

Organizer



**2016 CyHRMA**  
**Annual Conference & Expo**

**WORKSHOP**  
ON  
**Integrating Succession Planning**  
In  
**Talent Management Strategy: Key for**  
**Sustainable Growth**

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*& Support Services*  
*MSC Shipmanagement Limited*

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- To raise awareness among the participants regarding importance of succession planning, share their current organizational practice on succession planning,
- Take away learnings from discussions and case study and how they can:
  - Contribute to Organizations effectiveness by ensuring readiness of well-trained talent
  - Commence succession planning process or enhance their existing one which will ensure that there is **more than one** successor for each key ranks
  - Do talent scanning required and adapt the training and development needs
  - Integrate succession planning in their talent management program.

- *It is an effort designed to ensure the continued effective performance of an organization by making provision for the **development**, **replacement**, and **strategic application** of **key people** over time.*
- *Successful succession planning is usually part of the **larger talent management program** that is intended to attract best through recruitment, keep the best through effective retention practices, and develop the best people through well-targeted talent development efforts.*

*\*William Rothwell, Effective succession planning, 2005*

4 FUNDAMENTAL QUESTIONS  
ABOUT  
APPROACH TO HUMAN CAPITAL MANAGEMENT

# GLOBAL HUMAN CAPITAL TRENDS 2016\* - FINDINGS ON SUCCESSION PLANNING



- Only **14%** companies consider themselves **excellent** with their succession plan ( 2016)
- **51%** leaders feel that their succession program are **weak or have none** at all ( 2015)
- HR has the onus to facilitate internal talent mobility by ensuring that present workforce is ready to take up the new responsibility and challenge of tomorrow [ **Start looking through the windshield** – (future requirements of the business) rather than the **in the rear view mirror** – (current expertise and capability), as the future challenges requires the different skills other than that worked in the past].

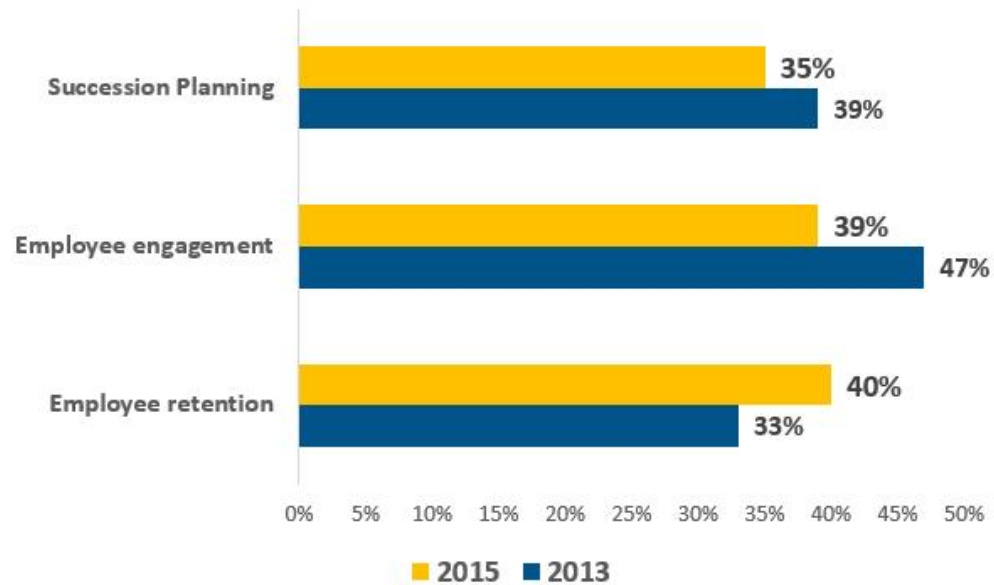
*\*Deloitte University Press – The New organization – different by design,2016*

# GLOBOFORCE SHRM 2015 SURVEY: 2015 EMPLOYEE RECOGNITION REPORT



## HR TOP 3 ORGANIZATIONAL CHALLENGES

- Turnover(Employee Retention)
- Employee engagement
- Succession Planning



# SUCCESSION MANAGEMENT MATURITY MODEL (2009-2014)



Source: Bersin & Associates, 2009.



