Replacement Mapping	Rewards & Recognition	
Career Development	Orientation	

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) in 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

- ✓ diverse workforce that is representative of the public it services, and

- ✓ managers and professional employees all having a career development plan

Succession management is fundamental to organizational learning as it is aimed at preserving institutional memory and continuous improvement in individual and organizational effectiveness.
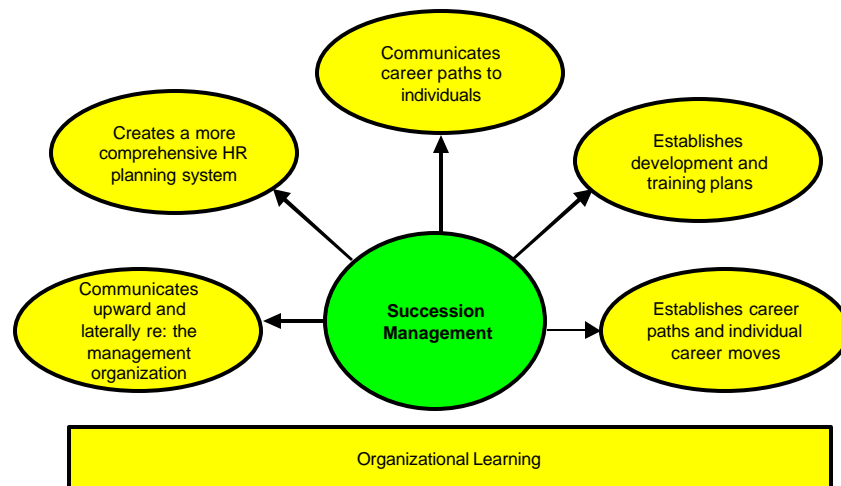
Having a corporate approach to succession management will:

- 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.)

Communicates career paths to individuals

Creates a more comprehensive HR planning system

Establishes development and training plans

Communicates upward and laterally re: the management organization

Succession Management

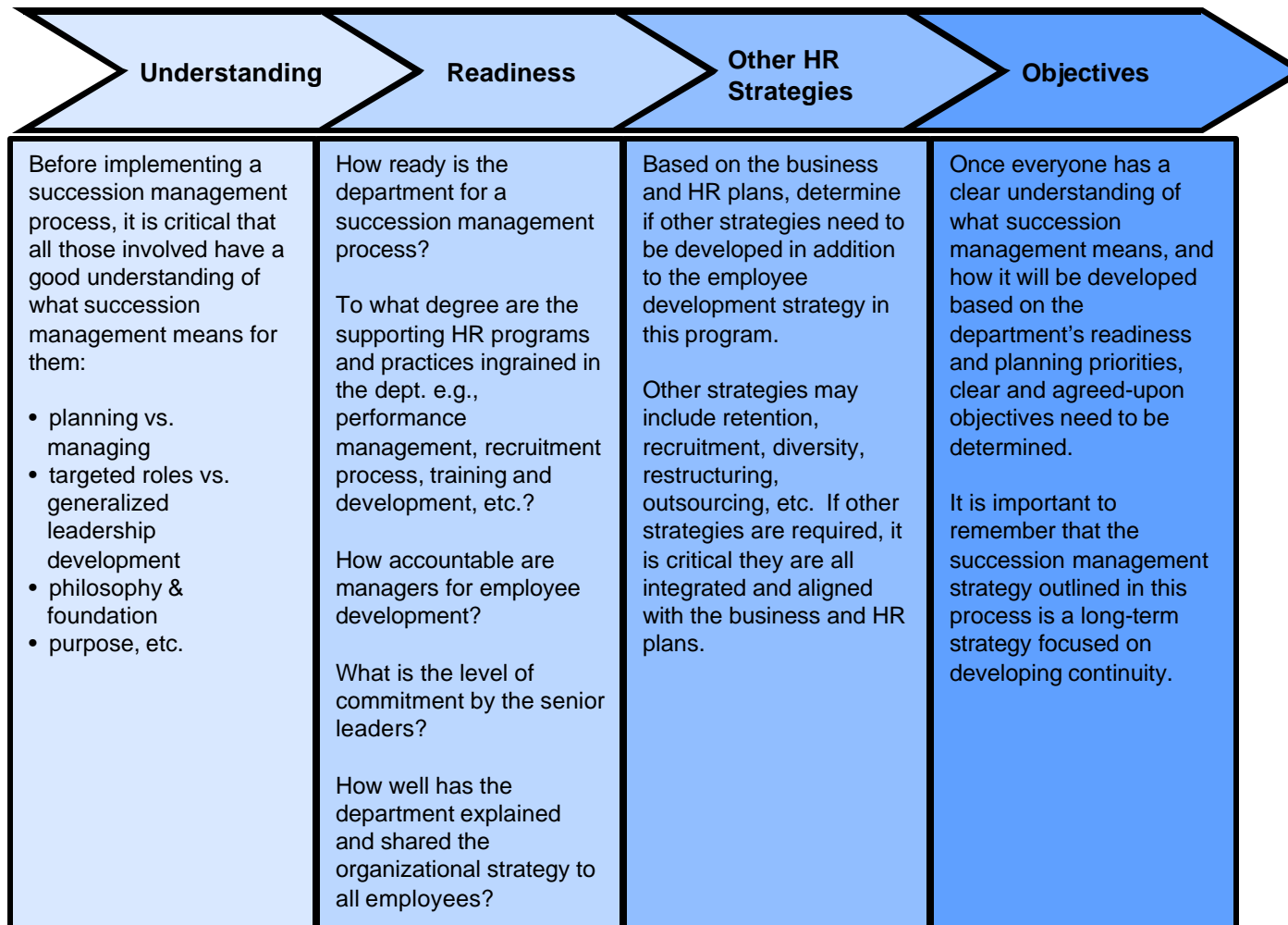Establishes career paths and individual career moves

