

Labor & Industrial **INSIGHTS**
Magazine

A BETTER
SKILLS ← **GAP**
ANALYSIS

INSIDE

The Gig Economy and Your
Internal Workforce

Avoiding Workers'
Compensation Claims

Reducing Risk and Maximizing
Performance with an Aging Workforce

From The CEO

THE RESOURCE

At The Resource we are passionate about our story and the stories of evolution our clients have to tell.



Best Regards,

A handwritten signature in black ink that reads "Kathy Hartung". The signature is fluid and cursive, written over a light background.

Kathy Hartung, CEO

We like to say we are revolutionizing the way companies handle their greatest assets, their people. In practically every company in the US, the 80/20 rule still stands. You can *easily* identify your key employees, the cream of the crop. So often though, employees outside the top performing 20 percent get looked at as underperforming, when *really* it's just that they are in the wrong position.

The hiring landscape is continually changing, as CEO, I felt that in my own company. Companies needed a hiring system that is a standalone predictor of future performance.

The Core Hiring System reveals the kind of position a person is designed for based on their core unchanging nature, and then matches them to a position within a company where they *will be* a top performer. By optimizing the talent you have, and positioning you to only hire the right people, we are showing companies the effect of having a top performer in every seat.

We dig in with our clients to understand each position based on specific revenue generating tasks to create a Job Blueprint. Then we use The Core assessment to go beyond a person's skill, experience or even attitude and look at how they are hardwired to perform the tasks the position requires. We work alongside you to ensure that you only consider future top performers.

Our mission is a top performer in every seat, in every company.

From the CEO to the leadership team to the entry level position, a person doing what they are naturally designed to do has the power to rewrite the story; the story of your company, the story of your life.

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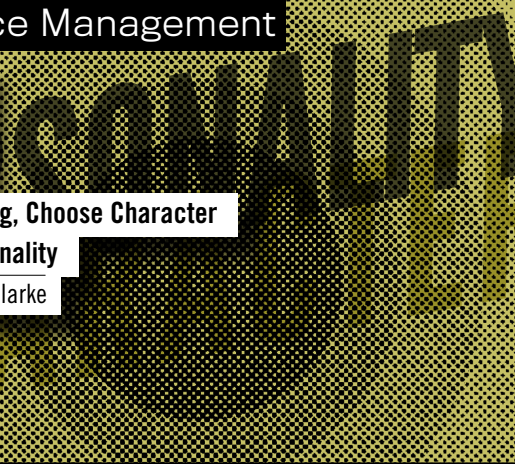


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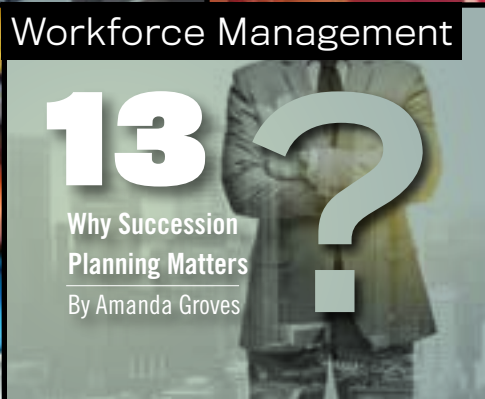


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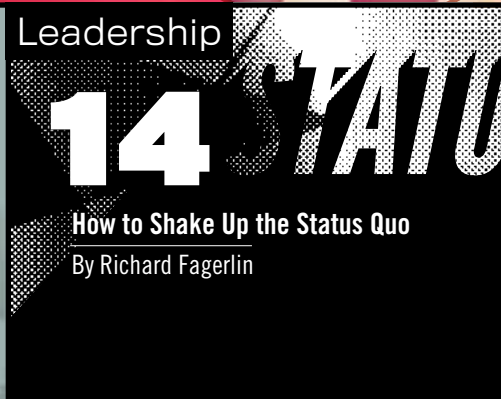


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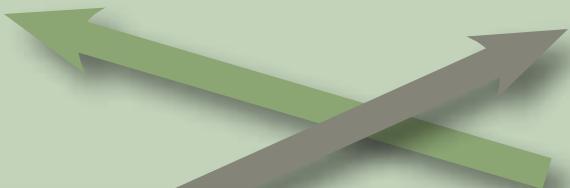
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A BETTER
SKILLS
GAP
ANALYSIS

BY AMANDA GROVES



For a business to really thrive, it must get the best out of every employee and make smart decisions when it comes to hiring new staff. Knowing what skills the workforce has, where they are lacking, and how to bridge any gaps is crucial to remaining competitive in today's market. A skills gap analysis can help a company hire the right people for the right positions, improve the effectiveness of its current workforce, keep up with advancements in the industry, and plan for the future. When conducting a skills gap analysis for your own organization, be sure to include the following three steps.