Source: Bersin by Deloitte, 2014.







# REPLACEMENT PLANNING IS NOT SUCCESSION PLANNING



# KEY BENEFITS OF SUCCESSION PLANNING

## Building Bench Strength

Proactive  
Identification of key  
contributors

Retain talent with  
knowledge of business-  
critical processes and  
ensure business  
continuity

## Better Career Development

Genuine  
development of  
employees

Open development  
compels employees to  
go to extra mile and  
fosters higher  
engagement with all  
associated benefits

## Cost Savings

Savings of  
significant costs  
incurred if  
headhunter used.

. No loss of productivity  
. No time lost in  
replacing a key  
contributor by having  
the right replacement  
strategically engaged  
and ready to step in.

## EXTERNAL RECRUITMENT

- Outsider recruitment
  - Cost of hiring
  - Loss of productivity
  - Diminished learning curve for the employee
  - Takes much longer to realize the benefits of excellent skills and perspective for which recruitment was done
  - Overall above makes chances of success with external leader to half.

## INSIDERS VS. OUTSIDERS

- Overall, Insiders and Outsiders performs all the same\*
  - **What matters is the company's health at the time of succession**
  - In the study 218 out of 300 companies were considered **stable** and in 75% cases, these **healthy companies** selected internal successors and were 3 times more likely to achieve success than the outsiders.
  - In **struggling companies**, external successors performed significantly better and they were 3 times more likely to achieve success than the insiders

*\* Succeeding at Succession – Citrin and Ogden, HBR 2010 based on 18 months study of 300 CEO from Top 500 companies*

## 4 THOUGHT QUESTIONS

### HOW MANY LEADERS DOES YOUR COMPANY NEED?

- 3: 1 ( Hiring : Good fit)
- **Top 3 levels:** CEO, Direct reports of CEO and the direct reports of the group
- Number of leaders needed = 3 times the number of top 3 levels

### WHAT DOES YOUR COMPANY DO WITH LEADERS?

- Job, role, or task development
- Formalize learning and development-specific to company's business needs
- Individual guidance- Coaching

### HOW MANY LEADERS DOES YOUR COMPANY HAVE AND WHERE ARE THEY?

- **9 Box Matrix**
- **Performance management Limitations** and belief that employee who perform well now in current role will do same in their future role ! (?)
- Movement between **compatible** roles
- Movement **to executive** roles

