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COMMISSION

MANAGING SUCCESSION >>>>

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AUSTRALIAN  
PUBLIC SERVICE  
COMMISSION

MANAGING SUCCESSION IN THE  
AUSTRALIAN PUBLIC SERVICE

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## FOREWORD

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This paper reports on research undertaken by the Australian Public Service Commission, and provides insight into best practice succession management in the public and private sectors.

The ageing workforce, changing career expectations, and the potential for attrition of high performers with substantial experience in the Australian Public Service (APS) is a challenge to agencies to sustain performance into the future.

Succession management forms a key component of workforce planning, focusing on ensuring the availability of a supply of capable staff who are ready to assume key or critical positions. It helps build organisational capacity by ensuring that vacancies can be filled from within the organisation or from partner organisations, and by improving the quality of the competition for positions.

Far from being inconsistent with the merit principle, good succession management will promote the APS Values by developing staff and emphasising openness in selection processes and thereby promoting merit and equity in employment and a career-based Service.

I commend this research paper to you, and encourage you to take steps to ensure the long-term capability of your agency.



Andrew Podger  
Public Service Commissioner  
February 2003



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## INTRODUCTION

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In an environment of rapid change there are significant concerns about the need 'to ensure organisational sustainability, flexibility and responsiveness'<sup>1</sup>. Issues such as an ageing of the workforce, the relatively short tenure of young graduates in some areas of specialisation, the associated potential for attrition from the Australian Public Service (APS) to increase substantially<sup>2</sup>, and effects of the downsizing and outsourcing of expertise, challenge agencies to ensure they have the capacity to sustain performance and responsiveness in the future. It is within this context that APS organisations are looking with increased scrutiny at the need to manage employee succession effectively to ensure that they have the future leadership, management and technical capacity to deliver government expectations. Succession management is a component of workforce planning, which considers aggregate and future organisational capability and staffing needs, and strategies to ensure that these can be fulfilled. Succession management focuses on identified critical roles and seeks to ensure there is current and future capacity for these to be filled with effective staff.

Agencies are considering succession management within the context of the APS Values and the accountability frameworks which guide the operation of the APS. In particular, succession management must operate alongside openness in selection processes, a fundamental consideration in terms of the APS Values regarding merit and equity, and Agency Heads are focusing in particular on very senior levels of their organisations, and on agencies within portfolios. They are also emphasising the need to engage in development activity to ensure a flow of candidates to fill senior roles.



The concept of succession management is discussed in more detail in this paper. The objectives of this paper are to:

- introduce the concept of succession management
- identify key principles for effectiveness in succession management
- consider how succession management can be implemented within the APS to give practical effect to the APS Values
- identify practical succession management initiatives which have been effective
- provide broad guidance on approaches to this issue.

The views of a range of small and large public sector agencies and networks, including agencies employing technical specialists and professional staff, are included in this paper as examples of succession management practices in the public sector context.

## OVERVIEW: WHAT IS SUCCESSION MANAGEMENT?

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Succession management is a strategic, systematic and deliberate activity to ensure an organisation's future capability to fill vacancies, without 'patronage or favouritism... [and] within the Framework of the merit principle and the APS Values'.<sup>3</sup> It specifically focuses on ensuring the availability and sustainability of a supply of capable staff who are ready to assume key or critical roles, if selected through normal APS competitive selection processes.

Succession management may include some reference to external recruitment markets, lateral recruitment from other APS organisations, and in some cases, involve the short-term 'purchase' of skills. A significant emphasis will be on the development of internal capability, which can also contribute to organisational readiness when contingencies occur.

The critical roles in question may be at senior levels within an agency, or at other levels requiring particular technical or management capabilities that are crucial to achieving the organisation's outcomes. (NB: For the purposes of this discussion and for ease, however, these will all be described as leadership roles, regardless of organisational level or particular duties.) If these roles are unfilled, or filled with staff without the required levels of capability, an agency may not be able to deliver the required outputs that contribute to achieving the desired outcomes of the government of the day. Such roles may exist currently or they may emerge over time as the organisation implements strategic decisions and directions.

