

Succession planning and management focuses on the establishment of the future capabilities and staffing needs of your business, and the development of strategies and methods to manage them. This is achieved through the development of skills and capabilities in groups of employees through a transparent, equitable and meritorious process. It is **not** concerned with the identification of individual employees who are selected for special attention.

When applied appropriately as an integral component of workforce planning, succession planning and management will:

- Enhance the transfer of skills and knowledge
- Facilitate the retention of corporate knowledge
- Ensure that there is a suitable pool of applicants when positions become available
- Make transparent the possible career paths in the organisation
- Reduce perceived “career blocks” and job stagnation*

The ageing workforce presents a challenge to succession planning and management. As well as the increase in number of employees who are eligible to retire there is:

- A trend for younger employees, the so-called X and Y generations, not to remain in the same job for as long as their predecessors and to have quite different work needs and career aspirations.
- A tendency for the nature and types of jobs available in an organisation to change significantly and repeatedly due to rapid technological and economic changes.

“The problem won’t just be a lack of bodies. Skills, knowledge, experience and relationships walk out the door every time someone retires – and they take money to replace.”

Dychtwald k, Erickson T, Morison B *Its Time to Retire Retirement* Harvard Business Review March 2004 Vol.82 Issue 3

Succession planning and management needs to focus on the skills needed rather than developing people for specific current job requirements. It is more likely to be integrated with normal business learning strategies while ensuring the availability of a good supply of suitable skilled employees from both within and outside the organisation. It will need to have a future focus which could be difficult as entirely new jobs may be created in the future.

Most importantly succession planning and management practices are to complement merit based employee selection principles by ensuring that anyone who has the necessary skills is able to compete for promotion opportunities based on merit.

In terms of the ageing workforce, succession management strategies may need to ensure that older workers formally pass on the skills and knowledge they have gained to others in the organisation before they withdraw from the workforce. Simply briefing the next person in the job about the status of the work underway will no longer be sufficient.

Possible strategies and actions include:

- Identifying whether or not your business faces a potential exodus of a significant number of older employees due to retirement in areas where expertise and skills are not readily available from outside your business and where these are not likely to be the focus for development anywhere outside the business. Consider how you will address the impacts on your business’s capability.
- Implementing a formal succession planning process that engages senior management in the discipline of regularly reviewing the future skill requirements of your business.

- Developing specific plans, policies, systems and processes for passing the knowledge and experience of older workers on to others before they fully retire from the workforce, for example
 - Identifying critical “at risk” knowledge areas and positions
 - Conducting skill and knowledge audits
 - Introducing knowledge transfer based training and mentoring
 - Job shadowing
 - Job-sharing
 - Knowledge mapping
 - Team based work practices.

- Offering leadership and skill development opportunities that build key identified future capability or skill requirements across all levels of the organisation.
- Encouraging interested employees with opportunities for higher duties, and project work.
- Encouraging job sharing between employees who may be staying and employees who may be leaving.

*There is evidence to suggest that where employees feel there is a lack of promotional opportunities or opportunities for new or interesting work (career blocks) there may be increased stress-related health problems in affected workers. By reducing these problems, succession planning and management may bring financial benefits in terms of a decline in worker’s compensation claims for stress-related health issues, and a decrease in the rate of staff turnover and early retirements.

Source: Department of Employment and Industrial Relations ‘A Guide for the Queensland Public Service: Managing an Ageing Workforce’ and ‘Attraction and Retention Series Workforce Demographics Toolkit : Frameworks and Strategies for an Ageing Workforce’.