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MEMBER
FORUM
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ENERGY IN MOTION

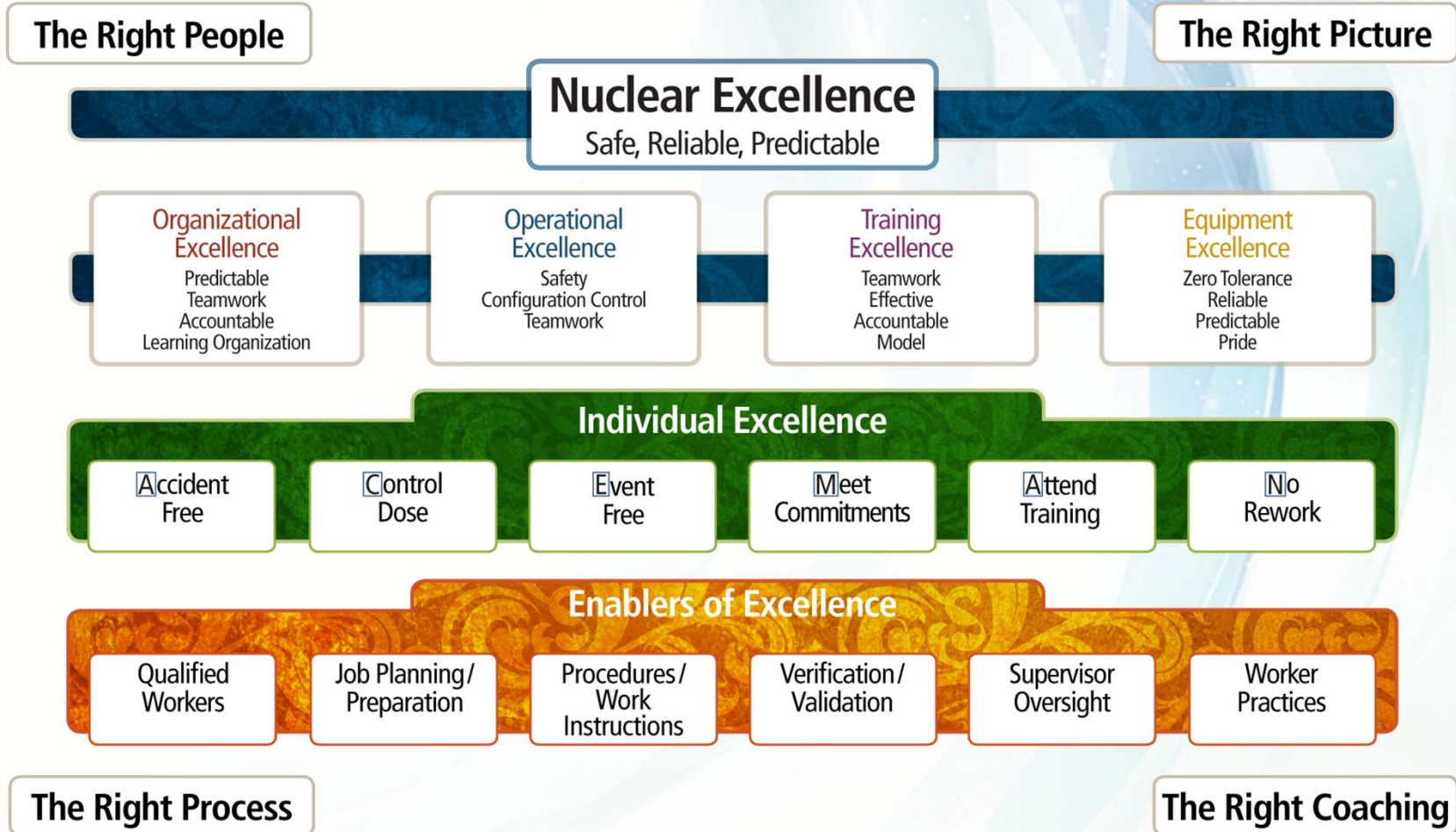
Dale Atkinson

Succession Planning and Leadership Assessments

The Need to Change

- **In 2010, Energy Northwest needed to improve performance.**
- **Performance gaps were identified.**
- **A different management model was selected and new leadership competencies identified.**
- **All incumbent leaders were evaluated relative to the highest priority leadership competencies.**
- **New leaders were selected with consideration of their fit with the new model.**
- **New leaders were evaluated after six-nine months.**
- **Leadership development plans were created for all leaders.**

