

# Navigating Pennsylvania's Dynamic Workforce: Succession Planning in a Complex Environment

By Kimberly A. Helton and Robert D. Jackson

## Authors' note:

*The authors would like to acknowledge the helpful contributions to this article by Daniel Ray, who is a human resource analyst in the Workforce Planning and Performance Division of the Pennsylvania Governor's Office of Administration.*

Through its workforce and succession planning efforts, Pennsylvania is committed to proactively identifying, preparing for and maintaining pools of well-trained and motivated state government employees to assume critical positions of leadership. But the concept of leadership extends beyond senior-level positions within agencies. The goal in Pennsylvania is to improve leadership capabilities in every work unit and to encourage all employees to use their skills to build stronger teams. *Leadership at all levels* means equipping employees with the tools, skills and expectations to communicate effectively and foster leadership at every organizational level. Leadership at all levels ensures that no lack of business continuity results from staff departures such as retirements, resignations, promotions or reassignments or other situations in which an individual is unable to or unwilling to continue his or her role within an organization.

As a follow-up to the case study "Pennsylvania's Changing Workforce: Planning Today With Tomorrow's Vision" (*Public Personnel Management*, Vol. 33, No. 4, Winter 2004), this article advances workforce planning and details the manner in which the commonwealth actualizes sound succession planning principles and practices.

## What is Succession Planning?

Although succession planning in its most basic form is simple to define ("identifying future leaders"), it is squarely rooted in human capital strategy as an intentional process "to ensure leadership continuity in key positions, retain and develop intellectual capital and knowledge capital for the future, and encourage individual advancement."<sup>1</sup>

Often thought of as a relatively recent initiative, a form of succession planning was described as early as 1916 when Henri Fayol, a turn-of-the-century French management theorist, wrote 14 general management principles in the classic *Administration Industrielle et Générale (General and Industrial Management)*. Fayol called for properly prepared personnel because high turnover decreases efficiency.<sup>2</sup>

The Commonwealth of Pennsylvania defines succession planning as an ongoing process that identifies necessary competencies and then works to assess, develop and retain a pool of talented employees in order to ensure a continuity of leadership for all critical positions. Succession planning is a specific strategy that spells out the particular steps to be followed to achieve the agency's mission, goals and initiatives identified in workforce planning. It is a plan that managers can follow, implement and customize to meet the needs of their department, bureau and/or division.

### **How do Workforce Planning and Succession Planning Differ?**

Workforce planning is usually considered to be a broad plan that impacts an organization's entire workforce. The International Public Management Association for Human Resources (IPMA-HR) defines workforce planning as "the strategic alignment of an organization's human capital with its business direction. It is a methodical process of analyzing the current workforce, determining future workforce needs, identifying the gap between the present and future and implementing solutions so the organization can accomplish its mission, goals and objectives."<sup>3</sup>

After critical job needs of an organization have been identified through workforce planning initiatives, the succession planning process provides a proactive and future-focused step-by-step methodology for organization leaders to assess, evaluate and develop a pool of talented individuals who are willing and able to fill positions when needed.

### **Why is Succession Planning Important?**

Many of today's human capital challenges are relatively new. A succession plan must be seriously considered now because issues like nontraditional working arrangements such as telecommuting, the multigenerational workforce and the coming talent shortage did not exist in earlier decades.

As a tool to meet future staffing needs, succession planning takes the quantity of available candidates into consideration and also focuses on the quality of the candidates by addressing competencies and skills gaps. Succession planning also provides leaders with a strategy to tap into institutional knowledge that would otherwise be lost due to retirement, promotion and general attrition.