Succession management is not an end in itself, or an add-on activity. It forms a subset of broader agency approaches to workforce planning which seek to ensure in general that the right people are in the right place at the right time to achieve successful business outcomes<sup>4</sup>. Like workforce planning, succession management involves questions about the changing nature of work and the sorts of roles that are likely to emerge rather than focusing solely on today's roles which may not be required in the future. The focus of succession management is to ensure a flow of candidates who have the skills, knowledge and attributes to compete for vacancies in critical roles when they arise<sup>5</sup>, rather than looking at the aggregate staffing needs for



entire job families across the organisation. Other strategies that contribute to integrated workforce planning include undertaking robust and comprehensive demographic analysis, and the implementation of initiatives such as targeted recruitment programs, retention strategies, performance management strategies, knowledge management systems, and learning and development interventions.

Succession management strategies, which focus on developing employee capability, enable organisations to respond to change.

## **WHAT DOES SUCCESSION MANAGEMENT INVOLVE?**

Succession management involves a planned and systematic effort to project and respond to leadership requirements throughout the organisation now and in the future. Several steps are involved:

- Identify critical roles within the organisation and develop a clear understanding of the capabilities required for effectiveness and high performance in those roles.
- Undertake a risk assessment by forecasting potential shortages and surpluses of potential candidates for those roles<sup>6</sup>. This step should draw on agency demographic analysis and may include analysis of recruitment and retention patterns, projected skills requirements and the need for specific jobs: it could also include an analysis of market factors such as where skills could be sourced externally, as well assessing where internal development resources should be focused.
- Identify people who could potentially fill and perform highly in such roles<sup>7</sup>. (NB: internally, those people may already be apparent and waiting for an opportunity to apply for a more demanding role, or, the organisation may need to take steps to identify them; they may also need to refer to external sources to determine potential availability of staff).
- Develop the required capabilities in those people already within the organisation through a program of learning experiences, planned collaboratively by the organisation working with the individual<sup>8</sup>. This development may be accelerated if necessary to ensure a ready supply of staff for future role requirements, and/or undertaken as part of the agency's established performance management framework. (NB: If people already have the required capabilities and are waiting to apply for suitable opportunities, or they are already in a highly challenging and designated developmental role, their development would not need to be accelerated. The nature of such developmental activity is expanded in a later section on implementation.)

## **DEVELOPING INTERNAL CAPABILITY: AN APPROACH TO MANAGING SUCCESSION**

The APS is an open system, where reasonable opportunity is provided to eligible members of the Australian community to apply for APS employment<sup>9</sup>. Strategies mentioned earlier, such as reference to external sources of expertise are useful mechanisms for refreshing and renewing the leadership base in the organisation, and introducing new and challenging ideas.

However, sole reliance on a strategy to attract employees from the external market is risky and expensive: seeking responses from ad hoc advertisements of vacancies is not a completely reliable substitute for developing future leaders from within, and building the capabilities of ensuing generations of employees.

One complementary strategy is to consider identifying or developing employees who demonstrate leadership potential, and to accelerate or intensify their development to ensure the organisation's capacity to respond to immediate gaps and to meet future needs. Such targeted development should operate alongside more broad-based development of employees linked to learning and development plans and based around established performance management processes.

Building a supply of capable staff:

- adds to organisational certainty and sustainability
- provides a mechanism for agencies to build 'bench strength', that is, a robust field or fields for any number of roles by creating a supply of employees with needed capabilities, flexibilities and skill sets
- provides organisations with an opportunity to incorporate diversity objectives into leadership development strategies by encouraging interest, within specified parameters, from a wide range of employees for accelerated development
- provides a mechanism to give strongly skilled employees an indicator of possible future advancement, a factor which has been identified as a key variable in the retention of those individuals identified as having exceptional potential<sup>10</sup>.

