

Talent review & succession planning toolkit



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How to use this toolkit

What is this pack for?

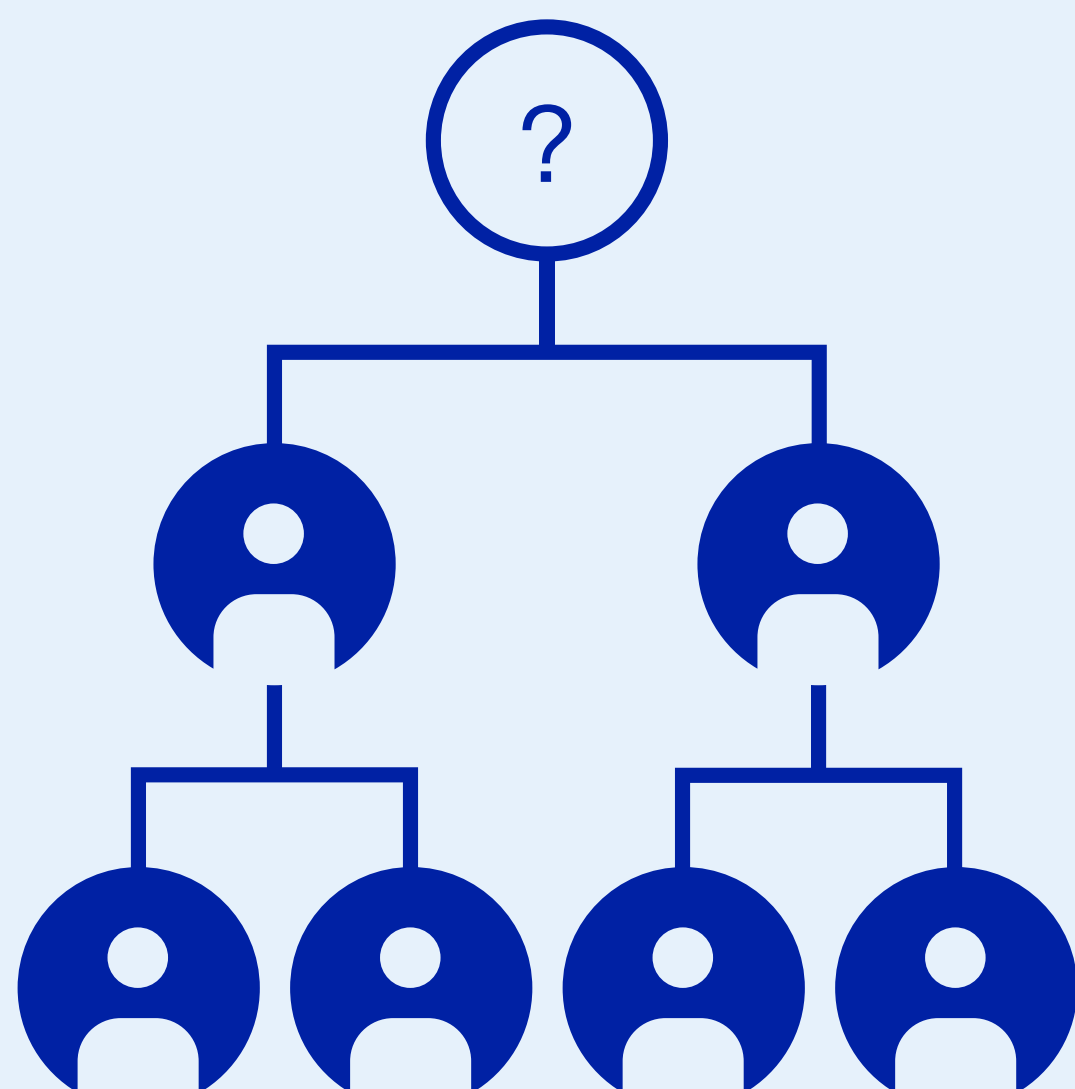
This toolkit is designed to aid market firms in developing and enhancing their talent management practices. It also shares some examples of work that the Corporation and other firms inside and outside the market have done in recent years to support the ambition to build a diverse workforce and inclusive, high-performance culture.

This pack supports HR and talent professionals on two key talent management activities: talent reviews and succession planning. Both activities are designed to help leaders understand and plan their talent pipeline and reduce resourcing risks. These activities also support building diversity in your workforce. Done well, this should lead to increased engagement of your top talent, an enhanced focus on learning and development, and a diverse pool of internal successors ready for roles in the future.

Where do I start?

We would recommend that you start by looking through the toolkit and consider what talent management tools and practices are already in use within your organisation, the extent to which these are embedded, and the degree of success they are currently bringing. Then consider where there are opportunities to strengthen your approach.

Introduction to talent management



What is talent management?

Talent management seeks to identify, develop, engage, retain and deploy individuals who are considered particularly valuable to an organisation.

Why invest in talent management?

An organisation's people are its most valuable asset. Talent management is a set of integrated organisational workforce processes designed to develop, motivate and retain productive, engaged employees. The goal of talent management is to create a sustainable, high-performing workforce, enabling organisations to deliver their strategic and operational goals.

Replacing employees can incur significant costs, particularly those in senior positions. Managing talent effectively means you are aware of and tracking the talent pipeline in your organisation to help ensure that your best employees progress through the organisation and stay with you, limiting your costs and risks.

It is also the primary tool to assist with the progression and development of a diverse talent pool, something even more important in industries such as Insurance that have historically struggled to attract and retain diverse talent.

Outcomes

- Aligned discussions about what good performance and potential look like.
- Increased visibility of talent among senior leaders.
- Encouraging robust action plans to develop, engage and retain employees.
- Ability to manage risks and identify gaps in internal successors.
- Understanding the diversity of future leaders.

Talent management summary approach

Talent management practices are there to ensure your business strategy and subsequent workforce planning are supported by effective processes focused on your talent.

● ● Focus of this pack

Business strategy

What is the business unit aiming to achieve over the short and medium term; change, growth, specialisation?

Workforce planning

What people resource do you need to achieve the business strategy; how many? Level? Experience? Skills/Capability? Generations?

