**Succession Planning Working Group Working Draft**

May 19, 2015

**Purpose of Working Group**

Review NRC’s current process for executive succession planning and recommend improvements. The group will propose to the ERB:

* what constitutes exceptional leadership
* restructuring to the NRC executive succession planning process so that the process better meets NRC’s goals, conforms to NRC values, and considers the challenges of the current and future environment.

**Aspects to Improve in the Succession Planning Process**

Although NRC will continue to value the full range of leadership competencies and breadth and depth of experience, the working group expects to recommend:

1. Continuing to assess the breadth and depth of an executive’s experience, including the essential element of technical credibility, without requiring a traditional, linear, hierarchical progression. In addition to placing greater emphasis on leadership, NRC may wish to assess further which positions require background in the specific subject matter the executive will lead as well as how recent such experience needs to be (for example, technical expertise as an individual contributor may demonstrate technical credibility even though an executive’s leadership has been in other areas).
2. Restructuring the succession planning process to provide greater emphasis on specific competencies that reflect exceptional leadership and that will help the agency meet current and future challenges, demonstrated potential to grow into increasingly complex roles, and development to ensure a diverse, high quality pipeline of leaders.
3. Planning and providing individualized development to each executive.
4. Continuing to base staffing decisions on developing executives as well as the needs of and benefits to the organization.
5. Communicating the process and outcomes of succession planning with greater transparency and consistency.
6. Creating new development options, for example, through creative use of SES positions or “leap of faith” assignments (i.e., stretch assignments or assignments outside the typical sequence of progression).
7. Considering strategies to encourage movement between executive positions (including but not limited to geographic mobility and reemphasizing the value of the 6 and 4 rules of thumb) and diversity.

**Approach**

| **Milestone** | **Complete?** | **By When** |
| --- | --- | --- |
| Consider current NRC leadership succession planning processes, alternative processes, literature |  | August 2014 |
| Review and propose any appropriate changes to goals of leadership or executive succession planning |  |
| Consider anticipated climate influencing leadership attributes NRC will need |  |
| Agree on focus areas for improving succession planning |  |
| Identify priorities for exceptional leadership and potential, agree on definitions of terms |  |
| Brief ERB on milestones, approach and working draft |  | September 2014 |
| Complete planning to restructure the current process with greater emphasis on exceptional leadership competencies, openness and transparency, and innovative use of positions to develop executives |  | November 2014 |
| Obtain ERB feedback on and approval of recommendations |  |
| Test/pilot the process within one or more offices or regions and the ERB and incorporate lessons learned |  | Jan/Feb 2015 |
| Train ERB members re process and providing candid, constructive feedback |  | April 2015 |
| Inform all executives re process |  | June 16, 2015 |
| Implement process changes, and hold yearly meeting. Collect Lessons Learned |  | July 30, 2015 |
| Brief Chairman staff |  | December 2015 |
| Evaluate effectiveness of revised process |  | 2016 |

**Goals of the NRC Leadership Succession Planning Process**

1. Develop strategies to ensure a pipeline of enough near and longer term diverse, high quality successors for the full range of executive leadership positions.
2. Determine anticipated competencies and attributes for agency leadership and executive positions. This includes:

* considering the current and anticipated environment
* determining high priority competencies and attributes that may be common to all executive positions
* recognizing exceptional leadership reflecting the high priority competencies
* identifying any experience or competency needs related to particular executive positions or subsets of positions.

1. Review the strengths and needs of each executive and recommend further specific development, key growth experiences, mentoring, coaching, and/or other learning for each executive that will enable them to fill NRC leadership needs. This includes assessing readiness to assume positions with different or more challenging responsibilities. Share results and recommendations with individuals in an open and transparent manner.
2. Follow up, using succession planning results in a consistent, open and transparent manner to prepare and update Executive Development Plans (EDPs) and to inform Executive Resources Board (ERB) staffing decisions, including the relative priority of selections, developmental assignments, and rotations that benefit the executive and NRC.

**Definitions of Terms in the Context of Succession Planning**

**Leadership succession planning** refers to the spectrum of efforts to develop a leadership pipeline, including leadership development programs (the Leaders’ Academy including the Leadership Potential Program, supervisory curriculum, Senior Executive Service Candidate Development Program, and continued development of executives through assignments, training, executive leadership seminars, etc.), annual or more frequent review of executive level successors and executives’ development needs, and analysis of future needs. Succession planning considerations inform but do not dictate Executive Resources Board selection decisions throughout the year to fill executive positions in ways that benefit NRC programs and each executive’s development.

