RESOLUTION TO APPROVE THE UNIVERSITY SUCCESSION MANAGEMENT PROGRAM

WHEREAS, the Code of Virginia §2.2-1209 directs each public institution of higher education to prepare a succession plan for presentation to the board of visitors; and

WHEREAS, the Code always requires each agency to participate in a succession management training program offered by the state department of human resources; and

WHEREAS, the university's Division of Human Resources, through its HR Transformation Initiative, has developed a conceptual framework for a university succession management program; and

WHEREAS, the program consists of three planning domains: workforce development, leadership and executive development, and critical position planning; and

WHEREAS, the Division of Human Resources, during FY19, will refine the program components and begin implementation of the succession management program; now

THEREFORE, BE IT RESOLVED, that the Board of Visitors directs the President of the University, through the Vice President for Human Resources, to implement a university succession management program based upon the framework presented; and

BE IT FURTHER RESOLVED, that the Board of Visitors requests an annual update of the university succession management program and the university's progress towards implementing a program that addresses workforce development, critical position planning, and leadership and executive development.

RECOMMENDATION:

That the Board of Visitors approve the Resolution to the University Succession Management Program.

August 27, 2018

Attachment W

Succession Management Program:

The Conceptual Framework

Virginia Tech Board of Visitors

August 27, 2018

HUMAN RESOURCES
VIRGINIA TECH

Overview of program development

Code of Virginia (§2.2-1209): Agency director human resource training and agency succession planning

- Directs each public institution of higher education to prepare a succession plan for presentation to the board of visitors with a copy to the state department of human resource management (DHRM).
- Requires DHRM to provide training program to agency heads. President may send a designee.

Overview of program development

As part of university HR Transformation Initiative:

- Developed framework for HR Strategic Engagement function
- Conducted workforce analytics
- Reviewed leadership and executive development programs
- Established framework for university succession management program

HR Strategic Engagement

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AVP Strategic Engagement

Organizational Capacity

Recruiting and retention strategies

Talent Acquisition and Talent Management

Staffing and Recruiting

- Recruiting programs
- Employer brand development
- Pipeline development
- Targeted recruiting
- Internal redeployment
- Dual career programs
- Faculty recruiting support
- Workforce planning

Total Rewards

- Compensation planning and strategy
- Design of new or enhanced benefits programs
- Formal and informal recognition programs
- Financial and non-financial rewards strategies and programs

Employee Success

- On-Boarding
- Performance management
- Employee wellness programs
- Employee relations
- Culture enhancement initiatives
- Mentoring / Coaching
- Mediation
- Exit interviews

Organizational Competency

Talent Development

Learning and development strategies

Organizational Development

- Organizational design and development consultation
- Succession planning
- Career pathing

Professional Development and Training

- Leadership and management programs
- Professional and behavioral development programs
- Skills and role-based training programs
- Just-in-time, on-demand training programs

HUMAN RESOURCES
VIRGINIA TECH

Overview:
Succession Management Program Framework

Framework consists of three planning domains

1. Workforce Development
   - Utilizing data analytics of past trends and prediction of future retirements and other separations
2. Leadership and Executive Development
   - Contextualizing leadership for Virginia Tech and recognizing high potential employees and their developmental needs
3. Critical Positions Planning
   - Understanding highly skilled individual contributors with unique credentials and competencies

Current efforts in planning domains

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1. Workforce Development Analysis
   - Trends for Teaching and Research (T&R) faculty by department and staff roles in occupational families
   - Highlights departments and occupations that are predicted to have high rates of separation that could threaten success
2. Leadership and Executive Development
   - Executive Development and Management Academy for the last decade using a cohort development approach
3. Critical Position Planning
   - Unplanned and coordinated by being reliant on department leaders acting independently to solve critical position at times of crisis

Workforce development strategies

Develop broad-based professional and workforce development programs aimed at building critical skills and competencies in high risk positions. Initial focus on roles:

- Management and supervision
- Financial management
- Laboratory support technician
- Skilled trades
- Information technology

Build recruiting strategies that generate deep candidate pipelines for all at-risk positions

Leadership development strategies

Develop unit-based succession planning tools and processes to identify high potential and/or high performing individuals that could fill at-risk positions

- Phase 1 – Introduction of the succession planning framework
- Phase 2 – Identify high potential employees and developmental goals
- Phase 3 – Train employees and facilitate experiences that increase leadership competencies

Critical position planning strategies

Develop an on-going process to identify critical positions and specific replacement strategies that may include development or recruitment strategies

- Phase 1 – Collaborate with HR Division Directors and strategic partners to identify critical positions
- Phase 2 – Assess current workforce for qualified successors and implement individualized development strategies
- Phase 3 – Outreach to feeder organizations to build sustaining relationships and capacity building programs such as internships, fellowships, educational partnerships, etc.