### **What are the Benefits of Succession Planning?**

An effective succession planning strategy provides many benefits to not only the organization, but also to its employees. Six fundamental benefits are that it

1. Enables the organization to assess its talent needs by establishing competency models or job descriptions.
2. Allows leaders to identify and tap (in record time) key people who are available to fill critical work functions.
3. Provides avenues for present and future succession planning and discussions about how to develop talent.
4. Defines career pathways for employees to increase the breadth and depth of their organizational knowledge.
5. Provides for a higher return on investment from employees.
6. Leads to the appropriate promotion of people to meet organizational goals.<sup>4</sup>

## **Pennsylvania's Succession Planning Challenges**

Through the workforce planning process, organizations learn headcount, but do they really know the complexity and composition of their workforce and what future demographic challenges could arise. When planning to meet future personnel needs, organizations must consider where employees are in the trajectory of their career (onboarding, mid-career, leaving the workforce), and who and which competencies are at risk whether through demographic shifts or changing skill needs.”<sup>5</sup>

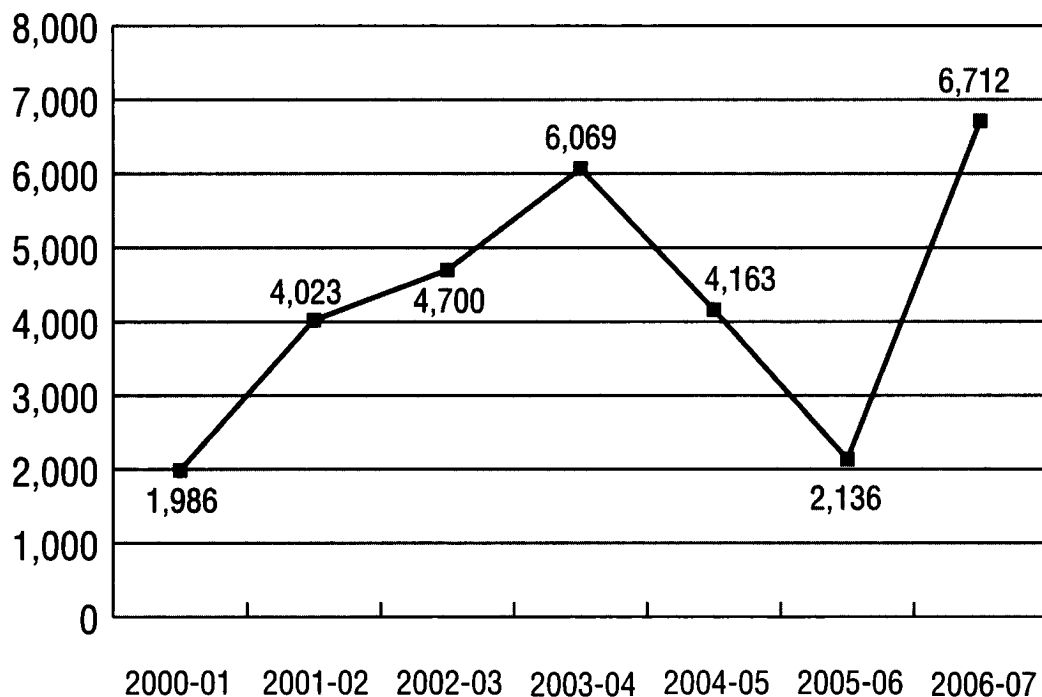
The Commonwealth of Pennsylvania provides services to more than 12.2 million citizens. Pennsylvania's governmental workforce consists of approximately 82,000 filled salaried and wage employees that work in 38 agencies, boards and commissions that are under the governor's jurisdiction. Each employee's job falls into one of more than 2,800 classifications, ranging, for example, from accountant, corrections officer, nurse and information technology professional to museum curator, apiary inspector, bridge inspection crane technician, elevator inspector, entomologist, helicopter mechanic and lifeguard.

The average age of a full-time permanent salaried worker is 46 years, and the average length of service is 13 years. Sixty-nine percent of state employees are covered by a merit (civil service) system, and 82 percent are represented by one of 17 authorized unions.