Where are you against this need? Which gaps do you need to plan for?

Will you fill these gaps by buying in resource from outside or develop the existing workforce?

Recruiting talent	Identifying & developing talent	Retaining talent	Deploying talent	Succession planning
<ul style="list-style-type: none"> – Do vacancy decisions relate directly to your workforce plan? – How are you assessing external & internal candidates to reduce risk? – How are you ensuring diversity in your workforce? 	<ul style="list-style-type: none"> – Do you hold talent reviews to identify and manage high potentials? – Do all your high potentials have managed development plans? – Do your development plans include on the job stretch opportunities, mentoring, coaching, networking? – How are you upskilling to fill 'hard to buy' capabilities? – Is your talent pool proportionate with the diversity in your team and/or directorate? 	<ul style="list-style-type: none"> – Have you told high potentials they are important and are on a plan? – Do managers hold regular career planning conversations? – Do you understand and manage your 'employee value proposition' to 'hard to buy capabilities'? 	<ul style="list-style-type: none"> – Do you have your top talent targeted at the most important things – working on the activity that will deliver your strategy? – Are you adopting flexible resourcing; sharing talent across the business as needed, utilising transferable skills and developing individuals? – Are you making informal opportunities or stretch available for your high potential employees? 	<ul style="list-style-type: none"> – Do you have succession plans in place for leaders and critical roles? – Does everyone on a succession plan have a managed development plan to help them progress?



Talent management maturity scale

The first step is to consider your current approach to talent management and its effectiveness. Below are some suggested criteria you may wish to consider as part of this.

Low	Medium	High
<ul style="list-style-type: none"> - Talent management strategies aren't used, or are not followed. - Talent management is either not discussed, or it takes place without process and documentation. - Decisions made by only a few people and little challenge/debate. - No focus on diversity and inclusion in hiring/retention ambitions. 	<ul style="list-style-type: none"> - Documented talent management strategies that are sometimes actioned or discussed. - Talent management may be limited to just Exec roles or where required for audit/regulatory purposes. - Likely to involve some peer discussions and calibration amongst senior leaders. - Limited action planning for top talent or future successors – talent management is more around identification of names and selecting people for management/leadership development. - Diversity and inclusion is tracked – but hiring, and retention ambitions are rarely actioned. - Process may be actioned once a year with little engagement, discussion or monitoring between processes – or no progression seen towards desired outcomes. 	<ul style="list-style-type: none"> - Talent management strategies are clear, monitored and actioned effectively when needed. - Talent management meetings occur on a regular basis, for a wider population than just top-level leadership. - Diversity and Inclusion ambitions are fully considered when actioning talent management strategies – and diverse talent pipelines (and potential blockers) are identified, documented and discussed to achieve progress. - Action plans for top talent and future successors are in place and tracked to ensure development is a focus and talent is engaged. - Talent and succession data is integrated into business decisions – including secondments, project resourcing, sponsorship, mentoring and coaching. Specific development options may be available for top talent. - Leaders and managers help to drive the process and take ownership for delivering successful outcomes. They are committed to improving the diversity in their pipelines where they do not exist. - Leaders are aware of talent outside of their own teams/functions and support cross-functional development as needed.

Roles and responsibilities in talent processes

As you work through the resources of this pack, an additional consideration is to make sure roles and responsibilities are clear and support the outcomes you are trying to achieve. While organisational structures and HR resources will vary, the following should provide some useful context:

CEO

- Reinforces the value and importance of talent reviews and succession planning in your organisation to leaders.
- Participates in talent review meetings and provides feedback on overall alignment with business goals.

Head of HR/talent

- Defines the processes, timings and tools to be used in talent processes.
- Participates in talent review meetings as needed and uses the data to inform organisational talent and diversity initiatives.

HR Business partners

- Ensure leaders are clear on the process and have the appropriate tools and preparation materials.
- Coach business leaders during the talent processes – facilitating discussions and providing an appropriate level of challenge.
- Facilitate meetings and ensure objective evidence is being used in the meetings – reducing subjectivity and challenging biases.
- Supply data points as needed to support discussions, including consideration to the diversity MI at various checkpoints in the process.
- Work with and encourage leaders to drive development and use talent data to inform decision making on roles and development.

Business leaders

- Participate in functional or organisational discussions as needed – providing objective evidence to support decisions.
- Drive discussions and actions as required post-meetings – updating and refreshing the data as needed and using it to inform decisions.

Section one: Identifying talent



How to run a talent review workshop

Purpose of a talent review

Holding a talent review helps an organisation understand their talent and identify potential future leaders. The output of the review supports decisions about how to best utilise and develop people. This includes identifying who:

- to keep on a steady path – developing expertise and engaged in present role.
- can start to take on more responsibility beyond their current duties – stretching in-role or laterally.
- is ready to accelerate their career and move into a new role, often with broader responsibilities.

Talent review workshop approach

We would recommend holding a talent review with your function/team leadership, rather than in isolation. This allows for different views on individuals to be heard and challenged. Ideally the session would be facilitated by an HR Professional. For reference, a Talent Review for a team of 20 people normally takes 2 hours.