Organizational Learning

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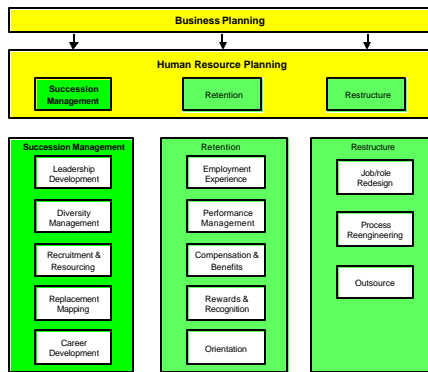
It is strongly recommended that before implementing a succession management program that all those involved have a clear and agreed-upon view of what succession management means to them and what is expected from the program.

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

Understanding	Readiness	Other HR Strategies	Objectives
Before implementing a succession management process, it is critical that all those involved have a good understanding of what succession management means for them: • planning vs. managing • targeted roles vs. generalized leadership development • philosophy & foundation • purpose, etc.	How ready is the department for a succession management process? To what degree are the supporting HR programs and practices ingrained in the dept. e.g., performance management, recruitment process, training and development, etc.? How accountable are managers for employee development? What is the level of commitment by the senior leaders? How well has the department explained and shared the organizational strategy to all employees?	Based on the business and HR plans, determine if other strategies need to be developed in addition to the employee development strategy in this program. Other strategies may include retention, recruitment, diversity, restructuring, outsourcing, etc. If other strategies are required, it is critical they are all integrated and aligned with the business and HR plans.	Once everyone has a clear understanding of what succession management means, and how it will be developed based on the department's readiness and planning priorities, clear and agreed-upon objectives need to be determined. It is important to remember that the succession management strategy outlined in this process is a long-term strategy focused on developing continuity.

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.

Business Planning		
Human Resource Planning		
Succession Management	Retention	Restructure

Succession Management	Retention	Restructure
Leadership Development	Employment Experience	Job/role Redesign
Diversity Management	Performance Management	Process Reengineering
Recruitment & Resourcing	Compensation & Benefits	Outsource
Replacement Mapping	Rewards & Recognition	
Career Development	Orientation	

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, and/or
➢ technological change

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.

