PREPARING THE PEOPLE PIPELINE

A Federal Succession Planning Primer

JUNE 2011

PARTNERSHIP FOR PUBLIC SERVICE

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The Partnership for Public Service is a nonpartisan, nonprofit organization that works to revitalize the federal government by inspiring a new generation to serve and by transforming the way government works.

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SUCCESSION PLANNING AND WHY IT MATTERS

Staff turnover is as inevitable as death and taxes, and for government it looms on the horizon. By the end of 2015, according to OPM projections, more than 50 percent of the 7,746 senior executives in place at the beginning of 2011 will have left government, taking with them key institutional knowledge and critical skills. This brain drain, as it has been dubbed, could have dire consequences for government and its ability to protect the public's health, safety and security.

But with a small investment of time and resources, federal leaders and managers can minimize the impact and prepare for these inevitable departures by developing succession plans for their work units or organizations. Succession plans focus on the future, walking managers through the process of predicting when positions may open, evaluating talent they have that can fill positions and developing strategies for training existing staff or recruiting new talent.

Succession planning is an essential tool to deal not only with anticipated departures, but also with retention. With federal budget cuts, many federal managers will be unable to fill all their openings. Succession planning can help managers determine truly critical skills and positions, and can help them strategize about how to develop their talent.

Lastly, succession planning presents an opportunity to reimagine a team, an office or even an approach to the work that needs to be done. Too often, when employees leave, managers try to replace what they used to have. A good succession plan will get them thinking about what they'll need in five years, redefining positions and creating a new approach to the work.

In fairness, succession planning can be daunting, and there are many competing demands on leaders' time. Government also adds extra layers of complexity. Top federal leaders usually come in for short periods of time and may not be as dedicated to long-term planning. Laws, collective bargaining agreements and requirements, particularly misconceptions regarding merit principles, also factor into a reluctance to delve into the process. These extra hurdles, or perceptions of them, leave many agencies unwilling to tackle succession planning or uncertain about how to do so

But the stakes are too high to ignore. Given today's fiscal climate, the looming brain drain and the high stakes for effective succession planning, now is the time to take action. The Partnership for Public Service and Booz Allen Hamilton set out to explore how extensively agencies are planning, with a particular examination of an at-risk occupational area that ironically has responsibility for succession planning for the whole government: the federal HR workforce. We also set out to better understand the barriers to effective succession planning and to outline simple steps that will help federal managers get started today (page 7).

IN FOCUS SUCCESSION PLANNING

The term succession planning is often used interchangeably with succession management. They are not the same. Succession planning is the process an organization uses to:

- Identify its most critical positions, leadership as well as technical;
- Project its attrition risk;
- Assess the sufficiency of its feeder or candidate pools; and
- Develop training, development and recruiting strategies to close gaps between demand and supply.

Succession management is the process of executing the succession plan. The emphasis in both is on the future, not on ensuring that employees have the skills to do their current jobs or the next job in their career progression. Rather, the focus is on locating or preparing viable candidates for future vacancies, especially those that are critical to the organization's success

CASE IN POINT
A SPOTLIGHT ON THE FEDERAL HR COMMUNITY

The Partnership and Booz Allen Hamilton examined succession planning in the federal HR community for three key reasons. First, HR representatives are charged with helping managers across the board with succession planning, so it stands to reason that they are best equipped to do it for themselves.

Second, the occupation has a unique demographic. There are almost 27,000 federal HR professionals in the government today, according to OPM. Sixty percent of the HR workforce is 45 years old or older, with approximately one of every four employees currently eligible to retire. Further, it has higher turnover rates. In 2009, the HR attrition rate was 13 percent, more than double the 5.9 percent general government rate.

Third, federal Chief Human Capital Officers (CHCOs) admit to being dissatisfied with the skills of the staffs they have in place. In "Closing the Gap," a survey of CHCOs, 60 percent said their HR staffs have the competencies to succeed in the future only to a limited or moderate extent.

The convergence of these factors would suggest that if any community was engaged in succession planning it would be this one, but our research revealed that very little formal planning is underway.

