IMPLEMENTATION TOOLKIT

MODULE 4:SUCCESSION MANAGEMENT

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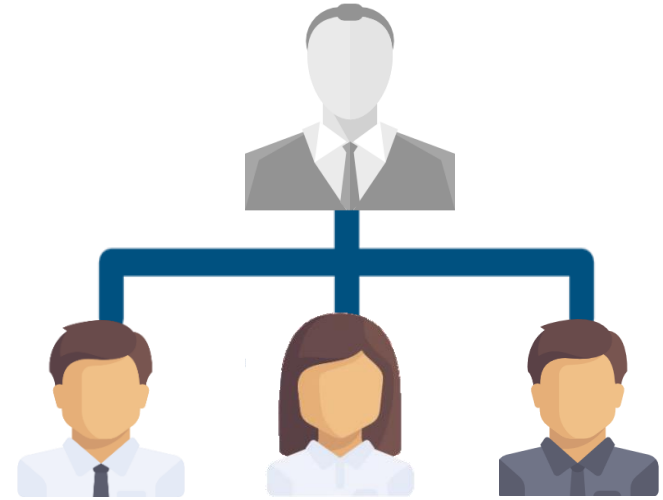
The **prudent planning and cultivation** of a pool of capable leaders poised to effectively **fulfil key leadership gaps**



Increase availability of diverse employees and **enhances the organisation's ability to advance leaders** who embody their stated beliefs.

Enrich career development opportunities for emerging leaders, driving greater engagement and retention.

Develop a business' talent bench strength to provide **insurance against unexpected changes** within an organisation.

Facilitate smooth business operations through **greater organisational stability** and resilience in the pursuit of delivering uninterrupted excellence.

Make high-quality decisions around promotion and developmental investments due to the **effective use of data and organisational input to make informed choices.**

DEMAND FOR AGILE, INNOVATIVE LEADERS

Digitalisation and the era of disruption creates the **demand for agile and innovative leaders** who are equipped to **perform and thrive in a larger and more complex environment** as organisations continue to grow

FOR EMPLOYERS
Cross Developing Leadership Talent
Exposure Beyond Own Organisation

FOR EMPLOYEES
"M" Type Employee, Having Breadth and Depth in Knowledge and Skills

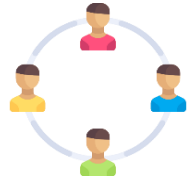
THE KEY TO STRONG AND HEALTHY COMPANY CULTURE

A well-managed upward flow of talent over time ensures that **employees have the opportunity to develop** and the **best people are placed in positions of influence**, thereby improving retention rates

FOR EMPLOYERS
Retention of Leadership Talent
Success Rate of Succession Plans

FOR EMPLOYEES
Engaging Managers on Personal Career Aspirations

HEALTHY INTERNAL PIPELINE



An abundant talent pipeline filled with **high-potential successors** enables the organisation to adopt a **strategic approach in developing and rotating talents** around business units and maximise Total Shareholder Returns

FOR EMPLOYERS
Flooding the Talent Pipeline
Providing Development Opportunities

FOR EMPLOYEES
Greater Development Opportunities
Higher Competition Amongst Talents

"We are here because of our people. These people are the ones who drive the organisation and whom we can work with to bring the company to the next level."

– Joseph Foo, Chairman, Jason Electronics

SUCCESSION MANAGEMENT

1 FORM A TALENT COUNCIL AND IDENTIFY CRITICAL POSITIONS

- Form a Talent Council consisting of senior leadership and HR
- Determine critical positions which significantly impact and directly contribute to the achievement of organisational goals

2 ANALYSE THE SUCCESS PROFILES OF CRITICAL POSITIONS

- Analyse the critical positions and establish success profiles based on desired competencies and behaviours that would be most ideal for the positions

3 IDENTIFY AND BUILD A LEADERSHIP PIPELINE

- Determine optimal number of successors required per critical position
- Identify the employees via various assessments based on designed success profiles

4 DEVELOP AND TRACK PROGRESSION OF THE SUCCESSORS

- Identify the competency gap
- Design an Individual Development Plan based on 70:20:10 model
- Track the progression of these Talents

STEP 1: FORM A TALENT COUNCIL AND IDENTIFY CRITICAL POSITIONS

ALIGN STRATEGY AND FORM TALENT COUNCIL

- From a Talent Council consisting of senior leadership and HR to develop the organisation's Succession Management programme
- Conduct periodical reviews of the Succession Management programme to ensure it is still aligned to business objectives

DEFINE AND IDENTIFY CRITICAL POSITIONS

- Have the Talent Council define and identify Critical Positions within the organisation. Such positions are typically roles that severely impact the organisation's performance if there is no competent incumbent performing the role

STEP 2: ANALYSE THE SUCCESS PROFILE OF THE CRITICAL ROLES

ANALYSE THE CRITICAL POSITIONS' SUCCESS PROFILE

- Elaborate on the identified Critical Positions and determine key differentiators:
  - What are the competencies required of the Critical Positions?
  - Attributes, experiences, motivators, and derailers
  - Does the organisation currently have enough Headcount with the required competencies?