1. IDENTIFY YOUR BUSINESS GOALS

Where is your company headed? Straight off the bat, you need think about your company's goals and objectives. This helps you identify what skills will be required in the short, medium, and long terms—knowledge that's especially valuable if the technology in your area is rapidly evolving or if growth and diversification are your organization's strategic aims.

Prepare a project plan that identifies your company's current business needs and what they'll be in the future. Examine the job descriptions of your employees, your business objectives, and your company values. This analysis will help you determine which processes and skills you require now and which will be needed further down the track.

Be sure to ask crucial questions: What skills do our employees need to do their jobs well? What skills do we value as an organization? How is our industry advancing, and what skills will we need that we don't currently have?

2. DO YOUR RESEARCH

List all of the roles within your organization and the specific skills that each one requires. This information can be gleaned by reading job descriptions, talking with managers to determine what skills are most critical to their departments, and asking the employees themselves. The people who are actually doing the job should be able to provide valuable insight into what's involved on a day-to-day basis. Don't forget to ask both the managers and the staff about what skills they think are missing and could be beneficial to the business. Remember that thinking outside of the box can often produce interesting results.

3. PRODUCE A SCORECARD

Once you have a list of skills required for each individual role, you need to rate them. This means assigning each skill a numerical value on any scale you like as long as one end indicates lack of skill and the other indicates expertise. Measure skill levels through surveys, assessments, interviews with employees, feedback from performance reviews, and conversations with managers. Creating this "scorecard" for every employee and role in your organization will present a clear picture of what skills the organization has, what skills it lacks, and which skills need improvement.

TAKE ACTION

After analyzing the data and identifying areas in which skills are lacking, use training and hiring to close those gaps. If your scorecard shows room for improvement, providing some form of training (by giving an employee allotted time for online learning, hiring a consultant to conduct workshops and training sessions, establishing employee mentorship programs, or sending employees to industry conferences and events, for example) can probably accomplish this. But if your skills gaps are too wide and cannot be resolved by training, it may be time to look for new talent with the knowledge and expertise you need—and armed with your new skills gap analysis, you will be able to hire the right candidate for the job. ■

Amanda Groves is the marketing manager at Jazz.co, the first performance recruiting platform. Jazz is on a mission to make recruiting and hiring easy, effective, and scalable no matter what growth looks like at your company. The Jazz Performer Platform doesn't just help your company grow, it can help your recruiting process grow up, putting you on the path to hiring "Performers Only."

When Hiring, Choose Character over Personality

BY WILLIAM CLARKE

PERSONALITY CHARACTER

The best hires possess a diverse array of skills, experiences, and intangible characteristics that enable them to gel with coworkers and make contributions far beyond their technical skillsets. Personality and character are two of those key traits, and assessing them in candidates is one of the most challenging parts of a recruiter's job. Reading someone's personality is much easier than understanding his or her deeper character, yet the two are often confused with each other.

WHY PERSONALITY IS OVERRATED

Because having a winning personality doesn't necessarily correlate to being a great hire, recruiters who place too much emphasis on personality may not make the best hiring decisions. In fact, they often wind up looking for people just like the ones already at the company because they start thinking of "good fit" in terms of "similar to what's here." In those cases, recruiters end up hiring people not because of what they bring to the company but because they seem like they'll get along with everyone.

But such thinking can actually harm companies. In the short term, well-matched, like-minded personalities can help teams iron out their differences and maintain a positive workplace culture. In the long term, though, research indicates that groupthink and homogeneity can be very costly and damaging to organizations.¹

A recruiter's job is to gain a good understanding of a candidate in a limited amount of time. Given the inherent ambiguity of the hiring process, it's easy for recruiters to be susceptible to confirmation bias and to confuse attractive personality traits with positive characteristics. But they must also realize that social butterflies don't necessarily make the most effective marketers—and that shy people can be outstanding salespeople.

