

**Howatt HR Consulting  
Presents the following  
Organizational Learning Strategy**

**Organizational Succession Mapping™**

**A Strategic Process for Designing and Aligning People and Business**

*Knowledge has to be improved, challenged, and increased constantly, or it vanishes. — Peter F. Drucker*

This brief introduces the idea and importance of aligning organizational philosophy with a sound, methodical operational management plan. The goal is to build a human capital model that oversees the entire *life cycle development of all employees and the collection and distribution of knowledge and operational efficiency.*

Many business leaders naturally focus on the business goals and profitability of the organization. But C level leaders are learning the importance of not only developing but also retaining their human capital because of the cost of turnover and the exposure to profitability by not having a competent and motivated workforce. In addition, these same leaders are becoming aware of the potential knowledge gaps as critical talent retires. This is creating the urgency for effective knowledge transfer strategies and knowledge management initiatives before this core knowledge walks out the door.

Organizational Succession Mapping is a process that integrates the life cycle of an employee's development and knowledge with the organization's strategic plan. This process has two parts. The first is the defining of critical operational philosophy and management as well as individual skill set requirements of critical positions. Then the organization's planning is *aligned* with what has been defined. The organizational operational plan defines the core competencies and potential career paths as individuals develop their knowledge and skills. It is a methodology that reinforces and perpetuates itself.

Companies are faced with the challenge of not only having human capital prepared for today but for having a plan in place to prepare for tomorrow. All this is central to succession planning, which can be defined as a process that develops a workforce along a development curve at a level that maintains adequate bench strength for maintaining its competitive edge. Several core questions for a company's long-term success that must be answered with a clearly definable and measurable strategy are:



- What is our capacity building plan?
- What is our succession plan strategy?
- What is our change management model to ensure our organization is able to stay fluid and dynamic?
- What is our process to ensure we are using the right measures to evaluate operational efficiency, knowledge management, transfer of learning, and organizational capacity?
- What is our organizational learning strategy?

To assist in understanding how to transform an operational philosophy into operational functional steps, we have created a human capital consulting model we call Organizational Succession Mapping™. It outlines the steps for identifying what knowledge is needed, what must be developed, and what must be maintained at what level for all critical positions within a company. Part A of the Organizational Succession Map™ is a blueprint for defining positions within the organization; Part B is for aligning organizational planning to what has been defined (see Appendix A). Please note: To implement Part B, Part A must be defined and put into place. Often organizations will need human capital consulting to assess whether Part A is in place and assist in filling in the pieces if necessary.

## Organizational Succession Map™

### Part A: Defining Global to Specific Success Behaviours

How do companies achieve and sustain greatness?

According to a study by Jim Collins, renowned management researcher and author of *Good to Great*, there are five core imperatives (competent employees, people working together effectively, effective management, effective leadership, and an effective senior executive) for putting an organization's developmental philosophy on the right track for developing and achieving its full potential. The study also reveals there is one constant element at the helm of every company bestowed with "greatness" and it is what Collins refers to as a "Level 5 leader."

What is a Level 5 leader? Contrary to what most perceive, a Level 5 leader is not an individual embodying larger-than-life, relentless, tenacious business acumen, but rather a rare and paradoxical blend of humility and unwavering will. At the top of every organization, Collins has found there needs to be an executive with these traits, as well as a deep understanding of the importance and value of people and the knowledge they hold.

The last competitive advantage today is the effectiveness, development, and retention of a committed and motivated workforce. Technology is accessible to all – it can be bought. But to build to their potential people who really want to come to work each day and want to be a part of the culture is a much bigger beast to tame than any technical issue.



## Organizational Succession Map™: Defining Flow Chart

Below is an overview of the Organizational Succession Map. For a visual, please see Appendix A.

**Step 1 – Organizational Development Philosophy.** Define the kind of culture you want, as well as your values, management style, philosophy, mission, and commitment to people. In addition, define a strategy to examine each level of the Level 5 Hierarchy and determine where your organization is today. Then consider where it needs to improve.

