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PRESIDENT'S PAGE

FMA National President
Patricia Niehaus

The Strength of FMA and You!

Furlough is a reality for many of us, certainly in the Department of Defense where most employees are being furloughed for up to eleven days beginning in July and continuing through September. I received my notice this week. Even though we were not successful in preventing this action, FMA lobbied fervently against it and your voice was heard. FMA will continue to speak up and represent you in the days and months ahead as we learn to live with the aftermath of the sequester.

At our National Convention this past March, I made a suggestion that I'd like to ask you to seriously consider. Since many of us will have an "extra" day off each week, why don't you plan to spend it visiting your Senators and Representative in their local offices? I think this is an ideal way to show them how their lack of action to prevent this unreasonable penalty for federal employees impacts your families, your missions, your employees and your communities. We do not live in a vacuum – when government employees lose a significant portion of their salaries, it impacts much more than "just" government employees. My home chapter is discussing a road trip on one of our furlough days for FMA members to meet with their Representative. Please keep the National Office informed of your visits: take pictures for our website and the next issue of the magazine; write letters to the editors of your local newspapers; and, contact other local media to share with them your stories.

Recently, I've been asked "Why should I join FMA now? What good would it do?" My answer: there is no *more* important time to join together than now! Federal managers have never been under attack the way we are now. Our voice needs to be heard and there has proven to be strength in numbers! We not only need to be members in this great Association, we need to be ACTIVE members. When you get emails from Greg Stanford and Katie Maddocks of FMA's Government Affairs Department, please read the information they're sharing, and pass that information along to your colleagues. Go to our website and send those action letters to your Members of Congress. Don't just sit back and ask, "What is FMA doing for me?" Ask yourselves, "What am I doing for FMA?" Now is NOT the time to be passive, it is time to take a stand and to express yourself! FMA is here to help you do just that. Let the National Office know if your agency has a policy against their members speaking publicly about issues pertaining to their jobs and their missions. We can speak for you, but we need your input. As long as you're not utilizing work- or on-duty time, no agency can prevent you from writing to your Members of Congress as a member of FMA to express your opinion of the representation they're providing you, your fellow feds, and your families.

On another important note, at my first FMA National Convention, I distinctly remember Steve Bauer from the Federal Employee Education & Assistance (FEEA) Fund talking about the work FEEA does for the Association and for feds in general. One of the things he mentioned that made a huge impression on me was the Murrah Building Scholarship Fund where every child who lost a parent who was a federal employee in that building when it was bombed would receive a full scholarship to the college of their choice. FEEA was there in Oklahoma for feds then and was there for feds more recently when that horrendous string of hurricanes hit. I'd like to ask you personally to consider supporting FEEA and your fellow feds; ANY contribution will help, and you can become a "Friend of FEEA" for only $150/year or $12.50/month.

I hope you have a wonderful summer. Please take time to enjoy your families and friends. ▪

Succession Planning
The Federal Government Imperative

By John Mattone

Background

Having *great leaders* and a bench of *future great leaders* is the foundation for building and sustaining a *great nation*. Although this has always been true, never in recent history has the need for outstanding government leaders been more important than it is today. In the midst of domestic and global political uncertainty as well as threats to national security, the U.S. government urgently needs leaders who possess both a strong "inner-core" of character and conviction and "outer-core" of leadership capability who can think creatively, but critically, strategize effectively and respond with speed and competence to high-pressure situations. If its current leader identification and development practices do not change quickly, the U.S. government will soon lack the executive strength required to meet its objectives.

Federal agencies' current succession planning processes are insufficient to do the job. The talent gap is growing daily between the skills and competencies required for senior leadership success and the current skills and competencies of those individuals who need to be prepared to assume those senior leadership roles when they become available. Adding complexity to the sheer "readiness" issue associated with developing future leaders and senior leaders are the indisputable demographic issues with which all agencies are faced. By some estimates, up to 70 percent of the Senior Executive Service is currently eligible to retire, while Generation X managers (i.e., born between 1965 and 1982) are in short supply and Generation Y employees (i.e., born between 1982 and 2000) are not ready to assume leadership roles. In addition, changes in the federal pension system in the 1980s have made it easier for executives to leave senior positions, while downsizing during the 1990s decreased the federal workforce by half a million workers, depriving the government access to some of the best and the brightest. Therefore, the succession planning and management challenges in the federal government clearly are about the insufficient supply and inadequate quality and readiness of future senior leaders.