Figure 1
Level of agency succession planning

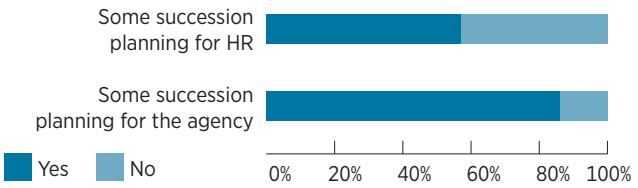
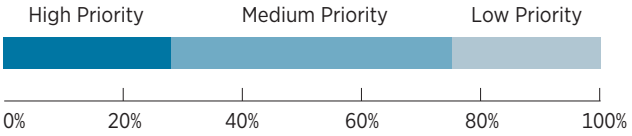


Figure 2
Priority level of succession planning

Compared with other workforce priorities, HR succession planning is a...



FINDINGS AND ANALYSIS

FINDING ONE
The cobbler's children have no shoes

HR offices spend much more time helping develop succession plans for their agencies than they do for their own offices, according to surveys, focus groups and interviews with current and former federal HR professionals. We surveyed HR leaders and professionals from 17 large and 11 small federal agencies serving approximately 85 percent of the federal workforce. We found that relatively few of the HR organizations focused on formal succession planning.

Most HR professionals surveyed (86 percent) reported some succession planning activity for their department or agency, but only 57 percent reported succession planning activity for their HR offices (figure 1). "Our succession planning process is very informal," one respondent said. "We are actively working to improve it. This is a hot issue for us right now." Some respondents shared formal succession plans developed for their agencies, but conceded that few focused on succession planning for HR. Indeed, even in cases where it appeared that the HR office played a major role in the agency's overall succession planning efforts, there seemed to be little focus on HR's succession needs.

Focus groups and interviews revealed similar results. HR leaders reported that they were too busy providing support to their agencies to develop succession plans for their own offices. "Definitely, we're not doing as much for HR as we would like," one interviewee said. "It's very much the case of the cobbler's children [having no shoes]." Others echoed this sentiment. "We are, as HR professionals, serving others more than ourselves." While customer focus is laudable, it is likely to lead to adverse consequences if it comes at the expense of a pipeline of skilled HR professionals prepared to serve those customers during times of turnover.

There is no question that HR leaders believe succession planning is important. HR leaders and staff members

surveyed, representing 21 out of 28 agencies (75 percent), said HR succession planning was a top, high or medium workforce priority (figure 2). "Formal [succession planning] is important because it communicates a message about what's important to senior leaders," a focus group participant said. But the paradox remains: Despite the importance they place on it, few HR leaders formally plan for succession in their own organizations. "Informal [succession planning] is nice, but it's important to go formal and be proactive. The organization loses something if there's only informal. We need to practice what we preach. If we say succession planning is a priority, then we should have the dedicated time and resources to do it for HR."

FINDING TWO

Four top barriers to succession planning

1. **Lack of time**
   HR leaders cite lack of time as the single biggest impediment to their own succession planning efforts (figure 3). Nearly 90 percent of our survey respondents said lack of time was very much or somewhat of a barrier, a result that emerged in focus groups as well. "We have to keep operations going and then we just don't have the time to step back and benefit ourselves," one interviewee said.

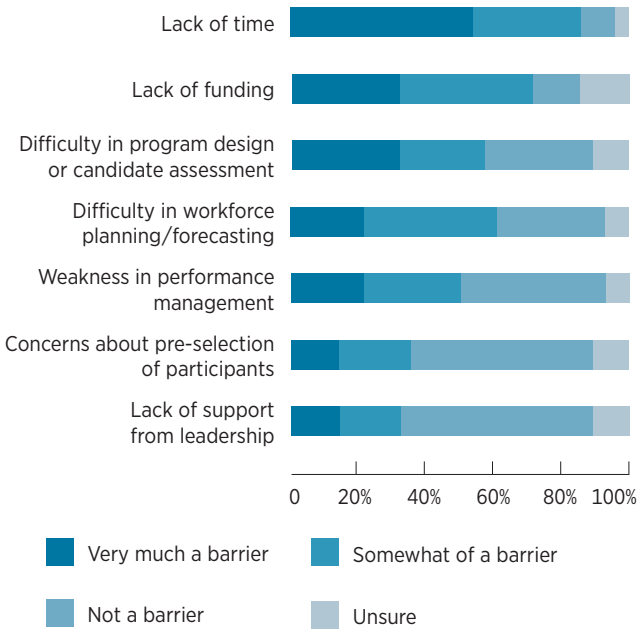
   HR offices tend to operate with small staffs that must meet an ever-increasing number of priorities. Interviewees and focus group participants expressed concern that time devoted to hiring reform left even fewer work hours for succession planning. However, other focus group participants said that hiring reform and succession planning need to go hand in hand.

