

Why Risk Management will be vitally important to HR Professionals this year

By Karen Cariss, CEO of PageUp People

The current economic climate only highlights this further. At a time when many organisations will be forced to reduce their overall headcount, remaining employees will need to step up to the mark and drive organisational performance. There are many metrics available to measure workforce productivity and its relationship to balanced scorecard measures. So calculating the return on investment for human capital is not only possible, it's essential.

Why aren't businesses managing human capital risk?

Most respondents to our survey say they do attempt to manage this risk – but they also admit they could be doing much better. Typically they are dealing with relatively subjective processes for the internal identification and management of talent. This is compared to much more rigorous external selection processes. This rigour is rarely applied internally though, with promotion and advancement decisions often guided by subjective appraisals, limited information and a lot of gut feel. The other key challenge highlighted by the survey respondents were outdated processes and spreadsheet-driven data sources that are immensely time-intensive and make succession management a labourious chore rather than a dynamic, insightful and value-adding process for building organisational capability. It stands to reason that succession management has found itself in the 'too hard basket' as a result.

You use the term 'succession management' – how does it differ from succession planning?

There is a distinct difference. Succession planning is the traditional approach of managing successors for only a handful of positions, usually at the top of the hierarchy. It helped to answer the question "what do we do if John gets hit by a bus?" In this way, succession planning was a crisis management tool – useful in the short term to address succession risk in critical roles.

Succession management is the contemporary approach that takes a short, medium and long-term view of the capabilities required by people in the business to meet its strategic goals. So whilst critical roles and flight risk are still managed, there is a strong emphasis on individual and organisational capability gaps, the initiatives required to fill them, and the resulting succession pipeline.

Succession management is a strategic and proactive approach and is not limited to roles at the top. Succession management also empowers managers at all levels to own the process. In this way, succession becomes much more transparent and interactive, rather than a secretive process in the hands of an elite few.

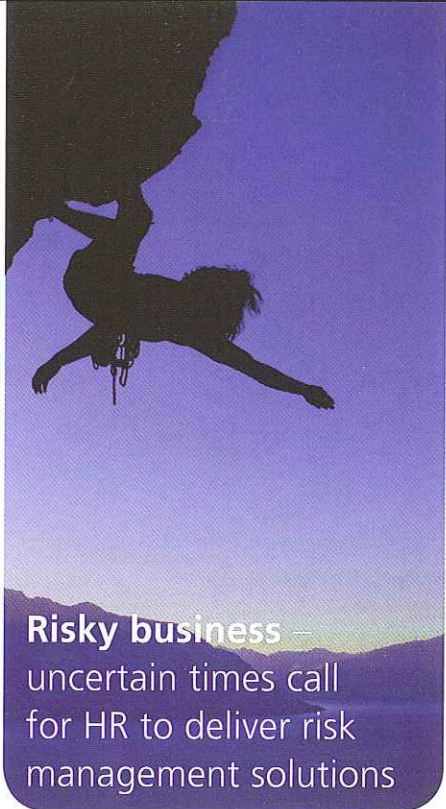
What are the future trends in succession management?

Sophisticated technologies now enable HR, line managers and senior executives to manage the process of succession in an objective way through web-based systems that make information easily accessible and up to date in real time.

Online technologies will replace the paper, spreadsheets and stand-alone systems currently used in most businesses. Manual processes will be replaced by dynamic, intelligent web-based systems that provide immediate and useful information on which sound succession decisions and plans can be made. Organisations will be able to empower line managers at all levels of the organisation to build their talent pipelines and ensure the business's future capability needs are met.

Probably the most exciting innovation of all is that these systems will all integrate. Data will migrate from HR information systems, to recruitment systems, to performance management systems, to training and development and ultimately succession systems. One point of access to all talent management information.

For more information about the PageUp People Succession Management Solution, please visit <http://www.pageuppeople.co.uk>



Risky business – uncertain times call for HR to deliver risk management solutions

According to PageUp People Chief Executive Officer and talent management expert Karen Cariss, the hot topic in business and HR in 2009 is risk management. The business risk associated not just with losing key talent, but failing to optimise existing talent, is as critical and top of mind at the executive table as operational risk, technology risk, and even financial risk. "This is because businesses now realise that their ability to deliver organisational goals, be they financial, customer or innovation, are in the hands of the people that collectively make up their human capital," says Cariss.

A recent survey by PageUp People on succession management practices suggests a growing shift to focus on developing and nurturing internal talent, rather than external talent acquisition.

Cariss discusses risk management strategies for 2009 and what organisations can proactively do to manage their talent pipelines.

What is risk in HR terms?

We're talking about human capital risk: the risk that a business cannot deliver its goals because the right people are not in the right roles and/or are not ready, willing or able to fulfil these roles. In the last decade, risk was about not attracting enough quality staff. Now it is about performance risk and retention risk – how do businesses ensure the enormous investment they have in human capital delivers the goods and is committed and engaged?