As the following diagram illustrates, the government's overall plan along with the Corporate HR and Affirmative Action plans determine the departmental strategies and business plans, and in turn, determines what is needed in the way of succession management.
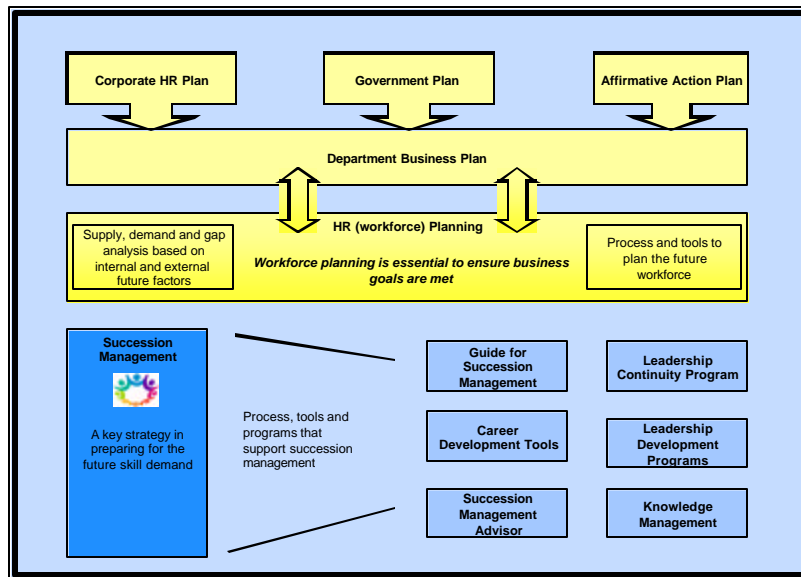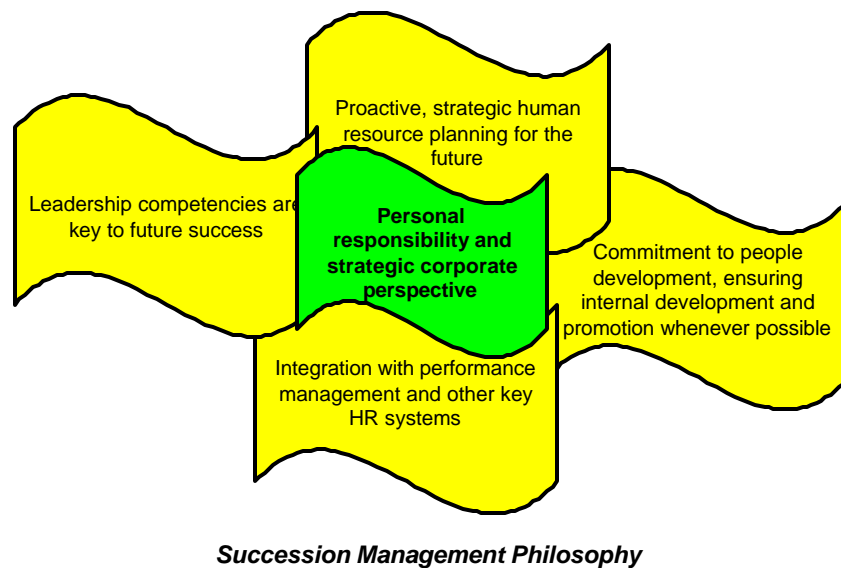

This diagram also highlights some of the tools and programs currently in place to support succession management.

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 and opportunities at the department level
- effectively facilitate the movement of people in leadership role, and
- ensure we have the professional, technical, and administrative capacity to maintain levels of quality service