The human tendency to rely on easily observable personality traits often leads to overvaluation of their usefulness as predictors. Under those circumstances, good candidates who don't exhibit certain personality traits can be overlooked while less qualified candidates are hired because they fit a mold and not because they possess superlative skills and traits. Of course, not all of those hires turn out to be bad ones. But recruiters and hiring teams who focus on personality have a greater chance of making less-than-optimal hiring decisions that may damage their organizations down the road.

HIRE FOR CHARACTER INSTEAD

Humans often rely on first impressions out of necessity. When people are asked to make decisions based on limited data obtained in a short amount of time, first impressions provide crucial context to help them make those judgment calls. Although personality can be analyzed quickly, it's very difficult to gauge character via first impressions. Assessing character usually requires observing people's behavior under challenging situations, but that's not always possible within the context of a typical interview.

Recruiters should carefully construct questions that provide character-revealing information about candidates. A structured interview process with thoughtfully designed questions can reduce the impact of confirmation bias. It can also evaluate candidates for traits (such as conscientiousness and drive) that indicate whether a person will work hard, perform well under pressure, and meet his or her obligations to teammates and coworkers.

Finding out how candidates handle complex, complicated, and emotionally difficult situations gives recruiters and hiring teams crucial insight into how those candidates are likely to approach their work as new hires. Additionally, an examination of character is far better than a study of basic personality traits when it comes to predicting how someone will solve problems, treat others, and think about complexity.

WHAT MATTERS MOST

For a workplace to be healthy and well-functioning, its members must treat each other with respect and take their responsibilities seriously. Because one toxic personality is all it takes to throw off that equilibrium, organizations should identify the three to five character traits essential to each role and create questions that screen candidates for them. Factors to consider include the makeup of the rest of the team and the seniority of the position. Keep in mind, too, that different responsibilities require different traits. For all roles, though, companies should look for traits (such as empathy, honesty, and conscientiousness) that are generally found in people who have good impulse control, work hard in the face of challenges, and treat others well.

The workplace is full of pressure to deliver outstanding results; to come up with newer, more interesting, and smarter solutions; and to be the best. In that demanding environment, cutting corners and taking shortcuts always hurt the company. That is why hiring for character is so fundamental to creating a workplace and a culture in which employees can overcome obstacles and enjoy long-term success. ■

William Clarke is a writer for Entelo, a new and better way to recruit. The Entelo platform combines machine learning, predictive analytics, behavioral listening, and social signals to help recruiting organizations identify, qualify, and engage with talent. To learn how leading companies such as Facebook, Schneider Electric, and Tesla are building their teams using Entelo, visit www.entelo.com.

1. For example: Cass Sunstein and Reid Hastie. 2014. *Wiser: Getting Beyond Groupthink to Make Groups Smarter*. Harvard Business Review Press: Brighton, Mass.



Reducing Risk and Maximizing Performance with an Aging Workforce

BY MATT GILMORE AND DAVID CHMIEL

The “workspan” of today’s worker has been increasing over recent decades—and shows no sign of slowing down. For many reasons people are working longer, and retirement is no longer a predictable event. The Department of Labor estimates that “by 2024, nearly 1 in 4 people in the labor force . . . [will] be age 55 or over.”¹

Older workers bring valuable knowledge and experience to employers, but they may also present an unintended risk in the form of additional exposure to injuries related to bending, reaching, manual material handling, and repetitive motion. Tasks that were once considered “a young person’s job” are now being performed by older workers.

Understanding where employees face the greatest risk and taking the proper steps to reduce that risk are the first steps in maximizing workforce performance. The next step is being aware of the potential litigation risk associated with age discrimination. An employer can be held liable for age discrimination if its workplace policies affect older workers to a greater degree than younger workers—even when there is no intent to discriminate. An organization’s goal should be to create a work environment that accommodates all ages.

WORKERS’ COMPENSATION COSTS: A MIXED PICTURE

Today workers’ compensation severity is typically 50% greater among workers aged 45–64 than among younger workers, because older workers’ higher medical costs (due to their greater use of diagnostics and treatment sessions) and higher wages lead to increased indemnity costs. However, recent data from the National Council on Compensation Insurance (NCCI) shows that the likelihood of injury among workers 16–30 years of age is only 5% greater than among workers aged 45–64, a gap that has narrowed in recent years. On the positive side, litigation and its associated costs are lower with older workers than with younger workers in previous years. Although they may need longer to heal, older workers are more apt to want to return to the workplace and may have more loyalty to their employers. Increasing communication and proactively managing workers’ compensation claims are essential to reducing potential litigation costs.