The use of performance and potential

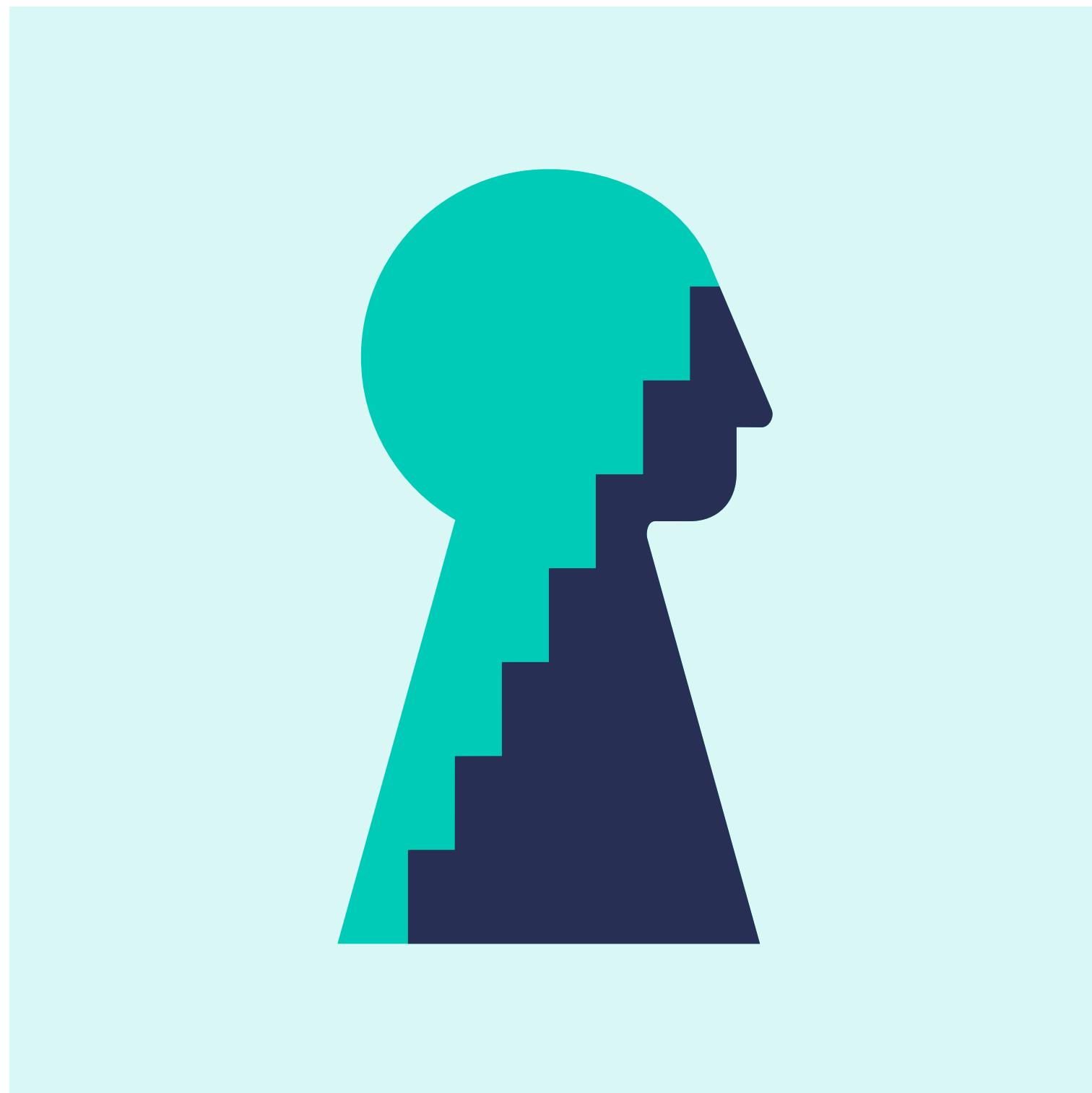
Identifying an individual's performance level is an indicator of how well the individual is doing – and a sign of whether the individual is in the correct role. Factors such as time in the role and experience must be considered, for example someone may be too new to a role to assess their performance and need time to establish. The performance measure likely comes from your current performance management process.

'Potential' refers to predictors of the individual's future performance based on the person's predicted capabilities. You may have an individual who is not performing well but shows great potential, indicating they may need developing or reassigning a role to improve their performance. There are a range of indicators that can be considered in determining potential likelihood (see page 10 for more detail).

How can we identify potential?

There are several factors to consider when determining someone's potential to take on a more senior role, these criteria can help shape your conversation and decision making.

Ensure you consider objective data and observations when considering performance and potential ratings. (See page 30 and 31 for more detail on objectivity and bias).



<p>1. Motivation to lead: do they have the motivation and desire to be in a more senior position or one with greater responsibilities and remit?</p>	<p>2. Formative experiences: do they have background experiences that have shaped and prepared a candidate to be successful in higher-level positions?</p>
<p>3. Leadership competency: do they demonstrate leadership behaviours and/or have demonstrated management skills and interest (where applicable)?</p>	<p>4. Logic and reasoning: do they have the cognitive abilities necessary to solve complex problems and take on more complex work?</p>
<p>5. Learning agility: have they demonstrated the ability and willingness to learn from experience and apply that learning to perform successfully under new and first-time conditions?</p>	<p>6. Self-awareness: can they identify personal strengths and weaknesses and how they affect others – and displayed a willingness to continue to grow?</p>

How to run a talent review workshop

Before the workshop

1. Agree the population to be covered in the Talent Review – normally we would look at manager level and above.
2. Ask your leadership team to pre-populate the 9-box grid with the individuals under review. Seek the views of line managers as needed – depending on the number of levels below leadership being considered.
3. Send out the fully populated grid prior to the meeting so they can come prepared to discuss the wider population being reviewed.
4. Ensure the diversity data of your team is available to you.
5. Consider whether you will run this exercise digitally (e.g. PowerPoint/Excel or specialist software like Workday) or on flipcharts to ensure you use the right materials for your convenience. You will also want to remove ratings of any leaders who are attending the review workshop.

During the workshop

1. Agree the outcomes you want to achieve from the review meeting and set the scene for honest, safe and respectful challenge during the discussion.
2. Agree the need for confidentiality and objectivity during the process and in discussions.
3. Ask each leader in turn to talk through their team members, why they placed them in the location on the grid and what direction they expect them to take including any development activity. Leaders must use objective data and observations when considering performance and potential ratings – see section on objectivity and bias.
4. After the leader has presented a summary of each person (3 min max) ask the wider group for their opinions:
 - Do you agree with the summary based upon your experience with the individual? If leaders have not been exposed to the individual, they should state that they have nothing to add.
 - What roles do you think this person could move into? Think wider than their present team.
 - What development activity do you think this person needs?
5. Once all individuals have been reviewed ask the leadership team to take a holistic view of the present state of your talent pipeline. What do they observe? Is there an even spread? Are there gaps in the high potential talent in boxes 6, 8 and 9? What actions do we need to take to fill gaps?
6. Use the diversity data to challenge yourselves on the proportionality of the outcome.