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.**
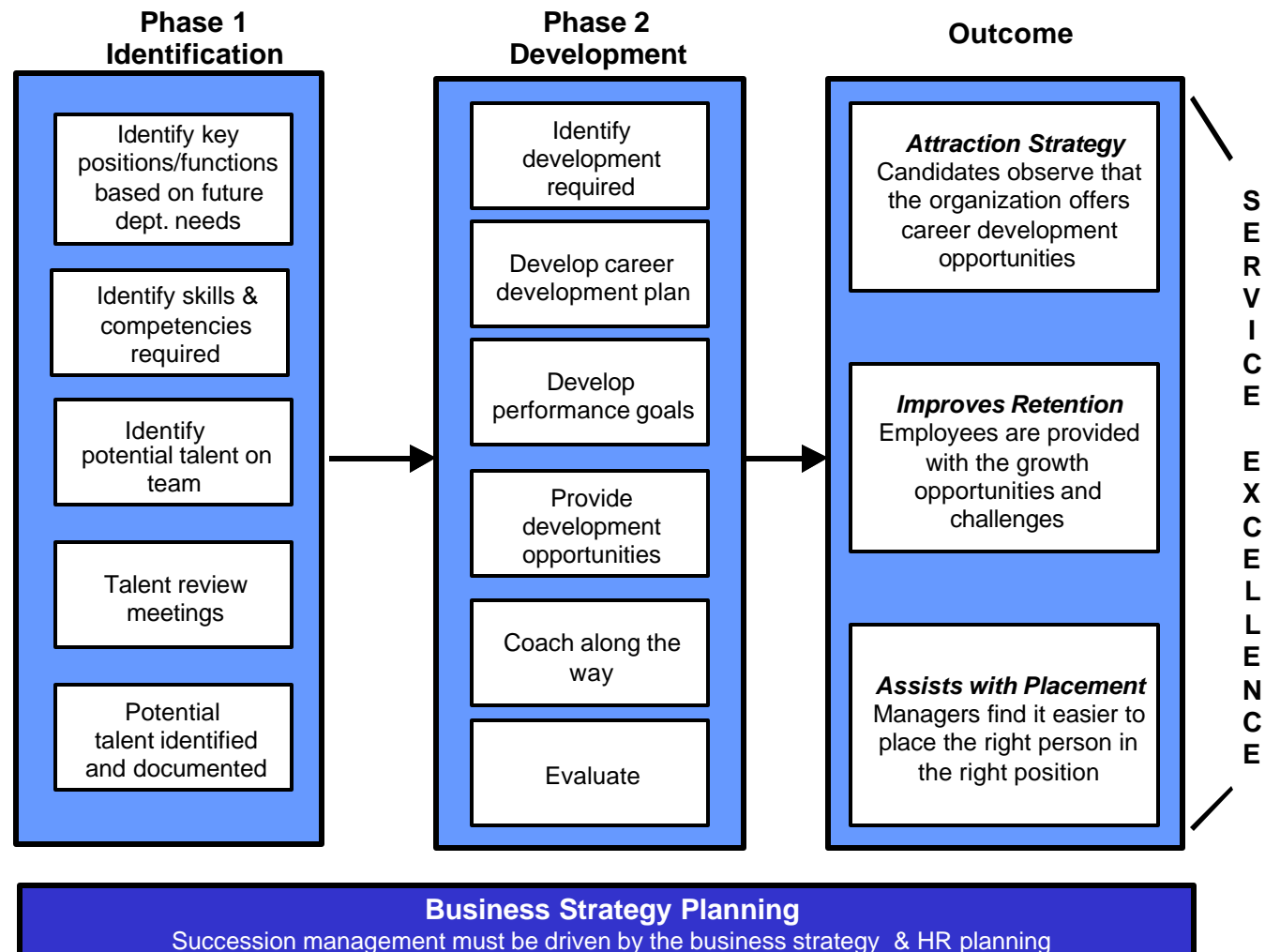

Proactive, strategic human resource planning for the future

Leadership competencies are key to future success

Personal responsibility and strategic corporate perspective

Commitment to people development, ensuring internal development and promotion whenever possible

Integration with performance management and other key HR systems

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.

→ The process and all supporting tools have been developed based on our values of respect, integrity, diversity, accountability, and the public good.

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DEPARTMENTAL SUCCESSION MANAGEMENT MODEL

This model is a step-by-step process for departments or divisions to use. Details are provided on the following pages for each step in the identification and development phases. **Please note:** the PSC and the HR CSUs are available to assist departments through the process.

