

Identifying Future Talent through Succession Planning: The Next Critical Business Initiative

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Agenda

- Succession Planning as a Critical Business Process
- Emerging Best Practices
- The Cadence Approach to Succession Planning
 - Impetus for the Process
 - Target Population and Communication of Process
 - Assessment Criteria for Bench Planning
 - Linking Performance Management to Succession Planning
 - Linking Career Development to Succession Planning
 - Reports on Potential Successors
 - Consensus and Decision Making Meetings
 - Key Implementation Issues
- Case Studies – Other Approaches to Succession Planning
- How to Leverage Technology to Capture Essential Data
- Recommendations for Implementation

What is Succession Planning?

Succession Planning can be defined as a purposeful and systematic effort made by an organization to ensure leadership continuity, retain and develop knowledge and intellectual capital for the future, and encourage individual employee growth and development.

Why is Succession Planning such a “Hot Topic”?



- Board concerns and directives
- Shifting demographics
 - Shortfall in the number of future leaders
 - Increase in attrition in executive level positions
- Economic conditions resulting in massive downsizing and increasingly flat and dynamic organizational structures
- Increased costs associated with external searches
- Increased turnover
 - People who had been regarded as successors for key positions left unexpectedly
 - High performers are leaving
- Employees complain that promotion decisions are made unfairly
- Insufficient numbers of women and/minorities at senior levels

Emerging Best Practices

- MORE top management involvement
- Targeted processes to focus on clearly defined, specific goals
- Comprehensive assessment programs based upon competencies
- Creation of talent databases incorporating performance, assessment, demographic, education, experience, and career interests
- Identification of future talent requirements
- Structured and individualized development programs

Current Succession Planning Initiatives?

The Cadence Approach to Succession Planning



Impetus for Succession Planning:

- Recognition of shifting demographics and potential leadership shortage
- Board concerns about maintaining strong leadership pipeline
- Need for identification of successors for key roles
- Desire for increased women and minority representation in senior leadership roles

The Cadence Approach to Succession Planning



Target Population

- Top 180 senior leaders in organization

Communication of Process:

- Need to ensure continuous leadership “pipeline”
- Helps to prepare for business challenges ahead
- Will be assessing key experiences, skills, interests, etc.
- Provide targeted development offerings depending on skill gaps, interests, etc

The Cadence Approach to Succession Planning



Assessment Criteria for Bench Planning (Self Assessment):

- Time in Current Role
- Prior Work Experience Within/Outside of Cadence
- Educational Background
- Major Career Accomplishments
- Certifications, Awards, Patents
- Language Ability
- Career Aspirations
- Geographical Preference for Relocation

The Cadence Approach to Succession Planning



Assessment Criteria for Bench Planning (Manager Assessment):

- Business Experience (held Sr. Leadership position? General Manager? International position? Stakeholder experience?)
- Functional Work Experience (Engineering, Sales, Finance, IT, etc?)
- Review of Performance History (integrated with succession planning assessment)
- Competency Assessment
- Adherence to Cadence Values
- Potential Next Role
- Timing of Next Career Move
- Potential Successors for Current Role

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Linking Performance Management to Succession Planning

- Manager assessment contains last 3 years of direct reports' performance review ratings (data pulled into assessment from HRIS)
- Manager can review direct reports' performance history while completing succession planning assessment
- Avoids “Recency Effect” and provides for more comprehensive assessment
- Succession planning assessment will follow 2007 online performance evaluation process
 - Seamless process for managers, less time-consuming

The Cadence Approach to Succession Planning



Linking Career Development to Succession Planning

- Tracking business experience, career aspirations and geographical relocation preferences will all result in potential next career moves
- Having “visibility” across the organization will better enable HR to surface internal candidates for promotion
- Assessing specific skill gaps will enable HR to provide targeted career development offerings

The Cadence Approach to Succession Planning



Reports on Potential Successors

- Potential candidates for key executive roles
- Potential candidates for critical leadership roles below executive level
- Women and minority candidates for executive/senior leadership roles
- Potential candidates for international roles (could also be helpful for career development/mentoring assignments)

The Cadence Approach to Succession Planning



Consensus and Decision Making Meetings

- Assessment will surface multiple candidates for one role
- Executives and other leaders need to agree on how to narrow down multiple candidates
 - “Goodness of Fit” Statistics
 - Setting thresholds below which candidates are not considered
- Each potential candidate has a profile report which leaders will review in the consensus meetings

The Cadence Approach to Succession Planning



Key Implementation Issues

- Target Population
 - Where do you “draw the line” in who/who not to include?
- Communication of Purpose of the Process
 - Can be controversial
 - Have to clearly set expectations
- Integration with Other Initiatives (Perf Mgt, 360, etc.)
 - Timing of launch
 - Integration of data
- Assessment Process
 - Who should provide which data (manager/self/HR?)
 - Should self complete competency assessment?