TYPES OF INJURIES

Although the younger population typically reports a higher frequency of back injuries, the aging population has a higher rate of injuries related to rotator cuffs and knees.² These types of injuries may challenge employers to modify work tasks that require standing, reaching, pushing, and pulling. In consideration of their aging worker populations, employers need to reevaluate their available job descriptions and develop light and restricted duties that can be incorporated into return-to-work programs. By modifying jobs to accommodate medically approved restrictions, companies can minimize lost time and improve worker recovery and job satisfaction.

BEWARE OF AGE DISCRIMINATION

In the current climate of workforce reduction, terminations are leading to an increase in legal challenges and charges of ADEA (Age Discrimination in Employment Act) violations. Furthermore, according to the American Bar Association, some states no longer discount workers' compensation benefits due to age, because doing so is perceived to be contrary to state antidiscrimination cases.

Some employers maintain that, because of their higher wage and benefit compensation along with additional expenses related to training them in new technologies, older workers create higher overhead costs. These perceptions may become obstacles to hiring and retaining older workers. Additionally, employers may feel that older workers are less productive or less willing to change or learn new skills. When such perceptions result in discriminatory employment practices, an employer risks costly lawsuits and regulatory penalties.

BEST PRACTICES TO REDUCE RISK AND MAXIMIZE PERFORMANCE

Ideally, every business should evaluate company policies and decisions objectively in terms of their potential impact on older workers and consider whether implementing reasonable alternatives would eliminate or reduce any adverse impact. Depending on its unique risk factors, a company may need to take some (or all) of the following actions:

IMPROVE RECRUITMENT AND EMPLOYEE ENGAGEMENT

- Evaluate recruiting and employee selection procedures to verify that aging workers are given fair opportunities to apply and interview for positions.
- Offer new challenges or opportunities for older workers to contribute further to the organization.
- Offer flexible work schedules and allow for reasonable accommodations if job demands exceed a worker's capabilities or if personal issues or caregiver duties interfere with an employee's work schedule.
- Support wellness programs (such as smoking cessation and weight management programs) that contribute to reducing chronic illness.
- Ensure that older members of the workforce are engaged and given opportunities to offer creative suggestions related to their work.
- Involve aging workers in the control and management of the company's work processes. The more they feel part of the "process," the more pride they take in their work product and overall work psyche.

ADAPT TRAINING PROGRAMS

- Identify older workers who wish to expand their skills, learn new skills, or refresh their training.
- Ensure that learning and development programs do not favor younger workers over older workers.
- Ensure that training environments are suitable for experienced workers, meaningful for their skill levels, and not too rudimentary.
- Increase participation in training programs (and attention to detail) by making them part of employees' overall performance evaluations.

FORMALIZE AN ABSENCE MANAGEMENT PROGRAM

- Develop written absence management policies that include the following elements:
 - Prompt reporting of absences and lost time
 - Mechanisms to maintain connections between employees and the workplace
 - A process for providing job accommodations and job/duty modifications to prevent or reduce the duration of an absence
 - A process for monitoring the transition from modified-duty to full-duty status
 - A return-to-work program (possibly incorporating a flexible workplace arrangement)
- Educate all employees about the policies regularly so there is consistent understanding of injury management and medical leave policies.
- Provide opportunities to allow for transitional duty that does not violate treating physician restrictions.

REDUCE EXPOSURE THROUGH ERGONOMICS

- Identify repetitive tasks involving high force and awkward body postures that lead to musculoskeletal (soft tissue) disorders (MSDs). Consider engineering controls to redesign workstations to reduce exposure. Change work methods to include stretch and flex programs or job rotation and enlargement.
- Develop an injury response process that immediately evaluates employee complaints or reports of pain that are suspected to be connected to work-related MSDs.
- Provide modifications to the work environment to account for sensory changes related to aging (such as reduced hearing, sight, and reaction times).

Communication is essential to consistent performance and positive employee response. Creating a positive and healthy work environment that supports all age groups will lead to fewer injuries, lower overall costs, and higher employer engagement.

