state**services**authority
designing a targeted development program
a strategy for mitigating succession risk

succession risk
management
toolkit
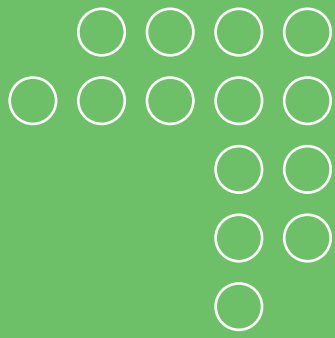
targeted development:
designing a targeted development program

Targeted staff development

A range of 'everyday' management activities can be used in a focused way to make a positive contribution to the management of succession risk.

However for many organisations, the single most effective strategy is the identification and targeted development of staff with the potential to, one day, apply for and succeed in a type of critical role. This strategy leads to the creation of an internal talent or labour pool.

For organisations that are considering implementing a talent program, this publication provides assistance by:

- exploring a number of key considerations; and
- offering a practical template to help you plan and focus your targeted staff development discussions.

Key considerations

The format of a talent program depends on an organisation's specific objectives and resources. However, there are a number of important considerations when designing a talent development program to address succession risk.

Program objectives and rationale

- What are the objectives of the program (how will the organisation benefit)?
- What will the program be called?

Target recipients

- Who will the program target?
- What will the nomination criteria be?

Program design

- What will be the key features of the program?
- How will the program link with other organisational processes?

Roles and responsibilities of those involved in the program

- What will be the responsibilities of those involved with the program?

Nomination process

- Who will nominate potential participants?
- How will expectations be managed?

Assessment and selection processes

- What assessment approach will be used?
- How will the selection decisions be made?
- How will the selection decisions be communicated to nominees?

Evaluation of participants and program effectiveness

- How will we know the development activities are having an impact on individual skill development?
- How will we know the talent program is achieving its objective?

Addressing common risks and concerns

- What will be the most likely risks and how will they be addressed?

The above considerations are explored in greater detail throughout this publication.

key considerations

Talent program objectives and rationale

What are the objectives of the program (how will the organisation benefit)?

Organisations may choose to implement a talent program for a range of reasons:

- to address succession risk issues (that is, to identify and prepare successors for critical roles);
- to strengthen the pool of internal candidates who could fill future vacancies in certain roles;
- to improve an organisation's brand as an employer of choice (both internally and externally) and highlight its focus on investing in 'growing their own' employees;
- to address an organisation's previous lack of focus on staff development; and
- to target people development resources at those likely to add the greatest value to the organisation.

The expected benefits will provide the criteria for making key decisions and measuring the effectiveness of the program.

Being clear about the organisational benefits will also help communicate the rationale for why some people have access to development opportunities that are currently unavailable to other employees.

What will the program be called?

A talent program's title is a key part of the program 'brand' and is often a topic of debate. Ideally, a program title signals its intent and does not disenfranchise staff who do not fall into the program's target group.

Examples of program titles include 'Leadership Development Program' and 'Accelerated Development Program'.

Target participants

Who will the program target?

The type of employee being targeted by the program is determined by the specific objectives of the program.

The number of program places should be based on:

- the number and range of 'targeted' roles for which program 'graduates' will become candidates;
- the anticipated turnover of incumbents in targeted roles; and
- the anticipated turnover of talent program participants.

What will the nomination criteria be?

Clear nomination criteria assist a potential nominee and their manager assess their suitability for the program. Common nomination criteria include the following.

- **Demonstrated aspiration for the targeted role(s):** Nominees need to be motivated to fill the targeted roles.
- **Demonstrated capabilities:** Nominees should display a certain level of capabilities and attributes necessary to succeed in the targeted role.

  This includes a commitment to and capacity for ongoing development. Nominees with a track record of self-development are more likely to have the energy and focus needed to undertake a development program.
- **Demonstrated engagement:** Nominees need to be able to demonstrate a commitment to the organisation and an interest in building their career with the organisation.
- **A record of certain experiences:** Depending on the type of role being targeted, an organisation may require nominees to have had particular experiences to ensure that they are credible candidates to their staff, peers and key stakeholders.
- **A record of achievement:** Some organisations require nominees to have achieved key work objectives and have met expected performance standards in their current role before being eligible for nomination.

