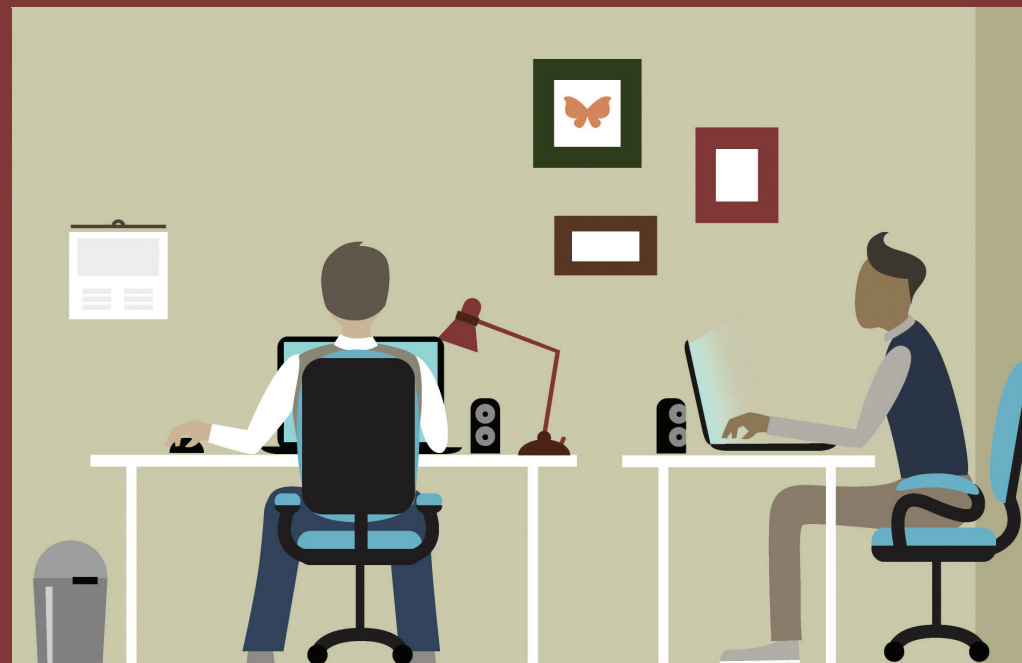


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HR professionals



PRESIDENT'S LETTER

Fostering innovative workplaces is key to attracting and retaining talent

By KELLY KEEFE

The “war for talent” in Northeast Ohio is ongoing, challenging and has become a way of life for area employers. Organizations are seeking new and better ways to meet the demands of their business through talent acquisition, engagement and retention. Forward-thinking companies are recognizing that they must create and sustain attractive workplaces as their core strategy to increase their probability of success.



Keefe

Businesses need practical information to support these initiatives, and this is why ERC has partnered with *Crain's Cleveland Business* to conduct our annual ERC/*Crain's Cleveland Business* Workplace Survey. To no

one's surprise, this year employers ranked “hiring and retention of talent” as the No. 1 challenge facing their company. In fact, the talent challenge outnumbered all the other 19 different challenges combined.

Through this report, the evidence is clear. Business leaders need to think and act differently. The strategy of hope or relying on past successes is simply not working when it comes to hiring and keeping highly qualified people who drive corporate success.

At ERC, we are grateful to work with many leaders who understand the talent challenge and are changing the way they have traditionally done things. These leaders are:

- Treating employees as adults and lightening up on traditional, strict policies
- Offering benefits that are

- meaningful to all employees
- Creating a strategy around their recruiting efforts
- Encouraging the human resources and marketing departments to work together
- Inviting HR to have a seat at the executive table
- Investing in employees through training and education assistance
- Paying employees competitively

The good news is that leaders who face the challenges of hiring and retaining talent are reaping the benefits of their efforts. We encourage every *Crain's* reader to assess their organization relative to their talent acquisition strategy and effort. Where opportunities exist, we encourage organizations to take the steps necessary to develop exceptional work environments where employees can



IN CRAIN'S
See PAGE 1
for an analysis
of this year's
ERC Workplace
Practices Survey.

thrive and succeed. The short- and long-term benefits will be remarkable.

Northeast Ohio has come a long way over the past decade, but we have a long way to go. Let's make a difference in our community by

creating workplaces for top talent to call home.

Kelly Keefe is president of ERC. Contact her at 440-947-1284 or kkeefe@yourERC.com.



