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Keys to Successful Workforce and Succession Planning

Workforce and succession planning continues to evolve from little more than a set of reactive measures based on human resources changes into a well-planned business strategy which addresses and develops an organization's talent needs. This evolution offers tangible value that focuses on talent and develops leaders and key contributors. A business strategy that embraces lifelong learning and workforce productivity not only helps the organization achieve its goals, but encourages a culture full of fruitful employees looking for professional development opportunities.

Workforce planning and succession planning have the same overarching goal—place the right talent across the organization into correct roles which includes current and future positions. However, workforce planning is typically budget-driven and focused on staff-level jobs, hiring forecasts and internal resource projections. Succession is a systematic approach to professional development with purpose to ensure that selected employees

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are trained, experienced and ready to assume future leadership positions (Workforce, 2012). Both initiatives, however, can benefit massively from advanced training programs such as those enabled by contemporary eLearning technology.

Succession planning proactively prepares organizations for management and C-level employee replacements. Research indicates a failure to plan for CEO transitions and replacements can be costly. For example, large public companies that scramble to find replacements for departing CEOs forgo an average of $1.8 billion in shareholder value (Harrell, 2016).

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Each year approximately 10 to 15% of corporations must appoint a new CEO, regardless of the executives' reason for leaving the organization. In 2015, turnover among global CEOs hit a 15-year high and activist investors are increasingly forcing out underperforming leaders (Harrell, 2016).

Despite these turnover trends, many organizations are unprepared to replace their senior executives.

Additionally, research has shown the lack of viable internal candidates who could immediately replace C-level positions, as well as roles requiring specialized skills, can hamper the organizations success for months. However, with the right succession planning model in place, employees are given the chance to acquire the knowledge and training they need to progress in an organization. Additionally, companies reap the many benefits of creating an experience and culture that motivates, develops and retains its employees.

The Chartered Institute of Personnel and Development states "succession planning is an important way to manage the delivery" of culture and experience, "complemented by management training and development activities and aligned with business needs."

Regardless of size, virtually any organization can benefit from succession plans and workforce learning practices that mirror an evolving company structure. As the workforce shifts, new and old leaders have different training needs; therefore, building custom methodologies for training plays a vital role in its success. For example, two-thirds of corporate training within an organization is using a learning management system (LMS) that is multimedia based to
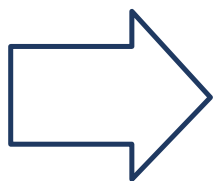
2/3 of corporate training within an organization is using a learning management system. (Talent Management, n.d.)

support these various training needs (Talent Management, n.d.).

Consider the following example of an effective succession plan and corporate strategy from Metro Bank. Metro Bank uses eLearning as part of their corporate strategy. They receive thousands of applications every year, but the main focus is talent management. Most employees start in entry level jobs and quickly move up in rank—some as quickly as teller manager within 18 months. Metro Bank explains succession planning is the key to success. They have an extensive library of eLearning courses and modules, available to all employees. A teller hoping to someday become bank manager can begin taking leadership courses that match that succession trajectory. Managers can choose employees matching specific roles and suggest eLearning courses to help make employees more marketable for management positions.

Succession and workforce planning require:
• Developing individual and team plans that align with an organization's goals
• Understanding job requirements
• Providing suitable talent resources and training needs

Succession planning strategies include aspects of a workforce planning process. Both require developing individual and team plans that align with the organization's goals; understanding job requirements; and providing suitable talent resources and training needs. Hence, this white paper takes a closer look at key workforce and succession strategies, best practices and personalized learning tools that deliver successful results.

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Where to Start? The First Step to Success

Workforce and succession planning strategies often begin with leadership setting the tone and high-level HR expectations within the organization. More to the point, managers and employees must understand the benefits of leadership succession planning in which the organization's goal is to create future leaders and successors by providing tools that aid in professional development and help them acquire new skills critical for their success in the broader market. Therefore, organizations must evaluate the most effective tactics to transfer knowledge from existing leaders and managers to successors, including customized learning toolsets based on today's learner needs and preferences.

