

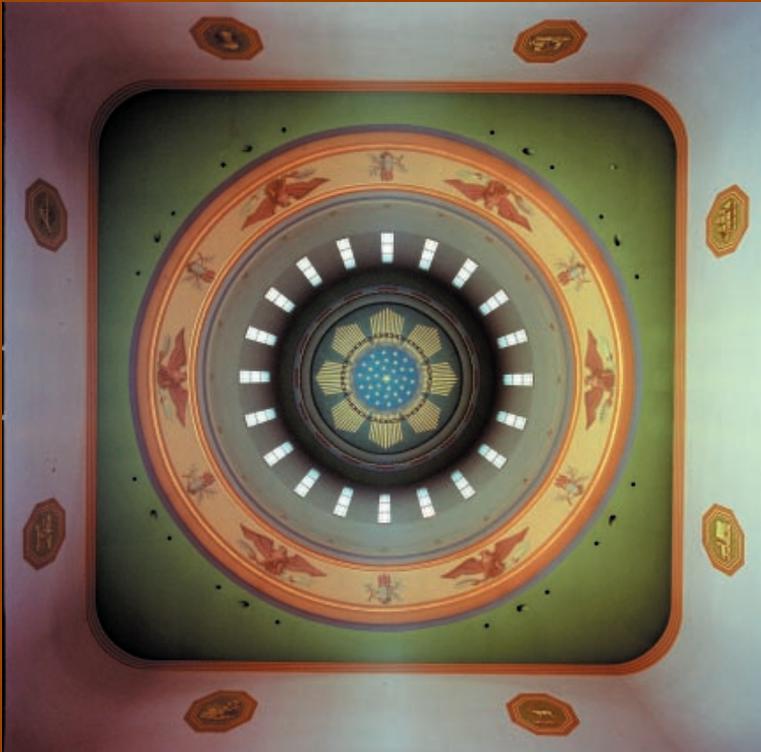


NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

Succession Planning in the Legislative Workplace

A Guide for State Legislatures



SUCCESSION PLANNING IN THE LEGISLATIVE WORKPLACE

A GUIDE FOR STATE LEGISLATURES



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The Forum for America's Ideas

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The National Conference of State Legislatures is the bipartisan organization that serves the legislators and staffs of the states, commonwealths and territories.

NCSL provides research, technical assistance and opportunities for policymakers to exchange ideas on the most pressing state issues and is an effective and respected advocate for the interests of the states in the American federal system.

NCSL has three objectives:

- To improve the quality and effectiveness of state legislatures.
- To promote policy innovation and communication among state legislatures.
- To ensure state legislatures a strong, cohesive voice in the federal system.

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CONTENTS

Preface and Acknowledgments	v
Introduction.....	1
The Problem	3
Elements of Effective Succession Planning: An Overview	5
Understanding the Current System within your Organization.....	5
Working with Staff to Anticipate Transition.....	8
Preparing the Organization for Transition.....	9
Working with Emerging Leaders and Other Responsible Employees	11
Guiding Emerging Leaders toward New Responsibilities	13
Succession Planning: Examples.....	16
Public Service of Canada—Accelerated Executive Development Program.....	16
Connecticut Joing Legislative Management Committee.....	16
McDonald’s Corporation	17
Western Area Power Administration—Emerging Leaders Program	17
U.S. Office of Personnel Management—Senior Executive Service Federal Candidate Development Program.....	18
Resources	19

PREFACE AND ACKNOWLEDGMENTS

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INTRODUCTION

The managers and leaders of many state legislative staff agencies are “baby boomers” who are fast approaching retirement. Ensuring a smooth, seamless transition to new leadership without inadvertently disrupting the efficiency and effectiveness of the organization requires thoughtful consideration and planning.

Replacing key personnel can be a daunting task in any organization. This can be especially true for legislative staff agencies. Legislatures are fluid institutions. Continuing changes in political control, leadership, legislators, policies and issues can undermine transition strategies that are based on seniority or that merely replicate past leadership succession practices.