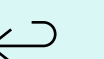
After the workshop

1. Carry out a succession planning exercise, ensuring the individuals identified as high potential are allocated to future planned roles. The succession planning can form part of this review if time allows or carry out as a separate meeting.
2. Ensure development plans are in place for key talent. Consider whether talent is being blocked by average/low performers. Facilitate talent moves, secondments, project resourcing, sponsorship/mentoring and visibility of your key talent – as well as your diverse talent.
3. Decide how transparent you plan to be with individuals. Being transparent is encouraged but benefits from mature organisational culture and skilled managers at having career conversations with employees. This includes managing risks around pace of progression (for your top talent) and managing expectations (for your skilled and engaged experts who may not progress to leadership).

9-box grid explained

[You can download a blank template of this document here.](#)

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">The ability to assume increasingly broad or complex accountabilities during the next 12–18 months.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Potential</p>	High	<p>7. Untapped talent Develop in current role/reassign</p> <p>Individual may be new to the role and hasn't had time to demonstrate performance. Coach and develop to higher performance or consider moving to a better matched role in time to retain.</p>	<p>8. Growth employee Stretch/develop</p> <p>Still room for maximising performance in current role, then increase the challenge and scope. High potential for the future.</p>	<p>9. Top talent Prepare for future roles</p> <p>Has mastered current role and is ready (anticipating) a new challenge/significant stretch. Retention is critical.</p>	
		<p>4. Dilemma Improve in current role</p> <p>Focus on reasons for low performance and actions to improve. If no improvement consider a performance improvement plan.</p>	<p>5. Core employee Focussed development</p> <p>Develop to reach higher level of performance in current role. Has some potential for increased stretch.</p>	<p>6. High impact Stretch/develop</p> <p>High performer and a good candidate for growth. Focus on developing skills and provide stretch opportunities that will allow them to take on more scope/scale in the future.</p>	
	Low	<p>1. Under performer Develop in current role or reassign</p> <p>Focus on significant performance improvement or moving to a more suitable role. Should not be left unaddressed.</p>	<p>2. Effective employee Observe/Improve in current role</p> <p>Consistent contributor, but limited potential. Could this person thrive in a more suitable role.</p>	<p>3. Trusted talent Motivate</p> <p>A strong performer but unlikely to move to a higher level role. Engagement will be important for continued motivation/retention.</p>	
		Performance (based on current role)			High



Top tips and common pitfalls

The role of HR in facilitating the talent process.

Top tips

- Encourage people to share their own insights and observations of individuals
 - but be sure to direct people towards objective and not subjective judgments.
- Ensuring you have previously tried to eliminate bias and subjectivity in your performance processes will benefit this activity.
- Consider how you build cross-functional awareness of your talent longer-term, to enable better talent discussions and increased opportunities (e.g. project opportunities).
- Ensure managers are nurturing talent with development plans and engaging work. Consider having transparent conversations with individuals that they are viewed as having high potential and you are keen to develop them – as a way to engage and retain (but be ready to back this up with action and stretch opportunities!).
- Keep the data current. Is it being used to inform decisions on stretch projects and development in the next 12 months?

- Consider the experience you are providing to those identified as talent. It may be worthwhile defining a package of opportunities such as development, time with Exec members, coaching/mentoring, projects and meetups
 - to ensure talented employees have increased visibility, development and engagement.

Things to be careful of

- 9-box reflects a snapshot in time, try to ensure leaders are not limiting or labelling workers forever once placed. This should be re-assessed over time (e.g. annual process).
- Be aware of bias in potential ratings (e.g. they are like your current leaders or they are popular) – scoring against the potential criteria helps focus the mind on potential indicators.
- Make sure appropriate raters are consulted before a calibration meeting. For example, a CFO won't know everyone in Finance so other managers may need to be consulted to give informed choices. This prevents minorities or introverts (who may have less developed profiles) being overlooked.

- Ensure the tool drives action. For top talent (boxes 6, 8, 9) consider what this means for succession, keeping people engaged and accelerating growth opportunities. For low performance/potential (box 1) consider how long this can be tolerated. Keep high performing SMEs (box 3) engaged as they are valuable to organisations.
- While transparency is encouraged, consider the implications with some individuals. For example, you may have organisational experts delivering high performance you want to retain but do not see going to higher levels. Find ways to reinforce an individual's value will be key – especially with deep technical experts and where roles are hard to fill.

Alternative talent management tools

At Lloyd's, we use the 9-box Grid talent tool to guide talent review conversations. The grid captures both an assessment on past performance and future potential. The tool is designed to aid the conversation about your talent and allow you to have a common criteria/language about talent.

There are other tools that could be used in place of the 9-box approach. Here are some other methods or complimenting approaches to consider:

Defining potential for specific cases (e.g. management or projects)

Depending on the size of your organisation – you might find it useful to be more specific on the type of potential you are looking for. For example, conversations could be strategically focussed towards those with potential for managing people, potential for bigger technical roles (non-management related) or potential for a future skillset required (e.g. AI).

In larger organisations, it could also be useful to have a talent board for a particular job family. For example, if you have project managers across multiple functions, it might be beneficial to have a talent board for project managers specifically so that people are aware of the cross-functional talent and can pair them with the right opportunities in the future.

360 Feedback and leadership assessments

Rather than focus on the views of managers and leaders, which may be subjective, some organisations may choose to use a more data-led approach involving more formal assessments. Organisations may choose to put top performers through leadership assessments – similar to those you may use for external hires – to test whether they have the skills and competencies for future leadership roles. 360 Feedback reports can also signpost individuals with strong leadership competencies which may be a predictor of leadership success.

Focus on high performers

Rather than focusing on mapping employees in a 9-box grid, some organisations may find it more valuable to discuss and focus on top performers – ensuring they have well managed retention and engagement strategies for this key population. Starting with this population, conversations can continue into discussing future roles for this talent and more focused career conversations.

A consideration with this approach is to ensure that you consider some additional talent beyond your top performers. There may be high potentials new to the organisation or a role – or someone with huge potential if they moved role – that you

may want to consider but is not currently in your top performer category. You will also need to consider the future for your organisation, as your current top performers may not be your top performers if skills or technology change.