The Excellence Model



Leadership Competencies

- **Accountability**
- **Excellence**
- **Performance Management**
- **Decision Making**
- **Engagement**
- **Financial Management**
- **Results**

Leadership Assessments

- **At Energy Northwest, all supervisors and above have been evaluated with respect to key attributes. (Top down – evaluates presenter as well as individual being assessed.)**
- **Gaps identified.**
- **Development plans created:**
 - Individual development plans
 - Actions for presenter
 - Feedback provided
- **Some incompatibility situations required change.**
- **Organization response has been positive with improved results.**

The Leadership Assessment Process

- **Data is gathered including:**
 - **Manager's assessment of the individual**
 - **Individual's resume**
 - **Organization Chart**
 - **Self assessment**
 - **360 degree survey results evaluating 7 areas: Accountability, excellence, performance management, decision making, engagement, financial management and results**
 - **Performance appraisals created by and of the individual being evaluated**
 - **Applicable performance indicators**
 - **Observations and other pertinent data**

Leadership Assessment Board

- **Consists of at least three evaluators including at least two executives and a consulting psychologist.**
- **The consulting psychologist and either the CEO or VP ED/CS are present for consistency at all assessments.**
- **The individual's manager presents their opinion of the individual and their assessment.**
- **Board members discuss the individual relative to each evaluated leadership attribute.**
- **The leader is graded and provided comments on their assessment for each leadership attribute.**
- **A leadership development plan is provided with the feedback process.**

Results

- **Assets are performing well.**
- **Individuals have appreciated the honest feedback and development opportunities.**
- **A few individuals were reassigned or released.**
- **Development plans prepared future leaders and results were used for succession planning.**
- **Individual contributors see the change and the positive results.**