The news is not all bad: there are a number of agencies that have improved their succession planning practices and have taken positive steps to address their leadership pipeline issues. Three agencies that have made significant progress are the CIA, National Aeronautics and Space Administration (NASA), and the Government Accountability Office (GAO). Others, such as the Department of Defense, Department of Health and Human Services and Internal Revenue Service, have launched major projects to improve their succession planning practices. The record is mixed across government, however, with little question that considerable work remains to be done.

There is much that can and must be done at the agency level. As part of a well-crafted succession planning and leadership development program, innovative practices such as assessment

and job simulation, job rotation, and leadership development through coaching, mentoring, and action-learning projects must be implemented. All of these practices will be required to increase the speed with which agencies develop their leaders and future leaders, certainly as a means to addressing their talent gap but most importantly as a means to helping their agency preserve the strength, vibrancy, and security of the nation. While many agencies have taken positive strides to acquire and develop some of the tools they will need to help them achieve their talent and strategic goals, there is still the more critical challenge of putting these and other innovative tools to use in a structured manner to build an enduring leadership succession program. One way to achieve this is by starting with a strong, compelling *Succession Management Value Proposition*.

The "Stealth Fighter" Model: The Power of Your Succession Management Value Proposition

The "Stealth Fighter" Model offers a compelling, symbolic way to understand the predictive relationships that exist between critical human capital/succession management processes (the 4 D's), critical "leading indicators" (capability, commitment and alignment – more on these later), intermediate outcomes and ultimate outcomes. The 4 D's essentially act as the four turbo-charged engines that propel the "Stealth Fighter" towards its target – defined as an agencies "Future Desired State" and the required leadership competencies to execute both the current and future strategy. By way of analogy – if the four engines are "well oiled," functioning at a high level (i.e., optimized), and working together (i.e., integrated), they will propel the "Stealth" towards its goal.

In practical terms, an organization's

The "Stealth Fighter" Model
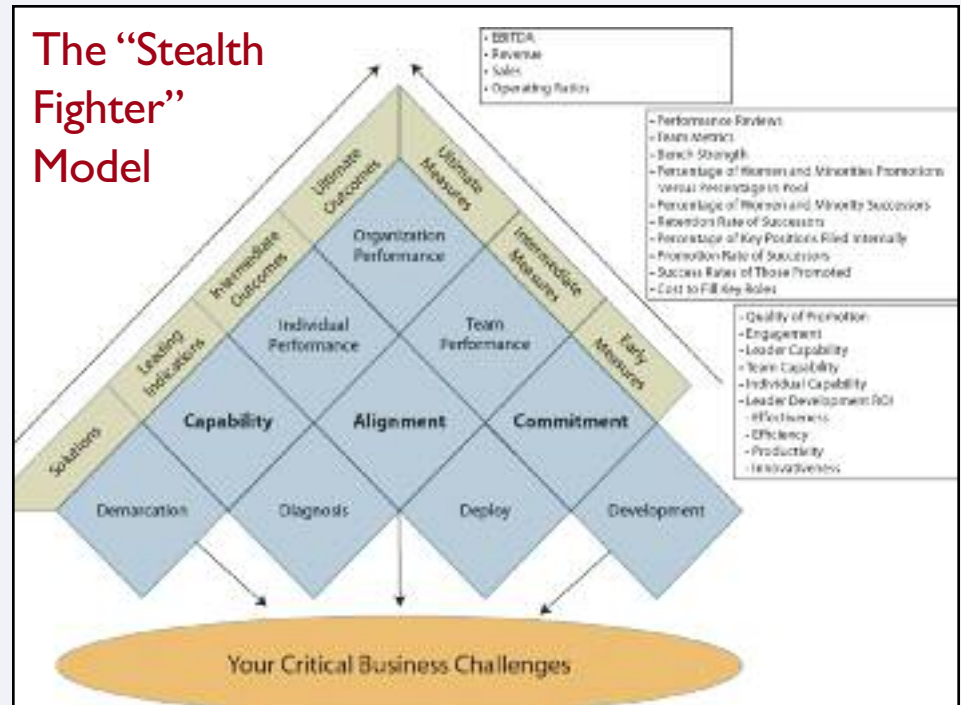
Succession Management Value Proposition (SMVP) is the holistic sum of the following practices: (1) *Demarcation* – performance management; (2) *Diagnosis* – objective assessment leaders and potential leaders; (3) *Deployment* – structured meetings to calibrate capability, determine development options, and implement these assessments; and (4) *Development* – coaching, on-the-job development and training programs, and their relative impact on multiple levels of agencies outcome. Development involves **capability, commitment** and **alignment.** Intermediate outcomes include: individual and team performance; bench strength; percentage of women and minorities promotions versus percentage in pool; percentage of women and minority successors; retention rate of successors; percentage of key positions filed internally; promotion rate of successors; success rates of those promoted and cost to fill key roles (lagging indicators). Ultimate outcomes can be measured by organizational revenue, profits and key agency operating metrics.