### The Level 5 Hierarchy

|                                      |  |
|--------------------------------------|--|
| Level 5<br>Executive (leader)        | Builds enduring greatness through a paradoxical combination of personal humility plus professional will.                           |
| Level 4<br>Effective Leader          | Catalyzes commitment to and vigorous pursuit of a clear and compelling vision; stimulates the group to high performance standards. |
| Level 3<br>Competent Manager         | Organizes people and resources toward the effective and efficient pursuit of predetermined objectives.                             |
| Level 2<br>Contributing Team Member  | Contributes to the achievement of group objectives; works effectively with others in a group setting.                              |
| Level 1<br>Highly Capable Individual | Makes productive contributions through talent, knowledge, skills, and good work habits.  |

The core lessons of the Level 5 Hierarchy are:

- Build your organization with the blocks made of effective leaders and competent managers.
- Find highly capable individuals who are willing to contribute to a team.
- Build an organization of people who work in tandem with your business plan and your operating plan and who welcome the scrutinizing eye of quality control as an opportunity to improve.
- Ask anyone else to move on.

As Collins says, "Attend to people first, strategy second. Get the right people on the bus and the wrong people off – *then* figure out where to drive it."



To create the mobility and development for this model the organization needs a clearly defined succession plan model. Note: Organizational Succession Map™ B provides the career path and capacity plan for the organization.

**Step 2 – Operational Management.** Link the operational management elements to the philosophy of Step 1. Many companies may intuitively know about Step 1, but only the great ones focus on it, analyze it, and monitor its progression. Like a football coach, most companies focus on the Xs and Os of management. They focus on the business plan, strategic planning, communication plan, organization charts, operations plan, change management plan, quality control and risk management plan, service level agreements, and economic model for existence and growth.

But if a company wants to achieve Step 2 and truly link its philosophy to Step 1, there are questions to be answered:

- *How do you build an organization with people who have the right skills and abilities?*
- *How do you know who they are?*
- *How do we define exactly what these right knowledge, skills and abilities are?*
- *What sets those people apart from others?*
- *What defines their actions and behaviours?*

Or maybe it's their actions and behaviours that define who they are and set them apart from others! One proactive organizational learning strategy that is linked to succession planning and career building and is essential for building a strong organization is to first *clearly define behaviours* – define the behaviours that meet the organizational development philosophy that turns a company from good to great.

**Steps 3-6 – How do you do that?** One step at a time. Looking at the diagram (Appendix A: Organizational Succession Map™, Part A), after the organization chart is created and verified as accurate, the next step is to ensure each critical position is profiled to define its core functions, role, responsibilities, accountabilities, and reporting structure, as well as a defined job description (and for knowledge workers it is important to ensure the job description points out how a person can make a maximum contribution to the organization).

For companies that do not have the following parts of the flow chart we recommend human capital consulting (see Organizational Succession Map™ B) to assist in developing and implementing the missing components. The process involves strategies such as benchmarking industry core competencies, examining industry profiles in competitors, work function studies and analyses, profile mapping, work flow plans when appropriate, defining organizational expectations for each role (e.g., decision making metric that defines authority for each position), and performance standards. Keep in mind that what is created today may be outdated tomorrow because of industry advancements. This makes it important for organizations to continue to audit and evaluate their workforce competencies as well as the competencies they need to be effective.



We cannot assume what is right today will be right for tomorrow.

For each and every critical position profile an important task is to deconstruct the core functions into *core competencies*. Essentially, you are identifying the performances for the *people skills*, the *business skills*, and the *technical skills* that are necessary to achieve the core functions. For example, if a core function of a position is to 'sell a product,' the *core competencies* of that function would include *demonstrating a knowledge of all products*, *demonstrating a knowledge of all competitors' products*, and *making presentations to potential clients*. When identifying these performances, or core competencies, consider the corporate culture – that thread that is woven throughout all actions and decisions of the company. For example, the most successful individual will approach a potential client in a way that respects the business protocols set by senior management. Attend to and respect the culture by acknowledging it and incorporating it into your core competencies, not ignoring it.