While the Commonwealth of Pennsylvania has been involved with workforce planning since the mid-1990s, this topic has received increased attention, especially during the last five years. This is due primarily to changing demographics, the retiring baby boomer generation and recent changes to the commonwealth's collective bargaining agreements, which have resulted in heightened retirement activity during several recent years. As of August 2007, almost 13 percent of salaried employees under the governor's jurisdiction were eligible to retire and more than 28 percent will be eligible to retire within four years.

Moreover, the commonwealth experienced the greatest number of retirements (6,712) in its history during fiscal year 2006-07. As Figure 1 illustrates, the number of retirements has increased significantly over the previous two fiscal years.

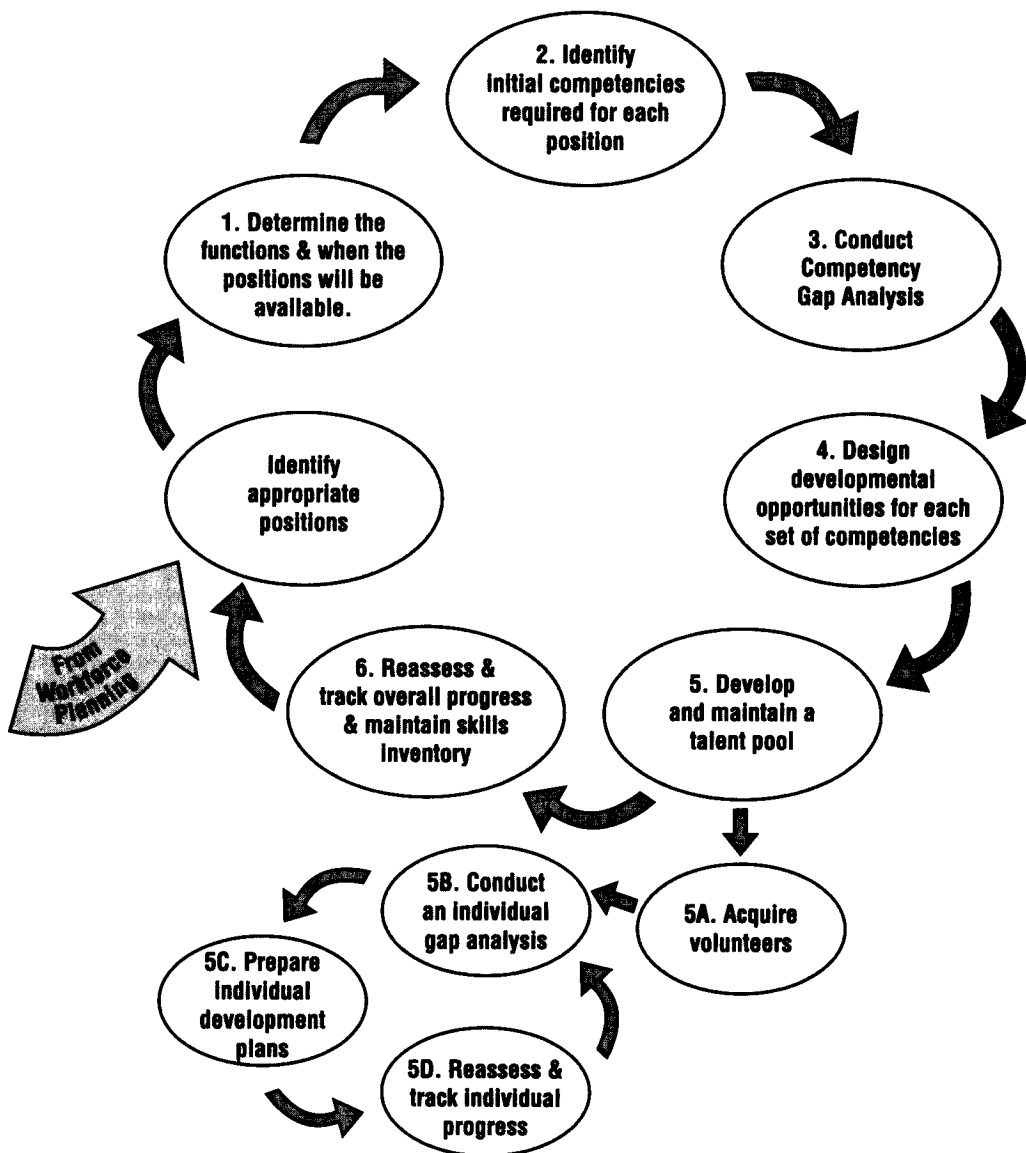
**Figure 1: Trend of Commonwealth Retirements as of July 2007**