However, expectations regarding promotion in the APS must be carefully managed if the concept of 'bench strength' is to be introduced. Promotees for any position may come from a wide range of sources, including those with demonstrated/identified potential, other employees from within or outside the area or indeed from outside the organisation. There is no presumption of upward movement or implicit guarantee of promotion<sup>11</sup> from undertaking a particular developmental activity. In addition, employees not initially considered for accelerated development activity can be subsequently considered, based on assessments of performance and potential. For example, this might include those whose performance becomes exceptional later in their career, as well as late entrants to the APS. No one is permanently excluded from being considered for accelerated development opportunities, given that such opportunities may be offered subject to demonstrated performance, assessed potential and demonstrated progress against the commitments in the individual's development plan: these are reviewed regularly and change over time, and it is important to avoid stereotyping or 'pigeonholing' employees. Assessments of performance and potential are based on snapshots taken from the agency's performance management framework as well as ongoing discussions. The appropriateness of access to continuing accelerated development activity in relation to any individual may change according to their particular circumstances at any given time, for example, on the basis of ongoing quality of performance, life circumstances and personal preferences.

## IS THERE A 'ONE SIZE FITS ALL' MODEL?

Different approaches to succession management, and to the types of opportunities provided for employees to gain particular skills, knowledge and capabilities, may be taken depending on the size of the organisation or the position under consideration. For example, agencies may target individual roles, particular professional expertise or more general classifications. Most agencies consulted focus succession management efforts on senior leadership roles in the first instance, with a view to extending the process into other critical roles at lower classification levels later. Some agencies have identified less senior critical roles first such as information technology specialists, statistical analysts, front-line processors. In some agencies, succession management focuses on professional roles, where expertise is not readily available outside the organisation and is not likely to be a focus for development anywhere outside the organisation.

The development for senior leadership roles may focus on ensuring that candidates experience a wide range of challenging assignments to develop their capabilities for any number of unspecified roles. Work placements tailored to individual learning needs, along with training programs and executive coaching all figure strongly in agency approaches to date. For front-line supervisory roles, the focus may be on multi-skilling a number of candidates to ensure that there are contingencies in place should a position become vacant. For specialist roles, the focus may be on ongoing and rigorous development of professional expertise as well as broader development of management and leadership capabilities. Agencies stressed the importance of transferring highly specialised professional expertise to others within the organisation where it is known the current incumbent is to leave the organisation. There is no option to 'buy in' that expertise. Those agencies consulted use a range of options to ensure the transfer of expertise, including shadowing. Agencies are also investigating administrative arrangements that would allow ongoing access to an individual's professional expertise after that individual retires.

Some organisations will choose to develop entire cohorts or generations of staff through leadership and management development and other training initiatives, rather than focusing specifically on those with demonstrated leadership potential. A strategy of using general training rather than investing resources in accelerated leadership development may also be more appropriate for smaller organisations or those organisations with a tightly constrained training budget. However, even with a limited budget or limited resources, the small agencies consulted have been able to target critical roles and offer 'high potential' staff the opportunity for further individualised development. In one agency, this involves internal re-assignment to develop skills for critical roles (at minimal cost to the organisation); in another it involves working with a coach and accessing accelerated leadership development through external training programs.

## EFFECTIVENESS IN SUCCESSION MANAGEMENT: KEY PRINCIPLES

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There are a number of general principles which contribute to effective succession management.

1. Top leaders in the organisation must be actively committed to and involved in the process: they convey that succession management is a key organisational priority and one which requires collaboration across the organisation.

'Leaders also have a central role to play in fostering and developing leadership skills across the Service, and in managing succession processes, not only in their own agencies but for the APS as a whole. This challenge is an enduring one, given that leaders must drive an ongoing and iterative process of building and renewing their own organisation's capability, as well as contributing to collaborative efforts across the APS. This includes fostering a future generation of leaders.'<sup>12</sup>

All but one of the agencies consulted have executive commitment and involvement in the succession management process. Agencies see this as crucial to the success of the succession management in the organisation. The level of success is commensurate with the level of executive commitment. One agency commented that the succession management process is operating without executive support. This has limited the options to develop those identified as having high potential and has impacted significantly on the available budget.