Successful organizations also know that by implementing business succession planning, they are creating an atmosphere where employees can openly share ideas, receive ongoing feedback regarding training and leadership opportunities or performance, and in return increase promotional training participation.

Solidifying a plan for sustaining an organization's current business model as well as plans for future growth is an essential requirement for long-term success.

Research conducted by Harvard Business Review suggests integrating executive development programs with CEO succession planning by identifying the best internal candidates and flagging them in their early stages. Externally appointed CEOs underperform versus internally promoted counterparts whom have gained the skills and experience needed to effectively fill the role. Booz & Company found that insider CEOs had delivered superior market-adjusted shareholder returns in seven out of the preceding 10 years (Harrell, 2016).

Additionally, proof that such an approach works can be found in companies with respected leadership programs which include a range of training solutions such as eLearning tools, personalized training courses and employee development arrangements.

Field research conducted by Oracle cites five talent traits for which data should be continually tracked: job performance; skills and abilities; career goals; experience; and career aspirations. While these may seem intuitive or even obvious to line managers, linking this knowledge to an actual succession planning program may be the vital missing link in organizations lagging in internal hiring.

5 Trackable Talent Traits
Job Performance
Skills and Abilities
Career Goals
Experience
Career Aspirations
(Oracle)

Furthermore, internal grooming of promising leaders creates tremendous value in terms of avoiding costly intervals of C-level successors or the services of placement/recruitment firms. Oracle also notes that the average external sourcing cost is 1.7 times higher to the organization than identifying and moving internal hires. Moreover, companies can implement and test new business strategies within an organization while providing current employees the opportunity to test their skills and performance to support these potential opportunities.

Key Practices for Successful Organizations

Define Goals, Competencies and Expertise

A crucial element in corporate succession planning is to clearly define the organization's competencies and employee levels of expertise. Experts along with tangible research, suggest utilizing common succession planning best practices to develop and implement an effective, measurable program. Consider the following common practices that have been proven to be successful, regardless of the organization industry and size.

Leadership Commitment and Involvement

Organizations that value time and resources in developing and implementing succession and workforce tactics gain the highest return on investment. While the actual cost savings will vary based on the acuteness of companies geographical and skill-based talent gaps, *the majority of survey managers agree that internal talent acquisition is less expensive, faster and able to deliver higher performing employees* (Oracle, 2017). Stakeholders must be held accountable and add value to the process by providing feedback, asking questions and ensuring the right succession planning policy is in place.

Align with Business Strategy and Corporate Goals

The business case for succession planning *must be articulated clearly throughout the organization* including anticipated results that align with business goals.

Channel Development, Personal Identification and Viable Successors

Identify and develop talent at all levels of the organization. Categorize groups of potential candidates for top level roles in the organization as well as groups for positions requiring specialized skills.

Succession Planning Integration with a Holistic Approach

Integrate performance management, development and rewards. This tactic will *identify skill gaps as well as provide additional ways to help employees learn* and retain information in a comprehensive manner.

Access Performance and Potential

Base the workforce analysis of key individuals with relevant and consistent criteria such as eLearning assessments and workforce management software to capture and maintain data.

Performance Reviews

Managers and leaders are accountable for measuring key activities and results. This includes *sharing regular talent updates with the executive team in addition to reviews* held throughout the organization between managers and their team members.

Define Goals, Competencies and Expertise

Human capital management (HCM) focuses on people resource management and organizational needs to support workforce acquisition, management and optimization.

Ongoing strategic support includes workforce planning, performance management, training and learning practices as well as workforce analytics. These viable practices are, in effect, human capital planning which impacts both human resource managers and leaders within an organization that determines workforce and succession planning tools. Without professional development tools and training, companies are missing out on meeting the needs of future

leaders and increasing the cost to hire and replace employees. A recent study by the Center for American Progress estimates that the average cost for losing a single employee with an average salary of $60,000 could cost the company anywhere from $30,000-$45,000 to replace. The cost of hiring an employee to replace a highly trained executive position could be up to $255,600 (Boettege, 2016).