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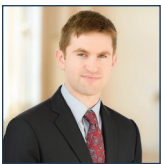
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Sometimes the best defense
is a great offense.



Ann-Marie Ahern



Jack E. Moran

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Backpacks to briefcases: talent acquisition strategies for future leaders

By CHRIS KUTSKO

Changing economic and business landscapes are forever challenging organizations. One of the best ways to weather these challenges is having the right people in place. Year-after-year, ERC's research demonstrates that “talent” is the top challenge faced by the Northeast Ohio business community. When combined with a tight labor market, this struggle has resulted in the so-called “war for talent.”

In a mid-sized labor market like Northeast Ohio, this causes extreme pressure on the leadership team and the human resources department as turnover increases and job postings languish, unfilled. The competition is even steeper for roles such as engineering, finance, IT and technologically oriented manufacturing positions. These are just a few of the many areas of expertise being sought after, but in which industries are reporting shortages. The successful organizations are taking a more creative and strategic approach to their talent acquisition and retention strategies.



Kutsko

“*Revised and beefed-up benefit packages are a significant trend in regards to talent acquisition.*”

Significant opportunity lies with the upcoming workforce and reaching them before they enter the workforce. ERC, in partnership with the Northeast Ohio Council on Higher Education (NOCHE), gathered information from employers about their intern and recent graduate employment practices, and found that 53% of organizations use interns to “develop a local talent pipeline.” To get the pipeline flowing, organizations recruit through a combination of methods, such as college job fairs, building strong networks with college career service centers and LinkedIn. Once these students are recruited, organizations build out robust programs to keep them there — ideally, until well after they have completed their education.

To retain their interns year over year, and ultimately, to convert them into full-time employees, employers are putting much more effort into engaging and developing their interns. These

types of programs include training, project work, coaching and more. A far cry from the coffee getting, paper filing zombie interns of old. In fact, 44% of organizations provide formal training and 57% provide regular feedback and coaching to their interns.

Training courses we often see associated with intern programs include communication skills, influencing skills, conflict resolution and email etiquette. It should be noted that providing potential future employees with training during their internships is also a great cost-savings strategy. Missing work to attend a training on an intern's hourly wage is much cheaper for the organization than missing work for that same training course once they become a salaried employee.

So once the talent is recruited and trained, what else can organizations be doing to ensure the new talent stays? Em-

CONTINUED ON NEXT PAGE

The 'Un' Affordable Care Act

By **JEFF AHOLA**

Business owners, human resource professionals, CPAs and brokers no longer can bury their heads in the sand regarding the Affordable Care Act, hoping the complicated reporting requirements will go away. Denial is no longer an option, and the penalties for non-compliance are exorbitant. Joanna H. Kim-Brunetti, vice president of regulatory affairs at First Capitol Consulting Inc., a data

and analytics company that offers human resources, tax and regulatory compliance services, in April issued the following warning to companies:

"In most organizations, the task of ensuring compliance with the Affordable

Care Act lies with the human resources team. However, that perspective may need to change with the IRS



Ahola

issuing ACA penalty notices that can make a dent in an organization's bottom line. It's time to recognize that the ACA and its employer mandate may have considerable tax and financial implications. That makes it as much of a problem for chief financial officers and their CPAs as the HR department."

The majority of compliance regulations are based on total number of company employees. Unfortunately, ACA compliance applies to Applicable

Large Employers, which are defined as companies with a minimum of 50 full-time equivalents and/or employees. This means that companies with 50 employees are expected to offer health care coverage to qualified employees and to report health care offer information to the Internal Revenue Service. All companies offering self-funded insurance, regardless of size, must also comply with ACA reporting requirements.

This past spring, the IRS began mailing fine letters (226J) to employers and plan sponsors from the 2015 ACA reporting year. Companies have one month from the date indicated in

the letter to either pay the Employer Shared Responsibility Payment in full or provide a corrected data response. These fines are in the tens of thousands of dollars and can extend into the millions for larger companies.

Because ACA is here to stay, automating the reporting for the Affordable Care Act through a human capital management platform that merges payroll and benefit plan data is the best defense for avoiding penalty fines.

Jeff Ahola is CEO at Ahola Human Capital Management. Contact him at jb@ahola.com or 440-915-4003.

CONTINUED FROM PREVIOUS PAGE

employers should start by recognizing the differences in what they want from their place of work as compared to the previous generations. Millennials and Gen Z want autonomy, to be connected to their work and to be able to work wherever they choose. They also want to be leaders.