Succession planning is an ongoing process to systematically identify, assess and develop the skills and talents needed for leadership continuity and for the continued effective and efficient operation of an organization. For legislative staff agencies, this process must ensure that the next generation of managers and leaders fully understands and embraces the collective experiences and personal recollections that constitute their organization’s history and culture—especially those that explain the reasons behind certain decisions, procedures, policies and practices and that embody the agency’s core values.

As part of its ongoing charge to promote the development of legislative staff and the effectiveness of staff in the legislative process, the National Conference of State Legislatures’ Legislative Staff Coordinating Committee established the Legislative Institution Task

Force to examine how organizations are approaching the challenge of preparing the next generation of managers and leaders. The task force surveyed succession planning and programming in both the public and private sectors. This pamphlet provides an overview of important succession planning concepts and keys to successful implementation.

THE PROBLEM

Baby boomer retirement, Generation X job-trotting, legislator term limits, public-private sector revolving doors—these forces, among others, are accelerating the loss of experienced staff from state legislative agencies.

A survey by the National Conference of State Legislatures in 1997 found that the average length of service for legislative staff members was just less than 10 years, but that some state legislatures were experiencing annual staff turnover rates as high as 25 percent. At the same time an analysis by the Congressional Research Service put the average tenure of its staff at 18.5 years, and the expected attrition due to retirement at almost 52 percent between 1998 and 2006.

The base of institutional memory and expertise that state legislatures have enjoyed is now eroding. Baby boomers, born between 1945-1964, are retiring from their positions as managers, senior analysts and senior staff. Generation X-ers, born between 1965-1978, no longer anticipate remaining in the same job for their entire careers. Instead, the typical job tenure now is two to seven years, and many employees can expect to change jobs an average of 11 times during their careers. Legislator turnover created by term limits is being accompanied by increased staff turnover, especially among partisan staff members. In addition, competition with the private sector for quality employees suffers from the states' lack of ability to provide bonuses or similar inducements and, perhaps, from their lack of will to match other incentives such as flexible working hours, job sharing and telecommuting.

Legislative agencies can meet these challenges with commitment and planning if they are determined to recruit and retain quality staff. The practices and suggestions described here will help new staff members to develop broader skills and long-time staff to pass on a greater depth of knowledge of institutional history and process.

ELEMENTS OF EFFECTIVE SUCCESSION PLANNING: AN OVERVIEW

Succession planning activities can be grouped into five key areas.

- Understanding the current situation within your organization.
- Working with staff to anticipate transition.
- Preparing the organization to change as needed during transition.
- Working with emerging leaders to prepare them to assume critical roles.
- Guiding emerging leaders toward new responsibilities.

Understanding the Current Situation within your Organization

Each organization faces unique challenges in succession planning. As a result, no single succession planning formula or strategy is universally applicable. For effective succession planning, an organization needs to understand itself and the unique challenges that it faces. There are five key questions that an organization should understand as it undertakes succession planning efforts. The answers to some of the questions are obvious and self-evident, especially in small organizations. Other questions may require the organization to invest time and energy into collecting data or information.

1. What are the key roles, skills and abilities that are needed within your organization, but that are performed by a limited number of individuals?

Succession planning is primarily concerned with those roles, skills, and abilities that are performed by a limited number of individuals within the organization. Large organizations may be unaware of specialized functions performed by a small group of employees. Within smaller organizations, the problem is more likely to be one in which a single employee may be responsible for a variety of functions that no one person can easily assume. Some examples of key roles, skills and abilities include: a) annual or cyclical functions, such as budget preparation, performance appraisal oversight, or annual report preparation; and b) anything that one person within the office is the expert on and upon whom everyone seems to depend.

2. Who within your organization are you likely to lose to retirement within the next two to five years? Of these, how many are performing those key roles, skills and abilities?

A large portion of America's workforce is now or will soon be eligible for retirement. Individual organizations need to determine the extent to which retirements may create problems for the organization, both in terms of requiring increased rates of hiring new staff to replace retiring staff and in dealing with the anticipated loss of leaders, managers and experts.