**Competencies** are the [personal and professional attributes](http://fusion.nrc.gov/ochco/team/training/leadership/Shared%20Documents/SESCDP_NewClass/OPM%20Competencies%20v2.pdf) that are critical to successful performance in the SES. They range from fundamental competencies (such as integrity, public service motivation, and interpersonal communications) to competencies related to each Executive Core Qualification (such as technical credibility, strategic vision, and partnering).

**Potential,** in the succession planning context, means leadership competencies that show the individual’s ability to adapt to ever-changing work environments and grow into increasingly complex and challenging roles. These competencies need not have been demonstrated through traditional, sequential leadership positions or experience in a similar position or the next lower level position.

**Anticipated Environment**

The working group is considering the current and anticipated environment in identifying high priority competencies and attributes for future senior leaders.

The current climate includes a significant increase in executive turnover, new agency efforts to prepare strategically for the future (AIM), increased Commission level interest in succession planning, and NRC’s desire to conduct executive level succession planning more effectively. Leadership competencies most needed in the future are also likely to be influenced by[[1]](#footnote-1):

1. **greater scrutiny by** **stakeholders.** Stakeholders have growing, strong voices and immediate methods of communication that create a volatile environment. Leaders will need to be adept at their public image, comfortable with transparency rather than controlling information, capable of telling the organization’s story to contentious audiences, and skilled at engaging in dialogue in a way that creates a positive public image.
2. **greater polarization** (divisive, emotional conflict). Leaders will need to be able to mitigate contentious factions and move issues forward. They will need to turn conflict that involves ambiguity (dilemmas that have no perfect solution) into opportunities.
3. **rapid, non-incremental, discontinuous, disruptive change** (e.g., unexpected severe budget cuts, technology changes, etc.). Leaders will help the workforce do things differently in the face of repeated disconcerting, disruptive and confusing changes.
4. **massive amounts of data** or conflicting information such that leaders must make decisions without having all information. Leaders will need to be able to make decisions or implement rapid prototyping in these circumstances. Leaders will need to be comfortable with ambiguity and immersive learning (drilling into personal and virtual sources) to help turn dilemmas into opportunities.
5. **rapid demographic shifts**. As an example, population growth was significantly lower in the 70s

and 80s than during the baby boom and the “echo boom” around the 90s. Organizations may need to consider what most engages newer employees, e.g., transparency, connection to the purpose of the organization, opportunities to grow and navigate their own careers, visibility (opportunities to get in front of and learn from senior leaders, chances to shine), and personalized recognition.

**Proposed Competencies and Attributes of Exceptional Leadership and Potential**

The working group identified the following attributes and competencies as reflective of exceptional leadership and strong potential to serve successfully in positions of substantially greater complexity or as a senior leader. An individual demonstrating exceptional leadership attributes and competencies may be an appropriate successor for a position more than one level higher than the current position or in a different business line. NRC will thoughtfully assess the executive’s breadth and depth of experience and any technical competencies appropriate to the specific position. Experience and technical competencies must bring technical credibility but need not necessarily reflect traditional, linear, hierarchical progression. The agency recognizes that the extent of subject matter expertise needed will vary greatly according to the position and other circumstances.

1. **Strategic thinking** and **Vision** including willingness and ability to consistently share long term perspective and insight; formulate long term objectives, priorities and plans that serve NRC’s mission; champion change; and lead others in transforming obsolete, inefficient or ineffective practices.
2. **External awareness** including understanding changing local, national, and international policies and trends that affect the organization and shape stakeholders' views as well as the organization's impact on the external environment (meaning external to one’s own organization within the NRC and external to the agency).
3. **Decisiveness** including exercising demonstrated **technical credibility** to make and communicate decisions, understanding the effects of one’s decisions even in the face of massive amounts of information or incomplete information, using courage and good judgment to make tough decisions that move the agency forward in difficult situations, and retaining the adaptability to think of, and lead others toward, alternatives when appropriate.
4. Serving as a model to be emulated in applying [**NRC Principles of Good Regulation**](http://pbadupws.nrc.gov/docs/ML1413/ML14135A076.pdf) and [**Organizational Values**](http://pbadupws.nrc.gov/docs/ML0931/ML093130109.pdf) including consistently cultivating an open and collaborative work environment, leveraging diversity, and inspiring others to serve employees, their colleagues, the agency, and the public.
5. **Emotional intelligence** including the ability to monitor and understand one’s own and others’ emotions, and to use the information to guide one’s thinking and actions. Involves interpersonal skills and social competencies (e.g., the ability to listen, constructively inform and/or influence individuals and groups), and a high degree of self-awareness and self-regulation.