Other criteria commonly include the following.

- **Length of time in current role:** For example, employees who have been in their current role for at least 12 months are more likely to fully understand the organisational environment and context within which it functions. Length of time in a current role can also, but not always, serve as a proxy for commitment to the organisation.
- **Endorsement by their manager:** The nominee's manager plays an integral part in supporting the development of the nominee, so it is critical that they fully support the application.
- **Endorsement by senior leaders:** Senior leaders are typically program sponsors, providing access to resources and assisting nominees to secure developmental experiences, and so need to support a nominee's application.

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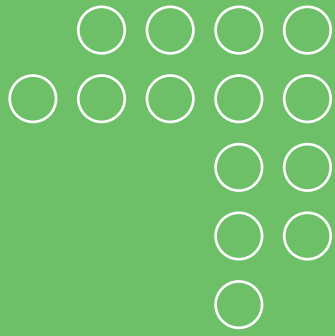
Program design

What will be the key features of the program?

Descriptions of the key aspects of a program typically include the following.

- **Development approach:** The range of development strategies and the proportion of time allocated to each (for example, individual developmental planning, group vs individual work, work experience, training courses, independent project work) will depend on the type of development the program is providing. Typically, a mixture of development strategies is recommended, including:
  - » experiential development (incorporates activities such as special projects, shadowing, secondments, placements and coaching for specific skills development in the workplace);
  - » peer development (includes activities such as mentoring, networks, symposia/colloquia, and learning circles);
  - » 'classroom' based development (includes activities such as off-site workshops and conferences); and
  - » self-directed development (includes structured reading programs and personal research activities).
- **Program length:** Program length varies depending on the type and level of development required by nominees. Typically, programs run from one to three years.
- **Program frequency:** Whether the program is run (for example) annually or once every two years is generally determined by the number of roles for which succession risk is an issue.
- **Time requirements (outside and within working hours):** Time requirements will depend on the availability of the type of employee targeted by the program and their capacity to manage regular work and non-work commitments.

How will the program link with other organisational processes?

Highlighting potential linkages and implications of the program for other organisational processes is critical to reducing any perceived sense of bias or entitlement.

The organisation's policy on key issues would need to consider:

- **selection (and promotional) processes for future job applications**
  - » Will successful program attendance guarantee shortlisting for future role vacancies? (Typically, talent program participants would need to apply for the role according to the organisation's standard application process. Jobs would remain open to a wide candidate field and would not be reserved for talent program participants.)
  - » Can a program participant support their job application with information that has been collected through their assessment of potential? (Typically, organisations allow applicants to submit relevant information from a variety of sources, including development programs and assessments.)
- **performance management and development**
  - » How will a participant's development objectives and associated development strategies link with the organisation's performance management process and strategies? (Typically, the development objectives are one of the inputs into a participant's development plan.)
- **human resource information**
  - » What information arising from the program will end up on a participant's personnel file? (Typically, the nature and focus of a development program is recorded on a personnel file rather than the detail of assessments, events or outcomes.)

Roles and responsibilities

What will be the responsibilities of those involved with the program?

A clear description of the responsibilities of different people involved in the program ensures they are clear on their role and expected contributions. Typical responsibilities include:

- **program participants:**
  - » to display throughout the course of the program a high level of commitment to enhancing their skills and knowledge in the identified development areas
  - » to implement a development plan (with the organisation providing support for the development as appropriate) that identifies and sequences development activities, based upon the assessment of the individuals' development needs in light of the type of role targeted by the program
  - » to fulfil the program's work and time requirements

- **managers of program participants:**
  - » to nominate employees who meet the criteria for the program
  - » to provide support for the program (even in situations where their own staff are not successful applicants)
  - » to maintain an active involvement and interest in the participants' progress and provide support to assist them throughout the length of the program
  - » to provide comprehensive feedback to the nominee on their progress against the development objectives

- **senior managers in the organisation:**
  - » to endorse nominees who best meet the criteria for the program
  - » to advocate for the program and assist in the achievement of its objectives.