# IMPLEMENTING SUCCESSION PLANNING – WHO IS IN CHARGE?



Role of Top Management & Senior HR

- **Ownership of the Process**

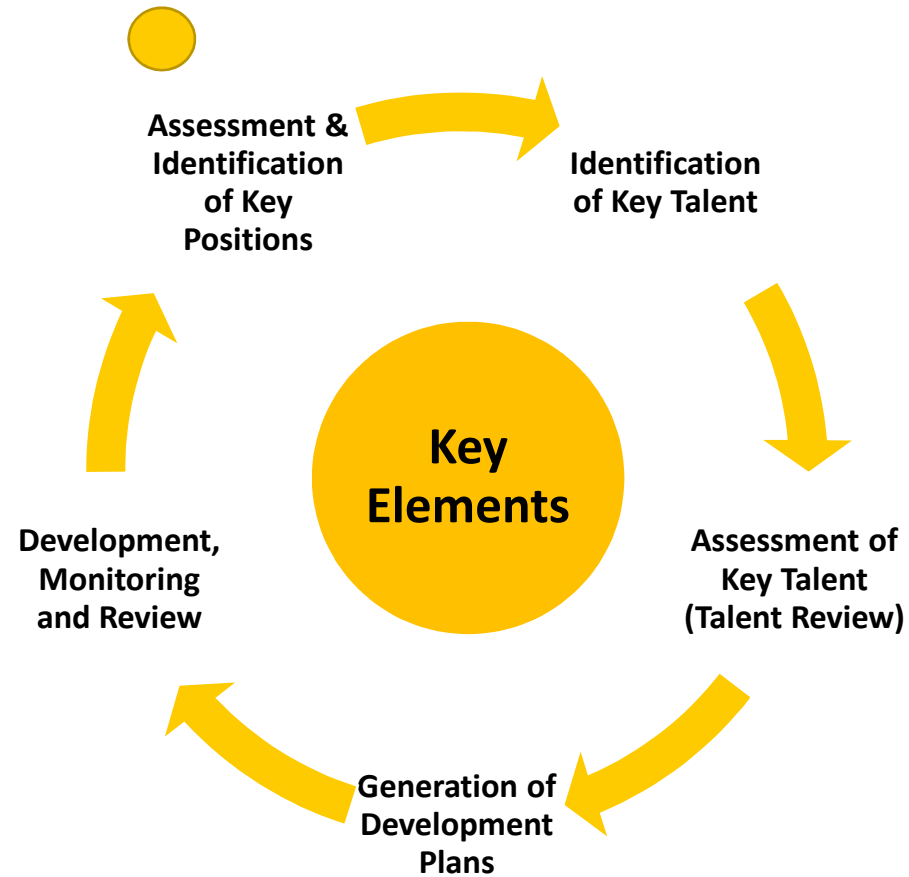
Role of Board of Directors

- **Regular Overview and Confidential external bench marking**

Role of HR and Line Managers

- **Make it the 'Way of work' and culture**

# SUCCESSION PLANNING: HIGH-LEVEL KEY ELEMENTS



**5 QUESTIONS  
TO  
THINK ABOUT YOUR ORGANIZATION'S  
SUCCESSION PLANNING READINESS**

# ASSESSMENT AND IDENTIFICATION OF KEY POSITIONS



- 1<sup>st</sup> Step of succession planning
- Identify the roles across the organization which impact key business factors such as revenue etc by:
  - Pre planning
  - Data gathering
  - Meeting with Senior HR and Management team
  - Formation of succession planning committee
  - Identify gaps based on the strategic and workforce planning decisions

## CRITICALITY

- Business results, Internal/external customers, availability of skills internally or externally

## RETENTION

- Organization's ability to retain the employee in current roles



# TALENT REVIEW (ONE SAMPLE MODEL)



- Who is Who at your bench?
- Who should be developed?
- Who should be groomed for leadership?
- Who should be moved to other role?

Employee	Performance Level	Ultimate Performance level	Readiness
ABC	2	3	2

### Performance level:

1. Weak performer
2. Solid performer
3. Strong Performer

### Ultimate Performance level:

1. Current role only or possibly bad fit
2. Good fit at current level, lateral move or upward 1 level
3. Upward mobility more than 1 level

### Readiness:

1. Needs greater than 12 month
2. Should develop in current role for next 12 months before move
3. Can take next development steps in next 12 months

- Following Identification of Key positions, Key Talent and their assessment, next step in succession planning is to generate individual development plan based on identified development areas for identified successors to address critical skill gaps.
- Workshops
- Stretching Goals, challenging assignments Pairing , functional exposure
- Coaching ( internal or external or both)
- Education ( Leadership development, Strategic perspective etc)

