

A large, green, sans-serif "EXIT" sign is mounted on a wall. The background shows a blurred industrial or office setting with metal beams and a window.

creating a culture of **SUCCESSION READINESS**

By Darnell Lattal

Is your organization ready to bridge the knowledge gaps retiring baby boomers will leave behind?

Every day for the next 18 years, 8,000 Americans will turn 65. That demographic includes today's 47-year-olds. The AARP estimates only about 37 percent of companies have considered how this brain drain will affect them in the next five to 10 years.

The skills leaving the workplace will create a knowledge gap that is hard to close. Therefore, leaders must think differently about their people assets and create a culture of succession readiness. Knowledge will be lost if preparation does not begin now.

Building in Readiness

Building a culture of succession readiness means learning how to observe, shape and reinforce the right behaviors for all employees to achieve and sustain success. Start with strengths. Find exemplary performers and look at what they do. Leaders should capture what happens so they know which activities to teach, practice and reinforce. A succession-ready culture will create more capable performers as talent managers take on their most important role — developer-coach.

Open architecture describes a culture designed to teach or cross-train employees, providing them with multiple skill sets. This makes adding, upgrading or swapping activities easier, yet many organizations tend to pigeonhole their employees.

Tom Gilbert, a 20th century performance expert, created a formula to measure the performance improvement potential for every worker in a specific work setting. By looking at the exemplar, Gilbert demonstrated what the



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READER REACTION

What can talent leaders do to retain older workers' knowledge before they leave?



Kim Ruyle: Generally, this isn't something that can be adequately remedied at the last minute. It's important to start early, years in advance, to differentiate and develop those with functional/technical expertise so they contribute to creating long-term organizational memory of mission-critical knowledge. Recommendations:

- Differentiate experts. Not all expertise is of equal value. That which drives your firm's unique value proposition is mission-critical and demands your focus. You don't have to capture the knowledge of all your senior people; a small percentage of employees have acquired a high degree of tacit, mission-critical expertise. Focus on specialists, not generalists.
- Initiate ongoing efforts to develop functional/technical experts so they are capable of accelerating the acquisition and representation of expertise. Deep experts need to practice explicating and narrating the patterns they have learned through experience. Expertise is often transparent to the expert — they don't know what they know — and this is a major hurdle. When experts practice addressing time, space and context to what they know, over time their tacit expertise becomes explicit.
- Leverage the aforementioned point by developing deep experts to become mentors and coaches. This is easier than it sounds; in addition to learning coaching skills, most experts need to change their mindset. Expertise is rare by definition, and our value to our organizations is largely determined by our expertise. It follows, then, that experts typically see an inherent threat in a request for them to share their expertise. They need to learn to embrace recognition for sharing expertise and stop seeing it as a threat. Then deep experts will begin to feel a sense of personal responsibility and ownership for the "organizational intelligence" in their domain.
- Leverage neuroscience to accelerate knowledge acquisition. Having expertise means having a relatively large collection of patterns within a knowledge domain. You asked the question: "What can talent leaders do to retain older workers' knowledge before they leave?" Another way of saying this is: What can talent leaders do to help others acquire the patterns learned through experience and make accurate predictions based on those patterns? Intelligence is the ability to recognize patterns — models, stereotypes, etc. — and to make accurate inferences/predictions based on those patterns.
- Deep experts have many more accurate patterns stored in their brains, and they have more effective, faster connections between patterns because of rehearsal and focused practice. Practice increases the myelin sheath connecting neurons in the brain associated with various patterns, and signals travel more quickly — important for retrieval and also creating/testing of new patterns. If you develop ways to provide guided and focused practice for those learning from deep experts, they will have more and richer patterns that lead to more accurate inferences, make more timely decisions because they can access those patterns more quickly, and do a better job of creating and validating new patterns, which is how expertise grows.

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variance was in terms of possible — or potential — performance.

Some companies today use Gilbert's formula. Instead of assuming the most accomplished performer is uniquely different from the lowest performer, his work reminds that differences often relate to opportunity and contingency. With proper coaching — opportunity — and consequences for increasing skills — contingency — a performer at any level of accomplishment can advance.

Gilbert demonstrated that there is an acceleration curve, but not a bell curve, on performance potential. Extraordinary performance is shaped and limited only by workplace conditions, and those conditions are in the talent managers' hands.

The Fabric of Succession

Learn to ask a simple and clear question of top performers: "How did you do that?" and attend to the answer. Further, leaders should learn how to support behavior change in themselves and in others. Doing so will open the door to achieving a culture of flexible succession. Two major American business leaders who have incorporated these concepts into their succession planning are Laree Daniel, senior vice president, chief administrative officer for administrative operations at Aflac, and Denise O'Callaghan, senior director, learning and performance improvement for Express Scripts.

Some 40 percent of Aflac's operations employees will be eligible for retirement in 10 years. Daniel manages those employees, is mindful of those departures and is working to ensure those who stay have a sense of what their future holds at Aflac. Managers are measured by each employee's improvement. Daniel said that processes, systems and structures that surround workers can bring out their best, allowing individuals to achieve evolving potential. In such a culture, one need not be trapped by "where I am," but can strive toward "what I can be."