Other stakeholders who require a description of responsibilities are likely to include human resources (technical leadership and support), external providers (specialist assessment, training and coaching) and organisations providing secondment opportunities in specific roles and projects.

Nomination process

Who will nominate potential program participants?

Generally, a program participant is likely to be more successful in their development efforts if they are supported by their manager, who is their primary source of feedback, encouragement and development opportunities.

A sound and straightforward nomination process would require that:

- managers nominate appropriate staff members in consultation with the nominees and according to the nomination criteria; and
- the organisation head endorses the nomination.

How will expectations be managed?

Communication mechanisms need to ensure nominating managers are clear on program policies, the nomination processes and the number of people on the program.

To assist manage the expectations of potential nominees and other staff, organisations have also found it beneficial to provide managers with guidelines on what the program does and does not entail, participant responsibilities and the impact on future job selection and promotion opportunities.

Assessment and selection process

What assessment approach will be used?

A number of factors are considered when deciding on the most appropriate assessment tools to provide sufficient information to make judgements on key nomination criteria.

These are likely to include:

- the type and range of capabilities to be assessed;
- the expertise required to apply the assessment tool;
- the time available for conducting the assessment; and
- the resources and finance available to fund the assessment approach.

(See also the fact sheets on 'Identifying staff potential').

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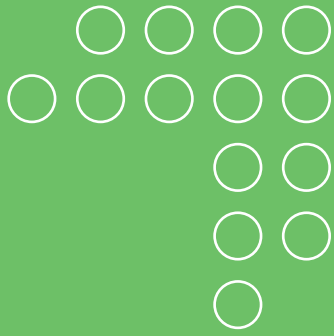
How will the selection decisions be made?

Typically, the organisation's decision makers will review the nominees and make a decision once:

- the assessment information has been collected;
- an evaluation of each nominee's potential has been made; and
- the nominee list is ranked in terms of potential.

The assessment is commonly conducted by the head of the organisation with assistance from the senior management team and/or human resources.

How will selection decisions be communicated to nominees?

The quality and delivery of the feedback to nominees is critical to maintaining commitment to the organisation and their performance.

A suggested approach for providing feedback on the assessment and selection decision:

- The manager of the nominee, once they have received a briefing on the reasons behind the selection decision, explains to the nominee whether or not they have been successful. A prior briefing on the decision will ensure that the manager understands the reasons contributing to the selection decision, maintain the manager's engagement in the process and provide information to guide future nomination suggestions.
- The nominees (both successful and unsuccessful) receive comprehensive feedback on their identified strengths and development needs from a person closely involved in the assessment process.

The provision of feedback to nominees should ensure that they:

- understand why their nomination was successful or unsuccessful (that is, which nomination criteria were scored highly and which were not as strong);
- gain a clear understanding of the key strengths and development areas identified during the assessment process;
- obtain a clear understanding of the actions they could take to address identified key development areas; and
- have their questions and concerns about the assessment and selection process addressed.

Nominees are likely to review the feedback as credible when those providing feedback are:

- knowledgeable and able to answer questions about the roles that the program is targeting, and the assessment and decision making process;
- considerate and professional in their delivery of feedback (that is, provide clear and well-structured feedback, understand the nominee's reactions to disappointing news, convey a sense of optimism and hope about the nominee's ability to take action on development needs); and
- able to provide practical advice and suggestions about how the nominee can address the development areas (so they leave the feedback with clear ideas on what they can do to address the identified development needs).

Evaluation of participants and program effectiveness

How will we know the development activities are having an impact on individual skill development?

It is important to reassess regularly the potential of participants, based on the talent program's initial nomination criteria.

Regular assessment tracks if the development activities are improving staff potential to succeed in the type of role the program is developing them for. It also captures participants' readiness to apply for and succeed in the targeted role.

Participants' development plans should also be regularly reviewed and refined in light of:

- changing nature of the type of role being targeted by the program;
- increase in likelihood that a targeted role may need to be filled in the foreseeable future; and
- progress made by the staff being developed, as well as significant changes in aspiration and engagement.

How will we know the talent program is achieving its objectives?

Depending on the specific purpose of the talent program, a range of metrics can help track if the initiative is achieving its objectives.