Alternative talent management tools continued

Development for all

An outcome of 9-box activities is often that, once top talent is identified, resources are focused on a small population for maximum effectiveness. Much is therefore dependent on making sure that the identification of potential is accurate. An alternative view is that all employees have potential and to make resources more widely available where possible. This will largely depend on the size of your organisation and resources available – but equipping managers to have ongoing career and development conversations with employees and promote continual learning cultures will give a wider group of people the opportunity to grow. This can be as simple as managers understanding employee ambitions and assessing where an employee should sit in one of **3 'S' categories** at that given point:

Strengthen (deepen knowledge in role), **Stretch** (take on opportunities out of comfort zone, gaining critical experiences) or **Switch** (ready for a new role upwards or laterally).

Management and leadership apprenticeships (fully-funded in the UK) could allow a larger group to develop at minimal cost, increasing opportunities to reach senior positions. A challenge with this approach is that diverse or introverted individuals may not always put themselves forward for opportunities, so it also requires managers to encourage their teams to ensure opportunities are not taken by a select few.

Focusing on succession planning

While many companies focus on both talent identification (e.g. through 9-box grids) and succession planning, others choose to focus purely on succession planning as it means you are identifying talent in a more focused way. Combined with providing development opportunities for all, this can be a good way to focus on key roles. The risks with this approach include focussing on high performers and not those with leadership potential, increased chances of only discussing those with more developed internal networks and profile at leadership level, as well as risking not fully understanding where diverse talent sits. Furthermore, if you only map to current roles you may not be considering those with talent and potential in future roles not yet in existence, linked to your business strategy.

Assessment centres

While assessment centres might be more resource intensive and time-consuming, therefore not suitable for all, they do offer the ability to assess multiple competencies in a controlled environment, leading to a more objective and fair evaluation. Activities can involve things like problem-solving case-studies, role-plays, presentations and psychometric tests to see how participants perform. Assessment centres are used more regularly in the public sector, larger companies, those looking to recruit a large number of roles at one time or can be useful in instances of merger and acquisitions to ensure the best individuals are retained.

Case study: The Hartford

Lisa MacDonald – Head of International HR

‘Talking Talent’ with the Executive

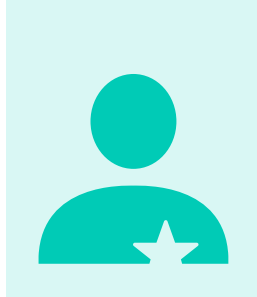
At The Hartford we believe in the importance of understanding and recognising our key talent, and that they are visible to our senior leaders.

One of the ways in which we manage this is through the use of ‘Talent Cards’. The Talent Card is a snapshot of an individual’s key talent information and is used for talent reviews to help leadership gain familiarity with high potentials and key talent. The card provides a summary of relevant information and we find it a great way for leaders to discuss top talent by understanding an employees’ previous experience, skills, and career aspirations. It also gives us a good foundation for discussing the impact of them leaving the business, and in doing so drives and informs retention strategies.

The process takes place upon completion of the annual performance and compensation cycle. Talent Cards are prepared by managers, focusing on highest performers, women and ethnically diverse employees.

The Talent Cards are shared with the CEO and leaders to drive a range of development and career actions. It gives greater visibility to those that are driving our business forward, and we find it to be a succinct and impactful tool for our leaders to engage on and celebrate our talent.

Talent Card

	Name	Internal job history
	Job title	External job history
	Management level	Education
	Organisation	Career aspirations
	Location	

Other top tips from The Hartford:

- We offer creative solutions for career paths where employees can follow a technical expert or operational management path, ensuring that we adopt the right skills for the right roles, and strengthen our technical and operational leadership capability.
- We maintain a ‘Pipeline Talent Tracker’ of talent we meet and want to remain connected with so that we can source directly from that talent pool known to us. This is especially impactful for preparing for a more diverse workforce.
- It is mandatory for all employees to have a development plan – whether reading about current trends, job shadowing, on the job learning or more in-depth training programmes, and our employees are encouraged to engage with their ongoing personal development annually. It’s important that our people continue to grow, and that it forms part of our culture.
- We track our diversity gaps, driving initiatives to improve on the metrics we measure, as such we were able to exceed the Lloyd’s diversity metrics and reset stretch targets for our future.
- To engage employees with our DEI journey, we share our culture dashboard and talent landscape metrics via townhalls to highlight our progress. It also gives us a good foundation for discussing the impact of them leaving the business, and in doing so drives and informs retention strategies.

Case Study: MS Amlin

Julia Campbell – Head of Talent and Learning

Talent Review – top 10% for stretch and development

We believe that creating a robust talent process has enabled MS Amlin to have the right conversations, work smartly and ensure that we are retaining and developing the right people. We created this concept back in 2020 and the process is now fully embedded into our annual cycle.

Step one: gather data

- We encourage all managers to carry out career conversations to ensure they have accurate information about both the capability and potential of their team.
- Potential data is captured on our HR system (Workday) to identify both our core talent population (roughly 90%) and our top talent population (roughly 10%).
- The top talent population is broken down into 4 segments to identify career pathways (see table on the right hand side of this page).

Step two: calibrate data

- We carry our various moderation discussions across different leadership teams to collectively review the data, this is finalised by an executive level review.

Step three: talent actions

- Once we know who our top talent is, we then design targeted interventions on an individual or group basis to align with targeted individual development plans.
- Some examples of talent actions are secondments, Board and iNED hosted top talent dinners, stretch projects and coaching.

Top talent pool	Inspiring leaders	Managers and leaders who could inspire change and transformation within their teams.
	Transformational professionals	Individuals who could facilitate change and transformation and who are able to move around the business.
	Technical professionals	Individuals with specialist skills who could drive exceptional business performance.
	Ones to watch	Career path is open and they could move into either of the other three segments.
	Core talent	Individuals identified as core talent are performing well but not identified as 'top' talent for next 12-18 month timeframe.