### **Pennsylvania's Succession Planning Framework and Model**

To address the needs identified through workforce projections, Pennsylvania has developed the succession planning model shown in Figure 2, which is as an integral component of the commonwealth's workforce planning model. For more information on the workforce planning model as it links to the succession planning model, refer to the *Public Personnel Management* article "Pennsylvania's Changing Workforce: Planning Today with Tomorrow's Vision."

**Figure 2: Commonwealth Succession Planning Model**



The Commonwealth Succession Planning Model consists of six primary steps:

1. Identify functions and when positions are expected to be available.
  - Utilize workforce planning tools to determine potential turnover in critical positions.
  - Review position functions and anticipated future work requirements.
  - Fully understand how real and anticipated changes in functions and new technologies will impact future job requirements.

2. Identify initial competencies required for each position.
  - Determine the skills, knowledge, ability and behaviors that contribute to exemplary job performance.
3. Conduct a Competency Gap Analysis.
  - Identify the job competencies that will be required for future positions in the organization.
  - Determine the type of tool needed to gather data regarding whether current employees possess the competencies that will be required for the identified positions.
  - Analyze the difference (if any) between current employee competencies and future organizational needs.
  - Document findings and indicate gaps, i.e. competencies, for which developmental opportunities should be identified.
4. Design developmental opportunities for each set of competencies.
  - Tailor opportunities to develop each of the competency sets to meet the needs of the organization, individual(s) and future work requirements.
5. Develop and maintain a talent pool.
  - Acquire volunteers interested in further development.
  - Conduct an individual gap analysis.
  - Prepare individual development plans.
  - Reassess and track individual progress.
6. Reassess and track overall progress and maintain a skills inventory.
  - Continually monitor skills and needs to determine any gaps and develop plans to meet deficiencies.
  - Track individual progress over time for reporting purposes and modify developmental opportunities as needed.
  - Inventory current and future needs and maintain that information for individual and group development.

## **Workforce and Succession Planning Tools**

In addition to the succession planning model, a retirement projection tool, an enhanced employee mobility program and an annual workforce and succession management plan template were developed to assist the state with its workforce and succession planning efforts.

The retirement projection tool was deployed to state agencies in August of 2002. While it is used predominantly for workforce planning purposes, the data collected with this instrument is vital for Pennsylvania's succession planning efforts. The retirement projection tool was designed to calculate retirement eligibility based on an employee's years of service and/or age. An ad hoc query feature was added to allow for

the generation of agency specific reports by personnel area, organization and/or job code. The reports provide individual and organizational summary data on employees who are eligible to retire now or within one to four years.

The employee mobility program was deployed to state government agencies in January 2007 in order to establish consistent practices for collecting data on employees entering and exiting the commonwealth's workforce, as well as those transferring between organizations and agencies. Data collected are used to identify employee preferences and address systemic issues that lead to employee turnover. Affected employees are notified electronically and invited to respond to the appropriate survey. The primary intent of collecting such extensive data from the surveys is to conduct trend analyses to assist agencies and the commonwealth in developing enhanced recruitment and retention strategies. The information provided through these surveys is confidential unless the information disclosed reveals harassment or other illegal or discriminatory activity.

A workforce and succession management plan is required to be completed by agencies on an annual basis. In addition to the plans detailing information on current agency demographics and future workforce needs, a section is devoted specifically to capturing employee development needs that must be addressed to prepare the agency's workforce for future changes. Agencies are provided with a template to complete each fiscal year. Completed agency plans are assimilated into a comprehensive Commonwealth Workforce and Succession Management Plan.