2. Succession management should be an integral component of the organisation's business and workforce planning framework linked to current and evolving organisational needs. It should be based on a clearly outlined business case<sup>13</sup> (which may include analysis of demographic and trend data, forecasted attrition rates, availability of external labour, and forecast of supply and demand for critical skill sets) and linked to existing recruitment, performance management, learning and development, leadership development and career planning initiatives.



Most agencies consulted have implemented, or intend to implement, succession management within the context of workforce planning. Succession management is seen as a means of meeting future business needs in particular organisational areas and is one of a range of strategies within the broader workforce planning framework.

3. A succession culture should be developed at all levels, not just at the top<sup>14</sup>, with shared responsibility for succession management across the organisation.

Agencies with top-level commitment report acceptance of succession management throughout the organisation and active involvement at many levels. One agency commented that executive support is so visible that a succession management culture has permeated through to the core of the organisation.

4. Implementation strategies should be developed with clear timeframes and periodic evaluation built into the process from the design phase.
5. Succession management should focus on identifying a robust field of potential candidates for leadership roles: it does not involve the development of lists or 'queues' for promotion, which would conflict with the merit Value.

Most agencies have very clear criteria to identify potential candidates for leadership roles. While these candidates may receive considerable benefits in the form of accelerated development options, agencies expect ongoing high performance in return. It is not a one-way street.

6. Succession management processes should be relatively simple and flexible.
7. The process should be open across organisational levels. The career aspirations, values and preferences of employees, who are given the opportunity to express interest in pursuing leadership roles<sup>15</sup>, should be taken into account, as well as the needs of the organisation.
  - The performance management process forms a starting point for considering the performance and potential of all employees.
  - While the process should be communicated openly to employees, confidentiality in relation to details about specific individuals should be maintained<sup>16</sup>.
  - Individuals and managers should discuss performance, potential and development and contribute constructively to the implementation of development plans<sup>17</sup>.

Most agencies commented that communication is essential to gain commitment to succession management processes. Many agencies have used the performance management process as an indicator of high performance and potential for leadership roles; however, it is not the sole determinant.

8. The succession management process should feature the use of capability templates, rather than developing people for specific, current job requirements. Capabilities enable organisations to close the gap between strategic intent and current performance through guiding learning and development strategies, providing the basis for identification of potential and individual development plans<sup>18</sup>, and integration with other processes such as selection and performance assessment<sup>19</sup>. To ensure as much objectivity as possible, a

range of measures should be used to assess performance and potential based on the defined capabilities (note: this is discussed in more detail in a later section on assessing potential). An example of a capability template relating to senior executives is the *Senior Executive Leadership Capability Framework*.

Most agencies consulted have had capability templates in place for some time and have used, or intend to use, these as a basis for benchmarking the skills required for critical roles and guiding learning and development for those individuals identified as having potential. One agency noted that even very broad capability templates are useful in the succession management context. However, the lack of detailed capability templates would not impede effective succession management processes.

9. Development should focus particularly on challenging experiences<sup>20</sup>, or 'stretch' assignments that take people out of their comfort zone to develop new skills. These skills may include:
  - adapting to the styles and standards of a diverse array of managers
  - building an effective team from scratch
  - working with people or situations not previously encountered
  - being placed in high-stake, ambiguous or difficult situations
  - leading a remote team
  - working at a personal disadvantage (i.e. having the 'wrong' functional background)
  - dealing with or leading significant change<sup>21</sup>.

It is important to note that there is a need to accelerate people's experience and not just formal qualifications in developing their capability. Therefore, their development needs should match work-based opportunities rather than merely emphasising formal course outlines.

Some agencies have used 'stretch' assignments such as adapting to the styles and standards of a diverse array of managers. Agencies also noted that while the focus is on individual development, this must be balanced with the needs of the organisation.

10. The approach to succession planning must be in accordance with the APS Values. This point will be discussed in more detail in the next section.