Case Studies: Other Approaches to Succession Planning



Board Directive for Succession Plan

- Selected critical positions and identified talent requirements
 - Leadership competencies
 - Technical skills and experiences
- Comprehensive assessment of current talent
 - Customized online Talent Assessment of skills, experiences, overall future potential
- Identified successors and positions without internal successors

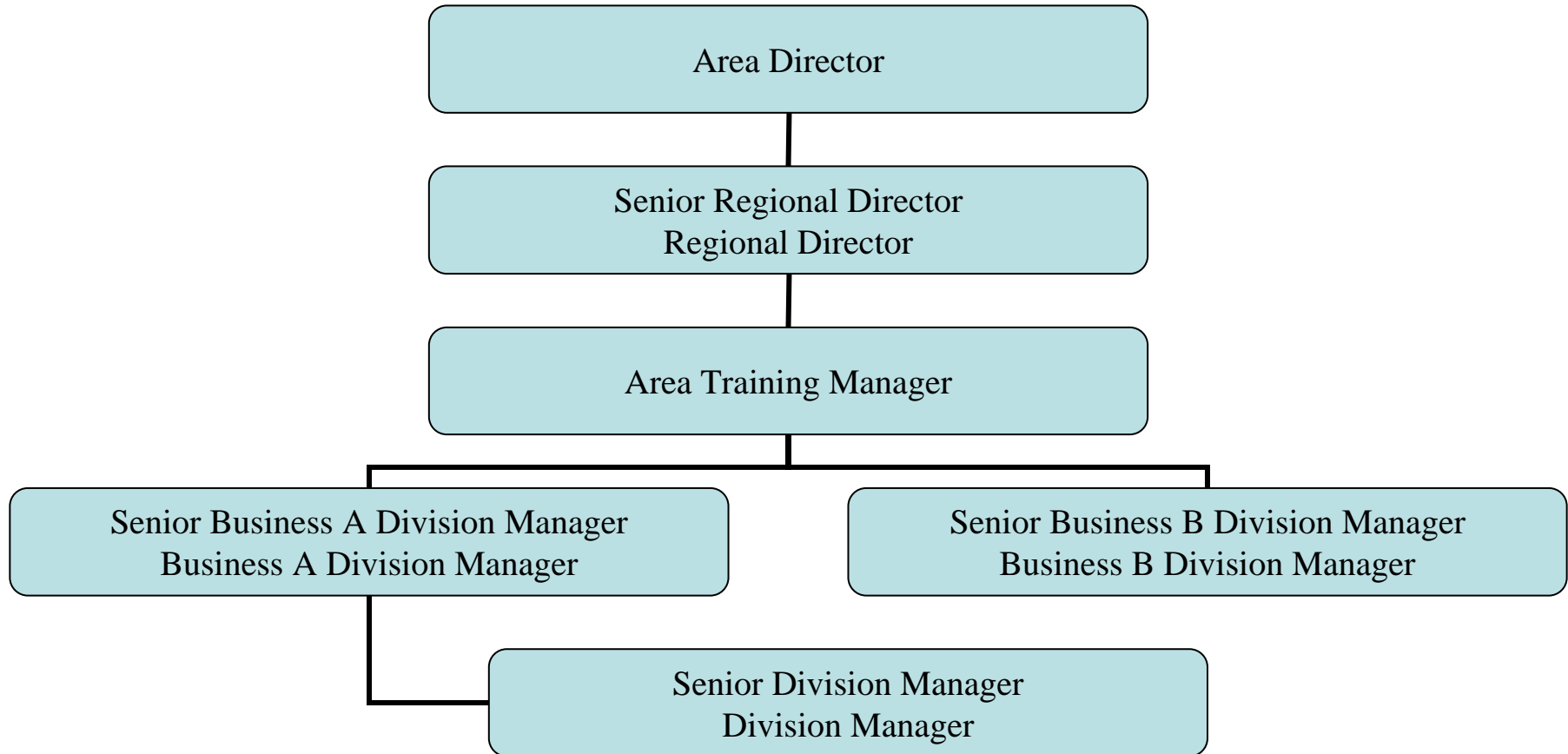
Case Studies: Other Approaches to Succession Planning