## **Examples of Successful Commonwealth Developmental Programs**

One key benefit of succession planning upon which the commonwealth of Pennsylvania has successfully capitalized is establishing a talent pipeline through a variety of internship-type leadership development initiatives. Examples of such initiatives have included the Human Resource Management Trainee, Grow Your Own Nurse, Human Service Program Associate Trainee, Information Technology Associate, and Civil Engineer Trainee programs. As the workforce planning process reveals a need, additional developmental programs will be established.

Pennsylvania also has in place a very successful developmental program that attracts master's degree graduates into state government and another program that is integral in retaining and promoting current high-potential female commonwealth employees.

The Pennsylvania Management Associate Program (PMAP) has played a vital role in developing highly effective managers and innovative leaders throughout state government since its inception in 1981.

Each year, master's degree graduates who achieve high scores in civil service testing and meet other requirements are hired in the working class title of Pennsylvania Management Associate (PMA) to complete an 18-month management development program. A twelve-month on-the-job management training program is followed by a six-month probationary period in an agency where associates will begin their career

leading to mid- and upper-level management positions within state government.

During the program, associates participate in intensive on-the-job and specialized training, rotational assignments, and other developmental activities and opportunities. Graduates of the program are well equipped to meet the challenges of public service, ensuring that Pennsylvania will have effective and innovative managers in its succession pool. Components of the associates' development are

1. Rotational Assignments

Through a series of six rotating work assignments of six weeks each, associates are exposed to a myriad of important issues in public management. These assignments include comprehensive orientations to the functional area responsibilities, organizational structure and program areas of the hosting agencies. Projects are assigned to further enhance the associate's knowledge and understanding of how the commonwealth functions. Measurement models written by PMAs have been adopted by the federal government, while results of research reports and other work products have been implemented by state agencies.

The initial rotation is served with the agency that funds an associate's position for the first year. After the initial rotation, associates are free to rotate through five other agencies that are under the jurisdiction of the governor of Pennsylvania. Core rotation assignments are served in policy, budget, enterprise management and human resources venues.

2. Management Issue Team Projects

While rotation assignments provide specific experiences in a staff or program area, management issue projects offer experience in project management on topics of an interagency nature. By working on team projects, associates strengthen their team development, management, report writing, research, and presentation skills.

Projects begin in September and continue until May each year, with three to four associates making up a team. Working with a panel of senior managers, the teams research management issues submitted by agencies and present progress reports. A formal written report with analysis and recommendations is submitted to the project advisor at the end of the project.

3. Agency Briefings

To help round out the macro perspective of the commonwealth, the PMAP provides associates with agency briefings conducted by executive staff from the agencies that fund the PMAs. These briefings familiarize the associates with an agency's entire operation and staff needed to carry out its objectives. Agency briefings occur during the annual July orientation.

#### 4. Management Development Training

The goal of developing career managers is further accomplished through educational opportunities presented to the associates throughout the program. Training on a variety of management-related topics is delivered by experienced commonwealth managers, subject matter experts and training consultants.

#### 5. Placement Process

The placement process begins in the spring of each year when associates' resumes are provided to all agencies under the governor's jurisdiction. Agencies interested in hiring a PMA assess their present and future workforce needs. Then they examine the PMA's resumes and submit positions appropriate to the competencies and specialties of the associates. Interviews are conducted in May, and associates move into their targeted placement agency in late June.

More than 400 people have successfully completed the management training program, and many graduates are now serving in high-ranking positions of distinction, including policy director, deputy secretary and executive director. Agency executives throughout state government regard this long-standing management development program as a valuable resource for recruiting qualified professionals into public service.