ERC and NOCHE's research found that only 22% of organizations offer management-in-training programs to their newly hired college graduates. Clearly, this could be a great opportu-

nity for organizations looking to stand out to talented young professionals trying to move up the career ladder.

In the war for talent, figuring out how to stand out is the name of the game, even when it comes to the basics. Revised and beefed-up benefit packages are a significant trend in regards to talent acquisition. It's no longer enough to post a job ad on the internet and offer health care to receive a swarm of qualified candidates. Organizations are adding unique benefits, making traditional offerings better and then highlighting

their uniqueness as a recruiting tool.

We're seeing an uptick in employers offering student loan assistance, tuition reimbursement for continuing education, better medical coverage and increased 401(k) contributions, all of which are very attractive to the upcoming workforce. Organizations are also adjusting their policies to appeal to the younger generations by offering remote work options, flexible schedules and placing emphasis on the value of work-life balance.

By making the adjustments now,

staying ahead of the curve for the future and building brand loyalty through the employee (and intern) experience, employers will start to reap the benefits with increased retention. These increased rates of retention can be attributed to the strategic efforts being made during the early stages of recruiting.

Perhaps the most compelling statistic to demonstrate the overall value of effective internship recruitment and retention strategies is that, according to ERC and NOCHE's research, three-quarters of organizations offer

one or more of their interns full-time employment at the conclusion of their internships, in some cases leading to greater than 50% job acceptance rates. No need to go through a time consuming, expensive, talent acquisition process for these new hires, as they have already demonstrated their abilities in the field with the organization.

Chris Kutsko is director of learning and development at ERC. Contact her at 440-947-1286 or ckutsko@yourERC.com.

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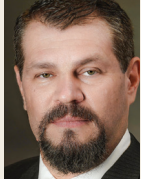
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Develop a plan that addresses active shooter in the workplace

By W. ERIC BAISDEN

Many employers are not prepared for an active shooter situation. Since an incident is often over within 10 to 15 minutes and before law enforcement arrives, employers must be prepared to deal with such situations.

Most active shooter plans follow “Run, Hide, Fight.” Employers are not limited to that tactic. Response plans will vary by company and even facility, and an appropriate plan may depend on the facility, workforce, public access and other factors. The important thing is to have a plan and to train and practice it with the workforce.



Baisden

Employers need to anticipate that

one or more employees may have a weapon in their vehicle. In Ohio, an employer may not prohibit a person who has been issued a valid concealed handgun license from transporting or storing a firearm or ammunition when (1) each firearm and all ammunition remain inside the person’s privately owned vehicle while the person is physically in the vehicle, or each firearm and all ammunition is locked in the trunk, glove box, or other enclosed compartment; and (2) the vehicle is in an appropriate location.

Employers need to choose whether to allow trained employees to access their handguns and respond to an active shooter situation. These employees may be able to respond before law enforcement. Ideally, employer-provided training would be conducted with law enforcement and emergency

“*Ideally, employer-provided training would be conducted with law enforcement and emergency responders.*”

responders. This needs to be clearly set forth in a written response plan.

A base response plan should address the following:

- **Prevention:** Training employees to recognize and report early signs of potential violence may avoid a tragedy.
- **Plan and train:** Employers should create a response plan, which could identify escape routes. Companies and organizations should also implement emergency notification

systems, control facility access and create crisis kits. Consider partnering with law enforcement and emergency responders to design and provide onsite training.

- **Strategy:** Employers should train “Run, Hide, Fight” or whatever plan local law enforcement endorses. Run, Hide, Fight is the most widely accepted method for dealing with an active shooter.

The preferred response is to run. Employees should try to help others

escape, keep their hands visible and follow instructions from law enforcement.

If escape is impossible, employees should hide from the shooter’s view. Lock or barricade doors, hide behind large items, and remain quiet. If possible, an employee should dial 9-1-1 to alert police of the shooter’s location.

The last resort is to fight, but only if an employee’s life is in imminent danger. If escape is unavailable, chances of survival are much greater if an individual tries to incapacitate the shooter. Another option is to play dead if the shooter is close and fatalities have occurred.

W. Eric Baisden is a partner and co-chair of Benesch’s Labor & Employment Practices Group. Contact him at 216-363-4676 or ebaisden@beneschlaw.com.