2. **Inadequate funding, especially for program design and employee development**
   More than 70 percent of HR professionals rated funding limitations as a challenge. "My budget gets wiped out by the time I take care of the agency's needs," one interviewee noted. The unfortunate reality is that in tough times, training budgets are among the first casualties. Managers will need to explore and build cost effective strategies to develop talent in budget constrained times.

3. **Limited ability to assess and select candidates**
   More than 57 percent of our survey respondents found difficulty in assessing succession candidates. Valid methods for identifying high potential candidates have always been difficult to come by, purely from a technical standpoint. HR leaders believe there is also a perception problem with efforts to identify high potential employees at an earlier stage in their careers and expressed concern that some people may view it as pre-selection. "The notion of pre-selection is a top barrier to succession planning," according to a respondent. "Succession planning programs can be used to strengthen employee retention, but without being able to 'groom' an employee for a particular position there is no guarantee on the agency's investment." On the other hand, OPM has declared that agencies, including HR, have an obligation to ensure that there are enough succession candidates ready to assume greater responsibility.

4. **Difficulty with workforce forecasting**
   More than 50 percent of our HR respondents said that their inability to forecast attrition impeded their succession planning efforts. This concern may have some legitimacy but only up to a point. Sophisticated forecasting models are not necessary for meaningful succession planning. Succession plans can be more personal, developed by leadership teams that know the strengths of their individual staff members as well as their developmental needs and, to a degree, their future plans.

Figure 3
Barriers to HR succession planning



FINDING THREE

The lack of HR bench strength has consequences

Federal studies[1] have found that current HR professionals lack sufficient skills. As we have discussed, it is difficult for HR leaders to take on succession planning when they're not staffed well enough to accomplish their daily missions, let alone prepare their staffs for the future. The existing workforce suffers from weak strategic skills, in part due to underinvestment in training and development over the course of employees' careers. Other skills, such as the ability to communicate effectively and think strategically, while not necessarily HR-specific, have great importance. "HR needs more people with business acumen," a participant said. "It's imperative to have this cultural shift to get good succession planning in place."

The skills issue impairs HR leaders' ability to build capacity in their own offices. Concern about the competence of current HR professionals emerged as an issue in focus groups, in interviews and in other forums. In particular, respondents questioned whether future HR leaders will be able to acquire the competencies needed to manage a 21st-century workforce. "Somehow there is the belief that HR is not a profession, that anybody can do HR," a focus group participant said. "If we don't build from within the profession, we end up with leaders without HR competencies."

FINDING FOUR

Talent moves around among HR offices

HR professionals are highly mobile, and far more likely to move among agencies than employees in any other federal field. Among the federal occupations with the largest number of employees, HR had the highest percentage of employee transferees from one agency to another (figure 4). At 44.9 percent, this mobility index is nine percentage points higher than the next closest occupation on the list, inventory management.

This puts the relatively high attrition rate among HR professionals in an interesting light. HR professionals aren't leaving federal service, they're leaving their agencies. Further research is required to determine the underlying reasons for this mobility but anecdotal evidence suggests that it represents self-directed career development on a grand scale. Given the relatively small size of HR offices at all levels, developmental and career progression opportunities are scarce. There generally isn't enough critical mass in any one HR office to generate sufficient opportunities for existing employees. So they move to other agencies. Statistics show that the transfer rate is highest at the senior technical and managerial levels—GS-13 through 15.[2] A focus group of highly successful current and former federal HR leaders underscored this point about autonomy. Participants said they took the initiative to seek out challenging assignments, find mentors and coaches and stay