Leaders should also be proficient overall in the leadership competencies reflected under Executive Core Qualifications and fundamental competencies. No executive is expected to demonstrate exceptional potential or proficiency in all areas.

**Assessing Exceptional Leadership/Potential**

Overall Process. Office Directors and Regional Administrators would initially assess each executive in his or her office and identify valuable development. Continued development is typically appropriate regardless of proficiency level. Continued development might focus on competencies other than those selected as high priority for identifying exceptional leadership and potential. For example, an executive might benefit from opportunities to become engaged in budget or other corporate processes. To gain more complete and accurate perspectives on executives in their organizations, Office Directors and Regional Administrators seek input from others (e.g., the employee, colleagues, partner organizations, stakeholders, other cognizant executives) when assessing executives’ competencies and attributes. Common sense should help determine sources and the extent of input.

After the Office Director/Regional Administrator assessments, the ERB would meet to discuss each executive’s strengths as well as development that would benefit the executive. As always, the results would inform future staffing decisions but not determine future selections. The appropriate OD/RA would share candid, constructive feedback about the results and what the results mean in terms of continued career progression and growth with the executive.

Training. The working group recommends (1) training for Office Directors and Regional Administrators in the new process and in providing candid, constructive feedback (e.g., including tips, a few examples of applying the exceptional leader assessment, role playing, coaching questions, etc.), and (2) a briefing for all executives on the revised process. To foster and maintain the change in culture and transparency of the process, the group would expect periodic refreshers or training for all executives.

Relation to Performance. While succession planning assessments should be reasonably consistent with performance appraisals, the succession planning review is (1) more focused on a subset of specific competencies and attributes, and (2) intended to assess and help executives prepare to take on significantly more complex leadership responsibilities rather than on current performance. In other words, the succession planning process is forward looking and considering future potential while performance appraisals review actual accomplishments over the performance year against the critical elements, requirements and standards for positions.

Assessing Exceptional Leadership/Potential. Relying on the descriptions of competencies above, the Office Director/Regional Administrator will assess each executive on each of the 5 high priority competencies or attributes. The Office Director/Regional Administrator looks for the whole range encompassed in each attribute or competency rather than giving the benefit of the doubt if the executive displays only part of the intended competencies and attributes. Options for identifying the current level of proficiency and recommended development include the following:

* Proficient – The executive displays this competency/attribute as needed and expected at the current level. This level encompasses a substantial range of proficiency.
* Proficient Above Level – The executive demonstrates this competency/attribute beyond the level expected in the current position (e.g., a division director shows the level of external awareness expected at the deputy office director level). The executive shows potential in this competency/attribute to serve in a higher level executive position. The executive typically displays agility and shows the ability to serve as an agencywide resource.
* Proficient Well Above Current Level – the executive has demonstrated exceptional leadership and potential in this competency or attribute. For example, the individual shows the external awareness needed to serve in a position multiple levels higher than his or her current position (e.g., a deputy division director shows the level of strategic thinking and vision expected of a deputy office director or above, or a deputy office director shows the level expected of a DEDO or EDO). If the overall pattern is at this level, the executive probably has the potential to meet senior leadership needs without necessarily progressing in a linear or traditional manner. While the executive might not be the first choice for placement two levels above, the executive shows exceptional leadership competencies, would provide a deeper pool, and could fill such a position if needed. Leadership proficiency well above the current level should also indicate that the executive is an asset to the NRC at large (that is, he or she has the potential to serve in highly varied executive positions).
* None of these boxes is checked – it would be appropriate to check none of the three boxes if (1) there has been insufficient opportunity to observe whether or not the executive is proficient, or at what level, or (2) the executive has not demonstrated the range of proficiency encompassed in the specific competency or attribute. There should generally be a specific development recommendation in the last column when this is the case. An executive may be performing well in the current position without necessarily showing that he or she has the competencies and attributes that signal exceptional leadership and potential.
* Comments and Specific Development Focus area or Opportunity – focus on specific development recommended for the executive: continued development constitutes the most important result of succession planning. Development opportunities typically benefit the individual’s continued growth **and** agency (e.g., by preparing the executive to meet anticipated future needs). Development recommendations might focus either on the high priority competencies used to identify exceptional leadership or on other competencies. Be creative in considering development options (see next section for some ideas). Development should, to the extent possible, build on strengths. It may also be helpful to discuss strategies to compensate for areas in which the executive is not as strong (for example, Drucker advises that smart executives delegate in such areas). No executive is expected to be perfect. Incorporate development recommendations in the Executive Development Plan, and discuss the plan during the executive’s appraisal and mid-year discussions.

