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November 14, 2003

The Honorable Jo Ann Davis
Chairwoman
Subcommittee on Civil Service and Agency Organization
Committee on Government Reform
House of Representatives

Subject: *Posthearing Questions Related to Succession Planning and Management*

Dear Madam Chairwoman:

On October 1, I testified before your Subcommittee at a hearing entitled “Human Capital Succession Planning: How the Federal Government Can Get a Workforce to Achieve Results.”¹ This letter responds to your request that I provide answers to follow-up questions from the hearing. Your questions, along with my responses, follow.

1. The GAO report discusses how agencies in other countries have used succession planning to address specific human capital challenges. What are some of these challenges and how have agencies abroad used their succession planning and management initiatives to meet them?

We reported that government agencies around the world are using succession planning and management to achieve a more diverse workforce, maintain their leadership capacity as senior executives retire, and increase the retention of high-potential staff.² Leading organizations recognize that diversity can be an organizational strength that contributes to achieving results. For example, the United Kingdom’s Cabinet Office created Pathways, a 2-year program that identifies and develops senior managers from ethnic minorities who have the potential to reach the Senior Civil Service within 3 to 5 years. In addition, Canada uses its Accelerated Executive Development Program as a tool to help achieve a governmentwide diversity target. Specifically, the government has set a goal that by 2003, certain minorities will represent 20 percent of participants in all management development programs.

Succession planning and management can help agencies maintain leadership capacity. Both at home and abroad, a large percentage of senior executives will be

¹ U.S. General Accounting Office, *Human Capital: Succession Planning and Management Is Critical Driver of Organizational Transformation*, GAO-04-127T (Washington, D.C.: Oct. 1, 2003).

² U.S. General Accounting Office, *Human Capital: Insights for U.S. Agencies from Other Countries’ Succession Planning and Management Initiatives*, GAO-03-914 (Washington, D.C.: Sept. 15, 2003).

eligible to retire over the next several years. In the United States, we reported that the federal government faces an estimated loss of more than half of the career Senior Executive Service by October 2007.³ Canada is also using its Accelerated Executive Development Program to address impending retirements of assistant deputy ministers—one of the most senior executive-level positions in its civil service. For example, 76 percent of this group is over 50 and approximately 75 percent are eligible to retire between now and 2008.

To increase retention of high-potential staff, Canada's Office of the Auditor General uses succession planning and management. According to a senior human capital official, to provide an incentive for high-potential employees to stay with the organization, the office provided them comprehensive developmental opportunities in order to raise the "exit price" that competing employers would need to offer to lure them away.

2. Can you highlight some of the ways in which other countries have used succession planning and management to facilitate broader agency and government transformation efforts?

Effective succession planning and management initiatives provide a potentially powerful tool for fostering broader governmentwide or agencywide transformation by selecting and developing leaders and managers who support and champion change. For example, in 1999, the United Kingdom launched a wide-ranging reform program known as Modernising Government to improve government services, and subsequently started restructuring the content of its leadership and management development programs to reflect this new emphasis on service delivery. Similarly, the Family Court of Australia's Leadership, Excellence, Achievement, Progression program is preparing future leaders who could help the organization successfully adapt to recent changes in how it delivers services. Specifically, the court considers this increased emphasis on the needs of external stakeholders when selecting and developing program participants.

3. Succession planning is sometimes thought of as simply a human capital issue, yet I noted in your report that some organizations have used it as a way to work past organizational boundaries and other barriers. Could you describe in greater detail some of the examples you have found in this regard?

Succession planning and management can help the organization become what it needs to be, rather than simply recreating the existing organization. In Canada, succession planning and management initiatives provide this broader perspective. Since 1997, as the basis for Ontario's governmentwide succession planning and management process, the head of each ministry is to develop a succession plan that (1) anticipates the ministry's needs over the next couple of years, (2) establishes a process to identify a pool of high-potential senior managers, and (3) links the selection of possible successors to both ministry and governmentwide opportunities and business plans. Similarly, the Royal Canadian Mounted Police's succession planning and management system provides it with an organizationwide picture of

³ U.S. General Accounting Office, *Senior Executive Service: Enhanced Agency Efforts Needed to Improve Diversity as the Senior Corps Turns Over*, GAO-03-34 (Washington, D.C.: Jan. 17, 2003).

current and developing leadership capacity across the organization's many functional and geographic lines. It is responsible for a wide range of police functions on the federal, provincial, and local levels and provides services in 10 provinces and three territories.

4. We often hear about the importance of top leadership commitment to implementing management improvement initiatives. Can you describe some of the specific ways agency leaders demonstrated their commitment to succession planning and management initiatives in the agencies you studied?

In other governments and agencies, top leadership demonstrates its support of succession planning and management when it actively participates in these initiatives. For example, each year the Secretary of the Cabinet, Ontario's top civil servant, convenes and actively participates in a 2-day succession planning and management retreat with the heads of every government ministry to discuss the anticipated leadership needs across the government as well as the individual status of about 200 high-potential executives who may be able to meet those needs.

Top leadership also demonstrates its support of succession planning and management when it regularly uses these programs to develop, place, and promote individuals. The Royal Canadian Mounted Police's senior executive committee regularly uses the agency's succession planning and management programs when making such decisions of its top 500—600 officer and civilian employees.

Lastly, top leaders demonstrate support by ensuring that their agencies' succession planning and management initiatives receive sufficient funding and staff resources necessary to operate effectively and are maintained over time. For example, at Statistics Canada—the Canadian federal government's central statistics agency—the Chief Statistician of Canada has set aside a percentage, in this case over 3 percent, of the total agency budget for training and development, thus making resources available for the operation of the agency's four leadership and management development programs.

For additional information on our work on federal agency transformation efforts and strategic human capital management, please contact me on (202) 512-6806 or at mihmj@gao.gov.

Sincerely yours,



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