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How workplace safety drives profitability

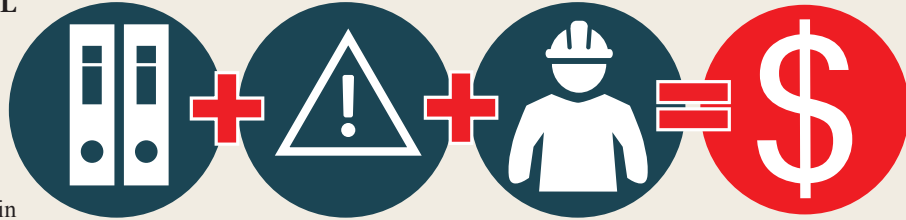
By THOMAS QUAIL

A common theme seen throughout nearly all companies is that keeping workers safe is a core value. Organizations in nearly all lines of business

understand that workers who not only feel safe, but are actively kept safe, are more productive, happy and are less likely to leave.

This effort is typically supported by providing and requiring employees to use proper personal protective equipment, or through empowering the workforce to make recommendations on ways safety can be improved.

However, those that truly recognize the benefits of safety find ways to incorporate it beyond the production floor at these organizations. Safety is interwoven into all aspects of business, from corporate culture and management styles, to sales efforts and marketing messages.



Quail

In fall 2017, Nesco Resource, a human capital company offering customized recruiting and employment solutions nationwide, launched a new safety program that reinforced the importance of workforce welfare. The cornerstone of this effort is that each of its regional leaders and workforce consultants completed U.S. Department of Labor's general industry OSHA 10-hour course. This Occupational Safety and Health Administration course focused on hazard recognition, avoidance abatement and prevention.

The program combines with additional on-the-job safety and health hazard training from Nesco's own dedicated safety and training departments, has given its team the ability to better examine worksites and identify possible safety risks

before an injury occurs.

With safety-focused initiatives like these, Nesco Resource is not only helping its current and potential clients provide a safer work environment for employees, but is directly impacting its clients' profitability through reductions in workplace injuries, lower employee turnover and more consistent production at their facilities.

Your workforce is your company's lifeblood. Don't risk their health and safety, or your production output and profitability.

Thomas Quail is the vice president of risk management, safety director and corporate counsel at Nesco Resource. Contact him at 440-461-6000 or tquail@nescoresource.com.



Managing the many angles of negotiating executive severance

By ANN-MARIE AHERN and JACK MORAN

A career transition is always sensitive and often complex for executive-level employees, and when it happens involuntarily, the separation agreement should hold a few certain attributes. Specifically, it should be individually tailored, appropriate for the circumstances at hand, and fully descriptive of the rights and obligations of the employer and the executive.



Ahern



Moran

Unfortunately, employers are often not mindful of these considerations, and usually present a departing executive with a "standard issue" severance package that may be ill-suited for a high-level individual.

These separation packages will invariably contain a complete release of claims, meaning that if a benefit or term is omitted in the separation agreement, there will not be an opportunity to later challenge the employer. It is crucial to understand whether there are any unmet employer obligations or legal bases for challenging the termination's validity.

Many executives have employment contracts that fully spell out the severance benefit upon separation, and ensuring that this agreement captures all those terms is vital. This may not only include separation pay, but also health care, unpaid bonuses, incentive compensation, unreimbursed expenses and outplacement allowances.

Equity grants or options can make the executive's separation particularly unique. However, not all equity plans are created equal, and some agree-

ments have vesting features that result in a forfeiture of unvested units upon separation.

In a closely held business, there may be some ambiguity around valuation methodology. Other times, there are timeframes that apply to put and call, or tag-along / drag-along rights. Any question regarding equity entitlement or value should be addressed prior to executing a severance agreement and release.

It is also important to determine whether there is any basis to challenge an employer's decision to terminate, and whether those claims are strong enough to pursue either in litigation or an out-of-court negotiated agreement. The nature of the claim may substantially increase the potential severance payment's value.

Further, an outgoing employee must understand any continuing obligations to the company. Many professionals assume that non-competes aren't enforceable, but negotiations relating to competition and the solicitation of clients and employees should be addressed before the separation agreement is finalized.

While no employee should hastily sign a severance agreement, outgoing executive employees specifically should be mindful of the many facets of their employment — and their rights — before finalizing any exit.

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Cultivate a culture of high achievers

How strong communication and establishing goals can improve performance

By HAROLD HARRISON

Setting up employees for success in a large, complex organization can be challenging to ensure that success of each individual equates to the success for the organization. For organizations responsible for a variety of functions, with employees working in the office and out in the field, it's even more important that employees across departments are aligned around a shared mission.