## MANAGING SUCCESSION WITHIN THE APS VALUES FRAMEWORK

The APS Values that guide the performance of the APS in turn guide the implementation of succession management. While the Values are an integrated package outlining collectively the ethos of and expectations on the APS, there are a number of specific Values which are pertinent to effective succession management in the APS. These are outlined in more detail in the Public Service Commissioner's Directions<sup>22</sup>, and the APS Commission's *Values in the Australian Public Service*<sup>23</sup>. They include the need to ensure:

- an apolitical public service, where there is a clear prohibition on patronage and favouritism, and which is strongly committed to excellence and professionalism
- a public service in which employment decisions are based on merit
  - where decisions about engagement and promotion are based on an assessment of relative suitability of the candidates for the duties and relative capacity to achieve the outcomes related to the duties, and work-related qualities such as skills, abilities, relevant personal qualities, demonstrated potential for further development and ability to contribute to team performance
  - in respect of other employment decisions including performance management and provision of development opportunities, the assessment is made based on the relationship between each person's relevant work-related qualities and those required for effective and efficient organisational performance
- a public service which utilises diversity, recognising that a diverse workforce is a source of new ideas and ways of working, and which can lead to improved quality, and more innovative policy advice and service delivery

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i The Public Service and Merit Protection Commission was formally re-titled the Australian Public Service Commission in June 2002.

- an openly accountable public service, which can demonstrate and account for an effective, efficient and ethical use of resources
- a public service which is responsive to government, with a culture that supports the provision of frank, honest, comprehensive, accurate, timely and forward-looking advice
- a public service with leadership of the highest quality, based on clearly defined capabilities as the basis for development and performance management
- a public service which promotes equity, and in which decisions and processes in relation to employment matters are transparent, embody equity and procedural fairness principles, and maintain appropriate confidentiality
- a public service which is focused on managing performance and achieving results
- a career-based service, where consultation, communication and the sharing of knowledge between agencies contribute to the maintenance of cohesive and effective government, and where development opportunities which support the retention of knowledge of government administration and service delivery within the APS are provided.

Given the requirements of the *Public Service Act 1999* for Agency Heads to incorporate and uphold the APS Values in all decisions and activities, these highlighted issues must be taken into account, as they relate to both the process and outcomes of any approach to succession management.

## A SPOTLIGHT ON MERIT

The merit Value is fundamental to the nature of public service, as a guiding principle and as a process requirement for staffing decisions. In relation to engagement and promotion, this means that competitive selection processes must be carried out regardless of the existence of a supply of capable people. Therefore succession management practices should target developmental outcomes, not those relating to selections or promotions.

Selection decisions must meet the criteria for merit-based decisions as outlined in the *Public Service Act 1999*. These criteria are that:

- an assessment is made of the relative suitability of the candidates for the duties, using a competitive selection process
- the assessment is based on the relationship between the candidates' work-related qualities and the work-related qualities genuinely required for the duties
- the assessment focuses on the relative capacity of the candidates to achieve outcomes related to the duties
- the assessment is the primary consideration in making the decision<sup>24</sup>

In relation to non-selection employment decisions, such as the allocation of training and development opportunities, the merit Value requires an assessment of the person's work-related qualities and the work-related qualities required for efficient and effective organisational performance<sup>25</sup>. In addition, it requires that, in the temporary assignment of APS employees to duties at a higher classification, a number of specified matters must be taken into account. These include:

- the efficiency of the employee
- the relative importance to the agency of the duties
- the length of the temporary assignment
- expected cost of the temporary assignment
- the need for APS employees to be given the opportunity to gain the experience in performing duties at a higher classification<sup>26</sup>.

Therefore succession management processes cannot provide absolute or 'fait accompli' decisions regarding filling vacancies. Actual engagement and promotion decisions are made as the need arises. Candidates may choose to include information regarding their own performance or developmental opportunities they have undertaken in their claims against the selection criteria. However, selection criteria cannot specify or require participation in intensive or accelerated development activity as part of the succession management process, given that candidates may come from anywhere within or from outside the organisation.