Each organization should periodically look at its work force to understand the possible effects of retirement. Four related pieces of information are important.

- How many employees will be eligible to retire in each of the next five years?
- What are the tentative plans of those who are approaching retirement eligibility?
- How many do you actually expect to leave at or near their retirement dates, and how many wish to remain on the job for multiple years after they pass eligibility for retirement?
- Who of those eligible to retire and who plan to leave hold roles or assignments that require special knowledge or ability?

3. To what extent is the younger tier of the workforce committed to the organization and likely to remain after the current leaders, managers and other key personnel retire?

Most organizations have good employees who are not near retirement and who can be expected to assume the roles and responsibilities of those who do retire. However, there sometimes may not be enough younger employees to assume all the positions and roles that will become available, or a number of the younger employees may not have the desire to assume these positions and roles. Younger tiers of employees may lack either the vision or the organizational loyalty to sustain the organization after the departure of key managers. It is important to understand the makeup of the employees who are likely to remain after key managers retire in order to determine whether it is necessary to recruit additional talent from outside the organization to offset the loss of retiring employees.

4. Do current organizational managers and leaders understand the importance of succession planning and support succession planning efforts?

For succession planning efforts to be effective, it is essential that current management be open to and supportive of succession planning. Without management support, efforts at succession planning are likely to be disastrous. For example, employees who share information about their retirement plans need to be confident that this information will not be used against them. Younger employees who are preparing to assume key roles and responsibilities can become disillusioned when management hires someone from outside to assume those duties.

5. Does the organization have ongoing or repeated procedures in place to ensure that succession plans are revisited periodically to adapt to changes in the workforce?

Succession planning is not a one-time effort. Changes in individual retirement plans and other personnel changes such as promotions or resignations will affect the organization's succession plan. Part of

the succession plan should include a schedule for revisiting the data that is collected about prospective retirees and existing employees. It may be necessary to revisit these issues annually, but a longer cycle may be feasible in some legislatures. It is especially important to revisit succession plans when there are changes in the organization's administration.

Working with Staff to Anticipate Transition

After an organization has assessed its retirement situation, one of its first tasks should focus on working with those staff who are approaching retirement. There are four key aspects of this effort.

- Enlisting their cooperation in the succession planning effort.
- Further identifying knowledge/tasks/assignments/relationships that need to be transferred to someone else prior to the person's departure.
- Developing a resource notebook, manual, or other tools that can be used for critical positions and roles.
- Identifying and mentoring younger staff members to learn various aspects of the job.

As individual staff approach retirement, they should be encouraged to make sure that they pass along any critical knowledge or skills that have not yet been shared with other employees. It is important that they be treated as partners in the succession planning effort. They may be reluctant to cooperate if their opinions are not solicited about management plans for their successor's roles and responsibilities. If management is planning to change direction upon the employee's retirement (i.e., not replace them), it is prudent that this decision be communicated constructively with the employee.

Most retiring employees are honored to be asked about whom they think should replace them and what changes should be made in their roles and functions. Once management has asked these questions and listened to the employee's responses, desired changes generally can be made with the employee's support, even if management

chooses to go in a different direction than that recommended by the employee.

Seasonal tasks sometimes are not included on the list of activities and responsibilities that need to be transferred to new employees, so this list should be continually revised. For example, some legislative tasks or activities occur only once a year or once every two years, especially in offices that are affected by elections. If employees are partners in the succession planning process, they will be more likely to ensure that such wide ranging activities are included on the lists.

Retiring employees who are in positions of unique responsibility should be encouraged to develop a journal, manual or other tool that includes the special information that would be useful to the person or persons who succeed them. For example, the journal/manual should list the steps involved in a process, any forms or documents that are available, applicable rules or laws, and key contacts within other offices or agencies for completing those processes. Finally, these employees should be encouraged to coach others and work with the succession planning team and management to identify mentoring candidates. Their area should not be considered as secret knowledge that can be revealed to only one person.