Table 1 Top 10 occupations with highest percentage of employees who transferred

	Percentage of new employees who are transfers				
Occupation	2008–2010	2008	2009	2010	Total number of new employees (2008–2010)
0201-Human Resources Management	44.9	47.9	44.0	42.8	7,820
2010-Inventory Management	35.9	57.3	21.2	13.9	1,311
0560-Budget Analysis	34.0	37.0	32.5	33.0	2,794
1102-Contracting	31.2	39.5	29.8	26.2	13,836
0341-Administrative Officer	29.0	30.3	27.9	29.0	1,157
0081-Fire Protection and Prevention	26.2	20.8	22.4	36.2	2,283
0510-Accounting	24.0	26.8	24.6	19.9	3,354
0340-Program Manager	20.5	20.5	18.0	22.9	1,647
0018-Safety and Occupational Health Management	20.4	24.8	19.3	18.1	1,496
1910-Quality Assurance	19.8	20.8	18.1	20.8	1,922

Source: Office of Personnel Management, FedScope: Federal Human Resources Data. (Washington, DC: September 2010)

[1]U.S. Merit Systems Protection Board, Federal Personnel Offices: Time for Change? (Washington D.C.: August 1993) and the U.S. Office of Personnel Management, The HR workforce: Meeting the Challenge of Change, A Comprehensive Study of the Federal Human Resources Community, Part 3, MSE-99-7 (Washington DC: January 2000).

[2]Office of Personnel Management, FedScope: Federal Human Resources Data. (Washington, DC: September 2010)

open to change and risk. "I had some wonderful opportunities with special assignments early in my career. I volunteered for new projects or the government-wide efforts no one else wanted to do. All these things made a difference for me," one HR leader said.

Clearly, rising federal HR stars looking for chances to grow professionally will go where the action is. "Opportunities for HR are not as linear or obvious as they are in some other occupations," one focus group participant said. Some HR leaders try to give their employees assignments to help with development so they stay put longer. "We try to use our own work for developmental purposes, but junior employees need more opportunities to get into other areas within HR," one interviewee said.

This makes HR succession planning, at least at the agency or organization level, more challenging, but more essential. Challenging because an HR office's best and brightest talent—those individuals who may be critical to a long-term succession strategy—may leave a gaping hole when they walk out the door, not just in current operations, but also in future plans. Essential, because those talented professionals are more likely to leave unless they see that they have a future in their current HR office, in a formal succession plan that guides and invests in their development. However, no matter how good the succession plan, opportunities will always be relatively limited within any one HR organization and HR professionals will continue to vote with their feet.

Finally, this relatively high rate of interagency mobility among federal HR professionals, coupled with the relatively large percentage of federal HR leaders who believe that many of their HR staffs lack the needed competencies, suggests that it is not sufficient to have HR succession planning carried out on an agency by agency basis. As discussed below, the HR workforce should be seen as a government-wide resource and interagency cooperation will be an important component of any HR succession planning efforts.

RECOMMENDATIONS FOR THE BROADER HR COMMUNITY

Federal HR leaders have paid insufficient attention to succession planning in their own organizations, sometimes due to a customer-first focus that leaves little time for their own needs. In other cases, barriers both real and perceived dissuade HR leaders from taking on this essential task. We have attempted to offer insights and ways to overcome those barriers, including a simplified succession planning model that even the smallest HR organization can implement. However, small HR organizations must face the fact that even their best efforts can't expand the number of career advancement opportunities.

Limited opportunities at any one agency likely contribute to the mobility of the federal HR profession. It is clear that HR staffers seeking a promotion, a developmental assignment or more responsibility are more than willing to advance their careers by going elsewhere in government. But HR offices with succession plans and leaders willing to use them to guide investments in staff development may have a leg up in persuading talented succession candidates to stay put.

On the other hand, mobility could be turned into an advantage with the right kind of leadership and coordination across government. The Partnership has long been an advocate for interagency mobility, especially as a way of preparing talented candidates for the Senior Executive Service. The opportunity to learn and practice the HR profession in a variety of settings, to support different missions and customers and to experience different agency cultures and contexts can provide powerful developmental experiences. At the same time, HR professionals who head to a new agency can bring fresh ideas and perspectives. The HR profession's mobility can ultimately serve to develop and improve the profession's talent base government-wide.