Through research and collaboration with several state agencies, three PMA management issue project teams developed the framework for both the workforce and succession planning models referenced in this article, as well as the commonwealth's popular Children's Health Insurance Program. Other team projects that have had a major impact on the commonwealth include a study of the impact of the existing transportation system on the economic development of Pennsylvania and providing commonwealth geospatial data to local governments to facilitate sound land use planning.

Another successful commonwealth development program is the Leadership Development Institute for Women in State Government (LDI). It was established in 1993 to provide development opportunities for women who exhibit leadership potential and demonstrate the ability to succeed in positions of greater responsibility within the commonwealth. The LDI program bolsters agency succession pools by ensuring there is a group of women who are prepared to assume future key leadership roles.

Participants are chosen through a nomination process in which the head of each agency under the governor's jurisdiction submits the names of women to participate in the program. Generally, LDI participants have management-level experience and performance ratings that consistently exceed position requirements.

Each LDI class member attends one- or two-day monthly sessions from March through October. The sessions address issues that guide the women in transitioning from managers to leaders. LDI participants learn current leadership theories, concepts, models and techniques through presentations, discussions, self-assessment

instruments, executive interviews, book discussions, case studies, networking and workshops.

Demand for enrollments always exceeds the class maximums that have ranged from 30 to 75 participants each year. More than 700 women have graduated from the LDI program.

As with the PMAP program, many LDI graduates are also in high-ranking positions, including chief counsel, superintendent and deputy secretary. Many agency executives emphasize the value of this LDI program as “transformational” and “a confidence-builder” for its female graduates.

## **Knowledge Management and Transfer**

The key to any succession planning effort is focusing attention on knowledge management and transfer efforts. In Pennsylvania, knowledge management is defined as the process of creating, identifying, capturing and distributing organizational knowledge to the people who need it. A Web site was created to assist agencies with their knowledge management and transfer efforts. Due to organizational changes, restructuring and changing workforce demographics, agencies have lost some of their valued history and cultural norms. An organization's ability to create, acquire, process, maintain and retain old and new knowledge in the face of complexity, uncertainty and rapid change is critical. Examples of knowledge transfer within Pennsylvania include documenting core business processes, engaging in business or corporate storytelling, cross-training, job shadowing, mentoring, sharing of best practices and lessons learned and job rotations, etc.

To facilitate the transfer of knowledge in cases where adequate time is not available prior to retirement, Pennsylvania's existing Retirement Code permits the reemployment of retirees on an emergency basis. The use of retirees is an important part of supplementing our existing workforce and is critical to addressing the short-term workforce needs of our agencies within the context of the law. The annuitant program is intended to serve as an interim solution while an agency develops and implements a permanent solution.

## **Future Succession Planning Initiatives**

The commonwealth recognizes that additional steps are needed in order to continuously improve its succession planning efforts. Several initiatives to be addressed in the future are

- Expanding the development of targeted programs to address hiring hard-to-fill positions or occupations that are expected to experience high rates of turnover.
- Collaborating with Pennsylvania government agencies to assess workforce development needs as they pertain to succession planning and modify the commonwealth's enterprise course catalog of scheduled offerings where appropriate.

- Assessing the degree to which competency models are being utilized by Pennsylvania government agencies for succession planning purposes and developing an enterprise approach or methodology, if necessary.
- Assisting agencies with the formation of employee individual development plans.
- Developing a keystone academy for learning to equip employees with skills needed to be future leaders at all levels within Pennsylvania.
- Developing a mentoring framework and Web site to enhance the commonwealth's efforts in this area.

In order for succession planning to succeed, individuals must be properly prepared for promotion and fully qualified to assume leadership roles. This is where the organization has an obligation to not only identify high-performing employees who exhibit high potential, but to also help further develop possible successors through additional training, education and development.<sup>6</sup>

## Conclusion

The authors have illustrated how Commonwealth of Pennsylvania's succession planning efforts are intentionally dynamic—intense, vigorous and agile—in order to keep pace with the demographic, technological and organizational changes in the commonwealth's workforce.