Once core competencies are defined, deconstruct them into the behaviours and skills that help to achieve the competencies you've defined. For example, the core competency of 'making presentations' would no doubt include key performance behaviours of *public speaking skills*, *listening skills*, and *overcoming objections*. These Key Performance Behaviours are the behaviours that define the people you want in your organization.

The next step of the process is to determine for each core competency the Key Performance Behaviours that define the individual core competency in the organization's culture. It is amazing how core competencies of effective communication can mean different things to different organizations.

The last step is to determine the standard for each Key Performance Behaviour, which provides the Key Performance Indicators of success for each position: What is the level of competency (e.g., working knowledge to expert knowledge) is expected for the position? What is the minimum amount a person needs to know to perform the role to an acceptable level? This information is used as the metric for assessing performance and is aligned to the performance review system. Managers would be coaching their employees to perform the key performance behaviours at the predetermined levels which have been defined by the Key Performance Indicators for the position.

The Key Performance Behaviours and Key Performance Indicators list needs to be short, practical, and to the point for each position that defines the most important functions, expectations, performance outcomes, and cultural imperatives of each role.

Through this deconstruction process, you will have accomplished two things. You will have clearly defined the idea knowledge and skills needed for critical position that will help in harnessing operational knowledge as well as increased the opportunity for operational efficiency and performance success. In addition, you will have given all employees and managers a clear overview of the expectations for performance and promotion for each position. This process helps to remove the abstract and subjective elements of how to develop a workforce to creating a concrete process that will give the organization its



human capital blueprint. If an employee wants to be promoted and remain in the organization and be successful, the criteria for success will have been clearly defined for all.

Once the *defining* aspect of the methodology is complete, the next step is to keep it current and evolving, which leads to Part B.

## **Part B: Aligning Succession Planning with Career Planning**

**Step 1 – Conduct an operational and human capital audit.** The human capital consulting model provides the structure and model to discover the following kinds of data:

*Is Part A in place? If not, it needs to be built.*

*How effectively is the organization linked together in regard to Steps 1 and 2 of the Organizational Succession Map™ Part A?*

*What is the organization operational management structure and its alignment with human capital?*

*What is the level of leadership and management throughout all levels and each individual's succession plan?*

*What is the current organizational learning strategy for succession planning?*

One “good-to-great discipline” of a Level 5 leader is the Stockdale paradox. This is the ability to deal with the sometimes brutal facts of the current reality, while maintaining faith that you will prevail (Collins, 2001). Look at the structure, the operation, SOPs, vision, values, and overall organizational philosophy. Are they where you want them to be? Do they fit the organizational philosophy of a company ready for greatness? Many organizations, based on the data collected from the Operational and Human Capital Audit, will need to make some adjustments, initiate some change to be able to implement effective succession planning, knowledge management, and organizational learning strategies.

**Step 2 – Identify gaps.** Assess where there are talent gaps as well as the current bench strength for all critical positions. Identify critical positions that are at risk today and over the next five years. What is the organization's capacity and bench strength in all of the critical positions? Capacity maps will provide senior leaders with insights as to where exposure is now and in the next five years. In this gap analysis it is of value to determine if the current retention strategy is working. *Are you keeping the kinds of people you want?* Look at the strategies in place for transferring tacit and explicit knowledge. *What is missing? Who is missing? What are the current incentive and recognitions programs?* If there is a retention problem, there is a need to address this. This may mean implementing or updating the current retention program. This provides the opportunity to explore the culture and how it makes decisions about its human capital capabilities. For example, it may mean looking closely at fundamental attribution errors (basic flaws in human thinking that automatically place the blame of poor performance behaviours on an individual's *personality* rather than first examining the *context of their actions and environmental influences*). Or



the Halon effect that is a process of generalization from an overall evaluation of an individual to the specific characteristics of the person.