Succession planning as an on-going process

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1. Identify at risk positions in planning domains
   - Workforce Development
   - Leadership and Executive Development
   - Critical Positions Planning
2. Implement recruitment, development, and planning strategies
3. Assess impact through data analytics and stakeholder input
4. Identify new at-risk positions

Key dependencies

1. Executive level support for a structured approach to succession planning
2. Continue to develop and invest in strategic HR functions
   - Expand professional development team and resources
   - Expand strategic recruiting function and resources
3. Continue to invest in modern HR tools and technologies
   - Learning Management
   - Performance Management
4. Commit to succession planning and execution as a core responsibility of leaders
   - Continuous communication and educational efforts on the benefits of succession management

Resolution Approval

THEREFORE, BE IT RESOLVED, that the Board of Visitors directs the President of the University, through the Vice President for Human Resources, to implement a university succession management program based upon the framework presented; and

BE IT FURTHER RESOLVED, that the Board of Visitors requests an annual update of the university succession management program and the university's progress towards implementing a program that addresses workforce development, critical position planning, and leadership and executive development.

Appendix 1:
Division of Human Resources
Roles and Responsibilities

HR talent acquisition team

Attachment W

- Create highly targeted and direct recruiting efforts aimed at skilled craft professions
- Integrate internship and work release programs
- Strengthen recruitment programs for IT professions
- Partner with regional institutions and workforce development programs to develop pipeline and feeder programs
- Innovate in recruitment and outreach (employee referral programs, community partnerships, alumni relations, internal executive search firm…)
- Strengthen recruitment targeted at non-traditional or marginalized workforce
- Develop a process to fill vacant positions using the succession planning model (use the “bench”)
- Develop institutional resources to support recruitment in decentralized environment

HR Division Directors

- Recruit and hire HR Division Directors with experience in succession planning and implementation
- Provide data dashboards that support deans and VP's in identifying critical positions and high potential employees
- Develop coaching skills in Managers and HR Division Directors
- Integrate succession planning outcomes into leadership development and reviews

HR talent management team

- Develop new and innovative retention programs aligned with the needs of Millennial and Gen-X generation of employees
- Leverage employee engagement strategies
  - Career pathing
  - Stretch assignments
  - Professional development
  - Cross training
  - Work-life balance
- Re-orient performance management towards fostering employee success

HR talent development team

- Integrate succession planning model into leadership development programs
- Foster the VT shaped employee (deep, wide, committed)
- Build key curriculum certification tracks for at-risk occupations
- Design program for assessing and identifying high potential employees
- Lead efforts to re-launch leadership development cohorts focused on succession planning
- Use rotational assignments to broaden experiences
- Ensure development programs have clear learning objectives and assess impact
- Use multi-modal learning and delivery models
- Build a communication program to promote succession planning to the campus and ensure access to development opportunities

Appendix 2: Workforce Analytics and Workforce Trends Summary

Retirement findings

- Steady increase in retirements over last five years (2012-2017)
  - Over 60% increase in staff retirements
  - More than 180% increase in AP faculty retirements
  - Over 69% increase in T&R retirements
- Average retirement age has remained constant over last five years
  - Classified: 62-64 years of age
  - AP: 62-64 years of age
  - T&R: 66-68 years of age
- There are a significant number of people who are eligible to retire in the next five years
  - Staff: 703 (20%)
  - AP: 193 (11%)
  - T&R: 507 (20%)

Generation composition and assumptions

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- Today's generational composition at VT

	Average Age
Generation X: 3,412	45
Millennial: 3,092	30
Baby Boomer 2,659	60
Generation Z: 232	19
Traditionalist: 112	76

- Assuming one-half of the baby boomers retire within five years; and an even distribution of hires between Gen X, Gen Z and Millennials, the resulting workforce would look as follows:
  - Generation X: 3,855
  - Millennial: 3,535
  - Baby Boomer 1,329
  - Generation Z: 675

Workforce hypothesis

- High predictability of retirement for staff and faculty above 64 years of age – approximately 1,000 people at VT
  - With these departures there will be corresponding loss of intellectual capital, managerial positions and roles requiring unique skills
  - Newer workers have not yet attained sufficient proficiency to assume those positions
- Highly competitive labor market – national unemployment levels less than 4%
- Traditionally difficult to recruit into Blacksburg
- Increased demand for technologically proficient workforce
- Younger generation of workers is exhibiting higher rates of attrition than prior generations
- The Millennial and Gen-Z workforce has not yet had sufficient experience, development, or time in role to assume key replacement positions

At-risk positions

- Many of those who will separate from VT within the next 5 years possess key leadership, technical, financial and skilled positions

- Staff in
  - Information Technology
  - Finance related roles
  - Lab and technical support
  - Skilled trades

- Teaching and Research faculty in
  - Psychology
  - School of Education
  - Forest Res & Environ Conservation
  - Computer Science
  - Chemistry
  - English
  - Electrical and Computer Engineering
  - Biological Sciences
  - School of Architecture and Design
  - Mechanical Engineering
  - Physics
  - Civil & Environmental Engineering
  - Mathematics