Regardless of the exact words used to capture a given organization's SMVP, one thing is sure: the elements identified in the "Stealth" need to be well thought out, believed in, communicated, executed, and measured (assessed) continuously. At its core, a great SMVP encompasses everything leaders and future leaders experience and receive as they are employed by the agency – including the degree of engagement they experience, their comfort and "fit" within the culture, the quality of leadership, and the rewards they experience. A great SMVP always encompasses the ways in which an agency fulfills the needs, expectations, and dreams of leaders. More than anything, a great SMVP clearly connects winning succession management practices to business and operating metrics.

As was discussed earlier, there exists no better way to create the belief in the value of the human capital asset, than by demonstrating the connectedness between winning succession practices and operational success. The research is clear and compelling. The Hackett Group's 2009 Talent Management Performance Study involving hundreds of Fortune 500 companies and government agencies gathered both qualitative and quantitative data showing enterprise financial, operational and process payoffs from talent management. Organizations with the most mature talent management capabilities (i.e., the 4 D's) had significantly greater EBITDA, net profit,

return on assets, return on equity, and operational results than those organizations who were immature in their talent management processes. Additionally, mature talent management organizations had leaders who believed in the value of the human capital asset, were passionate about investing in building and growing talent, were relentless in their assessment of leaders, individuals and teams, and shared their human capital responsibilities with line managers and the Human Resources function.

It is clear that agencies that excel operationally excel initially with their human capital/succession management practices. They select and promote only those leaders and future leaders who demonstrate (as a result of performance and objective assessments) they have the highest probability of being successful; they *benchmark* and essentially "certify" (as a result of assessments) that leaders and future leaders have the capability, commitment and alignment required to execute strategy; they provide a rich, compelling, engaging and *dynamic learning and performance support* environment that motivates leaders and future leaders to become the best they can be; and they *reward* and *recognize* those who truly execute.

*A strong SMVP foundation leads to: (1) **Capability** – "**Can Do**;" (2) **Commitment** – "**Will Do**;" and, (3) **Alignment** – "Must Do."*

Great organizations excel in creating the belief that their leaders and future leaders have the "can do" (i.e., the skills, the talents, the behaviors) to execute; the "will do" (i.e., passion, motivation, drive) to execute; and the "must do" (i.e., an overwhelming sense of connectedness to the culture, mission, strategy and values of the organization) to execute. To put in different words: a strong SMVP is the foundation for any agency to build and sustain a culture in which leaders and future leaders become continuously more capable, committed and aligned. In fact,

agencies that excel in promoting and developing leadership talent – with a focus and unwavering commitment to optimizing these "leading" indicators – achieve impressive operating results.