Succession Linked to Career Pathing and Development

- Identified current and future talent requirements
 - Identified critical positions and detailed requirements (skills, specific experiences, training requirements for roles)
 - Created developmental paths for critical positions
- Employed on-going, comprehensive assessment programs
 - Annual leadership 360 assessment
 - Structured quarterly talent assessment for all
 - Sales performance and performance appraisal data pulled in for assessment
 - Development checkpoints
 - Reward and recognition
 - In-depth assessment for high-potentials
 - Learning Agility, Potential for Derailment

Sample Sales Management Career Path





Talent Assessment Menu

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Talent Assessment Survey --> Place cursor on the icon to see the name of the person being evaluated (Click Here To View Instructions) 

Save Submit Close Print

RECOMMENDED CAREER LEVEL

The recommended career level for this participant is displayed below.

Not Available

To Confirm the Recommended Career Level:

- 1. Scroll down and click the 'Confirm Career Level' button.

To Change the Recommended Career Level:

- 1. [View All Career Level Descriptions](#).
- 2. Discuss the desired change with the Regional Director.
- 3. Select the appropriate Career Level and justify the change with specific examples in the box provided.
- 4. Click the 'Confirm Career Level' button.

--- Select One ---

Justify:

Expand Restore Spell Check



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RECOMMENDED CAREER LEVEL

The recommended career level for this participant is displayed below.

Not Available

- Select One ---
- Territory Sales Representative (Level 1)
- Professional Representative (Level 2)
- Medical Representative (Level 3)
- Senior Medical Representative (Level 4)
- Specialty Professional Representative (Level 2)
- Specialty Medical Representative (Level 3)
- Senior Specialty Medical Representative (Level 4)
- Specialty Hospital Professional Representative (Level 2)
- Specialty Hospital Medical Representative (Level 3)
- Senior Specialty Hospital Medical Representative (Level 4)
- Select One ---

Change with specific examples in the box provided.

Justify:

Expand Restore Spell Check



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OVERALL RATING OF FUTURE POTENTIAL

Provide an Overall Rating of Future Potential for this individual. We would expect to see approximately 10% of participants in the High Potential category, 20% in the Learner category, 60% in the Contributor category, and 10% in the Needs Improvement category.

- High Potential** - Currently performs at an extremely high level; has a demonstrated and consistent track record over time of not only meeting but also exceeding expectations; learns quickly and has the potential to add significant value to the sales organization in the future; strong succession candidate.
- Learner** - Has performed consistently at an above average level in each position, but has limited experience and is untested in some key areas; more individual development is highly recommended and exposure to other positions may be needed; could be a high potential in future years.
- Contributor** - Consistently performs at an average level; lacks strengths in some key skill areas; is currently in the right position; continued development is recommended.
- Needs Improvement** - Does not meet standard performance levels for their current position or may be too new to the position to evaluate at this time; lacks the depth and scope of the key skills required for long-term success in the organization; immediate development is required.

SUCCESSION

Current Role is Appropriate - No Further Potential at this time

Case Studies: Other Approaches to Succession Planning



Assessment for International Mobility

- Developed robust talent database
 - Online Talent Assessment across many countries (Europe, Asia Pacific, North America, Latin America)
 - Integrated data from multiple systems (HRIS, performance management)
 - Identified current skills vs future needs
 - Identified skills to be developed/deemphasized
- Individualized development planning
 - Linked to performance management
 - Updated quarterly
 - Targeted development resources
- Redeployed leaders to different geographical locations

Leveraging Technology to Capture Essential Data



- For certain population sizes (over 25 people) technology can greatly facilitate data collection
- Assessments can be much more comprehensive
- Most fields should be structured in a multiple choice format (vs. text boxes)
- Make sure to think through all reporting needs in advance
- Integration with other systems for past performance history or demographic data may be important
- Identifying potential successors, talent gaps and key individuals for special assignments is all possible if using technology

Recommendations for Implementation



- Define Clear Communication Plan
- Identify a Comprehensive List of Criteria (difficult to capture data “after the fact”)
- Find an Executive Champion to “Pilot” Process in his/her Area
- Differentiate Which Leaders to Profile/Avoid “Executive Cloning”
- Define Fair, Unbiased Method for Deciding on Candidates
- Identify Mentoring Pool from Assessment to Provide Experiential Learning for Candidates

Questions