Preparing the Organization for Transition

In addition to working with those who are retiring and those who are assuming new roles and responsibilities, it also is necessary to take steps to ensure the functionality of the organization during the entire process. Several key organizational issues to be addressed include:

- Identifying and assigning responsibilities for the oversight of succession planning and leadership development;
- Developing a staffing plan that identifies current and future hiring and training needs related to succession planning;
- Developing tools and habits of communication within the organization so that employees are generally aware of organization plans and directions; and

- Making decisions about possible organizational structural changes prior to decisions about new staff appointments and assignments.

Succession planning and leadership development need not become an all-consuming effort of the organization that distracts from the primary mission of the staff agency. Succession planning is merely an attempt to keep the organization steadily focused on its mission as it undergoes major personnel changes.

In this light, a legislative staff agency would do well to assign the responsibility for succession planning to people who understand both the mission of the organization and the role of succession planning and who are in step with the perspective of management. In most cases, it is an effort that can be achieved effectively through a small succession planning team that represents various perspectives within the organization. It should include both retiring staff and emerging leaders in order to be responsive to the concerns of both groups, as well as representatives from management and human resources.

In consultation with the human resource department, the succession planning team should provide input into the development of a staffing plan that identifies any current and future hiring and training needs. For example, if the only person in the organization with purchasing skills is departing in 10 months, then the agency needs to begin looking for or preparing a person to phase into that role.

A key of succession planning is communication of decisions and plans. Most employees are keenly interested in management decisions about who will replace someone who is retiring and in news about any associated organizational changes that may occur. If management does not communicate these decisions in a timely manner, misinformation may spread through the organization. Uninformed employees can become nervous about their own futures in the organization and may be more inclined to consider other employment opportunities. Management should not be afraid to tell its employees that certain decisions are pending and, in some

cases, to indicate that some decisions cannot yet be shared. It is almost always better to communicate these messages than to say nothing.

The retirement of a key employee sometimes presents an opportunity for staff reorganization. Perhaps an activity no longer requires a full-time manager, or duties that previously required two individuals now can be assumed by a single employee. Management should be alert to such opportunities and should seek to determine if staff can be structured more efficiently.

Working with Emerging Leaders and Other Responsible Employees

From an organizational perspective, future leaders are highly valued and merit special attention to ensure that they are prepared for new roles and responsibilities. Leadership candidates who learn and practice leadership and management skills under the tutelage of veteran employees achieve smoother transition into their new responsibilities. Keys to working with emerging leaders include:

- Identifying potential leaders;
- Obtaining emerging leader support for the succession planning concept and process;
- Providing training activities and plans; and
- Arranging mentoring and shadowing programs.

There are two basic methods for identifying emerging leader candidates for participation in a succession planning program. First, the organization can select the candidates. Data from employee performance appraisals and other workplace feedback can supplement the decision and lend an element of objectivity to the process. This approach helps narrow the field of candidates quickly and allows the organization to focus its resources on a few high-potential employees. The downside is that it also can alienate employees who are not selected for the program. This may potentially be a difficult outcome to manage.

The alternative is to let employees self-select; that is, to promote an open program that invites all employees to participate. This option may be more expensive, but it also extends the benefits of a good succession planning program to a broader audience that, in theory, strengthens the entire organization. Self-selection might allow poor candidates into the program, but it also might capture a diamond in the rough. In addition, a well-developed and rigorous succession planning program probably will weed out low-potential employees early. Either selection process is legitimate, and the best choice may depend upon many factors, including the size of the organization, the demands on the succession program to produce outcomes, and the traditions and culture of the workplace.

Employees who participate in the succession planning process should be reminded of the conditional nature of their emerging leader status. The organization is not promising the employee a position or a role but, rather, is identifying an employee who potentially could fill various jobs. The identification of emerging leaders enables the organization to consider candidates to determine what knowledge, skills and abilities they need to add or enhance in order to advance within the organization.

The process of identifying emerging leaders may lead to the conclusion that the organization needs to bring in new talent to assume certain roles. Although one goal of succession planning is to build from within, it is sometimes necessary to recruit external candidates. This is especially true when technical or professional training or expertise is needed in areas such as budget management, information technology, issue specialization or purchasing. Ideally, this decision is made only after completion of a careful assessment of the talent within the organization.