## APPROACHING SUCCESSION MANAGEMENT: A GUIDE

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An organisation's approach to succession management will influence perceptions of the system's effectiveness<sup>27</sup>. For example, the process must be conducted in accordance with the APS Values so it is not perceived as a 'tap on the shoulder' system<sup>28</sup>.

No single or linear approach is suggested, given any approach taken must be relevant to the agency's context and needs. Although every agency will need to consider those circumstances relevant to their own organisation to determine appropriate succession management policies and processes, the following may be considered.

Key steps may include:

- designing the process
- ensuring strategic integration
- assessing the current situation
- identifying and assessing high potential
- implementation: planning and undertaking development
- evaluation: some considerations

Each parameter is discussed in the following sections. The sections aim to provide a number of key questions to consider when designing and implementing succession management.

### DESIGNING THE PROCESS

Questions to consider include:

- Have you defined a business case for succession management? Do you have the prospective leadership strength required within the organisation?
- Is the process 'owned' by senior executives and supported by line managers?
- Have you considered how data arising from the process will be managed and whether technology will be used to support the program? Consider the extent to which the human resources area will manage the process.
- Have you ensured the process is transparent and considered the level of detail at which the succession management



approach will be communicated across the organisation (being careful to maintain confidentiality of individual details)?

- Have you built feedback systems to staff into the process<sup>29</sup>. These might include communicating the process in general terms as well as feeding back specific information to individual employees as appropriate.
- Does the approach focus on the strategic development of capabilities?
- Are the outcomes of the process measurable over time?
- How will you evaluate the approach in terms of organisational impact?

## ENSURING STRATEGIC INTEGRATION

From the business and workforce planning framework, identify the critical roles to organisation's success as well as those likely to emerge as critical over the medium to long-term. Consider the agency's demographics and implications of changing demographics on the supply of leadership candidates.

Questions to consider include:

- Is the approach aligned and integrated with other human resource processes?  
For example:
  - Are the identified capabilities incorporated into development planning?
  - Is the process integrated with the performance management system?
  - Have you addressed the development needs of managers who will facilitate the process and coach individuals?
- What are the few distinctive leadership capabilities that will allow the organisation to be more effective than its (potential) competitors? Which ones are different from today? Incorporate future business needs, critical success factors<sup>30</sup>, values, strategies and expected challenges into this analysis.
- In taking a medium to long-term view, is the succession management process commencing at least one to two levels below the target roles to build the required capability?<sup>31</sup> That is, are you looking at future generations of leaders and not just current 'feeder groups' (if they exist) to key roles?

## ASSESSING THE CURRENT SITUATION

Perform a risk assessment of potential departures from existing critical roles.

Draw on a demographic analysis flowing from the broader workforce planning framework.

Project future staffing requirements in critical roles, looking at internal and external factors (including recruitment and retention patterns) and identify worst case scenarios. From this, determine the extent of any pending leadership shortage by projecting requirements, internal mobility and attrition over the next five years i.e. consider the current 'bench strength'<sup>32</sup>.

Analyse the gap between current capability for key roles and future requirements, and identify strategies for closing the gap<sup>33</sup>. Strategies could include, for example, internal capability development, external recruitment to target particular immediate skills gaps, or special programs to recruit and develop specialists. The cost-benefit considerations of these strategies would need to be assessed.

## IDENTIFYING AND ASSESSING POTENTIAL

Clarify responsibility for identifying and assessing potential. Most performance management systems focus on discussions between supervisors and their staff about what performance is expected and how the staff is performing. Succession management, like career management, is not always best handled by immediate supervisors. The question 'What's my future?' requires consideration by the supervisor's supervisor, or even more senior management. Effective succession management requires systematic involvement by supervisors throughout the performance management system.

Define what 'high potential' means within the agency context and within the context of the identified critical organisational roles (for example, the skills, knowledge and personal attributes necessary for high performance).