A model for government-wide development already exists. Federal communities within IT and acquisition, under the auspices of their respective Chief Officers Councils and their workforce subcommittees, are working together to: develop common competency models and career paths; set training and certification requirements; advertise training sources and opportunities; and conduct ongoing government-wide assessments to measure skills gaps among their members. Similar HR workforce development efforts have become a priority under OPM Director John Berry, in his role as chair of the Federal Chief Human Capital Officers Council. The council has undertaken similar efforts, for example, re-

cently unveiling a virtual HR University that offers online professional training for HR professionals.

These noteworthy efforts can begin to shape a common career development framework to guide members of professional HR communities. However, without an overarching effort, that framework will encourage even more mobility among HR professionals and further frustrate succession planning efforts by individual HR offices. Federal government succession planning will likely need to take place at the community level on an interagency basis, driven by the CHCO Council, which represents the HR community's leaders.

Community-oriented solutions can assist with developing HR leaders

It is clear that HR succession planning by any one agency will have a limited effect on developing talent. Even the most capable HR offices are likely to exhaust what they can accomplish individually. Instead, agencies will need to take joint responsibility for developing the overall HR workforce through collaborative, cross-agency efforts. For example:

- The CHCO Council should consider working together to undertake a voluntary, community-wide succession planning exercise using a version of our 5-Step model. A council subcommittee could identify the relatively small number of SES positions across the federal HR community, assess their attrition risk and begin to evaluate how sufficient the pool of internal and external succession candidates is. Some agencies, such as the Departments of Defense, Homeland Security and Veterans Affairs, are big enough to undertake such an exercise within their own ranks.
- While development of current HR staff members should receive a high priority, it will be equally important to focus on improving the initial intake of new federal HR professionals, especially given the relatively high rate of departures from government by current HR staff over the next several years. A collaborative intake program, including active involvement by OPM, could attract and select highly capable talent, well-matched to the identified competencies needed for success. One possibility for such an interagency intake effort is the development of an interagency HR fellows program for entry-level hires into HR positions.
- Based on the results of the community-wide succession planning exercise combined with a coordinated approach to hiring, particularly at the entry level, OPM and the council could begin to design, fund and implement interagency professional development programs intended to close talent gaps. An entry-level HR fellows program could include interagency rotations to expose new professionals to a variety of HR environments; interagency task force opportunities that might support OPM's government-wide initiatives; and short-term developmental assignments, including one-for-one staff exchanges that prevent any one agency from being down an employee.

These proven career development strategies, if applied on an interagency basis, can serve a dual purpose. First, they more deliberately develop HR talent across government, where many agencies don't have the critical mass or resources to do so individually. Second, they may reduce unexpected, potentially disruptive vacancies by signaling to high-performing HR professionals that their agency and their professional community care about their development and are interested in investing in their future. As one of our focus group participants stated, "We need to give rising HR leaders the chance to get perspective outside of their own agencies." These strategies would meet that objective, as well as the career development aspirations of HR professionals.

HR communities must manage these programs for success, requiring HR leaders' direct involvement. They must be willing to participate in an interagency succession planning exercise and to offer their talent and developmental opportunities—whether ad hoc, short-term, temporary or permanent—for the good of the whole community.

This kind of community-based approach to succession planning is unprecedented, but the talent gaps faced by the HR community warrant bold action. If successful, such efforts will make it more likely that one agency's loss of a skilled HR professional is more than just another agency's gain. It could also work to the benefit of the agency that loses employees and the rest of the HR community as a whole.

When critical positions become available in federal agencies, whether through retirement, organizational restructuring or an expansion that creates new jobs, it is important for managers to fill these vacancies quickly with candidates prepared for success. A multiyear perspective on succession ensures that resources will be ready when vacancies appear because future leaders will have been identified and prepared.

GET STARTED TODAY
A FIVE-STEP APPROACH FOR BASIC SUCCESSION PLANNING ANY FEDERAL MANAGER CAN USE

Succession planning may seem daunting at first glance, but many of the perceived barriers might not present as much of a problem as federal managers believe. Although leaders face daily time pressures, they can put together a formal succession plan fairly quickly. The time commitment it requires is a relatively steep short-term opportunity cost, more than offset by the longer-term benefits. Delays in filling positions and the time needed for new employees to learn on the job may end up taking much longer.