CATEGORIES OF SUCCES CHARACTERISTICS

Success Profiles can be applied across job families within the same leadership level. Alternatively, they can include a combination of leadership and functional knowledge for a more targeted assessment and development application.

STEP 3: IDENTIFY AND BUILD A LEADERSHIP PIPELINE

DETERMINE NUMBER OF SUCCESSORS

- Ideally, a pool of Successors / High Potentials (Hi Pos) form 10%-15% of the total organisation's population
- These are the employees who are identified and planned to be developed to assume key leadership positions in the future

IDENTIFY AND ASSESS THE CANDIDATES FOR SUCCESSORS

- Establish the criteria to be considered as a Successor (i.e. historical performance, competencies, potential for growth, etc)
- Determine method of assessing Successors, balancing between effectiveness and practicality. A few assessment methods are:
  - Formal assessment: usually to measure key competencies
  - Assessment Centre
  - Gamification
  - Nomination / 360-feedback from direct supervisors and team members

Gamification

Similar to talent acquisition, machine learning algorithms can be used to improve quality of decision-making by predicting the leadership potential of an individual based on a pre-defined 'success' profile

Virtual Assessment Centres

Readiness can be assessed in a realistic and engaging manner by simulating a work environment

Activities can be mapped to the Career Framework and talent management processes

STEP 4: DEVELOP AND TRACK PROGRESSION FOR POTENTIALS

IDENTIFY GAP AND CREATE INDIVIDUAL DEVELOPMENT PLANS

- Once Successors are identified, update their Individual Development Plans, with the goal of preparing them to assume Critical Positions
- Many organisations use the 70-20-10 model as a guide to plan holistic development activities for their Successors

70%
EXPERIENCE
(Project involvement,, job postings, career rotations)

20%
EXPOSURE
(coaching and mentoring)

10%
EDUCATION
(Certifications, Workshops, Courses, Conferences, Seminars)

TRACK PROGRESSION AND DEVELOPMENT

- Set success factors of the program such as:
  - Realisation of the Individual Development Program
  - Successors' drop / attrition rate
  - Successors' readiness to assume Critical Positions
- Successors' development and readiness have to be followed and documented closely. These factors and metrics should be discussed during regular Talent Council meetings to improve on the program

SELF ASSESSMENT
IMPLEMENTATION CHECKLIST

Have you…	If yes, move on to the next question! If no, refer to the following:
❑ Formed a Talent Council to own, review and make key decisions with regard to the Succession Management program? ❑ Identified the Critical Positions of your organisation?	**Step 1: Form a Talent Council and Identify Critical Positions**
❑ Determined the competencies and other attributes required for each Critical Position and determined whether the organisation have enough capable headcount to fill those Critical Positions?	**Step 2: Develop a Competency Framework**
❑ Determined the ideal number of successors for your organisation? ❑ Set filtering and assessment criteria to select the successors amongst the employees? ❑ Source for assessment tools and methods to assess potential candidates and conduct the assessment objectively?	**Step 3: Identify and Build a Leadership Pipeline**
❑ Got the successors and business unit heads to develop successors' individual development plan based on their future roles? ❑ Established success factors to determine the effectiveness of the program and reviewed them periodically with the Talent Council? ❑ Monitored and documented successor's development activities and discussed opportunities to improve the succession management program?	**Step 4: Develop and Track Progression for Potentials**

SUCCESSION MANAGEMENT

SELF ASSESSMENT: WHERE ARE YOU & HOW YOU CAN GET TO THE NEXT LEVEL

WHERE IS YOUR ORGANISATION AT?				
BUDDING	**ASPIRING**	**GROWING**	**MATURING**	**THRIVING**
• Talent identification is not practiced • Succession planning process is not established	• Talent identification is based on gut feel • Succession planning practices are inconsistent	• Talent identification is based on clearly defined criteria and employee development is tracked • Succession planning process is institutionalised	• Talent identification criteria and tracking of employee development are based on current business goals • Succession planning process is established based on a rationalised construct	• Talent identification criteria and tracking of employee development are aligned to long-term strategic objectives • Succession planning is aligned to business objectives and integrated with career development programmes
WHAT DO YOU CAN CONSIDER DOING…				
• Practicing talent identification • Establishing succession planning processes	• Conducting talent identification based on clearly defined criteria • Institutionalising succession planning processes	• Tracking of employee development based on current business goals • Ensuring succession planning process is established based on a rationalised construct	• Aligning employee development and talent identification criteria to long-term strategic objectives • Integrating succession planning with career development programmes	• Maintaining continued relevance of talent identification criteria • Ensuring continuous improvement of succession planning process