Succession Planning: The What and Why

Succession planning is about identifying and developing your best talent (present and future) and preparing them to assume higher-level roles or other key roles in the agency. *Succession planning and management* can also be interpreted as an agencies' intelligent approach to dealing with the inevitable loss of key talent they may be experiencing now or that they project in the future (based on workforce plans). Agencies with succession plans have created intelligent contingencies for successfully combating their present and future losses. Agencies without succession plans have no choice but to react to the inevitable losses they encounter with panic and reactiveness, resulting in ineffective succession decisions. Ultimately, as the Stealth Model predicts, when agencies are not intelligent about deploying their top talent, individual and team performance suffers and operating results decline – significantly.

Succession planning is needed for several reasons. One key reason is that the current workforce is aging rapidly. Given the large number of baby boomers nearing retirement, all agencies must prepare for these losses. Compounding this problem are the indisputable generational realities all agencies are facing and the resulting talent gaps, both in sheer number and quality (i.e., readiness) associated with those who are Generation X. Not only do agencies need to prepare for a mass exodus of older workers, they must prepare for life with fewer workers in general. Furthermore, many baby boomer executives have the talents and capabilities that many high-potential and emerging leaders do not yet possess. If these talents are not transferred effectively to younger leaders and future leaders, they will become lost forever.

One thing is sure: The retention of key

talent for every agency is no longer a nice-to-have. The *Stealth Model* clearly provides all agencies with a predictive path for achieving breakthrough operating results by successfully executing the four D's – *Deployment, Diagnosis, Development,* and *Demarcation.* Clearly, any agency that uses an intelligent approach to optimizing their four D's – by definition – improves their chances of retaining the key talent required to propel their agency to greatness. All talent, especially Gen Xers and Gen Yers, want exciting, challenging work and opportunity, transparency, and equitable treatment. A succession plan provides a concrete road map for achieving these objectives.

Research Findings on Succession Planning

Research findings support the importance of succession planning. Executive Development Associates' 2011 global research study and report ("Executive Trends Survey"), which I coauthored with Bonnie Hagemann, clearly identified the top priority for organizations, regardless of sector, industry, or geography: *the need to increase bench strength.* This finding was also the number one priority in our 2009 study. The second priority: *The need to accelerate the development of high-potentials and emerging leaders* clearly is related to building bench strength. Given the rapid environmental changes that organizations face and the large number of people entering retirement age, accelerating the development of the high-potential and emerging leader talent pools becomes vital. As the number of key positions eventually becomes greater than the number of ready-now candidates, the task of offering accelerated development becomes even more critical as a means to attract and retain talent. Agencies that fail to offer such opportunities will lose talent – in numbers and quality – because people will gravitate toward organizations that offer such opportunities.

The Nuts and Bolts of Succession Management

JohnMattonePartner's (JMP) Succession Management Map™ is a model that can help guide succession planning and management (see page 6). It has been used as a guiding framework for several agencies and organizations with which we haved worked. The macro succession management processes are depicted in the inner core of the model. In essence, identifying the vision and values of a succession planning and management

JMP's Succession Management Map™

system, determining the scope, and creating the policies that support succession management are the macro processes of effective succession management programs. The outer core of the model depicts the specific micro succession management steps and processes that result from the macro processes of the inner core.

Initiating a Talent Assessment and Succession Management Effort

Step 1: Project Planning Meeting

The first step in initiating a talent assessment and succession management effort is to strategically and tactically plan for the effort. Assembling key stakeholders for a project kickoff and planning meeting is essential for the success of the effort. One of the key purposes of the meeting is to build support among all stakeholders. Without support, the project may be delayed, derailed, or abandoned. To build support, stakeholders must be actively involved with identifying the purpose and scope of the project. Involving all key stakeholders at the beginning decreases the likelihood that a key person, workgroup, or division will resist the efforts later on. Hammering out disagreements early in the process saves a lot of time, money, and anguish later in the process.

