% of older workers in the Utilities industry is 29.1% (SHRM, 2014)

1/5 or fewer of organizations have conducted workforce assessments around the loss of workers aged 55 & older, identifying future workforce needs and potential skills gaps in the 6 years and beyond time frame.
WORKFORCE STRATEGY

In light of an ever changing world, what are the questions you need to be asking?

• What are the demographics of our workforce?
• How are we retaining knowledge and historical data?
• What are the skills/competencies that will be critical to driving our business in the next 5-10 years?
• What are the workforce implications of business strategies that require ongoing adaptability?
• What kind of new work models/structures do we need to be considering?
• The Society for Human Resource Management (SHRM) found that organizations are unprepared for an aging workforce, with just over one-third of organizations examining policies and practices to address the demographic change.
## NEW AGE OF WORK

<table>
<thead>
<tr>
<th>OLD</th>
<th>NEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>One standard work model</td>
<td>Flexible works models</td>
</tr>
<tr>
<td>One size fits all people practices</td>
<td>Contemporary &amp; flexible people practices</td>
</tr>
<tr>
<td>Standardized talent pipeline</td>
<td>Talent system with a short time to value</td>
</tr>
</tbody>
</table>
WHY SUCCESSION PLANNING

Critical drivers for implementing succession planning include:

• Prepare for both short and long term
• Improve the company’s bench strength in key positions
• Identify high potential early and devise strategies to retain talent
• Difficulty finding candidates outside the organization
• Unexpected/Expected loss of key leaders
SUCCESSION PLANNING

GOAL: Get the right people with the right skills at the right places at the right time.

FOCUS: A business process to ensure the organization has access to talent.

VALUE: Provides a snapshot of internal demand for jobs and skills as well as forecasted internal availability. It’s a business process that is responsive to the business strategy and provides predictability in modeling staffing needs and costs.
WHAT IS SUCCESSION PLANNING

Succession planning is a systematic approach to:

• Building a leadership pipeline/talent pool to ensure leadership continuity
• Developing potential successors in ways that best fit their strengths
• Identifying the best candidates for categories of positions
• Concentrating resources on the talent development process yielding a greater return on investment.
• Succession planning recognizes that some jobs are the lifeblood of the organization and too critical to be left vacant or filled by any but the best qualified persons.
• Effectively done, succession planning is critical to mission success and creates an effective process for recognizing, developing, and retaining top leadership talent.
Succession Planning Activities

ID future needs

ID key roles & competencies

ID current supply of people & determine gaps

Evaluate & Revise
ID Future Needs –

What’s going on in the market?
What is your business strategy?
What is your workforce strategy?
How will you execute on that strategy?
ID Key Positions & Competencies

What are the critical roles?
What are the hard to fill roles?
What are the specialized roles?
What are the competencies associated with those roles?
9 BOX MODEL — THE WHO

```
<table>
<thead>
<tr>
<th>Potential Assessment</th>
<th>Performance Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

```

```
| "Rough Diamond"       | "Future Star"          | "Consistent Star"        |
| Low Performer/High Potential | Moderate Performer/High Potential | High Performer/High Potential |
| "Inconsistent Player" | "Key Player"           | "Current Star"           |
| Low Performer/Moderate Potential | Moderate Performer/Moderate Potential | High Performer/Moderate Potential |
| "Talent Risk"         | "Solid Professional"   | "High Professional"      |
| Low Performer/Low Potential | Moderate Performer/Low Potential | High Performer/Low Potential |
```

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**Definitions:**
- **"Rough Diamond"** - Low Performer, High Potential
- **"Inconsistent Player"** - Low Performer, Moderate Potential
- **"Talent Risk"** - Low Performer, Low Potential
- **"Future Star"** - Moderate Performer, High Potential
- **"Key Player"** - Moderate Performer, Moderate Potential
- **"Solid Professional"** - Moderate Performer, Low Potential
- **"Consistent Star"** - High Performer, High Potential
- **"Current Star"** - High Performer, Moderate Potential
- **"High Professional"** - High Performer, Low Potential
WHERE ARE THE GAPS?

How will you fill them?
HOW MANY & WHERE DO WE FIND THEM

- Interns
- Contractors
- Contingent
- Generations
- Consultants
- Micro Entrepreneurs

Regular Employees
SUCCESSION PLANNING ACTIVITIES

- Development/Learning Strategies:
  - Planned job assignments
  - Formal development
  - Coaching and mentoring
  - Assessment and feedback
  - Cross training
  - Job expansion
  - Shadowing

- Recruitment & Retention Strategies
  - On Boarding
  - Relocation
  - Bonuses
  - Benefits
  - Culture/Engagement
  - Compensation
  - Older workers
CHALLENGES

• Identifying talented candidates for leadership succession.
• Developing candidates to become suitable leadership successors.
• Retaining leaders and succession candidates long enough to ensure that key positions will be successfully filled according to plan.
• Lack of funding for leadership development.
• Inability to locate or create a pool of active and passive candidate.
• Lack of assessment tools.
• Lack of succession planning tools and career development tools.
• Inability to identify the future talent needs of the organization.
• Lack of interest from senior executives.
FUNDAMENTALS OF SUCCESSION PLANNING

• Support from the CEO
• Build a development mindset in the organization
• Approach should not be just top-to-bottom but also bottom-to-top and cross-functional
• Align succession plan with the overall strategy of the company
• Ensure data-driven decision-making
• Develop a “learning organization”
• Assess performance culture on a regular basis
SUCCESS FACTORS

• Senior leaders are personally involved.
• Senior leaders hold themselves accountable for growing leaders.
• Employees are committed to their own self-development.
• Success is based on a business case for long-term needs.
• Succession is linked to strategic planning and investment in the future.
SUCCESS FACTORS

• Workforce data and analysis inform the process.
• Leadership competencies are identified and used for selection and development.
• A pool of talent is identified and developed early for long-term needs.
• Development is based on challenging and varied job-based experiences.
• Senior leaders form a partnership with human resources.
• Succession planning addresses challenges such as diversity, recruitment, and retention.
THE END