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1. Teri Morisi. 2016. "Why More People Ages 55+ Are Working." U.S. Department of Labor blog, November 18, blog.dol.gov/2016/11/18/why-more-people-ages-55-are-working.
2. Harry Shuford and Tanya Restrepo. 2005. "Thinking About an Aging Workforce: Potential Impact on Workers Compensation." NCCI Research Brief, volume 1, www.ncci.com/Articles/Documents/II_Aging_Workforce_Impact_WC.pdf.

The Gig Economy and Your Internal Workforce

BY MICHAEL HABERMAN

Today many websites (such as TaskRabbit, UpWork, and Fiverr) enable businesses to connect directly with freelancers. Business post descriptions of their jobs (or “gigs”), and freelancers bid on them. Although more and more work is being done this way, not all employers are comfortable with hiring freelance labor, especially if the work involved is the basic work of the company. (In fact the Internal Revenue Service and the U.S. Department of Labor have rules that specifically prohibit companies from using contractors to perform that type of work.) But what if there was a way to apply the gig model to a company’s current workforce?

At most businesses, workers are assigned to particular tasks and responsibilities that are outlined in their job descriptions. After doing certain aspects of their jobs day after day, employees get good at them (which is an advantage for the company), but they also get bored with them—and that eventually weakens their performance and can even lead to turnover. What about shaking up this system and offering work to internal employees on a “gig” basis?

Rather than assign work, a boss could announce that a certain job needs to be performed by a stated deadline and invite employees to “bid” on it. Bidders might be interested in jobs that build out their resumes. Or they might welcome the opportunity to challenge themselves by trying something new.

This arrangement would be advantageous to the company because of the cross-training that would occur. At the same time, it would be advantageous to employees because it offers them a chance to learn new skills and have more variety in their daily work. Companies could even link this arrangement to a bonus program in order to appeal to employees who want to enhance their income.

Lastly, the gig model could potentially decrease turnover by addressing the lack of variety, challenge, and skill improvement that makes it difficult to keep workers (especially younger ones) longer than the three years spent, on average, in a job. Adopting the gig model has the added benefit of creating more hypergeneralists who are able to take on a wide variety of tasks.

Michael Haberman is cofounder and senior HR consultant of Omega HR Solutions Inc. (www.omegahrsolutions.com), which offers compliance reviews, wage and hour guidance, supervisory and managerial training, strategic guidance, executive advisement, and more. He also contributes articles to the Workology website. He can be reached at mhaberman@omegahrsolutions.com.

How Does Your Company Define and Communicate Its Compensation Philosophy?

BY KAREN MINICOZZI

FAIRNESS (OR LACK THEREOF) IN PAY is an important issue in today's workplace. Yet even though a company's ability to articulate its stance on compensation strategy has a direct effect on its ability to hire and retain the best employees, organizations continue to fall short in this area. One recent study found that although 93% of the companies surveyed have formal compensation philosophies, only 63% of them put them in writing. More importantly, 53% of them say that "most or all [of their] employees do not understand" their companies' compensation policies.¹

DEVELOPING THE PHILOSOPHY

First, organizations must communicate to their employees what a compensation philosophy is. This definition from WorldatWork provides a useful starting point: "a statement explaining an organization's beliefs about how people should be paid, as well as how that pay should support the business strategy and fit within organization culture."² With that understanding in mind, a company can map out a compensation strategy, including details about the components of that compensation (such as salary, bonuses, and stock).

Before crafting a coherent compensation philosophy or pay strategy, every company should evaluate these three elements:

- **Growth goals.** Lofty goals for company growth may require more aggressive tactics for acquiring and maintaining talent. Special perks (such as Friday yoga or in-chair massages in the office), retention bonuses, and large cash incentives for employee referrals are some strategies to be considered.
- **Market conditions.** Regularly benchmarking fair market salary can help an organization identify any major gaps in its compensation plan.
- **Market comparisons.** Where does the organization want to stand relative to the market? The answer to that question will help the organization make decisions down the road and give its employees clarity about the company's future.

MEASURING AGAINST GOALS

How can a company know if it's meeting the expectations defined by its compensation philosophy? Among the surveyed organizations, "management primarily uses employee turnover or retention data (61%) and employee satisfaction survey metrics (47%) to determine the effectiveness of salary programs."³ Numbers alone don't tell the whole story, though. They may not be helpful in identifying the root cause of any problems (for example, whether employees in certain geographic areas or under certain managers are especially prone to turnover).