Funding also may not pose as much an issue as HR leaders think. The basic process of formal succession planning can be accomplished with little or no direct funding or budget, although again, it does require staff hours and opportunity costs associated with taking leaders offline for two to three days of meetings.

Last, concerns about violating merit principles through pre-selection can also be alleviated by designing a succession plan using basic elements and best practices. It is relatively straightforward to evaluate employees against specific requirements for a higher-level job by looking at competencies, experience, training and development:

- Focus on preparing broad pools of candidates (not hand-picked staff) for higher level leadership responsibilities, not specific positions.
- Aim to help all employees improve their leadership and other skills to give a competitive edge for positions that open.
- Do not guarantee promotions, pay raises or other specific benefits for participating in succession planning programs.
- Provide wide and open access to all employees who seek career development opportunities.

The primary way to avoid pre-selection is to create a group of participants and establish an open, competitive process to become part of that group. We offer three sample models for creating participant pools (table 2).

Succession plans are most effective when senior leaders assume responsibility for their execution and champion their value to others. The process also needs to be rigorous and disciplined. An organized, focused approach to succession planning starts with a succession planning committee comprised of senior leaders and selected HR representatives. This committee should set and follow rules for the process to ensure confidentiality, adherence to merit principles and a primary focus on employ-

Table 2 Developing succession participant pools in the federal government

Model	Description	Potential challenges
Competitive selection	• A fair and open competition similiar to a job search • Advertised and open to anyone • Decisions based on pre-determined objective criteria	• Agency effort needed to establish criteria, advertise process, review applications and make selections • May cause frustration for those not selected • May create perceptions of pre-selection, unfairness or inequity
Grade-level cut off or job series inclusive	• All employees at or above a certain pay grade, or who fall within certain job categories, are automatically included • Employees who do not aspire to leadership roles may opt out of participating	• More resources needed for a larger participant pool that may include disinterested employees • Does not capture employees' leadership aspirations since little effort is required to enter pool • Participation is not unique and may not be coveted or motivational
Hybrid	• A combination of both models to suit different parts of the organization • A fair and open competition for certain groups of employees • Other groups are automatically included	• Effort required to select which model to apply to each section of the agency • Drawbacks as stated in (I) and (II) for areas in which these models are implemented

ee development. Managers can then take simple steps to review the positions at risk, assess the current talent pool for future organizational needs, identify gaps and then work to close those gaps. Breaking down a seemingly intimidating process into an organized, step-by-step approach takes the mystery out of succession planning and helps organizations make real progress.

STEP ONE

List critical positions and project vacancy risk

It is important to identify and evaluate which roles are most critical to the ongoing success of the organization. What are the most important positions in your operation? Would there be a negative impact on the organization and/or agency if a particular role were vacant? Consider senior management roles as well as any technical roles, essential to operations and service delivery.

The succession planning committee should make a list of important organization positions and assess their potential vacancy vulnerability within the next few years due to retirements, operational changes or any other risk factor. Focus special attention on critical jobs that would affect the organization's performance if vacated suddenly. Next, consider the likelihood of any of these positions becoming empty. It is helpful to ask a series of questions about each position, including:

- Are any of these positions vacant now?
- Are any of the people in these positions eligible to retire?
- Do we expect any of these positions to become vacant in the next six to twelve months?
- Do any of these positions involve skills that are in high demand, increasing the risk that talented employees could be lured away?
- Does the organization have the flexibility to use retention incentives for any of these positions?
- Beyond these critical positions, are there people who are likely to retire in the next five years?
- Are any people thinking about going back to school?

The simple chart on the right can assist with analyzing vacancy risk (figure 4).

It is important to gain a better understanding of the organization's greatest vulnerabilities and how to prioritize succession planning activities. Information about potential pain points, or opportunities, may come from attrition data, retirement projections, new-hire projections, training and diversity data and the results of the annual Federal Employee Viewpoint Survey.

Figure 4 SAMPLE Vacancy risk chart

Division	Key position title	Position vulnerability		
		Open in < 1 year	Open in 1-3 years	Open in 3+ years

STEP TWO

Discuss future needs

Predicting the landscape over the next three to five years is difficult, but leaders can prepare for long-term needs by asking good questions and brainstorming about the future. It is important to consider what future functions and activities might be and think about any factors that might affect how the team achieves results.