Once emerging leaders have been identified, it is prudent for management to discuss with them what is occurring within the organization. Most succession planning participants already will be considering their futures, so this discussion should be a welcome opportunity to consider their roles within the organization. Although it is important that management explain that no promises are being

made, the tone of such communication should be reinforcing. When possible, it should be emphasized that multiple opportunities exist, rather than a single opportunity; most emerging leaders may not become the organizational head, but they may be qualified to serve in several other key positions.

Employee training is a key component of most succession planning programs. Events such as the Leadership Staff Management Institute sponsored by NCSL provide emerging leaders with an opportunity to develop vision and maturity. Some legislatures provide in-house leadership, management and skills training. Many state personnel offices promote professional development agendas, and local universities may be a source for classes on relevant subjects and skills. Whatever the source, employee training should be focused and matched to the personal career development plan of the employee.

Mentoring is another common and effective succession planning strategy. Generally, mentoring refers to a relationship in which the mentor provides coaching, guidance and encouragement to the mentored employee. In some cases—such as when it is clear that the mentored employee will assume the duties of the mentor—shadowing might be appropriate. Shadowing allows the employee being mentored to follow the mentor as he or she performs the job and to meet the people with whom the mentor daily interacts.

Although many mentoring relationships develop naturally without a formal agreement, it is advantageous to develop mentoring through both formal and informal means. Informally, every supervisor should consider himself or herself to be a mentor and to spend the time necessary to ensure that the employee is learning what he or she needs to know and has opportunities to test new skills.

Guiding Emerging Leaders toward New Responsibilities

The previous sections discussed how an organization should conduct a succession planning effort. This section provides guidance to legislative employees who expect to inherit new responsibilities when existing managers or senior employees retire.

The following list of activities are common elements in most succession planning programs. However, few state legislatures currently have comprehensive succession planning strategies in place. If this is the case, legislative staff who wish to advance within their organization may need to undertake some of these activities on their own.

- Find a mentor or multiple mentors within organizational leadership.
- Solicit 360-degree feedback on leadership qualities.
- Participate in training opportunities.
- Ask questions of current management and responsible employees, when appropriate.
- Create an individual career development plan.

Staff who participate in succession planning activities enhance their professional development in several ways. By positioning themselves for advancement, staff develop leadership skills, receive valuable on-the-job training in addition to formal training, and begin to assume a leadership role within the organization. This allows them to reassess their career goals and begin to develop a plan to advance within the organization.

Mentoring, as described above, offers legislative staff an opportunity to learn new skills and lessons from senior employees who have important experience and institutional memory. Some staff agencies may not have formal mentoring programs or may be too small to accommodate the practice. However, employees who desire career advancement should pursue formal or informal mentoring relationships, even if they are not officially recognized as such by the organization.

An effective strategy for emerging leaders is to solicit feedback from colleagues at all levels regarding their strengths, weaknesses, and areas for potential improvement. Commonly known as 360-degree feedback, this process is best accomplished through a formal program managed by the human resources staff or some other third party. Soliciting such feedback provides an opportunity for staff to identify characteristics, traits and performance issues that may

become magnified or more critical as they are promoted. It also helps employees identify training priorities and personal learning goals they must address before they assume the mantle of leadership.

Almost every state legislature offers some level of training to its employees. Where they do not, staff can pursue outside training opportunities, including college coursework and professional development seminars targeted to the private sector. Classes in leadership, management, organizational change and related topics usually apply equally to public and private sector workplaces and offer important insights to emerging leaders.

NCSL studies of legislative staff organizations reveal that effective communication is at the core of good management and good legislative managers. Emerging leaders should begin their communication practice early by seeking out senior staff and other employees for their ideas, perspectives and organizational aspirations. This behavior—sometimes called networking—not only contributes to learning, but also builds trust and establishes relationships that yield benefits in the future.