Table 1. Example metrics to track performance on talent program objectives

Metric	How to interpret	Talent program objectives		
		Reduce succession risk for targeted roles	**Strengthen internal candidate pool for targeted roles**	**Improve employment brand of 'growing your own' employees**
Talent pool coverage rate: – number of identified talent pool participants who are ready now, as a percentage of the total number of targeted roles – number of identified talent pool participants who will be ready within the next two to three years, as a percentage of the total number of targeted roles.	The figure will be a percentage either below or above 100%. Figures below 100% indicate that there are more roles than identified talent pool participants. Figures above 100% indicate that there are more identified talent pool participants than roles. To reduce succession risk, organisations should aim for a value range close to 100%, taking into account: • anticipated turnover of critical role incumbents – for low turnover, talent pool coverage of less than 100% may be preferable so that expectations of talent pool participants for moving into the role can be met; and • anticipated turnover of identified talent pool participants – for high turnover, talent pool coverage of greater than 100% may be preferable so that periods of high vacancy rates can be filled.	✓ ✓	✓ ✓	
Talent pool placement rate: – number of talent pool participants who are appointed to a particular type of critical role, as a percentage of the total number of appointments to the type of role.	The figure will be a percentage ranging up to 100%. Figures close to 100% indicate that most critical role vacancies are being filled from the talent pool. If an organisation has decided to rely on internal talent pools to address succession risks, then a higher percentage ideally indicates that this strategy is effective. However, if there is also a high turnover rate of new appointees, then the talent pool may not be as effective as it seems.	✓	✓	✓
Internal placement rate: – number of internal hires as a percentage of all hires (internal and external).	The figure will be a percentage ranging up to 100%. Figures close to zero indicate that most critical role vacancies are not being filled internally. This may suggest lower potential of existing staff to fill critical vacancies, which may indicate increased succession risk. However, past indicators may not always accurately predict future trends (changes in economic conditions and/or organisational direction will influence application decisions).		✓	✓

Addressing common risks and concerns

What will be the most likely risks and how will they be addressed?

Implementing a talent program can be very effective at mitigating succession risk. However, it can carry a number of risks of its own.

Common risks and concerns associated with targeted development programs include the following.

- **Managers may not put forward their high potential talent for the program:** For talent programs to be successful, it is important to gain the buy-in of managers. Most of the concerns managers express revolve around not knowing how the program will work in practice, or the benefits they will derive. The best way to address these concerns is to ensure managers:
  - » contribute to the design of the program and its processes;
  - » are clear about the program's purpose, structure, content, and the time commitment of participants; and
  - » are rewarded for their active support of it.

- **Staff not eligible for the program do not feel valued:** To address this risk, organisations can clearly communicate the purpose of the program and why it is being introduced for specific roles. Organisations can also make available (and promote widely) the other development activities/opportunities available to staff across the organisation.

  An alternative method for addressing this risk is not to openly communicate the program's existence and identification of a talent pool. However, keeping a program secret can create suspicion among staff, who often respond by generating their own versions of its purpose.

- **Confusion about why some people are selected or not selected:** To address this risk, organisations need to develop and follow clear protocols for communicating selection decision feedback in line with published selection criteria. Feedback for both successful and unsuccessful nominees should contain information about

strengths and weaknesses. It is also useful to highlight that staff potential can change with new experiences, so the assessment result is valid only for a certain point in time.

- **Staff not accepted into the program become disengaged:** Letting people know they have not been selected for a talent program is never easy. The following can help maintain the engagement of unsuccessful applicants:
  - » ensure applicants are clear about the program selection criteria and process (for example, who makes the selection decision);
  - » communicate selection decisions in ways that ensure the information can be of value to the recipient, highlighting, for example, their strengths and development areas against the selection criteria, ideas on how they could address the development areas, feedback on whether they should reapply for the program; and
  - » provide feedback in one or more face-to-face meetings with someone who understands the decision, its rationale and the process used, and is able to help develop a plan for future career and personal development.

- **The development program is perceived as contradicting the merit principle for employment:** Communicating widely across the organisation about the existence of the initiative, its purpose, application processes and selection criteria will help provide transparency and demonstrate how the merit principle is being applied. Organisations can note that participants are not guaranteed promotion into the type of role targeted by the program, nor are non-participants excluded from applying for target roles.