Phase 1 Identification	Phase 2 Development	Outcome
Identify key positions/functions based on future dept. needs	Identify development required	**Attraction Strategy** Candidates observe that the organization offers career development opportunities
Identify skills & competencies required	Develop career development plan	
Identify potential talent on team	Develop performance goals	**Improves Retention** Employees are provided with the growth opportunities and challenges
Talent review meetings	Provide development opportunities	
Potential talent identified and documented	Coach along the way	**Assists with Placement** Managers find it easier to place the right person in the right position
	Evaluate	

SERVICE EXCELLENCE

Business Strategy Planning
Succession management must be driven by the business strategy & HR planning
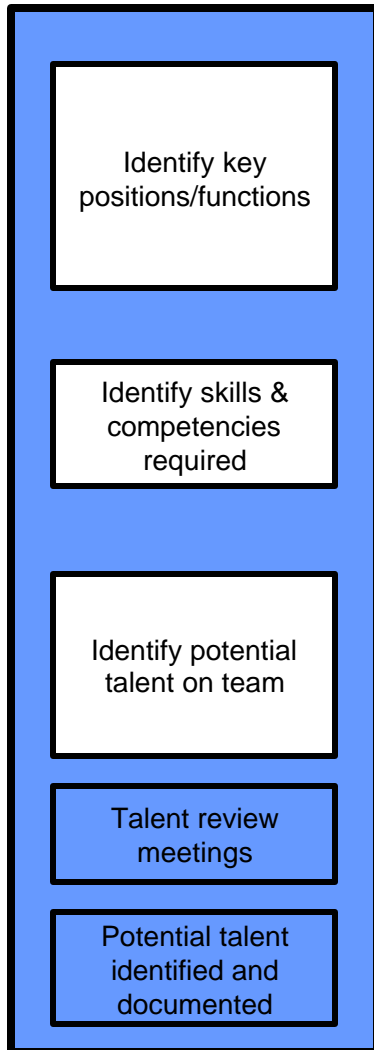
Phase 1: Identification

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. Other key positions or functions in the organization chart, for example, professional or technical experts or specialists will be a major focus for departments.
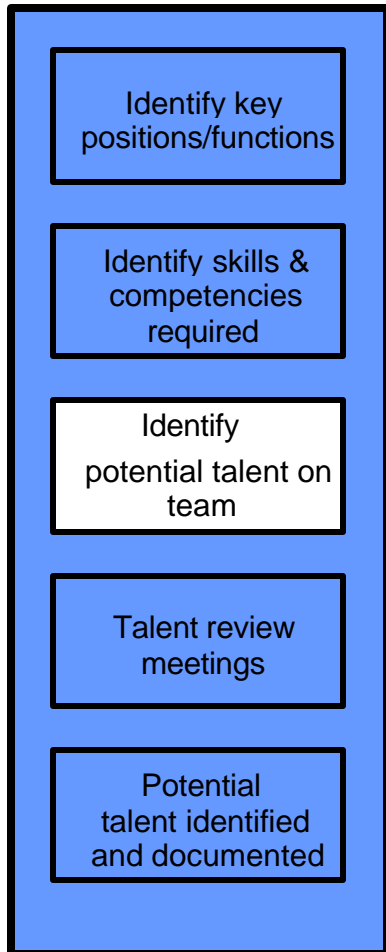
Leadership competencies have been identified and are incorporated into the performance management process. These competencies are used in the identification of future leaders and for development purposes for our present leaders. This process can also be used to identify specific technical requirements for a function or department.

Individuals with advancement potential represent the Nova Scotia Government's inventory of future leaders[1]. 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 advancement potential consider our organizational values, leadership competencies, performance, and learning agility.