The commonwealth's workforce must continue to serve its constituents, the taxpaying residents of the Keystone State, in the most effective, efficient and prudent manner possible. By strategizing, planning and implementing proven succession initiatives and programs, commonwealth employees will be able to seamlessly continue to provide the level of services Pennsylvanians have come to expect and deserve.

For additional information on Pennsylvania's workforce and succession planning efforts, visit the Bureau of Workforce Planning and Development at <http://www.bwprd.state.pa.us>.

## Notes

- <sup>1</sup> Rothwell, W. J. (2005). *Effective succession planning: Ensuring leadership continuity and building talent from within* (3rd ed.). New York: Amacom.
- <sup>2</sup> Fayol, H. (1949). *General and industrial management*. London: Pitman. (Original work published 1916).
- <sup>3</sup> International Personnel Management Association. (2002). *Workforce Planning Resource Guide for Public Sector Human Resource Professionals*. Alexandria, VA.
- <sup>4</sup> Rothwell, W. J., Jackson, R. D., Knight, S. C., & Lindholm, J. E. (2005). *Career planning and succession management: Developing your organization's talent—for today and tomorrow*. Westport, CT: Praeger.
- <sup>5</sup> Ringo, T. & Lesser, E. (2007, July). New considerations for managing retirement and succession planning. *Talent Management*, 3, 40.

<sup>6</sup> Rothwell, W. J. (2005). *Effective succession planning: Ensuring leadership continuity and building talent from within*. 3rd ed. New York: Amacom.

## Authors

### **Kimberly A. Helton**

Director  
Bureau of Workforce Planning and Development  
Governor's Office of Administration  
Commonwealth of Pennsylvania  
517 Finance Building  
Harrisburg, PA 17120  
(717) 787-3813  
khelton@state.pa.us

### **Robert D. Jackson**

Director  
Pennsylvania Management Associate Program  
Human Resource Development Division  
Bureau of Workforce Planning and Development  
Governor's Office of Administration  
Commonwealth of Pennsylvania  
511 Finance Building  
Harrisburg PA 17120  
(717) 705-5664  
robjackson@state.pa.us

**Kimberly A. Helton** is director of the Commonwealth of Pennsylvania's Bureau of Workforce Planning and Development in the Governor's Office of Administration. She establishes policy, provides programmatic direction and leads enterprise-wide workforce and succession planning strategies, as well as human resource development initiatives for the commonwealth. Helton previously served as the director of human resources, as well as the director of knowledge management and training for the Pennsylvania State Employees' Retirement System. She holds a B.S. degree in organizational behavior and applied psychology from Albright College. Helton has been an internal consultant for organizational development and strategic planning initiatives. She has addressed several IPMA-HR national and local conferences on a variety of management topics, including human resources, knowledge transfer and emotional intelligence. She is currently serving as Pennsylvania's representative on the National Association of State Personnel Executives' Workforce of the Future Taskforce, and she coauthored an article titled "Pennsylvania's Changing Workforce: Planning Today With Tomorrow's Vision" for a special issue of IPMA-HR's *Public Personnel Management* (Vol. 33, No. 4, Winter 2004, pp. 459-472) on workforce and succession planning.

**Robert D. Jackson** is the director of the Pennsylvania Management Associate Program in the Commonwealth of Pennsylvania's Governor's Office of Administration. Prior to this, he was the senior consultant for career development in the Pennsylvania Department of Transportation's Center for Performance Excellence. Jackson is also an adjunct instructor in the training and development master's program at Pennsylvania State University at Harrisburg. He is a doctoral candidate in workforce education and development in Pennsylvania State University's Learning and Performance Systems Program in University Park, PA. He holds a master's degree in education with a specialization in training and development from Penn State—Harrisburg. Jackson was granted life member status in the Central Pennsylvania Chapter of the American Society for Training and Development, where he served two separate terms as president. He is a coauthor of *Career Planning and Succession Management: Developing Your Organization's Talent—for Today and Tomorrow*, which was published by Praeger in 2005.