

## TALENT MANAGEMENT AND SUCCESSION PLANNING



A key element in business is the management of the skills, talent and succession of employees. When this is done effectively, staff are prepared and ready to cope with current and future work requirements.

The first step in talent management and succession planning is to prepare a workforce plan. Workforce planning is fundamental to the efficient operation and sustainability of a business. It underpins talent management and succession planning by identifying and defining all the competencies required to successfully operate the business.

Once defined, the worker capabilities and business competencies provide the foundation for the:

- identification of skill gaps;
- development of training programs;
- establishment of career pathways;
- operation of talent management processes; and
- establishment of succession planning.

### Workforce planning and gap analysis

Workforce planning allows a business to clearly define its required capabilities and competencies now and into the future.

The starting point in workforce planning is to identify the current competencies required in the business. The skills of the existing workforce are then mapped against the current competencies. The outcome of this process will identify any gaps or deficiencies in the skills or capacity of the workforce. This process is called a skills gap analysis.

Workforce planning requires a business to also consider its strategic direction and to identify any new jobs or roles required. The gap analysis will define the competencies required to perform these new jobs.

### Talent management

Talent management is the process of identifying and developing key individuals in a business that possess important knowledge, skills and abilities. The focus is to retain essential capabilities in the workforce to maintain business competitiveness.

The talent management process provides key individuals with an opportunity to develop their skills and experience by engaging in challenging duties, professional development and career growth which in turn helps to build loyalty to the business.

A key consideration in the establishment of a talent management process is the formal procedure used to measure employee performance. Employees expect a credible approach to the management of their work performance.

Effective performance management should result in a workplace where all employees are encouraged and enabled to perform to the best of their abilities.

## Succession planning

In contrast to the individual focus of talent management, succession planning ensures that the broader requirements of a business are met.

After undertaking a gap analysis to identify key jobs and competencies that are critical to the success of the business, a succession plan may be established.

The succession planning process identifies and prepares talented employees to step into key positions and leadership roles and ensures that they have the skills, experience and knowledge to meet changing work requirements.

An effective succession planning process increases the availability of experienced and capable employees that are prepared to assume key roles as they become available.

Where there is a gap in the internal skills base of the business, succession planning can be used to guide external recruitment to fill critical roles in the future.



## Importance of talent management and succession planning

Talent management and succession planning provide businesses with a deliberate strategy for the retention and continuation of critical competencies and demonstrate a genuine commitment to developing the existing workforce.

Without a planned and deliberate approach a business may be unable to provide its services and products to the level or at the quality expected.

Businesses without talent management and succession planning processes are exposed to risks associated with untapped potential and diminished productivity, the loss of key employees, the loss of essential knowledge and skills, and the difficulties of quickly recruiting new employees with the same skill sets.

The combined processes are important to business because they:

- protect critical operational requirements;
- ensure maximum contribution of high potential employees;
- support the development and growth of employees and ensure greater worker engagement;
- offer a range of learning, development and skilling opportunities;
- are formalised through training and career pathways and plans; and
- are a key component in formal human resource planning systems.

For more information, resources and practical tools to help you plan, attract, develop and retain a skilled workforce, visit:  
[www.workplace-essentials.dtwd.wa.gov.au](http://www.workplace-essentials.dtwd.wa.gov.au)



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