> *As you go through the process, it is important to keep in mind that a goal of the our Corporate Human Resource Plan is to develop a public service that reflects the citizens it serves and has the competencies to ensure there is a corporate culture that recognizes and respects diversity.*
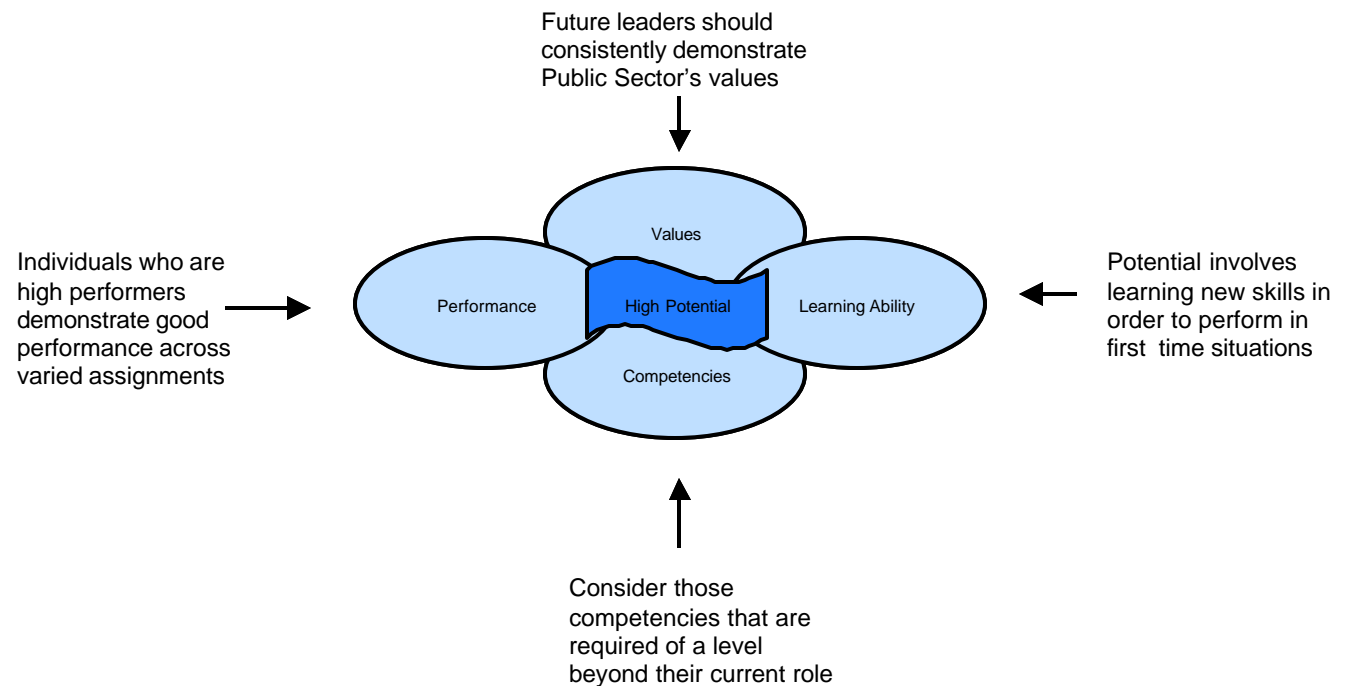
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[1] For more information and tips for identifying individual potential, please refer to "A Manager's Guide for Developing People", found on the HR Planning & Succession Management website.

Identify key positions/functions

Identify skills & competencies required

Identify potential talent on team

Talent review meetings

Potential talent identified and documented

Identify key
positions/functions

Identify skills &
competencies
required

Identify
potential talent on
team

Talent review
meetings

Potential
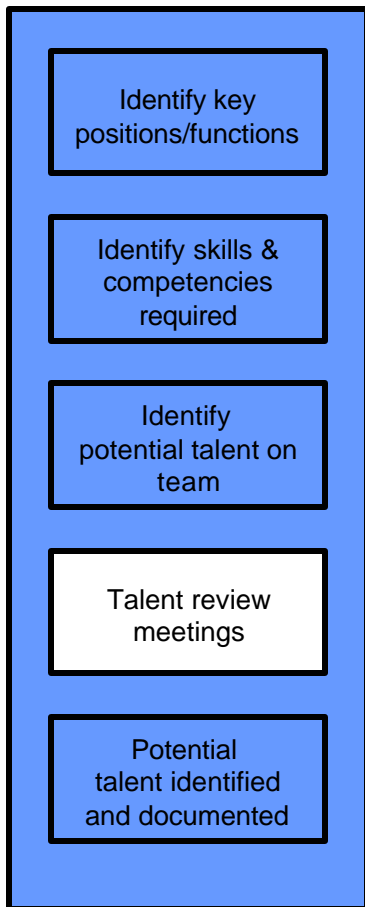talent identified
and documented

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 employees for advancement.