- **Participants develop an unrealistic sense of entitlement:** Clear communication across the organisation about what the program entails (that is, opportunities for development), what it does not entail (that is, no guarantee of a promotion to a specific role) and a participant's responsibilities (for example, to participate in particular events, to demonstrate minimum levels of aspiration, engagement, capability growth) is an effective strategy to address this risk.

It is also important to be specific about how participation on the program does (or, more importantly, does not) impact on other organisational processes such as selection, performance appraisal and regular training activities.

- **Staff moved off the program become disengaged or disruptive:** Disengagement tends to only be a concern where a participant's removal from the program comes as a surprise to them. This is often because the participant is not clear about their responsibilities and they have not received specific feedback on where they are falling short.

The impact of potential disengagement can be reduced by ensuring:

- participants' expectations about their responsibilities are clear from the start of the program and are regularly reinforced;
- the consequences of not meeting program responsibilities are clear (that is, participants are exited from the program); and
- there are clear policies/protocols for how disengagement is managed; some programs model their approach on how the overall organisation manages staff performance issues in general (that is, clearly signalling concerns, developing suitable remedial and support processes, treating the removal decision as the step that is taken only after all other avenues have been exhausted).

Mitigating succession risk

Succession risk management addresses the possibility that a vacancy in a critical role will not be filled satisfactorily within an acceptable timeframe. This situation arises when there is a misalignment between an organisation's critical roles and the capacity of its people to perform these roles.

The management of succession risk is fundamental to ensuring an organisation can continue to meet the demands placed upon it, despite the inevitable turnover of employees in critical roles.

The key task of succession risk management is to conduct regular and structured discussions about the following five steps:

Understand context → Identify possible risks → Prioritise risks → Target mitigation activities → Review

The SSA's *Succession Risk Management Toolkit* provides a framework for these discussions, and is available to download from our website www.ssa.vic.gov.au

This template is available to download from our website: **www.ssa.vic.gov.au**

Document author(s):	
Date completed:	
Endorsed by:	

Name of Initiative

1. Objectives and rationale	Description
What are the objectives of the program (how will the organisation benefit)?	
Why do we need a high potential program?	

2. Target participants	Description
Who is the program targeting and how many employees are being considered?	
What are appropriate nomination criteria?	

3. Program Design	Description
What are the aspects of the program?	
• Program length	
• Program frequency	
• Time requirements (outside and within working hours)	
• Development approach	

How does the program link with other organisational processes?	Description
• Will successful program attendance guarantee shortlisting for future role vacancies?	
• Can a program participant support their job application with assessment information that has been collected through their assessment of potential?	
• How will a participant's development objectives and associated development strategies link with the organisation's performance management process and strategies?	
• What information arising from the program will end up on a participant's personnel file?	

4. Roles and responsibilities	Description
What are the responsibilities of those involved with the program?	
• Program participants	
• Managers of program participants	
• Senior managers in the organisation	
• Human resources	
• Other	

5. Nomination process	Description
Who nominates potential program participants?	
How can managers best manage expectations?	

6. Assessment and selection	Description
What assessment approach will be used?	
How will the selection decision be made?	
How should selection decisions be communicated to nominees?	

7. Evaluation of participants and program effectiveness	Description
How will we know the development activities are having an impact on individual skill development?	
How will we know the talent program is achieving its objectives?	
How will we know the initiative is achieving its objectives?	

8. Risk management – addressing common risks and concerns	Description
What will be the most likely risks and how will we address these?	

9. Other notes

The Victorian Government has vested the State Services Authority (SSA) with functions designed to foster the development of an efficient, integrated and responsive public sector which is highly ethical, accountable and professional in the ways it delivers services to the Victorian community.

The key functions of the Authority are to:

- identify opportunities to improve the delivery and integration of government services and report on service delivery outcomes and standards;
- promote high standards of integrity and conduct in the public sector;
- strengthen the professionalism and adaptability of the public sector; and
- promote high standards of governance, accountability and performance for public entities.

The Authority seeks to achieve its charter by working closely and collaboratively with public sector departments and agencies.

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