

Succession Planning

Note: *This communication provides general information about human resources and employment practices issues. It not a legal opinion or legal advice. Readers should confer with appropriate legal counsel for their particular situations.*

The AARP predicts that 76 million baby boomers will start turning 65 in 2011. That means businesses are facing a glut of talent and knowledge as they lose staff to retirement. This situation creates a need for companies to make succession planning a core business practice, or you'll suddenly find your upper ranks empty, with no leaders in the pipeline.

And it's not just an issue for top management or specific to boomers – any time a manager at any level leaves there's a drop in lost knowledge as a new employee comes on board. While talent holes anywhere in the organization can create problems, with a strategic, proactive approach to succession planning, you can minimize this inefficient period.

To ensure successful succession planning, your strategy should clearly capture an accurate picture of your company's current talent and systems for retaining institutional knowledge. Then you can outline needs, identify critical staffing and talent gaps and plan your approach.

In building your strategy, consider implementing some of the following ideas:

- **Forecast short and long-term business needs.** Before rushing to fill vacancies, consider whether all the positions need to be filled. You may consider the following questions. Has the organization's strategy changed? Have the company's customers' needs and demands changed? Does it make more sense to create a new position? Can you modify the team's structure instead? Or even invest in new technology? While it's tough to lose productive employees, remember to address your critical business concerns instead of just plugging a new player in an old role. You can also turn employee turnover into an opportunity to diversify your workforce.
- **Identify your current workforce's developmental needs.** What will create the biggest vacuum when people retire or leave their positions? Hands-on knowledge of crucial processes or familiarity with tricky systems? Long-standing client relationships, or other specific skills? In short, who is critical in addressing your business' strategies? Once you answer these questions, you can start developing training or mentorship relationships, so transition time is minimized.
- **Write succession planning into job descriptions and performance appraisals.** Communication is key to ensuring that managers keep an eye on the future of your company. Reward managers who show results in succession planning. Leaders who promote team members and have successful mentorship programs, for example, are exhibiting support for long-term organizational success.

BottomLine

Succession planning is important to ensure the continued growth and success of your company. Now's the time to build a plan that helps retain institutional knowledge and start grooming future leaders. As baby boomers retire and critical talent becomes harder to find and keep, you'll find many opportunities to reduce inefficiencies, identify critical talent, use technology to streamline processes, and increase productivity among remaining employees.

If you would like more information about this or other human resources and employment practices issues, please contact Praxis HR via email at info@praxis.com by phone at 206.262.8133 or visit our website at www.praxishr.com.