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Companies that improve the career growth environment can see turnover decrease by a third. With turnover costing organizations about $25,000 per professional employee, that could result in savings of $7.5 million for companies with at least 10,000 employees (Elajalde-Ruiz, 2016).

Decrease in turnover

Significant savings
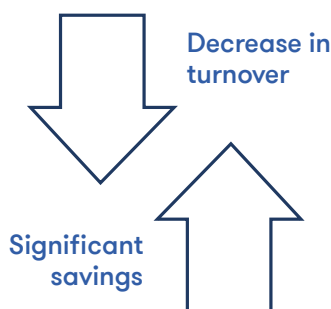
Organizations must be vigilant to understand key trends and adopt new emerging practices within the market. Consideration should be paid to the accessibility and utility of various learning paths since employees may take widely divergent career avenues while still requiring common goals as future leaders within the company.

Technology enhancements. The shift towards broader corporate eLearning evaluation continues and organizations have begun to supplement or even replace traditional instructor-led employee training with eLearning methods (Yashchin, 2014).

HR managers are looking more and more to technology to help transform their processes, foster employee engagement and limit expense.

Cloud, social, mobile and business intelligence are radically shifting their talent management model (Talent management system essential guide, n.d.).

Furthermore, integrating cloud-based LMS solutions have become a higher priority within corporations. Research shows a steady increase in businesses using online learning tools not only due to the technological advantage, but also proving the ability to enhance employee retention and increase productivity. In Docebo's 2014 study, "ELearning Market Trends & Forecast Report," the managerial use of learning management systems is a key element of an effective professional development plan as well as being a key element of an organization's human resources strategy. This form of learning continues to grow as the LMS market is expected to be worth over $7 billion in 2018 (Pappas, 2015).

Personalized Training and Holistic Approach

When developing a workforce and succession planning process, organizations must consider the right training tools unique to the company and designed for learner preferences. Not every employee learns the same and therefore the training tool kit should encompass a collection of multi-learning options. Thus providing the learner more control over their learning preferences.

To generate best results, assess learner and company needs from the standpoint of building training opportunities that specifically aid in executive succession planning or the delivery of specialized skills. Offer tools that engage and help retain information.

- ***Make it easy:*** diversify training options for learning preference with in-person seminars, online quizzes, videos, webinars and e-books.

- **Know what's being used:** demand advanced administration features including single-click reporting, assignable training, employee tracking and goal measurement.
- **Keep it mobile:** provide accessible learning across PCs, laptops, tablets and smartphones.

Personalization

Customized eLearning provides a compelling and dynamic experience for employees. *Personalization adoption in eLearning is also driven by the evolving demands and expectations of employees, particularly Gen X, Gen Y and Gen Z who are at ease with computer technology and most comfortable accessing information online.* Offering online training for employees that fits their career development plans and professional priorities ensures businesses meet talent and succession planning objectives as younger staff are called upon to take the place of baby boomers exiting the workforce in accelerating numbers.

This demand is apparent in the rapid adoption of self-paced eLearning programs which allow learners to study at their own pace without fixed starting dates for courses or completion dates for assignments (Docebo, 2014).

Visual Training Tools

eLearning design options, templates and videos create an enhanced experience for learners and help generate popularity with users. *Online training trends, not unlike most forms of interactive media, emphasize visual elements that are not only appealing, but engaging to learners.* For example, screens filled with gray text are largely being replaced by more engaging visuals and graphics (Boller, 2014).

Visual eLearning design and development benefits from the assistance of ready-made templates with illustrations, charts, graphics and animations that can serve as blueprints for building content quickly and cost-effectively. eLearning templates provide a series of slides that can be easily updated from a single "master slide" to give courses a consistent, professional look in terms of colors, structure and navigation (Pappas, 2015).