Tracking survey data over time can help companies spot trends and identify problems, and the more they can drill down into the responses, the more likely they are to gain actionable insights. Simpler approaches to pay and benefits calculations are easier to scale, and historical data and reports on the organization's current compensation measurements can yield critical information. If it looks like the compensation philosophy is not working out as intended—or if there are some unfortunate consequences of earlier decisions—the ability to model possible remedies is ideal.

Once an organization has a clear path forward, it's vital to close the loop by communicating clearly with employees about the compensation philosophy. Transparency will help employees better understand the company's intentions when it comes to pay. And a clearly defined and consistently executed compensation policy will help the organization attract and retain top talent.

Karen Minicozzi is the vice president of human capital management products at Workday, a leading provider of enterprise cloud applications. Workday delivers financial management, human capital management, and analytics applications designed for the world's largest organizations. For more information visit workday.com.

This article originally appeared on the Workday blog (blogs.workday.com).

1. WorldatWork. 2016. "Compensation Programs and Practices Survey." WorldatWork website, www.worldatwork.org/adimLink?id=80656.
2. Ibid.
3. Ibid.



Proactive Strategies for Avoiding Workers' Compensation Claims

BY REBECCA KELLNER, JD, SPHR

MOST EMPLOYERS ARE WELL AWARE of the costs of workers' compensation insurance and how this burden can increase exponentially with claims. The Occupational Safety and Health Administration (OSHA) estimates that employers pay \$1 billion per week in direct workers' compensation costs. When factoring in indirect costs (such as training replacement employees, investigating accidents, and taking corrective action), the total costs to employers can be staggering.

So what can employers do? The easiest fix is to have no employees—which is not a viable strategy for most employers. Workers' compensation costs are an unavoidable and necessary aspect of employing individuals. Fortunately, organizations can influence those costs and enjoy both direct and indirect benefits by implementing the following proactive strategies.

1. **Conduct hazard analysis.** Are employees modifying their equipment or work areas? Are any employees shaking out their hands, rolling their shoulders, or otherwise indicating that they seem to be in discomfort? These actions may signify immediate problem areas.¹
2. **Design jobs to reduce hazards.** Where risks are identified, further analysis can be used to develop cost-effective strategies to modify or eliminate the risks. These strategies include the use of personal protective equipment, administrative controls (e.g., job rotation), and engineering controls (e.g., the use of other equipment).² (For example, a scissor-lift table may cost a few thousand dollars, but if it eliminates one back claim, it has the potential to save a company \$20,000 to \$120,000—or more.)
3. **Create job descriptions.** Although job descriptions are not legally required, they provide many benefits to an organization, such as identifying essential job functions for the purposes of evaluating accommodations and minimum qualifications, as well as setting performance expectations.³
4. **Draft clear, specific, and realistic job advertisements.** Managing expectations up front can focus the quality of applicants for the position.
5. **Include safety questions and disclaimers in applications.** Make sure the application requires the applicant to certify the truthfulness of statements made in the application. Give applicants an opportunity to provide information about their safety histories, such as any safety awards or incentives they have received.
6. **Ask safety-based interview questions.** During the interview, follow up on information provided in the application. Companies should also use the interview as an opportunity to ask situational questions about safety in their own workplaces.
7. **Conduct background checks.** Many employers conduct “due diligence” on an individual before making the final hiring determination. It’s vital to make sure that these practices comply with local, state, and federal laws.⁴
8. **Use prehire assessments.** For example, honesty tests can gauge a person’s tendency to be trustworthy and dependable. Personality tests, if done correctly, can assist in finding a better fit for the organization and even for the position itself.
9. **Perform physical exams or physical capability testing.** Physical exams may be able to evaluate someone’s ability to safely perform the functions of a position, but because they are medical evaluations, laws restrict when they may be conducted. On the other hand, physical capability testing is not a medical evaluation, and employers may have more freedom to use this as a similar tool to assess a candidate’s ability to do certain tasks.
10. **Institute a drug-testing program.** Drug testing can discourage drug users from applying and may dissuade employees’ drug use during employment. In addition, some carriers may provide premium credit to employers with drug-testing programs. Employers must ensure that their drug-testing programs comply with federal, state, and local laws.
11. **Evaluate employees during an introductory period.** Contrary to popular belief, at-will employees do not have fewer rights on day 91 than they do on day 89, so termination before 90 days does not exempt the employer from lawsuits. But having a short introductory period (along with regular follow-up) can help set expectations early and let both the employee and the employer adequately assess whether the individual is the right fit for the position.
12. **Provide orientation.** Orientation helps assimilate an employee into the organization’s culture—including its safety culture. It is also a good time to provide introductory safety training (which should be followed with periodic reinforcement training). An early emphasis on safety makes it clear that safety is a priority.
13. **Enforce a safety culture.** A safety-oriented culture can greatly reduce the incident rate and severity of workplace accidents while increasing employee morale and productivity. Creating an effective safety culture should be an essential part of any organization’s loss-control efforts.
14. **Implement a wellness program.** Unhealthy workers can drive up all costs to an employer, including workers’ compensation costs. Instituting a wellness program may result in a significant return on investment, with some estimates equating \$3 to \$6 in savings for every \$1 spent on wellness promotion.