# MEASURING IF SUCCESSION PLANNING IS WORKING ?



**1. Time to Fill**

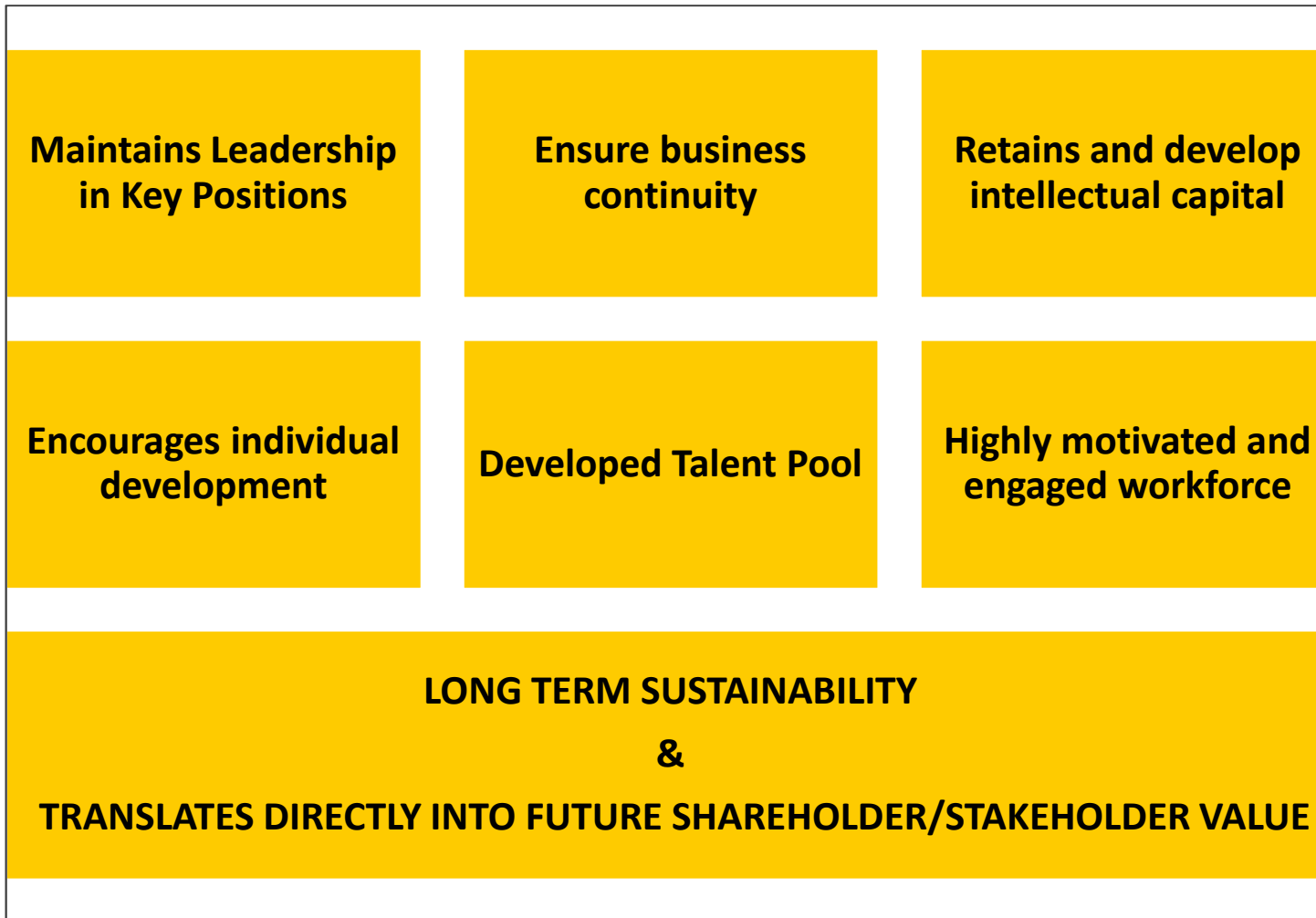
**2. Performance of Internal Promotions**

**3. Retention**

**4. Number of external hires in senior position**

**5. Cost of Hiring**

# RECAP – EFFECTIVE SUCCESSION PLANNING



# CASE STUDY



# 2016 CyHRMA Annual Conference & Expo

## Can you live without succession planning ?

## There is NO success without a Successor !

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