Other top tips from MS Amlin:

- Focusing on our top 10% give us a realistic and achievable talent pool to actively work with to create meaningful talent actions/interventions.
- The process is deliberately separate to the year-end performance discussions, to ensure we focus on potential.
- We apply a D&I lens to all our talent data analysis and ensure that there is sufficient challenge during calibration/moderation discussions.
- We also pay attention to the pay positioning of our top talent pool to ensure they are in line with the market benchmark.

Case Study: HS2 Ltd

Mobilising talent through 'Managed Moves'

What is a managed move?

A managed move is when an individual identified as Top Talent is given the opportunity to move into an alternative role for up to 6 months.

How do managed moves work?

Details of the individuals identified as '**Top Talent**' in the most recent talent reviews are shared with the Head of HR and hiring manager.






Line Managers are consulted and can advise if there are any circumstances that need to be flagged, or that would prohibit the individual moving roles.

The individual is offered the opportunity to move into the role and agrees start date (NB: the individual does not have to accept the role)

If the role is still available at the end of the designated period, it will be advertised, and **the individual can apply** if they so wish.

If the individual does not wish to apply or is unsuccessful in their application for the role, they will **return to their substantive role**.

How have managed moves aided HS2 talent management processes:

- 
 Ensure we are translating our talent identification into **meaningful actions**.
- 
 Provide **stretching and relevant development opportunities** for talent to enhance existing skills or to develop new skills.
- 
Support mobilisation of diverse talent: In 2022/23, 47% of managed moves were female and 27% were from ethnically diverse groups.
- 
 Helps to **engage, motivate and retain our talent**.
- 
 Provides flexibility for **roles to be filled quickly** with internal talent – reducing risk and supporting business continuity and organisational resilience.

Section two: succession planning



How to carry out a succession planning workshop

Purpose of succession planning

Succession planning is a process of reviewing the roles in your organisation and considering those who may be capable of moving into those roles in the short or medium-term, should they be vacated due to sudden absence or resignations, or over a longer period as you consider future retirements or current role-holders progressing. Having a succession plan can help you identify your future leaders and begin the necessary development processes that will increase their potential and performance outcomes. Above all it is about sustainability and risk management, enabling your organisation to stay viable.

Succession planning often focuses on the continuity of key roles (e.g. Senior Leadership Teams) protecting the business's performance and/or where the cost and effort of external hires is greatest. However, succession planning should also be considered for other critical roles or critical individuals where the skillset is such that it would be hard to recruit externally.

As well as identifying future successors for the permanent role, it also allows us to consider other risks and important dynamics such as who could step in to continue the key role tasks should someone be on long-term sick, what is the likelihood that the current role holder may leave the organisation, and what would be the impact if they leave.

Succession planning workshop approach

We would recommend holding a succession planning calibration session with your function/team leadership. This allows for different views on individuals to be heard and challenged. Ideally the session would be facilitated by a dedicated HR Professional. For reference, a Succession Planning workshop for 10 key roles will normally take 60 minutes.

Succession plan – completion guidance



1. **Consider and agree which roles you are going to include in the succession planning activity.** Make a note of the role title in the first column of the succession plan. This may be all roles that report into a member of the Leadership team – or other critical roles or people, where there would be a significant impact to business if the role-holder left.
2. **Enter the name of the current role holder and also give an indication of their flight risk from High (H), Medium (M) or Low (L).** This is likely to be based on the perceptions of the manager and is useful as it allows you to think about where you need to be developing successors to minimise your risk if the role holder leaves.
3. **List the emergency caretaker.** This is the person or persons who would step in should the current role holder leave suddenly or be absent for an extended period. Note that it may be that this person is not suitable to be a future successor, it may be that they just have the experience or relationships you would need for an interim period.
4. **List anyone who is ‘Ready next move’ within a 0–2 year time frame.** When considering if you have anyone who would be suitable for this role, the benchmark is whether you think they would make a credible candidate if the job became available tomorrow. They may have minor gaps in skills, experience or knowledge but these would all be deemed solvable while working in role.
5. **List anyone who is ‘Ready later’ with a 2–5 year timeframe.** When considering if you have anyone suitable for this role, the benchmark is whether you think they have potential that can be developed within that timeframe with the right experiences, roles, training or coaching. Consult your 9-box grid (where you have this) to consider individuals identified with the most potential.
6. **Where there are gaps in any of the boxes state if this will need to be filled by an external hire.**
7. **Use the comments/actions box for any observations** – for example; where you have clear risks, where context is required on the placement of names or where the role may look different in the future. You can also use the box to capture summary development needed for the person.

How to carry out a succession planning workshop

Before the workshop

1. Consider and agree which roles you are going to include in the succession planning activity. Make a note of the role title in the first column of the succession plan. This may be all roles that report into a member of the leadership team – or other critical role or people where the impact to business would there would be a significant impact to business if the role-holder left.
2. Ask your leadership team to populate the succession plan – see guidance on slide 24.
3. Send out the fully populated plan prior to the meeting so they can come prepared to discuss the wider population being reviewed.
4. Ensure the diversity data of your team is available to you.

During the workshop

1. Review each role at a time, asking the leader who owns the role to talk through the names they have put forward. Discuss as a group:
 - Do you agree with the summary based upon your experience with the individual? If leaders have not been exposed to the individual, they should state that they have nothing to add.
 - Does this align to the findings of the talent mapping exercise? We shouldn't have people in the 'ready next move' category if they have not been identified as high potential talent.
 - What opportunities are there for people outside of the team / function to fill the role? Gaining a broader understanding of a business is critical for senior leadership positions.
 - What development activity do you think people need to get them ready for a role? Especially important for 'ready next move' individuals.
2. Once all individuals have been reviewed ask the Leadership team to take a holistic view of the present state of your talent pipeline. What do they observe? Do all roles have sufficient coverage? What actions do we need to take to fill gaps / address flight risks?
3. Use the diversity data of your team to challenge yourselves on the proportionality of the outcome. Is this succession plan representative of your population? What does it mean for gender and ethnicity targets?
4. Agree as a group how transparent you will be with people on your plan. Transparency can be highly motivating for those identified.