Finally, most succession planning programs encourage participants to create a career development plan. This plan is an employee's personal strategy for maximizing his or her professional opportunities with an organization. It is designed to fill key gaps in knowledge and experience that are identified through performance feedback, mentoring and other forms of self-assessment. The plan always is targeted toward the employee's professional goals and aspirations and toward the legacy that the employee hopes to leave when his or her own retirement ushers in the organization's next generation of leaders.

SUCCESSION PLANNING: EXAMPLES

Many businesses and government organizations are considering the future and are undertaking programs to ensure a smooth transition to new senior-level leadership.

Public Service of Canada—Accelerated Executive Development Program

According to the Canada School of Public Service, the Accelerated Executive Development Program (AEXDP) is designed to “enhance the capacity of its leaders to deal with the challenges facing Canada and to maintain a world-class public service.” A rigorous selection process brings high-potential candidates into a multi-year program of leadership training and experiential learning opportunities around core government functions. The program’s goals are to create better teachers, mentors and leaders among the nation’s executive service (www.hrma-argh.gc.ca/aexdp/axhom_e.asp).

Connecticut Joint Legislative Management Committee

The Connecticut General Assembly has one of the most comprehensive succession planning programs for staff among the state legislatures. A full-time training coordinator oversees a three-phased staff development curriculum aimed at advancing the career opportunities of employees and preparing them for leadership roles. In this structured training program, staff earn “leadership development” and “advanced leadership development” certificates. They also participate in a 360-degree evaluation of leadership skills and create an “individual development plan.” Participants who

advance to phase three of the program become more involved and visible in organizational decision making and leadership.

McDonald's Corporation

McDonalds identifies "People" as one of its three global corporate strategies. Its Human Resources Design Center is responsible for succession planning strategies and employee development. The center implements these strategies in four practice areas: 1) measurement and organizational effectiveness; 2) leadership assessment and development; 3) competency-based people systems and culture and 4) recruitment and retention. The "leadership assessment and development" practice area focuses on succession planning, 360-degree feedback and executive coaching. It assesses corporate leadership needs and creates programs for leadership development. McDonald's Web site proudly states that all three of its U.S. division presidents started as crew members (restaurant line workers) and that its current vice chairman and CEO began as a restaurant management trainee.

Western Area Power Administration—Emerging Leaders Program

In 2004, the Western Area Power Administration received the "Human Capital Breakthrough Award" from the U.S. Department of Energy. Western includes succession planning in its comprehensive "Human Capital Plan." In 2004, 20 "selected participants" joined Western's Emerging Leaders Program (ELP). "We're ensuring that Western has a pool of future leaders to meet its needs in the 21st Century," reports the program coordinator. "ELP is designed to help nonsupervisory employees prepare for leadership roles within Western." Participants receive a 360-degree assessment at the beginning of the program to identify knowledge gaps and again before graduation to measure improvement. Training is offered in 16 "ELP competencies." Mentors assist participants as counselors, coaches and advocates (www.wapa.gov).

U.S. Office of Personnel Management—Senior Executive Service Federal Candidate Development Program

In 2003, the U.S. Office of Personnel Management (OPM) launched its Senior Executive Federal Candidate Development Program (Fed CDP), designed to “train outstanding leaders of the future for the Federal Government who will guide us through the challenges and opportunities of the 21st Century” and “help Federal agencies meet their succession planning goals...” The Fed CDP is one of many programs that fall within OPM’s leadership and knowledge management initiative. Certified graduates of the Fed CDP are eligible for senior executive service positions anywhere in the federal government. The 14-month program features a combination of employee assessment, classroom training, field experience, mentoring and exposure to White House and Cabinet-level executives (www.opm.gov/ses/fedcdp/).

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Succession Planning in the Legislative Workplace **A Guide for State Legislatures**

Who will replace today's state legislative staff leaders? Who will continue their legacy of innovation, public service and guardianship of the legislative institution? Succession planning helps answer these questions and promotes a smooth transition to new staff leadership. This guide outlines key succession planning concepts and issues and reminds us that the future effectiveness of legislative staff agencies is in the hands of those who are working there today.



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