- Will processes be the same?
- Are policies or projects changing now that will evolve further down the line?
- Are the demands on the team changing in a way that requires a change in critical skill sets?
- Are there any changes in mission that could affect the size and structure of the workforce?
- How will the budget impact service delivery and the workforce now and in the future?

By working as a group, the succession planning committee can create a comprehensive vision of the organization's future staffing and development needs.

STEP THREE

Analyze gaps in the existing talent pool

Reducing risk is one of the primary benefits of succession planning. Organizations that develop a strong cadre of in-house future leaders reduce the potential for disrupted business operations and service. They ensure that there are people ready to step into vacant positions or leadership opportunities that become available. Ideally, succession planning looks at existing employees' competencies, the office's future work demands and the gaps between present talent and upcoming needs.

Every agency has employees who seek to advance their careers and move up in their organizations, possibly into leadership positions. Succession planning highlights individuals who managers think are ready for increased responsibilities. It identifies training gaps and promotes the use of development programs. If managers discuss with employees what it takes to move to higher-level positions, they will empower those employees to share the responsibility for their own development. They may not be ready, but managers can offer training and development opportunities to help prepare them.

Organizations can use an existing tool to help analyze the strength of their current talent pool and to identify gaps. A nine-box matrix for reviewing the performance and development levels of an organization's employees, is a well-established method corporations use to evaluate their talent base. It provides a snapshot of the current workforce and a baseline for planning and tracking future progress.

This nine-box matrix, customized for a federal organization, can foster constructive conversations among the succession planning team and provide a way for an organization to assess future leaders by looking at current staff (figure 5).

The nine-box assesses whether employees are ready for the next level, based on their current performance and the development requirements of the target position. A succession planning committee establishes evaluation criteria and sets minimum thresholds for assessment, based on performance standards, skill requirements and leadership competencies specific to the organization.

Performance, shown along the left side of the box above, looks at the employee's functional/technical and managerial results. Development, along the bottom, takes into account how well an employee has met the job skill

Figure 5 Nine-box talent review matrix

and/or training requirements and demonstrated the necessary competencies for success.

Using the established criteria, succession planning committee members evaluate employees, coming up with a clear rationale for their assessments, and then assign employee names to the box that most closely aligns with their readiness assessment. This provides an overall visual representation of the leadership readiness landscape.

For example, employees assessed to be ready now would be competitive candidates as a successor when a particular position becomes vacant. They have routinely exceeded performance expectations and possess the skill levels and competencies of the position.

Conversely, employees assessed as not ready meet only the minimum standards of their current position and need substantial coaching and training to be ready for more responsibilities. Perhaps they are left out of the succession plan at this time. The performance management system can be used to bring a poor performer up to the standard for eventual inclusion in the succession plan.

The nine-box matrix informs employee development and career growth, and helps the organization establish a pool of future leaders in specialty areas or the organization as a whole. Ideally, there will be employees at all stages of development. Organizations with few or no employees at certain levels may need to focus on accelerated employee development or strategic recruitment. Employee information will change as workers develop their skills, increase their readiness and demonstrate different levels of leadership aspiration and technical proficiency. These basic steps require little or no additional funding and a few hours of planning now can save time and money in the future.

STEP FOUR

Develop strategies to close the gaps

A number of approaches can help close the gaps between the existing workforce and future needs. Cost-free alternatives to formal training include developmental assignments, cross-training, job rotations and short-term transfers to other units or agencies. These choices may prove the most effective in preparing a number of candidates for succession. It is possible that, succession planning may reveal gaps substantial enough that it becomes more cost-effective to look outside the organization and recruit new talent. The following list, based in part on our survey of success factors of current and former federal leaders, details some of the ways to close the gaps between existing employees' competencies and the organizations' needs:

- Assess whether internal or external candidates are needed to close the gaps. If external, determine best sources for candidates that meet future needs.
- Cross train employees by having them shadow colleagues in different specialty areas
- Encourage employees with leadership potential to rotate to other units for a varied job experience
- Support active mentoring programs for less experienced employees at all levels to learn from others
- Offer leadership development training for selected individuals who meet certain criteria and for senior leaders and executives
- Require individual career development plans that help structure career progress
- Establish an accelerated development program to train employees with documented potential
- Suggest opportunities for off-site training at conferences, courses or training held by other organizations
- Provide infrastructure to support peer-to-peer training and have employees lead training sessions for colleagues
- Develop and offer defined career paths, defining the knowledge and experiences that need to be mastered to advance to the next level
- Offer professional coaching, particularly to those new in leadership positions or being trained to take on complex roles
- Establish leader exchange or rotation programs, allowing leaders to go to other organizations to better understand operations in different settings

Many of these approaches don't cost a lot of money and they provide employees with opportunities to learn from others and from a diversity of experiences.

STEP FIVE

Evaluate progress and revisit plans each year

Succession planning is an ongoing, fluid process that tracks employees as they continue to develop their leadership skills. Ideally, succession plans should be updated every six to 12 months or if there is a triggering event, such as a key vacancy.

More than 50 percent of respondents said difficulties with forecasting employee attrition impeded their succession planning efforts. The process will always be fraught with uncertainty so succession planners need to revisit plans periodically and use their judgment to predict whether a mission-critical individual is at risk of leaving. In the long run, it is better to prepare for a contingency that never comes to pass than to face it without the semblance of a plan.

Meaningful metrics that can be monitored and tracked can help improve programs and enhance accountability for achieving the desired outcomes. Metrics may include: the number of succession candidates in the pipeline; the number of positions filled by succession candidates; retention rates for succession candidates; and senior management's rating of the succession program.

CONCLUSION

Staff turnover is inevitable for any organization, and for the government it is predicted that 50 percent of senior executives will leave by 2015. Succession planning is essential to deal with anticipated departures, but also with retention.

Effective succession planning depends on interagency cooperation and seeing the HR workforce as a government-wide resource and partner. With a basic five-step approach to succession planning, federal managers can better prepare their agency to quickly fill positions, teach employees skills needed for the future and ultimately run more effective organizations.

APPENDIX A
METHODOLOGY AND ACKNOWLEDGMENTS

METHODOLOGY

The Partnership for Public Service, supported by Booz Allen Hamilton, conducted this study from February through July 2010. The goals of the project were to review the state of succession planning in the federal human resources workforce, identify barriers to succession planning and determine effective strategies to overcome those barriers. Findings and recommendations regarding HR succession planning were generated after an extensive review of literature, reports and information from federal officials involved in succession planning.

Thirty-two officials from 28 departments, agencies or subcomponents participated in a survey about federal HR succession planning. Based on the results of the survey, we conducted in-depth interviews with six organizations engaging in various forms of succession planning activities. Subject matter experts within government and in the private sector were also interviewed in a focus group. Finally, to understand individual perspectives on paths to leadership within federal HR, 15 current or former high-level federal HR leaders participated in an open-ended survey in which they identified the factors that drove their success.

ACKNOWLEDGEMENTS

Booz Allen Hamilton
Ron Sanders
David Mader
Kimberly Douglass
Andrew Schmidt
Clark Backus
Kelsey Logan
Kristin More
Alex Mostkov
Anthony Salazar

Partnership for Public Service
Janelle Callahan
Sarah Crowell
Tim Dirks
Judy England-Joseph
Bevin Johnston
Ellen Perlman
Lara Shane
Max Stier
Erica Van Steen

APPENDIX B
PARTICIPATING FEDERAL ORGANIZATIONS

Consumer Product Safety Commission
Court Services and Offender Supervision Agency
Defense Nuclear Facilities Safety Board
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services (OHR-Atlanta)
Department of Health and Human Services (Headquarters)
Department of Homeland Security
Department of Justice
Department of State
Department of the Treasury (Headquarters)
Department of the Treasury (Internal Revenue Service)
Department of Transportation
Department of Veteran Affairs
Federal Communications Commission
Federal Housing Finance Agency
Federal Mediation and Conciliation Service
Federal Trade Commission
General Services Administration
National Aeronautics and Space Administration
Nuclear Regulatory Commission
Office of Personnel Management
Overseas Private Investment Corporation
Peace Corps
Pension Benefit Guaranty Corporation
Small Business Administration
Social Security Administration
Tennessee Valley Authority
U.S. Institute of Peace

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