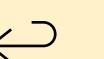
After the workshop

1. Hold career conversations with identified talent to validate their aspirations to progress – whilst discussing areas you think they should prioritise their development and commit that to a clear development plan.

Example succession plan and development actions

[You can download a blank template of this document here.](#)

Role	Role holder and flight risk (H/M/L)	Emergency caretaker	Ready next move (0–2 years)	Ready later (2–5 years)	Comments/actions
Head of learning	Paul Smith (High)	Person A	Person 1	Person 2 Person 3	Person 1 would be a credible candidate – need to urgently develop their experience in budgets and presenting in short-term given flight risk of Paul Smith.
Head of partnering	Emma Jones (Low)	Person B	External	Person 4 Person 5	No internal candidates ready immediately. Person 4 and 5 both 3+ years away.



Top tips with succession planning

The role of HR in facilitating the talent process.



- Challenge the realism of names being suggested as successors. As a guide, 'Ready Now' successors should be those you would encourage to apply for the role if it became available tomorrow. While you would want the role to provide some stretch, list as 'Ready Later' if there are gaps too significant to be successful at this stage.
- Challenge whether roles would need a like-for-like successor. If the role became available, is it an opportunity to do something different with the headcount, bearing in mind future skills and priorities. If so, are there other names you should be considering?
- Capture the diversity breakdown of the final succession pool and consider its proportionality – and what it might mean for future diversity initiatives.
- Ensure successors have clear development plans to bridge the gaps to readiness and that managers are committed to supporting. If the role suddenly becomes available tomorrow – have you been getting individuals ready with targeted actions?
- Consider a breadth of development opportunities to get successors ready. Diverse successors may benefit from additional support if their networks are weaker but avoid making assumptions. Clarity and discussion on what the gaps are will allow for effective planning catered to different individuals.
- Avoid just putting names into boxes to feel a sense of completion or safety. If the names aren't realistic then it means you are less prepared if someone exits. Instead, if you have a gap in ready now successors, especially if the role is critical or the role-holder is a high flight risk, you can think about options to upskill internally or start making yourself aware of external talent.
- Cross reference your talent mapping and succession plans for validity. If you have top talent that do not appear in current succession plans, would you need to reassign roles to find other opportunities?
- Is talent – and especially diverse talent – blocked by average or underperformers? If so, can talent moves ensure this talent gets the opportunity to develop and be retained?

Think broadly about how to grow talent

When thinking about development initiatives to grow your talent and successors, think broader than formal education. Growth happens when you combine a mixture of on-the-job experiences, learning from others and formal education.

Experience and experimentation	Exposure and feedback	Education
<p>stretch assignments</p> <p>work shadowing</p> <p>job rotation</p> <p>on the job projects</p> <p>external secondment</p>	<p>assessment/feedback tools</p> <p>executive coaching</p> <p>create 'thought leadership' videos/articles</p> <p>mentoring</p> <p>lead community of practise</p>	<p>external speakers</p> <p>leadership programme</p> <p>webinars</p> <p>digital learning: playlist and toolkit</p>

Key considerations in talent management & succession processes



Key considerations for HR in talent management

As HR practitioners or leaders, you have a key role to play in ensuring talent management supports effective diversity and inclusion practices, and works towards your company's cultural targets.

Using data to ensure proportionality

It is worth having effective data with you going into calibration meetings for talent and succession conversations. If 50% of your workforce is female but only 20% of your identified successors or talent pool is female, are leaders using objective data or could we be promoting similar types of individuals?

Having data allows us to ask the right questions and challenge views available to you.

Try to remove bias from the process

There are many unconscious biases that can play out in decision making and talent discussions. What may be discussed as a strength for men (e.g. Confident, Assertive) can be labelled as a weakness for minorities (e.g. Bossy, Aggressive). We often have a natural bias to look out for leaders who fit the mould of what has worked before – which is limiting in demographically homogenous leadership groups.

As HR leaders, we can look out for and challenge those biases so that calibration groups are more aware of common pitfalls they may fall into.

Understand where your diverse talent is

Once we are sure we have eliminated bias from the process and that we have challenged the proportionality stats and use of objective decision-making data, we may still find ourselves in a position where we have fewer diverse successors or talent pools.

One of the things HR can do is some further analysis to see where our diverse talent sits and where it might be trapped? e.g. are we struggling to develop diverse middle managers which impacts progression to leadership? Is our diverse talent leaving the organisation within 2 years? Do our leaders know talent outside of their own Function?

Support diverse talent and remove barriers

Once we understand where our diverse talent sits and can identify some of the blockages that may be playing out – we will be in a better position to put in some effective talent management practices:

- Leadership/Career programmes designed specifically for minority groups (such as Lloyd's Advance and Lloyd's Accelerate programmes).
- Mentoring and Sponsorship to support diverse talent.
- Leadership meeting talent outside of their own functions for better visibility.
- Considering how projects, secondments and other opportunities are allocated.
- Looking at inclusive practices to retain diverse talent longer.

Success checklist for HR leaders



- Determine what purpose talent and succession processes currently play/will play in your organisation.
- Make sure there's a connection between business strategy and your talent and succession processes.
- Make sure the approach is endorsed by your most senior leaders.
- Clarify who is covered in your talent and succession processes.
- Develop clear definitions and a common language.
- Focus on getting increased objectivity into the process and remove those biases.
- Use diversity data to support and understand the impact of your processes.
- Make succession and talent plans action-orientated.
- Equip leaders to develop their people.
- Put a focus on experiences as a way to develop employees.
- Consider how you move towards transparency and employee-focussed processes.
- Critically evaluate the success your processes have, set targets and enhance the process as needed.
- Plan an appropriate time period (at least once a year) to refresh and re-calibrate your plans – ensuring the process is kept alive and is used to support business.

5 top tips for leaders involved in talent management

As HR practitioners, it's important to upskill managers and leaders involved in your talent and succession processes – as well as performance – to ensure that the process is as objective and fair as possible. This in turn should lead to more effective outcomes. Here are some top tips you should call out ahead of the process:

Focus on evidence over subjective opinions

What has the individual achieved in the last 12 months? What are the observed behaviours? Do they manage their team effectively? Avoid giving opinions on whether you think someone could be a leader or things you may have heard second-hand from others.