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| --- | --- | --- | --- | --- |
| **Competency/Attribute** | **Proficient** | **Proficient Above Level** | **Proficient Well Above Level** | **Comments & Specific Development** |
| **Strategic thinking** and **Vision** |  |  |  |  |
| **External awareness** |  |  |  |  |
| **Decisiveness** |  |  |  |  |
| **NRC Principles and Values** |  |  |  |  |
| **Emotional intelligence** |  |  |  |  |

**Training and Development Options for Executives**

Roles and Responsibilities. Each Office Director/Regional Administrator, or their designee, will identify development needs and interests for each executive within their organizations, participate in development planning and discussions with executives in their respective organizations, and ensure that each executive has an appropriate Executive Development Plan (EDP).

All executives should take an active part in identifying career goals, pursuing their developmental interests (including discussing with the OD/RA their development interests, potential development activities, and other executives with whom they would benefit from learning collaboratively (for example, sharing strategies for improving specific leadership skills), and completing/ updating annually an EDP with agreed-upon completion dates appropriate to the individual, organizational priorities, and any mentor, coach, or opportunity for collaborative learning. Based on the executive’s interests as well as feedback from the executive’s supervisory chain and the ERB, each executive will work with his or her supervisor or OD/RA to create/update an EDP with training and developmental activities that will benefit and further broaden the executive.

The ERB will coordinate, monitor, and review results of developmental activities, as appropriate. The ERB will also review EDPs to ensure that they are appropriate and meet executive and organizational needs and priorities. The ERB will provide a forum at which members share and validate results of succession planning at all levels and identify priorities and actions the ERB will take to facilitate further development of executives.

NRC is committed to continuous learning and improvement. All of us benefit from continued development, and NRC relies on executives to strengthen and update their competencies. The EDP should be designed to help each executive become even better at what they do now and help the executive prepare for potential future positions. Federal regulations now require executives to have EDPs. The EDP should be developed in connection with and partly based on feedback through the mid-year progress review. Executives will use the results of 360 degree assessments, performance reviews, and coaching from mentors, peers, supervising executives, and executive coaches to refine or revise EDPs.

Development Options**.** EDPs may include a broad variety of programmatic and leadership experiences. These include but are not limited to:

1. A new assignment or rotation to gain broader or deeper perspective or experience and exercise competencies. Moving executives to new assignments generally constitutes NRC’s most important vehicle for developing executives and meeting its future needs for senior leaders. Although rotations have value, assignments should generally last 2 years or more to provide a full range of experiences and learning in the position. NRC’s preferences or rules of thumb (for broad experience, movement to a different executive position after about 4 years, to a different office after about 6 years) contribute to development of a pool of potential successors, fresh perspectives in positions and programs, and executives’ focus on broad agency and public interests rather than parochial interests.
2. NRC may wish to consider identifying some specific executive positions for use as development opportunities (e.g., with the expectation that assignments to these positions will last only about 2 years).
3. A rotation to gain new perspectives or experience or exercise competencies. Note: Rotations should not be treated as a check off for gaining desired experiences.
4. Use of rotations, assignments, or assignment to specific initiatives to gain international or other external awareness and experience.
5. Formal training or independent reading. Sources for identifying training or reading related to specific competencies include:

* OPM [Executive Development Best Practices Guide](http://chcoc.gov/Transmittals/Attachments/trans5241.pdf)
* Videos of [Executive Leadership Seminars](http://papaya.nrc.gov/HRTD/employeeDevelopment/leadershipvideo_list.cfm)
* [Leadership Competency Related Books and Training](http://fusion.nrc.gov/ochco/team/training/leadership/Shared%20Documents/CompetencyRelatedBooks_Training%20_Seminars.xlsx)

1. Work on specific competencies and attributes through assignments or projects.
2. Special projects (say, 4 – 6 months before retirement) can also facilitate transitions and knowledge transfer while accomplishing organizational priorities. NRC would find a continuing executive placement if the executive chose not to separate after all.
3. Work with a mentor, coach, or as part of an executive pairing. Executives are encouraged, with advice from the Office or Region, to identify opportunities for collaborative learning with other executives. Such opportunities could include, for example, informal mentoring, exchanges of approaches to leadership challenges, or collaboration to hone specific leadership skills.
4. Team executives with complementary skill sets. NRC already considers this (e.g., in making division director and deputy assignments).

**Feedback to Executives**

Office Directors and Regional Administrators will provide feedback to each individual executive. The following talking points may be helpful in structuring conversations to communicate the purpose and results of succession planning.