By using these strategies as starting points, organizations can assess their own practices. With the knowledge gleaned from those analyses, they can implement policies that can help avoid costly workers’ compensation claims. And by being proactive about safety, training, and other key workplace issues, companies can build environments that benefit both employers and employees.

Rebecca Kellner is a senior HR consultant at Associated Benefits and Risk Consulting. She can be reached at Rebecca.Kellner@associatedbrc.com or at 800-258-3190.

1. See the “Observe Workplace Conditions” section of the document “Identify Problems” on the OSHA website (www.osha.gov/SLTC/ergonomics/identifyprobs.html#ObserveWorkplaceConditions).
2. See the document “Solutions to Control Hazards” on the OSHA website (www.osha.gov/SLTC/ergonomics/controlhazards.html).
3. When writing job descriptions, consider using the U.S. Department of Labor site O*NET as a starting point (www.onetonline.org/).
4. See “3 Best Practices for Background Checks” on the Association Banc-Corp website (www.associatedbrc.com/Resource-Library/Resource-Library-Article/ArtMID/666/ArticleID/41/3-best-practices-for-background-checksConsider%20pre-hire%20assessments).

Why Succession Planning Matters

BY AMANDA GROVES

Succession planning is a key component of any successful business strategy for organizations both large and small. It ensures that a company's employees are constantly being developed to step up and take over a key role in the event of retirement or attrition. In spite of its benefits, though, succession planning isn't in place as much as it should be, with 84% of respondents to one survey on the topic saying they "suffer from an unhealthy talent pipeline."¹ The importance of succession planning cannot be overstated. Here's why.

IT ENSURES BUSINESS CONTINUITY

Companies need to have backup plans, because it's costly and time-consuming to replace employees with new hires every time a job opens up. Because training a new person to fill a vacant role puts a company at a disadvantage, organizations should always be developing and training successors for key positions. That way, when a company expands, loses employees, or creates new job opportunities, it already has people on hand ready and waiting to fill the new roles.

IT IMPROVES EMPLOYEE RETENTION AND SATISFACTION

Employees are happier, more motivated, and more likely to stay with an organization if they feel it is investing in them and they see a career path ahead of them. Knowing that there are future roles awaiting them—and that they have been selected and developed for those roles—can greatly boost their self-confidence. Employees need to feel valued and engaged, and succession planning can help them do just that.

IT GIVES LEADERS BETTER INSIGHT INTO THEIR WORKFORCE

Managers often possess only informal knowledge of their employees' individual skillsets and strengths. Building a succession plan enables them to identify the strongest members of their teams and develop a keen, formalized knowledge of all staff members and their talents and abilities. Then when a key role opens up, they'll know whom to consider for it. They'll also be able to identify the skills, experience, and development opportunities employees need to be prepared for stepping into new roles when they become available.

A GOOD PLAN ALL AROUND

Succession planning should be part of a broader talent management program. Along with attracting and retaining top talent, companies need to be developing that talent and preparing employees for their next steps at the organization. This type of employee development can take a variety of forms, such as internal and external training, assignments to special projects and team leadership roles, participation in mentorship programs, and lateral moves within the organization. Such investment in cross-training not only enables employees to learn new skills but also positions them to act as stopgaps if roles become vacant without natural successors.