When considering potential, refer to a consistent set of indicators to make your decision

Potential is often confused for high performance. By focussing on defined indicators, we are more likely to identify the people with potential for future leadership roles. Recognizing and retaining high performers is also key – but the expertise and delivery that these individuals display should not be confused with those who have the ability to drive teams and your organisation forward.

If you don't have direct experience of working with or observing the individual then don't offer an opinion

It is great to offer objective views when you have worked with individuals – but refrain from joining the debate when you don't have that knowledge. Instead, challenge others in highlighting the evidence for their views and make a commitment to get to know and observe these individuals ahead of future discussions.

Be aware of your own biases and preferences ahead of these processes and look out for them

Biases are common and we all have them – but it's important to recognise which affect you and look out for them. For example, do we show a bias to those leaders who are more like us – and if so what will the impact be on leadership diversity? Do we favour extroverts over introverts? Are we penalising people for one observed mistake dating back years?

Consider stretch opportunities you may have in your own function that helps develop the organisation's top talent

We have a duty to help develop future leaders for our organisation. If an individual from another area needs certain experiences to continue their development, consider if this is something you can offer with upcoming projects or a secondment. Put yourself forward to help mentor or sponsor top talent, particular those from diverse backgrounds or those who may lack profile in the organisation.

Ensuring proportionality and objectivity

Proportionality is a key concept to understand fairness.

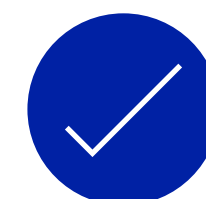
For example: If you flip a coin 1,000 times about 500 times it will land on heads and 500 times tails.

Proportionality in talent management means the following: If a function has 20% Women and 10% ethnically diverse – proportionality would dictate that 20% of top talent will be women and 10% of top performers will be ethnically diverse.

Important: There is no quota on top performance rankings.

However – if the results are disproportionate then the results should be reviewed to ensure only objective evidence has been considered.

What is objective evidence of future potential?



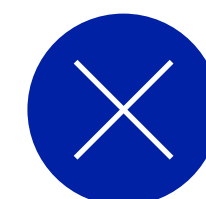
Performance:
evidence from the formal performance process, accurate work, delivery to deadlines.

Learning agility:
do they have the ability and willingness to learn from experience.

Leadership:
demonstration of leadership behaviours.

Self-awareness:
do they have the ability to identify personal strengths and weaknesses and continue to grow?

Logic and reasoning:
demonstration of cognitive abilities necessary to solve complex problems.



Fit:
whether the individual has the same style as those they are working with.

Perception:
using hearsay, 2nd hand information, rumour to inform opinions.

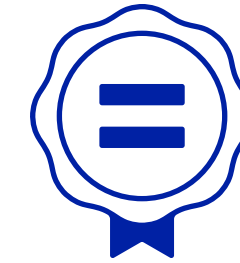
Likeability:
being friendly and accommodating being a point of evidence or exposure to an individual and liking them being used as evidence of potential.

Assertion:
X did a great job and everyone thinks they're a good person.

Watching out for bias in talent and performance discussions: Language

The language shown here is regularly cited as examples of bias when describing behaviours which are interpreted as positives when observed in majority groups e.g. quiet for a woman vs. reflective for a man or aggressive/rude for an ethnically diverse vs. assertive for majority group individual.

Gender



Men

- Assertive
- Reflective style
- Gets the job done whatever it takes
- Confident/Credible/Gravitas
- Direct
- Team player

Women

- Pushy or bossy
- Quiet/lacks gravitas
- Unpleasant to work with/rude
- Too full on
- Rude/dominating

Ethnicity



Majority groups

- Direct
- Assertive
- Team player
- Confident/gravitas/credible

Minority groups

- Militant
- Aggressive
- Too chatty
- Rude/dominating
- Not polished/doesn't fit

Further resources



Resources



Lloyd's programmes

[Advance – For Future Female Leaders](#)

[Accelerate – For Future Ethnically diverse Leaders](#)

[Lloyd's Market UK Leadership Programme \(funded by apprenticeship levy\)](#)

[Lloyd's Market UK Management Programme \(funded by apprenticeship levy\)](#)

Articles

[How the Best Managers Identify and Develop Talent \(hbr.org\)](#)

[Developing Your Leadership Pipeline \(hbr.org\)](#)

[Retaining & Developing Women Leaders: 5 Steps for Success](#)

[Turning High-Potentials into Successful Leaders \(hbr.org\)](#)

[How to Hang On to Your High Potentials \(hbr.org\)](#)

[14 Effective Ways To Ensure More Women land in Leadership Roles](#)

[How Leaders Can Get Honest, Productive Feedback \(hbr.org\)](#)

[The 5 elements of a strong leadership pipeline \(hbr.org\)](#)

Podcast

[The Value of Talent Management \(podcast\)](#)



Appendices



9-box grid – blank

Once you have considered potential you combine it your performance rating – likely taken from the last performance rating period. As a guide, you will need to determine how your performance ratings are grouped into the low/medium/high categories. If you have a 3-point performance scale (e.g. below

target, on-target, above-target) this may be obvious. If you have a 5-point scale, you might decide the top 2 categories reflect high performance – with the middle performance category for medium performance, and bottom 2 rating categories as low performance).

The ability to assume increasingly broad or complex accountabilities during the next 12–18 months.	High	7. Untapped talent Develop in current role/reassign	8. Growth employee Stretch/develop	9. Top talent Prepare for future roles
	Potential	4. Dilemma Improve in current role	5. Core employee Focussed development	6. High impact Stretch/develop
	Low	1. Under performer Develop in current role or reassign	2. Effective employee Observe/Improve in current role	3. Trusted talent Motivate
		Performance (based on current role)		
		Low		High

Succession plan – blank

Role	Role holder and flight risk (H/M/L)	Emergency caretaker	Ready next move (0–2 years)	Ready later (2–5 years)	Comments/actions

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