Are you getting nervous about how to fill your talent pipeline during the next few years? If you said no, you may want to consider the cold hard facts of what we are facing. According to the Pew Research Center, 10,000 baby boomers will reach retirement age every day from now through 2030. In addition, staggering statistics abound; 50% of U.S. government workers are eligible to retire and 55% of registered nurses can be expected to retire between now and 2020.

While unemployment remains high, finding skilled workers to fill open positions is among the top challenges in virtually every organization. As the economy improves, top talent will have more choices and attrition will accelerate. In addition, “X” and “Y” generation leaders will require us to evaluate our approach to career progression/options, work-life balance and global factors. This, along with strategic uncertainty, the impact of social media and data overload, and the increasing velocity of business, indicates mounting people challenges ahead for businesses large and small. Sometimes hiring external candidates to meet these needs is a sound strategy. However, according to research by the Center for Creative Leadership, an astonishing 66% of senior managers hired from the outside fail within 18 months. Clearly, our historic view of leadership and talent-pipeline readiness will have to be redefined.

SHRM and AARP research indicates that many organizations have addressed the near-term challenge with creative solutions such as hiring retired employees as consultants or temporary workers. Others offer more adaptive working conditions such as flex hours, telecommuting, part time and job sharing. While these tactics help bridge the gap, given the statistics above, they do not represent a solid strategic approach to fulfilling the organization’s long-term talent needs.

Traditional Succession Planning Models

In this article we will outline a fresh approach for mitigating the above challenges and will help redefine the traditional view of succession planning. Years ago, succession planning was primarily focused on the C-suite. In far too many cases, succession planning has been defined by “list management” and subjective “popularity criteria.” More recently, many organizations have identified high-potential (HiPo) candidates at mid-level and above to create bench strength for potential openings in senior positions.

Looking ahead, successful organizations will define their talent pipelines beginning at entry-level jobs—early on identifying HiPos based on a new set
of criteria, and increasingly applying technology to manage the process. The strategic imperative will purposefully focus on assessing the talent pool at every level of the organization. The predictive outcome will be more highly motivated employees, fewer gaps in filling key positions and reduced attrition, all contributing to increased competitive advantage and bottom-line results.

Many organizations use various tools and techniques for identifying their talent pipeline. Some use a “nomination approach,” while others use traditional tools such as a performance and potential matrix, a tool used by managers to identify high-performing individuals who are potential promotion candidates, creating lists of probable candidates.

DESP: A New Approach to Traditional Succession Planning Models

We suggest that a more comprehensive and objective approach with four key components, or “pillars,” will provide the rigor and discipline to produce a solid and fluid pipeline of talent. The “four pillars” are the critical components to be considered with any strategy. Each has its own set of contributing factors, and collectively they produce a solid foundation for execution. We refer to this as the “DESP” model.

The Four Pillars of DESP

D: When evaluating talent there are many fundamental “Decisions” that must be made

E: For each employee, “Eligibility” for a job must be addressed

S: For each employee, “Suitability” for the job needs to be considered

P: For each employee, “Performance” level must be accounted for

These factors, combined with clearly defined career options, provide a framework for employees to have visibility to their long-term opportunities while providing HR and stakeholders a solid basis for planning and assessment of pipeline strengths or gaps.

DESP

Let’s briefly examine each pillar. The Decision points are critical. While there are likely more than the following, these are thought-starters:

• What level of confidentiality or transparency will be provided to all employees?
• Has the board been informed and engaged in the strategy?
• Will the strategy be restricted to just HiPo candidates, and at what levels? Or is it open to all employees?
• Will career planning be integrated in the process?
• Will the approach be “replacement planning,” focusing on specific jobs and geographies, or “talent pool” driven, where the approach fosters development of a talent pipeline resulting in a broad base of candidates for any and all jobs?
• Will it be an employee-driven system in which employees can explore options, express interest in certain opportunity areas, input their credentials—and be an ongoing transparent process to encourage engagement? Or will the system be centrally controlled with employees participating on an “invitation” basis?
• Will the approach be integrated with external recruiting capabilities or be restricted to internal talent?
• What documented goals will be established? These could include:
  – Mitigate the increasing costs and effort of external recruitment
  – Improve employee engagement and retention
  – Meet the career development expectations of employees

**DESP**

Eligibility factors are key in assessing the talent pool. Not only should we account for them, we must weight them to determine which individual(s) bring the most-essential credentials to the potential job. Consideration must be given and weighted for areas such as:

• Education level
• Experience
• Certifications
• Global experience (if needed)
• Geographic preferences

**DESP**

The most difficult area to assess, and typically the most neglected or poorly done, is the fit for Suitability. The following areas are best measured with a formal assessment process, and with the technology available today, this has become much more efficient and effective versus past methods.

• Motivation for the job
• Attitudes
• Interests
• Work preferences
• Work values
• Interpersonal skills
• Fit with their supervisor
DES

The 4th pillar provides a snapshot of an individual’s Performance level. History does not necessarily predict future performance in other jobs, but it is a strong indicator and needs to be factored into the formula with eligibility and suitability. Annual performance ratings should be accounted for in the overall assessment of the employee. In addition, key questions like the following may be considered. Has the individual:

• Demonstrated strong operational performance in a variety of areas?
• Established a cadence of personal accountability?
• Taken initiative and demonstrated strong leadership competency?
• Managed employee performance effectively (if in a management position)?

Conclusion

Taken collectively, the four pillars provide the essential elements to create a visible, measurable talent pipeline. The first pillar provides the solid foundation for execution and the other three can be automated and driven by currently available technology solutions. If you find yourself in a reactive mode or struggling to find an effective sustaining strategy, we encourage you to investigate and adopt a process that accounts for these four critical elements. There are available technology solutions that enable and integrate these capabilities, providing you with a mechanism to effectively manage and measure your talent pool with minimal administrative time.

The Harrison Assessments Talent System® helps organizations worldwide hire, develop, promote, and retain top talent. The system’s unique, fully customizable job analysis and integrated assessment technologies ensure optimum job fit and predict job success. Harrison Assessments effectively address and automate selection, development, career planning, and succession needs to manage talent from front-line to executive levels. To learn more about how you can accelerate the development of your strategic talent pipeline, contact us at info@harrisonna.com.

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