Good succession planning builds a company's bench strength and ensures that it will run smoothly during times of upheaval and can grow comfortably in good times. All organizations should make this investment in their future, starting by creating accurate job descriptions for current employees and making a comprehensive inventory of their talent. This overall picture will reveal existing promotional opportunities and areas that need improvement or development.

Amanda Groves is the marketing manager at Jazz.co, the first performance recruiting platform. Jazz is on a mission to make recruiting and hiring easy, effective, and scalable no matter what growth looks like at your company. The Jazz Performer Platform doesn't just help your company grow, it can help your recruiting process grow up, putting you on the path to hiring "Performers Only."

1. Brandon Hall Group. 2015. "2015 State of Succession Management Survey: Summary of Top Findings." Brandon Hall Group website, membership.brandonhall.com/posts/959994-research-summary-succession-management-2015.

HOW TO SHAKE UP THE

STATUS QUO

BY RICHARD FAGERLIN

Have you ever found yourself marveling at how well things were going and rejoiced that they were (finally!) calm, predictable, and consistent? And in that same moment were you also worried sick that you would become complacent and fall into failure and irrelevance?

Because it's human nature to seek comfort and to avoid pain, it's natural for people to relax and maintain the status quo following periods of hard work and challenging change. They relax not because they don't want success but because discomfort and pain are exhausting. It is hard to be motivated to change or improve when things are going well.

In their book *The Leadership Challenge*, James Kouzes and Barry Posner write that "any system will unconsciously conspire to maintain the status quo and prevent change."¹ When that observation is combined with the adage "Every organization is perfectly designed to get the results it gets," it's clear that unless an organization is designed to innovate, improve, and change, it won't.

Many leaders aren't satisfied with the status quo and instead want to improve, so they seek change. But because they usually have to spend their time and energy fighting the most urgent battles and not necessarily the most important ones, they can get stuck in a cycle of reacting to those urgent-but-not-important issues that prevent them from improving and becoming better. Although many leaders fear failure, they fear becoming irrelevant even more. So they end up following fads and trends and pursuing the next "best thing" so they can feel like they're accomplishing something.

But fighting the status quo and chasing fads are not the same thing. Fads come and go—chasing a fad is a one-off endeavor with a definite end point. Fighting the status quo, on the other hand, is a never-ending conflict. Here are three strategies that leaders can use to win that battle.

FOLLOW "THE HOT SHOT RULE"

At the 2016 Leadercast conference, Kat Cole, the group president of Focus Brands (the owner of several restaurant chains, including Auntie Anne's and Cinnabon), spoke about what she calls "the Hot Shot Rule." She suggests that leaders imagine what would happen if they left their jobs tomorrow and new "hot shots" took over their roles: what would those newcomers change first?

Ask yourself that question a few times a year. And each time you answer it, make that change yourself.

CHANGE YOUR DESIGN

If it's true that "every organization is perfectly designed to get the results it gets," then you need to change your design and quit complaining about your results. Look at all of the positive aspects of your company and ask, "What about our current design is enabling us to get good results?" If you can't identify the key drivers of your outcomes, you may not know what things to keep doing.

At the same time, also ask, "What about our current design is making us get poor results?" Poor performance doesn't happen by accident. Identify how your organization is designed to get the results you *don't* want. Then change those aspects of your design.

KILL THE STATUS QUO

Identify where the status quo persists in your team, in your life, and in your organization. Then create a plan to kill it. If you don't isolate the things that maintain the status quo, you can't change it.

Relevance doesn't happen by accident—and it isn't easy to achieve. It arises from disciplined and motivated challenges to the status quo. Leaders who truly desire to make things better will work to improve every day. They achieve (and maintain) their relevance by constantly reinventing themselves and readapting their models and methods.

Richard Fagerlin is the founder and president of Peak Solutions. With over 20 years of leadership and organizational development experience, he is a sought-after speaker, consultant, and facilitator who helps clients intentionally create high-trust cultures and develop leaders at all levels of their organizations. Fagerlin can be reached at rfagerlin@peaksol.com.

1. James M. Kouzes and Barry Z. Posner. 1996. *The Leadership Challenge: How to Keep Getting Extraordinary Things Done in Organizations*. Jossey-Bass: San Francisco, California, p. 44.

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YOU TO PUT A TOP PERFORMER
IN EVERY SEAT IN YOUR COMPANY.**

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KATHY HARTUNG
CEO, THE RESOURCE

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