Aflac's emerging leadership initiative develops employee potential from the office floor to the C-suite. The program was specifically designed for high-potential employees to engage them in initiatives outside their typical roles so that they learn new things about the business and how it operates. This helps to mitigate risk of flight as bright, creative workers look to their futures. Plans are refined with each participant on a regular basis, sometimes weekly but at least monthly. In these roles employees are expected to demonstrate the

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values essential to being an Aflac employee in observable and measurable ways.

Any Aflac employee's path to increased responsibility requires becoming expert in behavior and, if they are to manage others, in coaching. Leaders are required to earn the right to be someone's coach. "We have a 'leaders are coaches' understanding in our culture, but there is an optional, extra step leaders can choose to take in order to achieve the designation of a certified coach," Daniel said.

Understanding how to shape and support behavior is the No. 1 skill Daniel and other Aflac leaders seek in

supervisory candidates. Daniel and all others have developmental plans with a focus on what the company expects her to do to help employees succeed. Senior leaders engage in cross-training, through rotation and pairing, as do all other levels of the organization. This broader exposure generates new ideas, which are captured and incorporated into work processes where appropriate or considered for the future.

Creating a culture where managers are no longer command-and-control timekeepers and goal setters but rather coaches and mentors requires an understanding of behavior, the cues that get desired behavior started and the follow-up that keeps it going.

Demonstrating proficiency in the science of behavior means:

- Pinpointing the appropriate results and behaviors for employees at every level.
- Measuring progress at frequent intervals.
- Providing regular data to each performer about his or her progress while arranging consequences that maintain, redirect or accelerate behavior.

READINESS continued on page 46



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READINESS continued from page 27

- Evaluating progress and celebrating accomplishment. The manager's job is to take the present behavior and build on it for everyone's success.

Daniel said those who have the privilege of managing others must understand that their success is measured by that of their employees. She said she expects every leader to learn how to maintain, accelerate and celebrate individual achievement. Performance goals for managers — up to and including top executives — are linked to each person they supervise demonstrating progress toward individual goals.

Molding the Right Behaviors

Acquisitions require new behaviors and creating a new culture, both of which can present their own challenges. Two pharmacy benefit managers, Express Scripts and Medco Health Solutions, merged in April 2012 to become a company with more than 30,000 employees tasked to make the use of prescription drugs safer and more affordable. According to O'Callaghan, the organization has a flexible approach to learning that is consistent with the company's overall efforts to drive clients and members toward better decisions and healthier outcomes.

Express Scripts' research revealed that poor decisions typically reflect a gap between intentions and behaviors. By anticipating member needs and preferences, then earning their attention, the company can close these intent-behavior gaps. The company also extends the behavioral approach to its employees via training and coaching.

For instance, it will soon adopt a behavior-based rapid change process as part of a succession-ready approach. With rapid change, groups and individuals start with the end product, the end delivery and the customer interface in mind. From there, everyone in the system identifies how his or her specific behavior affects the end result and how the team can use that knowledge to work better as a unit. This promotes shared knowledge and cross-training at all levels, resulting in better understanding of every person's role in making the company successful.

"We can unify and solidify respect for the worth of every employee for the value they bring and the behaviors they engage in once we as leaders and managers learn to ask the simple question, 'How did you do that?'" O'Callaghan said. "Then we take that information, help others to replicate it and standardize our processes. We are all about creating an environment at Express Scripts where the best choices are also the easiest ones to make."

The Science of Behavior

Managers can look to a future where their role is that of coach. To coach well, they need behavior-based principles to guide their efforts and measure their ef-

fects. The following six items are critical, yet often missing in organizational efforts to create a sustainable succession-readiness plan.

1. Discover the employee behaviors that are reinforced or suppressed by a company's operational and HR systems, management processes, physical settings and technology.

2. Attain skills in the science of behavior, grounded in a belief that every employee is underutilized, to create a culture of individual and group potential for performance excellence.

3. Observe, measure and track individual skills based on what employees actually say and do. This kind of observed analysis can occur at every level. All employees can demonstrate excellence in their particular business environment, demonstrating worthy habits through deliberate practice. The mystery of effective senior leadership is not innate to a person, nor is it unobservable. A person's particular learning history and skills can be made clear and replicable.

4. Measure leaders, managers and supervisors by their direct reports' success. Understanding how to coach skill development is a useful tool for managers, helping them to build excellent habits. Blame for individual failure is absent in such a culture. Rather, the analysis is about what is needed to redirect or accelerate performance and skills development.

5. Create a culture of mentoring and coaching. This culture of engagement and respect requires managers to transfer critical skills to employees and seek opportunities for them. It is understood that leaders are not in such positions because they are the only ones who can lead; instead, they too are products of opportunity for repeated practice.

6. Understand that all employees are essential to success. As employees progress, they coach others. Continuous learning and supporting effective behavior from all is the expectation from the moment of hire in such a culture.

Robust succession is about scientifically applying good practices to behavior that create a level of fluency in problem-solving across many conditions and areas of company operations. It requires placing a new value on the potential of every worker and approaching that potential scientifically. As Gilbert demonstrated, the performance improvement potential of every person is unlimited among current top and bottom performers.

As much as things change, the laws of behavior remain the same. Talent managers can create a succession-ready culture to address, with optimism, a fast-approaching future. TM

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