Goals of Succession Planning at NRC

1. Develop strategies to ensure a pipeline of near and long term diverse, high quality successors for executive positions
2. Determine anticipated competencies and attributes for NRC executive positions
3. Review strengths and needs of each executive and recommend continued development
4. Use succession planning results in an open manner to prepare EDPs and inform (not dictate) ERB staffing decisions

Process

* An ERB working group identified 5 competencies/attributes[[2]](#footnote-2) particularly indicative of exceptional leadership and the potential[[3]](#footnote-3) to meet NRC’s needs for future senior leadership positions:
* **Strategic thinking** and **Vision** including willingness and ability to consistently share long term perspective and insight; formulate long term objectives, priorities and plans that serve NRC’s mission; champion change; and lead others in transforming obsolete, inefficient or ineffective practices.
* **External awareness** - understanding changing local, national, and international policies and trends that affect the organization and shape stakeholders' views, and the organization's impact on the external environment (external to one’s own organization within the NRC and external to the agency).
* **Decisiveness** –
  + exercising demonstrated **technical credibility** to make and communicate decisions
  + understanding the effects of one’s decisions even in the face of massive amounts of information or incomplete information
  + using courage and good judgment to make tough decisions that move the agency forward in difficult situations
  + retaining the adaptability to think of and lead others toward alternatives when appropriate.
  + **Model** to be emulated in applying [**NRC Principles of Good Regulation**](http://pbadupws.nrc.gov/docs/ML1413/ML14135A076.pdf) and [**Organizational Values**](http://pbadupws.nrc.gov/docs/ML0931/ML093130109.pdf), including consistently cultivating an open and collaborative work environment, leveraging diversity, and inspiring others to serve employees, their colleagues, the agency, and the public
  + **Emotional Intelligence**:
  + the ability to monitor one’s own and others’ emotions, to discriminate among them, and to use the information to guide one’s thinking and actions
  + Interpersonal skills and social competencies (e.g., the ability to listen, constructively inform and/or influence individuals and groups)
  + A high degree of self-awareness and self-regulation.
* Based on the OD/RA’s observations and input from others, the ERB considered the extent to which each executive demonstrates proficiency in the 5 exceptional leadership competencies
* This is a forward-looking exercise (not a performance review) based on observations and perceptions at a particular point in time
* The proficiency level assessed is not fixed – it does help inform continued development
* Executives can develop their proficiency. Competencies/attributes are generally learnable rather than fixed traits
* People may have greater opportunity to demonstrate different competencies at different times or in different positions (for example, some positions may differ in their reliance on and opportunity to demonstrate decisiveness, external awareness, etc.)
* The perceptions of supervising executives may change over time or with additional information
* No executive is expected to be perfect
* ERB members meet and talk with each executive, perhaps in conjunction with appraisal conversations, to share feedback from the office/region and the ERB about perceptions of the individual executive’s current proficiency and, more importantly, about continued development. Possible approaches could include:
* “At this point in time, based, for example, on my observation of the way you handled…., I believe that you are already proficient above level in [exceptional leadership competency]. In other words, I think your competency in this area would readily allow you to fill a higher level position. I thought we might continue to develop your capacity in this area by …
* “At this point in time, I’ve haven’t observed you demonstrating the full range of competencies associated with [exceptional leadership attribute]. [Explain whether you haven’t had an opportunity to observe this leadership competency or whether felt there was an opportunity to demonstrate it in conjunction with… but you did not see it yet at the proficiency level you are looking for.] To ensure you have opportunities to continue to grow in or demonstrate your proficiency in this area, what if…..
* Executives are expected to engage fully in identification of potential development and career paths.
* The ERB does not use succession planning to generate selection lists for executive positions but often adds names to solicitation lists or considers executives for rotations based on the results of succession planning.

1. Drawn substantially from Amy Hirsh Robinson, Interchange Group [↑](#footnote-ref-1)
2. **Competencies** are the [personal and professional attributes](http://fusion.nrc.gov/ochco/team/training/leadership/Shared%20Documents/SESCDP_NewClass/OPM%20Competencies%20v2.pdf) that are critical to successful performance in the SES. They range from fundamental competencies (such as integrity, public service motivation, and interpersonal communications) to competencies related to each Executive Core Qualification (such as technical credibility, strategic vision, and partnering). [↑](#footnote-ref-2)
3. **Potential,** in the succession planning context, means leadership competencies that show the individual’s ability to adapt to ever-changing work environments and grow into increasingly complex and challenging roles. These competencies need not have been demonstrated through traditional, sequential leadership positions or experience in a similar position or the next lower level position. [↑](#footnote-ref-3)