Gamification

eLearning games built to incorporate key workforce plans encourages voluntary training participation and a new level of repetition that delivers knowledge retention. *Researchers have found that gamification increases retention by 9%, factual knowledge by 11% and skill-based knowledge by 14% among employees* (Gopalakrishna, 2016).

eLearning training programs incorporate elements of computer games, such as simulations and scenarios to stimulate interest, points and badges to reward success. These low or no-cost rewards may stimulate competition and a new form of recognition for high-performing associates. Hence, gamification is an approach many progressive organizations are beginning to consider when evaluating and rewarding an employee's progress within the organizations future leadership plan.

Big Data and Automation

By accumulating useful sets of employee data, *employers can track the activities of individual learners and analyze group patterns to determine why, when and how learners succeed or fail to master subjects as well as how they prefer to access their learning.* It can also be used to modify online training development quickly and measurably.

Accumulating this data may help employers to fine tune their training strategy and enable

content vendors to better tailor learning experiences to meet learners' needs (Penfold, 2016 and eLearning.net, 2015). Questions that inadvertently stump learners can be modified. Subject areas that reveal competency gaps critical to the business can be given heightened priority. Risk management professional can rest easier since regulatory or other legal compliance-based training can be quickly reported and summarized.

Sometimes, however, that answer inside the data is as simple as treating learners as people, not "human resources," where a one-size-fits-all training approach really fits few. "Courses can be optimized to match the preferences and needs of individual users. Once the learner's skills and knowledge level have been assessed, automated tools can offer algorithmic suggestion to modify the course content accordingly. Automated tools can generate tests and exercises and then scan the content to determine the most important aspects to be analyzed" (eLearning.net, 2015).

eLearning

With smart phones and tablet computers now reaching saturation levels in the U.S. and many foreign countries, eLearning has large-scale opportunity to further increase user engagement and retention by freeing learners from their desktop.

To put the migration in context, IDC reports the number of PCs will fall from 28.7% of the device market in 2013 to 13% in 2017. Tablets will increase from 11.8% in 2013 to 16.5% by 2017 and smartphones will increase from 59.5% to 70.5% (Docebo, 2014).

This rapid adoption has been aided by new eLearning authoring programs that make it easier to effectively format content across different platforms including responsive design. It also opens new doors on how an organization can address training deficits with quick reference guides, forums, short video briefs or other mobile-friendly content.

Summary

Workforce and succession planning is a vital investment for organizations of all sizes. Identifying and growing talent within an organization to further develop them as leaders for key positions is a rewarding process in terms of organizational resilience, growth and even risk management. Utilizing effective training and workforce planning tools helps prepare potential candidates for future roles, monitors skills and develops strengths to help assure the organization has the proper fit—all while enhancing loyalty and reducing recruitment costs. Embracing various training methods within a collection of tools designed for learner preferences stands the best chance to create future leaders with superior return-on-investment.

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About Pryor Learning

Fred Pryor Seminars and CareerTrack, divisions of Pryor Learning, create one of the most respected international providers of professional training. Since pioneering the one-day seminar in 1970, our organization has built a reputation for high-quality, convenient, and practical business-skills training around the world, in every industry and sector. Our recent name change to Pryor Learning, LLC better represents our full line of training which includes live seminars, online training, and enterprise solutions.

Today, with more than 13 million satisfied customers, we continue to pride ourselves in providing the superior training you've come to expect. Our cutting-edge research and course development are designed to meet the adult learning needs of your employees and your organization.

At Pryor, we offer training for any learning type— in-person and through live seminars, online with videos, quizzes, e-books, webinars. Every learning style is an option based on the company and employee needs. As a cloud-based LMS, learning is three clicks and three days away from adoption of learning plan.

Tracking and measurement can be cost-effective and simplified. Drive accountability and ROI with Pryor's advanced admin features. Admins can assign, track, and report on training in real-time with single-click reports or export to Excel. Learning objectives can be tied to professional development goals to more accurately gauge employee performance around review time.

With the Pryor LMS turnkey solution, businesses can be up and running quickly. Ongoing support and maintenance is covered. You can save money on resources and manpower to launch and train employees on how to use the system. Built-in custom marketing campaigns are available to aid in the launch and roll-out of company directed business goals such as employee emails or poster campaigns to welcome new learners; and reminders to existing learners on where to access to all online and in-person offerings. ■

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