ADDITIONAL RESOURCES FOR YOU

- How Mercer can help with different leadership succession solutions depending on your organisation's unique needs
  - https://www.mercer.com/content/dam/mercer/attachments/asia-pacific/asia/Mercer-Leadership-Solutions-10219-HC.pdf
- Why organisations should adopt an evidence-based approach to assessing potential
  - https://www.mercer.com/content/dam/mercer/attachments/private/gl-2017-science-of-assessing-potential-mercer.pdf

SUCCESS STORIES – CAPITALAND

COMPANY BACKGROUND

INDUSTRY	EMPLOYMENT PROFILE	FEATURED PRACTICES	TRIPLE STRONG FACTORS
Real Estate Activities	• Not available	▪ Succession Management ▪ Performance Management ▪ Talent Acquisition	• Develops Local Leaders • Re-hires Employees Past Employment Age • Hires and Develops Employees with No Prior Working Experience

HUMAN CAPITAL PRACTICES AND BUSINESS RESULTS

	CHALLENGES	KEY CHANGES	RESULTS
Succession Management Implementation of structured programs to identify and develop successors	**Company Dynamics** ▪ Being one of Asia's largest diversified real estate groups, CapitaLand recognises that leadership plays a key part in its continued success ▪ Identifying potential leaders was not an issue, what was critical was ensuring that the identified leaders were adequately trained, equipped and eventually put into the positions they were prepared for.	**Implemented multi-year Succession Management** ▪ CapitaLand has succession plans for C to C-3 positions. Top management are actively involved in the decision making process for these roles ▪ Whenever there is a position without an available successor, HR will scan the market to identify talents based on market intelligence ▪ When successors leave the company, HR will continue to track their progress, taking into account the skillsets they have acquired in other companies. If they can value-add to CapitaLand, HR will attempt to attract them back	▪ A majority of employee positions are eventually emplaced based on their succession plans (more than 95%) ▪ Increased talent retention rate (90%-95%)

SUCCESS STORIES – SINGTEL

Singtel

COMPANY BACKGROUND

INDUSTRY	EMPLOYMENT PROFILE	FEATURED PRACTICES	TRIPLE STRONG FACTORS
Information and Communications	• Average Tenure: 8.9 years • Average Age: 38.1 year old • % Female: 35% • % Foreign Worker: Not available	▪ Succession Management ▪ Career Development ▪ Performance Management	• Provides Flexible Work Arrangements • Develops Local Leaders • Reskills at-risk Employees

HUMAN CAPITAL PRACTICES AND BUSINESS RESULTS

	CHALLENGES	KEY CHANGES	RESULTS
Succession Management Increased emphasis and focus on succession management planning	**Company Dynamics** ▪ Singtel is Asia's leading communications technology group, providing a portfolio of services from next-generation communication, technology services to infotainment to both consumers and businesses. ▪ As Singtel continues to expand, it needs a ready pool of potential leaders to not only take over current leadership, but to enter new markets and lead product offerings	**Business Driven Talent Management Program** ▪ Integrated succession management as part of Singtel's overall Talent Management program ▪ Established a Career Development Council where Singtel's CEO is involved and meet on weekly basis to oversee Succession and Talent Management ▪ Conducted a SWOT analysis to understand the business and its leadership needs ▪ Identified 300 positions as critical roles in the organisation ▪ Allocated 30% of senior management's KPIs relating to 'People' related KPIs to enhance accountability	▪ Identified critical roles that leadership and HR would pay extra attention to ▪ Increased oversight and involvement by current leadership ▪ Increased opportunities for career progression ▪ Increased retention rate amongst high potentials

SUCCESS STORIES – PANASONIC

Panasonic

COMPANY BACKGROUND

INDUSTRY	EMPLOYMENT PROFILE	FEATURED PRACTICES	TRIPLE STRONG FACTORS
Retail and Wholesale	• Data is not available	▪ Succession Management ▪ Career Development ▪ Performance Management	• Develops Local Leaders • Reskills at-risk Employees • Re-hires Employees Past Employment Age • Provides Flexible Work Arrangements

HUMAN CAPITAL PRACTICES AND BUSINESS RESULTS

	CHALLENGES	KEY CHANGES	RESULTS
Succession Management Increased emphasis and focus on succession management planning	**<u>Company Dynamics</u>** ▪ Being a Japanese company, most of Panasonic's leadership roles were previously held by Japanese ▪ As part of its localisation efforts, Panasonic now has a plan to localise its management roles with the following targets: ○ Sales division: 100% local management ○ Corporate division: 50% locals at the Director level	**<u>High Potential Programs to Boost Localisation of Management</u>** ▪ Mandated that all GM and above employees must identify at least one successor and abide by the localisation plans ▪ Introduced a selection process using the 9 box assessment matrix. Selected candidates would undergo an accelerated program during their first 3 years of development, differentiated based on their career grade ▪ All accelerated programs would consist of experiential learning through assigned projects and candidates would be assessed on their suitability to take on the next role	▪ Developed local leaders, on track to achieve their management localisation targets ▪ Enhanced selection process to identify successors ▪ Increased retention rates of high potentials who now are able to assume leadership roles