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How Competency-Based Succession Planning Helps You Retain Top Talent



SUCCESSION PLANNING

Top talent is hard to come by – and even more difficult to retain. Without a program geared toward filling positions that are vacant because of staff departures, retirements, or an increase in leadership demand due to growth, your company is likely to spend more money, time, and resources filling these leadership gaps. And this extra effort will hamper your ability to produce high-quality goods and services.

[According to the Pew Research Center](#), roughly 10,000 Baby Boomers retire each day. By 2030, 18% of Americans will be of retirement age or older. As this large portion of the workforce exits, it's important that companies ensure leadership continuity as well as knowledge transfer.

The best way to achieve this is with Competency-Based Succession Planning – a cost-effective method for developing current employees skill sets, providing mentoring and career guidance, and positioning those key people to fill upcoming roles within the company.

Advantages of Competency-Based Succession Planning

A positive company culture. Not only does succession planning prepare companies for both planned and unplanned staff departures, it also motivates employees and makes them feel valued. As employees bridge skills gaps through continued learning initiatives and leadership development activities, their confidence and self-esteem will grow.

When employees feel valued, they become stimulated and driven, and they feel ownership of the work that they're doing. This creates a positive chain reaction within your company, in turn, promoting a positive



company culture, and makes it easier for your organization to retain top talent. This snowball effect shows just how overarching the benefits of succession planning can be.

Sustainability. No matter how prestigious your organization, how great your company culture, or how many ping pong tables your company has, you're bound to lose great talent over the years. For many companies, their response to losing great people is reactive. With succession planning, your company can take a proactive stance and control the situation instead of just letting the chips fall where they may.

Succession Planning Process



Succession planning is crucial for sustaining your organization.

Should a key staff member leave, it's imperative that another employee is ready to step in, even if their skill sets aren't as robust as their predecessor's. Even for small organizations, through skills management and cross-training initiatives, it's possible to position your employees to ensure leadership continuity should a crisis occur.

Development. When a company is growing rapidly, needing to fill a lot of leadership positions should be the sign of a good business model, right? Wrong. During a growth period, leadership positions that can't be filled from within can cost your organization much more time

and money than assumed, disrupting production and putting extra stress on present leaders in the process. With a succession plan, as your organization grows, you're ensured that you have a talent pool to draw from, making organizational growth much more comfortable.

Motivated and Loyal Staff. Employees who know that they're being considered as part of the succession planning process are often more committed to the company and motivated to be more productive. As you groom your employees for leadership roles by providing mentoring, leadership development activities, further learning initiatives, and a clear career path, the likelihood that these future key people will commit to the organization for the long-term increases.

The Dangers of Hiring Executives Externally

Thinking short term, it may seem like a great idea to recruit proven executives from outside the company. With an outstanding resume and references, it's tempting to bring someone in who would likely steer your organization in the right direction. However, there are several factors that might be an issue when hiring executives externally:

- **High Pay and Benefits:** Successful executives most likely have competitive salary and benefits packages. When pursuing high level candidates, keep in mind that you will need to match or exceed their existing compensation which can become wildly expensive compared to promoting from within your company. A larger severance package may also be a factor.
- **May Not Be a Cultural Fit:** High-level executives can be set in their ways. They may need time to adapt to your company—or they may disagree with some of the processes that are in place. This transition period may take time and resources to get everyone on track and on the same page.
- **No Guarantees:** After onboarding your new executive hire, they may not be everything you'd hoped for. Bringing on a high level executive doesn't guarantee successful leadership and it may drain your company of precious resources that you can't afford to lose.



Succession Planning Through Competency Management

Succession planning has the greatest impact when it is part of an overall competency management plan. Competency management includes everything from skills management to performance management and a learning management system (LMS) with e-learning objectives and assessments. Through competency management, leadership can decide on the best way to pass on important knowledge, making inevitable transitions smooth and painless.



- **Measurable Goals:** When leadership sets out to appoint their successors, it's important that they create a timeline and give key staff measurable goals. With performance and skills management software, leadership can see where staff are skills-wise and, if necessary, recommend appropriate training to get them on track.
- **Skills Management Software:** [Skills management software](#) is the most comprehensive way to identify, track, measure, and manage employee skill sets. When every level of your organization has access to this valuable data, it makes the decision making process easier and more efficient. With skills management software, present leadership can make succession planning decisions based on clear, quantitative data. Likewise, armed with this important information, your Human Resources department can make timely and cost-effective hiring decisions.
- **Learning Management System (LMS):** Implementing a learning management system allows staff to hone their skills through e-learning assessments and courses. With a focus on the next generation of leaders, an LMS can include leadership development courses to supplement your

coaching and mentoring initiative. An LMS can also help bridge skill gaps that can't always be taught on the job.

- **Future Needs:** Having a succession planning initiative in place will allow your organization to look toward the future instead of always focusing on the present. Taking into account potential future growth and industry changes ahead of time will give your company more room to maneuver when industry turbulence occurs.

Every company needs to put a competency management system in place to plan for workforce changes that are sure to occur. Doing so ensures a steadfast workforce, a positive company culture, and workforce sustainability.

Are you ready to get started?

About Avilar

Avilar – The Competency Company™ is a leader in web-based competency management and learning solutions for corporations, government, and non-profit organizations. Formed in 1997, Avilar was a pioneer with its award-winning WebMentor™ product line and has built itself on the basis of superior customer service and highly adaptable product design.

Avilar consultants are recognized as industry thought leaders and have decades of experience in implementation and analysis. Let Avilar help you transform your organization from ordinary to extraordinary. [Visit our website](#) to schedule a demo of our competency management system or our LMS. You can be confident that we will listen to your organization's specific needs and help you find the best solutions to the talent management challenges you're facing.