Once the overall purpose and scope of the project have been agreed upon, stakeholders must work together to plan the logistics of actually carrying out the project. Stakeholders must discuss and agree upon the scope of involvement from each stakeholder. For example, stakeholders must determine who within the agency will champion the program
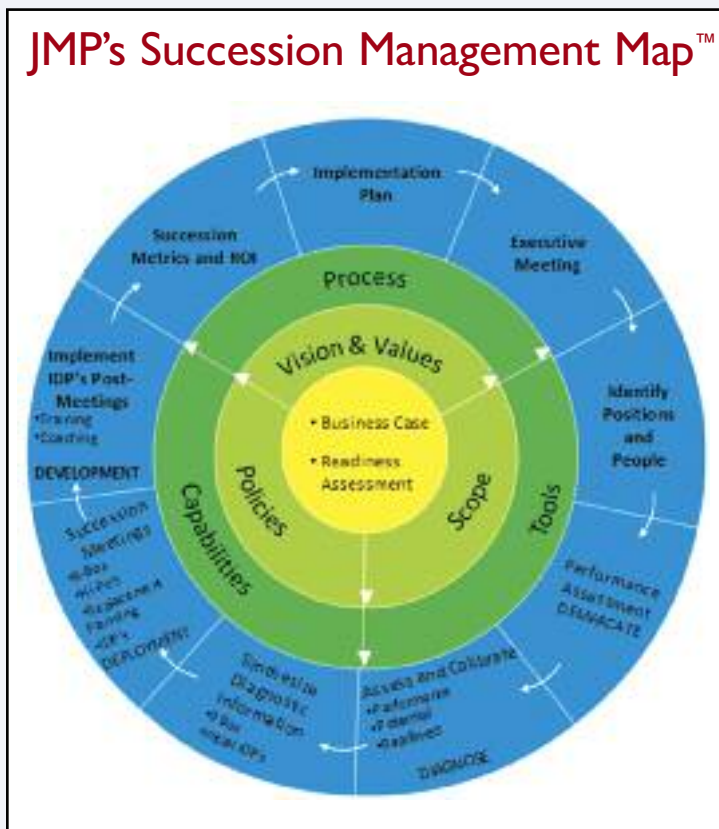
and engage employees throughout the agency. Stakeholders must also identify the best communication strategy for conveying the rationale behind and the implementation process for the initiative. Finally, stakeholders must agree upon a schedule with timelines/target dates, roles, and responsibilities.

Step 2: Building Succession Management Architecture

After establishing the goals and scope of the project in Step 1, project team members must establish the architecture and design elements of the talent assessment/succession management system. To build the talent assessment/succession management system, project team members must first identify the business outcomes the project should achieve. Without a clear idea of the goal of the project, efforts will be wasted in designing a system that fails to address the critical needs of the agency. Once the operational outcomes are identified, project team members should identify ways of measuring effectiveness. In other words, how will the agency determine whether it is achieving key operating outcomes? With the outcomes and measures of effectiveness in mind, the project team should switch gears and identify the predictors of success. What factors allow employees to achieve the objectives of the agency? Two categories of predictors will likely be identified: situational/structural and individual characteristics. Situational or structural characteristics include factors outside the control of any individual employee such as agency policies, agency culture, and the like. Identifying the situational/structural characteristics that affect employees is critical because they place a ceiling on how much success any given employee can achieve. By identifying the situational/structural characteristics that affect employees, the project team can identify system-wide changes that can be enacted to help achieve the business objectives they identified.