Focus on accurate identification. In order to minimise subjectivity as much as possible and to ensure a thorough approach, use multiple ways to assess potential and to identify employees who could potentially fill the identified roles. Use the performance management system as a starting point for reviewing performance, potential and development needs. Assessments should be comprehensive and evidence-based.

Relevant information could include:

- biographical data
- current performance
- observed behaviour
- adaptability
- 360° feedback and formal appraisal outcomes
- interviews to determine career preferences<sup>34</sup> and self-perceptions
- assessment of likelihood of staying with the agency<sup>35</sup>
- behavioural interviews to determine past performance in challenging situations
- views of a range of senior managers performance and the relative value of certain characteristics<sup>36</sup>, (this could include the views of the manager-once-removed where this system is in place in the agency or a senior level review body)
- psychometric testing or other external assessment tools<sup>ii</sup>.

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ii External tests should be interpreted with caution, given that they may not indicate where people have learnt to compensate for 'weaknesses': they may be more useful in development planning rather than deciding who is offered accelerated development opportunity (Corporate Leadership Council 2001, *'Overcoming Leadership Shortages with Succession Planning'*, December, p5.)

If it is congruent with the overall approach taken by the agency, consider providing individuals with opportunities to self-nominate and to express an interest in pursuing leadership roles based on their personal preferences and objectives; they can then be assessed according to the information parameters identified above. In order to contribute to the achievement of diversity goals, agencies could also encourage expressions of interest from a diverse range of employees.

## **IMPLEMENTATION: PLANNING AND UNDERTAKING DEVELOPMENT**

The types of roles or experiences which may be offered as accelerated development opportunities, targeted against future business needs rather than specific jobs<sup>38</sup>; incorporate exposure to a range of challenging experiences as a key element.

Consider whether to designate particular sets of duties as 'development roles' within the organisation<sup>39</sup>, given that fewer levels and broader spans of control make it harder to arrange developmental assignments for people with high potential.

A further issue to consider is whether to use a 'co-manager' strategy to ease older managers into retirement while preparing new leaders, to contribute to the transfer of knowledge and judgement.

Establish individually tailored development plans. Development plans can be based on results from 360° feedback or the results from a development centre or other diagnostic tool, and can incorporate factors such as individual capability requirements, anticipated role challenges, required organisational knowledge and understanding, and individual factors<sup>40</sup>.

In succession management, development plans usually include:

- challenging job-based experiences selected by senior leaders as a development strategy (including job rotation, special assignments and cross-functional involvement including special projects or task forces)
- exposure to the strategic agenda and to senior officials of the organisation<sup>41</sup>
- well targeted training (such as executive development programs or formal skills training where appropriate)
- self-development strategies
- use of senior mentors

## **INCORPORATE OPPORTUNITIES FOR FEEDBACK AND REGULAR REVIEW.**

Clarify respective responsibilities. The organisation should identify the sought after capabilities, be transparent and consistent in implementing the performance management system, provide access to developmental assignments, and provide guidance and feedback. Individuals are responsible for their career and accountable for meeting developmental objectives and gaining and demonstrating new capabilities. It is important to note that while agency and manager support and involvement are critical to successful implementation of a development plan, the

individual must take ultimate responsibility for meeting developmental goals and maintaining the quality of their performance.

Another issue to consider is that development plans are often devised but not implemented. An alternative approach may be for the individual to create a list of development priorities in conjunction with their manager (and manager's manager) and mentor and make it the subject of regular review.

Identify how candidates will be held accountable for their development. Consider how often to review and follow-up on development plans and whether reward structures are aligned with progress in meeting developmental goals. Consider whether those employees who have been given access to intensive development opportunities will be offered continued access if their performance is not maintained in the short term: will they be offered the most challenging assignments if performance is marginal in the current performance cycle, even though they are undertaking development activity and possibly facing a steep learning curve?