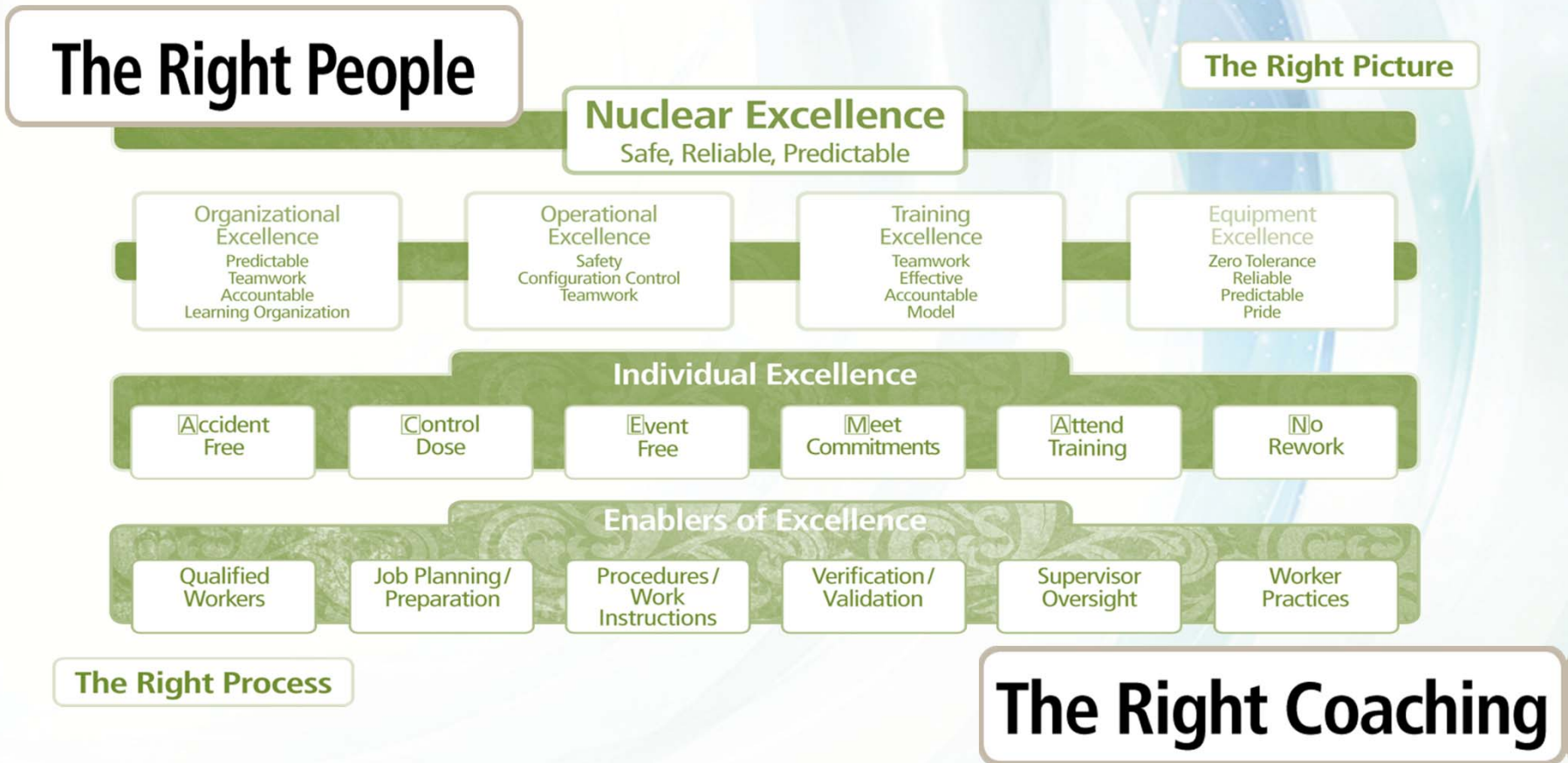
Leadership Assessment Requirements

- **Motivated by a real need for change.**
- **Requires a commitment from the top down.**
- **Requires resources:**
 - Data collection
 - Analysis/review
 - Evaluation
 - Support for development plan; time and money
- **Requires discipline and follow-through.**

Succession Planning, Why Bother?

- **Risk management for the enterprise.**
- **Expense – hiring , relocation, training, productivity.**
- **Stability:**
 - Leadership direction
 - Time to come up to speed
- **Ability to deal with the unplanned (e.g. change to PERS program):**
 - Provide options for the organization
 - Provide options for the individual
- **Retention of high potential/high performing staff.**

The Excellence Model and Succession Planning



Succession Planning and Employee Development

- **Key to achieving and sustaining excellence.**
- **Allows identification and development of leaders to fill key positions.**
- **Increases availability of experienced and capable employees.**
- **Allows for stretch assignments for development and encourages promoting internally.**
- **Delivers an important message – that Energy Northwest values its employees.**

The Succession Planning Process



The 9-Block Model



Using the 9-Block Model

- **Individuals in blocks 7, 8 and 9 are identified for concentrated development. Retention of these individuals is evaluated as well.**
- **Individuals in blocks 1 and 3 are evaluated with respect to their performance evaluations. (Drives use of performance improvement plans or reassignment.)**
- **All others are developed as part of the performance evaluation development process.**

Individual Development

- **For those in the leadership succession plan, the development plan is prepared by their manager using input from the leadership assessment process and discussions with the individual.**
- **Stretch assignments are identified to help the individual develop.**
- **A mentor is made available.**
- **Individuals are reassessed at least annually.**
- **Individuals are added and removed as a result of the annual review.**

Questions?