In addition to situational characteristics, individual characteristics are a key predictor of agency success. Individual characteristics refer to the specific

competencies of employees. It is often the case that successful employees have traits or engage in behaviors that differentiate them from average and/or poor employees. Identifying these traits and behaviors of successful employees becomes a key foundation of the succession management program. After all, these are the skills that an agency wants to preserve and pass on to future employees. Although the focus of the program is to pass on competencies of successful employees, it is also useful to identify the competencies of struggling employees. By identifying the traits and behaviors of struggling employees, the agency can become quicker at identifying potential problem spots and addressing those problems earlier, either through selecting certain employees or training struggling employees. In addition to identifying the competencies that predict success among current employees, the project team must identify the competencies that will likely be important in the future. After all, jobs are not static. The competencies that predict success today may not be the same competencies that predict success tomorrow. Although future forecasts may never be 100 percent accurate, effort should be devoted toward identifying competencies that will likely be required by future employees. After identifying the competencies that predict current and future success, the project team must identify the optimal way to measure these competencies. The success of a succession management program depends on the accurate assessment of competencies. Without accurate assessment, the agency will be unable to determine what competencies employees currently possess or areas in need of development.

Step 3: High-Level Design

Step 3 involves formally documenting the outcomes of Steps 1 and 2. This document should provide an overview of both the purpose and processes of the succession management program. It is useful to begin the document with the agreed-upon goals identified in Step 1. With the goals of the project listed early in the document, readers know that all of the

subsequent efforts detailed in the rest of the document are aligned to broader objectives. Following the project goals, the agreed-upon timelines/target dates, roles, and responsibilities should also appear early in the document. Describing the basic responsibilities and accountabilities for developing, maintaining, and executing the succession plan helps ensure effective and sustained implementation. The more specific details uncovered in Step 2 should appear next. The sections devoted to the succession management architecture will likely comprise the bulk of the document. The project team should discuss the optimal way to organize this section (e.g., by job titles, competencies, timeline, etc.). For instance, organizing the succession management architecture by job title may increase the usability of the document for employees trying to identify the skills and developmental opportunities that are required to advance within the agency. Conversely, organizing the succession management architecture by competencies offers the advantage of showing employees the range of opportunities afforded to them by developing certain competencies.

Formally documenting the outcomes of Steps 1 and 2 is critical for several reasons. First, it forces the project team to work out the specific details of their program. It is easy for project team members to overlook critical details if formal documentation is not carried out. A project goal identified in Step 1 or a competency identified in Step 2 may sound good in principle. However, that goal or competency may need to be elaborated for it to work in practice. Seeing something in written form often helps people identifying missing steps or leaps in logic. Secondly, documentation is important because it increases identification with the project. By having project team members work together to create the document, it increases their attachment with the project. After all, if their name is attached to the project, they don't want it to fail. This sense of accountability will help ensure the success of the program. Lastly, documentation provides a clear road map for employees. People like having a sense of order in their world. By detailing the expectations and requirements of various positions,

employees know what is expected of them. Knowing that their actions will achieve a valued outcome, employees become energized and motivated. When expectations are not clear, employees may become demoralized and stop trying to excel.

Step 4: Specific Design Elements

With the previous steps documented, the project team is now ready to design the specific elements of the talent assessment/succession management effort. The specific design elements are succession processes, capabilities, and tools. *Succession processes* include the definitions, policies, and process steps needed to analyze bench strength, identify successors, and measure progress. *Capabilities* refer to the competencies required by management and HR to carry out the processes of succession management. Lastly, *Tools* are the specific assessments that will be used to isolate and calibrate performance, potential, and readiness.

Many critical issues need to be addressed in order for succession processes to run smoothly. First, the nature of performance and potential must be defined. Specific indicators of current performance and future potential must be identified and agreed upon. Without these indicators, it is impossible to identify and develop talent. Project team members must also discuss what resources and processes will be devoted to talent development. Perhaps the agency simply does not have the resources to pursue certain talent development programs. Thus, realistic appraisals of the agencies capabilities must be factored in at this stage. Additionally, project team members must determine the talent development philosophy of the agency. For example, is it in the best interest of the agency to acquire talent from outside or develop talent from within? Once talent has been identified, team members must determine who will be involved with the development of the talent. Questions that need to be answered include who will

Succession Planning

participate and what roles those people will play. Lastly, team members must consider system-wide issues such as which HR systems they need to integrate with the program. Failure to consider these system-wide issues may lead to confusion, conflict, and declining support for the program.