## EVALUATION: SOME CONSIDERATIONS

Establish clear timeframes for implementing and evaluating of the approach<sup>42</sup> and its outcomes. These issues need to be considered up-front by both the organisation and the individual(s) concerned. For the agency, evaluation of outcomes could be made in terms of whether organisational risk has been reduced or minimised. For the individual, this could include self-assessment about the degree of capability development and demonstrated changes in performance and behaviour in the workplace.

Monitor the succession management system itself—periodic evaluation at this level could include assessing progress on individual development plans, the degree of involvement of current leaders or senior executives and the proportion of internal to external appointments. Informal reviews could be scheduled quarterly rather than relying on a large-scale annual process.

Further issues include:

- Consider whether staff with high potential will be categorised in terms of 'readiness to assume'<sup>43</sup>. For example, ready now/ready one year/requires additional development outside of current position before suitable for consideration, keeping in mind the need to avoid suggesting an 'order of merit' or overly close tracking of individuals which could be construed as favouritism. This should not involve comparison of individuals against each other: given the developmental focus, individual capabilities should be benchmarked against established templates, not against the capabilities of other individuals. Note that if staff are ready now in terms of demonstrated capability, retention strategies may need to be devised for them in the absence of forthcoming opportunities.
- Consider the extent to which 'bench strength' will be formally tracked. A number of profiled companies<sup>44</sup> only do this for very senior people. Possible data to track for other critical roles includes: the number of employees with high potential, the number of new employees with high potential identified since the last review, the number downgraded since last review, average age and average length of service, particular statistics for the above categories for women and other diversity target groups<sup>45</sup>.

- Consider strategies to attend to the development needs of those not offered accelerated development opportunities, whether by choice or by 'limitations'<sup>46</sup>. There is a need to provide for development and mobility opportunities for individuals who are not chosen for high potential or extension programs in order to ensure they are not left with the feeling that their career has plateaued<sup>47</sup>. Similarly, recognise that the status of employees not initially considered as being of high potential can change, given changes in organisational needs and individual capability<sup>48</sup>.
- Actively manage expectations of all employees which can be raised through normal performance management and development discussions, particularly where expectations are unrealistic and lead to cynicism or disaffection: this applies equally to the succession management context, particularly in the assessment of potential to undertake leadership roles.
- Decide whether career counselling should be provided as a general strategy, or be targeted to employees of high potential, to ensure that expectations are managed and realistic development plans developed.
- Balance the tensions for the organisation of the realities of being judged on short-term results and the need to provide people of high potential with opportunities to undertake developmental roles<sup>49</sup>.
- Consider whether there are opportunities for the agency to collaborate with similar agencies in the identification and provision of developmental roles.
- Consider the extent to which your agency might use the APS Career Development Assessment Centre to assist in the construction of development plans for individuals with high potential at the Executive Level 2.

## ENDNOTES

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## A P S   V A L U E S   > >   > >

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The Australian Public Service:

- is apolitical, performing its functions in an impartial and professional manner;
- is a public service in which employment decisions are based on merit;
- provides a workplace that is free from discrimination and recognises and utilises the diversity of the Australian community it serves;
- has the highest ethical standards;
- is openly accountable for its actions, within the framework of Ministerial responsibility to the Government, the Parliament and the Australian public;
- is responsive to the Government in providing frank, honest, comprehensive, accurate and timely advice and in implementing the Government's policies and programs;
- delivers services fairly, effectively, impartially and courteously to the Australian public and is sensitive to the diversity of the Australian public;
- has leadership of the highest quality;
- establishes workplace relations that value communication, consultation, co-operation and input from employees on matters that affect their workplace;
- provides a fair, flexible, safe and rewarding workplace;
- focuses on achieving results and managing performance;
- promotes equity in employment;
- provides a reasonable opportunity to all eligible members of the community to apply for APS employment;
- is a career-based service to enhance the effectiveness and cohesion of Australia's democratic system of government;
- provides a fair system of review of decisions taken in respect of APS employees.

Agency Heads are bound by the Code of Conduct in the same way as APS employees and have an additional duty to promote the APS Values.