**Step 3 – Create a recruiting plan.** Attract the right talent that is missing or will be needed in the critical positions. The Key Performance Indicators for each position will help in determining the kinds of knowledge and skills and standard level of expertise needed for each critical position upon entry. Recruiting plans typically are built for external recruiting, but remember to look internally as well at the wealth of potential untapped talent, knowledge, and aspirations of the current workforce that may be waiting to break through. This population knows the corporate culture and business better than most any new hire. The main goal is to anticipate the workforce needs and create a plan to fill that need. The recruiting plan will rely on the data provided in the Organizational Succession Map™ Part A to ensure the recruitment of a professional possessing the core competencies that have been defined for the position.

**Step 4 – Devise a hiring plan.** This should include an interviewing process that truly assesses the capabilities of the interviewee. Does this mean simply asking questions and attempting to assess someone's past performance in a previous job? That only provides a small glimpse of the picture. Instead, build an interviewing environment that mirrors what will be expected of the individual on the job. For example, rather than ask candidates to give an example and details of using critical thinking in a particular past situation, *give* them a specific situation and watch how they *demonstrate* critical thinking.

In addition to checking background and behavioural interview it is important to also define the person's potential to perform the function they are interviewing. This is the "IQ" test of the corporate environment. It is a measurement of "Executive Intelligence." Similar to the IQ test in the academic world that measures one's cognitive abilities and aptitude for arithmetic and language, the Executive Intelligence test measures one's ability in the corporate world to *accomplish tasks, work with and through others, judge oneself, and adapt behaviour accordingly.*

Interviewing and hiring planning requires rigour not only around designing the right interviews for each position but implementing metrics around cost per hire, administration's best practices around hiring, and first impressions of the organization (what the company wants a new employee to be exposed to before they join the company), alignment with HR administration for smooth transition of new hires benefits, compensation, interview orientation process (to give the person as real a sense as possible of who the company is in the interview and their role so they are clear on the expectation and profile they are interviewing for) and letters of employment.

**Step 5 – On-boarding.** Get the person off to the best start possible and to make their transition into a new position and/or organization as seamless as possible to increase their comfort that they made the right choice. When a company is committed to having this kind of strategy in place for explicit and tacit knowledge transfer it is a powerful development and retention strategy. It is important to have an on-boarding strategy for all new as well as lateral hires. On-boarding programs need to include: functional knowledge (e.g., how to log on to a computer), developmental knowledge (e.g., knowledge and skills to



perform their competency in the organization, such as jump start guides and a useful intranet), and knowledge transfer (e.g., from explicit process knowledge, orientation programs, being introduced to the SOPs to tacit knowledge obtained through formal mentoring and performance coaching).

**Step 6 – Career Development Path.** Finally, *but really not finally at all*, there is a career development path that clearly describes, defines, and outlines the behaviours and skills desired, desired standards for each position to achieve the next level of career growth. The employee looks ahead to the Key Performance Behaviours and Key Performance Indicators that define the direction expectations for each position. Each position would have a professional development plan that maps out the skills and competencies required. Thus, the cycle is perpetuated. Once the employees achieve the behaviours and skills to grow to the next level, the company is on track to develop its organizational hierarchy that will provide a competitive advantage and put it on track to maintain a viable and profitable workforce and business.

**In closing . . .** The senior leadership can keep track of both Parts A & B of the Organizational Succession Map™ to monitor the organizational development, performance, and learning. People build a business and, as for any process to work, there must be a clear beginning, middle, and end that can be observed and measured. Executives today are looking at the real cost saving in retaining a highly trained and motivated workforce to achieve competitive corporate goals. The talent pool for knowledge is getting smaller and in the end human capital equity will be one area companies will not want to be in the red over the long term, which today is five years. Do not be surprised if future P&L statements have a line item for human capital (a valuation for the retention level and workforce experience in regard to knowledge and skills).