Assessing the capabilities of management and HR to create, implement, and revise the succession management program should not be overlooked. Succession management is not only about developing the capabilities of successors. It is often the case that the administrators of the program need to be developed as well. Project team members must identify the competencies required by HR, management, and potential successors in order for the program to run successfully. Management and HR will often need to be trained in the new policies and procedures. Failure to train management and HR personnel may be disastrous to the program. Without training, managers and HR personnel may rely on their own idiosyncratic standards in identifying and developing talent or avoid developing talent. If this were to occur, confusion and disenfranchisement may result, and the program may be abandoned. Thus, it is critical to convey both the importance of the program and how the program will be carried out.

In addition to working out the details of the succession processes and capabilities, the project management team must identify the specific tools that will be used. There is no master list of assessments that should be applied universally to all organizations. Some assessments may be more or less appropriate for any given agency or occupation. Some assessments focus on documenting current performance, whereas others focus on identifying future potential. The project team must determine the optimal balance between assessing current performance and future potential. Additionally, project team members must determine whether the assessments should be developed in-house or purchased from commercial vendors.

Step 5: Implementation

With Steps 1–4 resolved, the project team is now ready to implement the talent assessment/succession management program. The first step in implementation is to create an implementation plan that includes a master schedule. The timelines/target dates identified in Step 1 and documented in Step 3 informs the creation of the master schedule. Creating a master schedule is usually needed because the timelines created in previous steps will often need to be modified after the specific design elements of the program have been created. The implementation plan should also clearly identify the resources required for the program. Additionally, the capabilities discussed in Step 4 should be formalized into *succession management training programs* and the requirement that all senior executives and managers participate in this training. Having a section devoted to training HR and management personnel conveys the importance of having support from all employees, not just successors.

A communication plan should also be created as part of the implementation plan. The communication plan should identify how the talent assessment and succession management program will be promoted within the agency. The implementation plan should also identify how performance and potential assessments will be utilized. The project team should determine how much weight should be given to each assessment and how the assessment data will be used to create development plans for employees. As part of the development plans, specific developmental paths/programs should be laid out. Depending on the specific skills that need to be developed, different approaches may be more or less effective.

Given that some time may have passed from Step 1 to Step 5, an executive meeting may be necessary. An executive meeting helps executives get up to speed and gives them a realistic overview of the program in its current form. This meeting may be necessary because some of the executives may have an outdated or inaccurate view of the program. Failure to clarify expectations prior to full-scale implementation may lead to confusion or backlash from executives who hold differing expectations.

Thus, the meeting should discuss the goals and specific processes of the program. By giving executives an updated view of the program, any confusion or ambiguity can be clarified before the system goes live. An executive meeting is also beneficial for getting buy-in and support from the executive team.

At this stage, the succession plan is ready to be implemented. A list of high-potential and high-performing employees should be created. The high-potential employees should be informed that they can participate in the succession management program. Those who agree to participate should be given a development plan. These plans should be individualized and detail the specific developmental opportunities that each high-potential employee should engage in (e.g., training, executive coaching, job rotation). High-potentials should be given regular feedback regarding their progress to ensure that they continue to develop and remain committed to the program. ◾

John Mattone is the president of JohnMattonePartners, Inc., a global leadership consulting firm. He is a sought-after keynote speaker, trainer and coach to many leading corporations and government agencies. John has been recognized by the prestigious Thinkers50 *as one of the world's leading management thinkers and by* Leadership Excellence Magazine *as one of the world's top leadership consultants, speakers and executive coaches. John writes a regular column in the* Federal Manager Newsletter *and is a regular guest on* Federal Talk Radio. *John is the author of seven books, including the best-selling,* Talent Leadership: A Proven Method for Identifying and Developing High-Potential Employees *(October, 2012) and* Leadership Intelligence: What You Need to Know to Unlock Your Full Potential *(March, 2013). He lives in Orlando, Florida. John can be reached at:* johnmattonepartners@gmail.com. *Website:* www.johnmattonepartners.com.