Future leaders should
consistently demonstrate
Public Sector's values

Individuals who are
high performers
demonstrate good
performance across
varied assignments

Potential involves
learning new skills in
order to perform in
first time situations

Values

Performance   High Potential   Learning Ability

Competencies

Consider those
competencies that are
required of a level
beyond their current role

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│ Identify key        │
│ positions/functions │
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│ Identify skills &   │
│ competencies        │
│ required            │
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│ Identify            │
│ potential talent on │
│ team                │
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┌─────────────────────┐
│ Talent review       │
│ meetings            │
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│ Potential           │
│ talent identified   │
│ and documented      │
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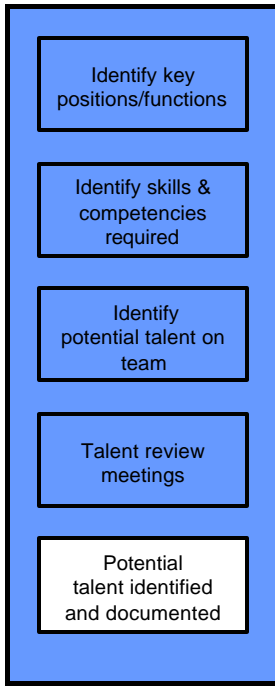
The talent review meeting, which is facilitated by HR, is an opportunity to discuss individual reports and come to agreement on the list of "potentials" within the department. Through these discussions and opportunities to share information on individual employees, the final list will be compiled.

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 "advancement potential". Through discussion, managers will establish common standards and bring multiple viewpoints together. As you have these discussions, it is important to be aware of diversity and the fact that you and/or others may not understand some cultural norms of employees under discussion.

➢ 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 across the department. This will lead to better assignment decisions.
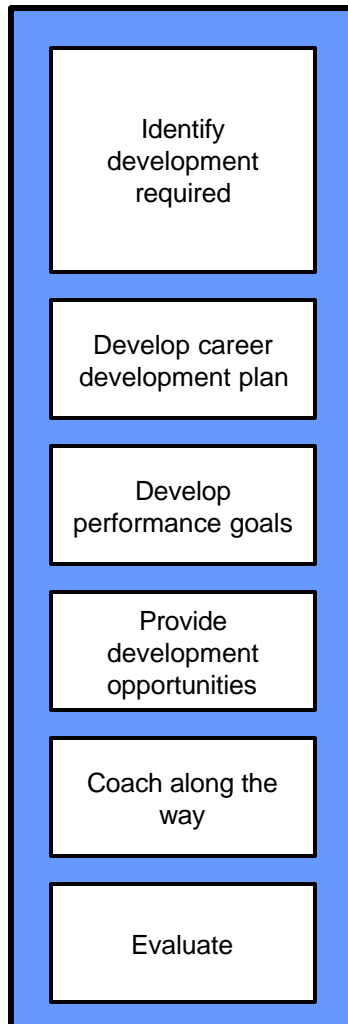
Hold talent review meetings once a year. Just as it is important to review the budget on a regular basis, it is important to review your people resources.

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│  │ positions/functions│ │
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│  │ Identify skills & │  │
│  │   competencies    │  │
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│  │     Identify      │  │
│  │ potential talent on│ │
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│  │  Talent review    │  │
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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.

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Identify development required
Develop career development plan
Develop performance goals
Provide development opportunities
Coach along the way
Evaluate

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. Be aware of diversity and the fact that you may not understand some cultural norms of the employee, and there may be barriers that you can help overcome.

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 as they are promoted to a new role or have made a decision to stay at their present level, while others may be added.

ROLES AND RESPONSIBILITIES

Employees are responsible for:

- expressing their interest in pursuing a new 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 is responsible for:

- facilitating talent review meetings as requested
- collecting names of "advancement 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
- defining appropriate types of training and development based on the career path

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.