Harrison

Human resources technology such as an employee performance evaluation system can be used as a way to bring a diverse organization together and increase efficiency, communication and realign employees with their own goals that support the organization's values.

When establishing a performance evaluation system, it's important to think

holistically and define goals and skills that align with an organization's core values and culture. Once success is understood across all of the organization's functions, a top-down approach can help further define specific goals and responsibilities for each position, from managers to individual contributors.

A strong performance review system allows employees to understand specifically how each of these core values presents themselves in their day-to-day work, as defined by their managers. For example, one competency or skill for a position may be, "strategic decision making," and a goal that may align with this would be outlining a task with specific, trackable metrics, such as "increasing social media engagement by 20%."

While it may be necessary to seek external support to ensure objectivity and accountability when considering a large organizational overhaul, once the system is in place it can aid in succession planning and help to

“It's important to think holistically and define goals and skills that align with an organization's core values and culture.”

identify and reward strong performers at various levels.

The performance review system not only can help improve organizational performance and success but also improves transparency between individual employees and their managers. It allows each individual and department to understand their goals and expectations and how they contribute to the organizational mission.

Cultivating a culture of top performers requires continual performance check-ins. Annual, mid-year and more frequent one-on-one meetings between supervisors and direct reports help create an ongoing dialogue. Continual review allows for

performance discussion from the prior year or recent performance and helps set expectations for the following year, while outlining department goals and what is needed from each team member.

An accompanying online system can further this transparency by allowing each individual to gauge where they stand in meeting these outlined goals. Online feedback eliminates the obstacle of scheduling in-person meetings to discuss progress, an issue that some larger departments may face. It also offers an easily accessible conversation between staff and supervisors before in-person check-ins, so that at any time, direct reports may look for updates or message their supervisor about goals

or competencies for an ongoing performance review. This online resource also acts as a record of past feedback, enabling employees to track progress.

Adopting online performance evaluation technology allows for ongoing data collection and feedback across individuals, departments and ultimately, the organization. It can help track where the organization is succeeding as well as opportunities for growth.

Individual success within an organization is important. A strong performance evaluation system ensures that individual success is tied to organizational success and can be a catalyst from individual to individual, department to department, to the top of the organization and to the bottom line.

Harold Harrison is chief human resources officer at Cleveland Metroparks. Contact him at 216-635-3200 or info@clevelandmetroparks.com.



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Maximizing human capital in the 21st-century workplace

By DINO SCIULLI
and MIKE RAO

It happens every day in companies across America — employees quit. Whether they're doing it to advance or change their careers, people move on.

For employers, these departures come at a steep price. When employees leave, they take a vast amount of experience with them, creating a knowledge gap within the firm. Plus, the company's efficiency diminishes, as others in the organization have to temporarily cover their duties. There are also significant costs associated with recruiting, interviewing and eventually, onboarding and training.

According to the Association for Talent Development's 2014 State of the Industry report, companies spend an average of \$1,208 per employee on training. For firms with fewer than 50 workers, the cost is closer to \$2,000 per person.

Faced with these realities, firms are looking for innovative ways to attract and retain the best talent. Employee benefits organizations such as Medina-based DS Benefits Group is working on multiple fronts to help its clients be the employer of choice.

"Our focus is customized benefits

"We're helping our clients develop customized packages that meet the needs of today's evolving workforce. These incentives include everything from fitness memberships to pet insurance."

— DINO SCIULLI, president of DS Benefits Group

and organizational development," said Dino Sciulli, president of DS Benefits Group. "We're finding great success in both of these areas."

THE BENEFITS OF GOOD BENEFITS

Today, employees are looking for more than health and dental insurance. They want benefits that align with their lifestyle. Understanding this shift, savvy employers are getting creative in an effort to attract talent.

"We're helping our clients develop customized packages that meet the

needs of today's evolving workforce," Sciulli said. "These incentives include everything from fitness memberships to pet insurance."



Sciulli



Rao

Patrick Retko, people operations leader at Avalution, a Cleveland-based provider of business continuity and information security consulting services and software solutions, has seen the difference a customized benefits program can make to a multi-generational workforce that spans baby boomers, Gen Xers and millennials.

"To attract and retain the best talent,

we knew we had to offer a benefits package that went well beyond the minimum," Retko said. "DS Benefits Group was instrumental in helping us create a well-balanced mix that caters to every employee's diverse, age-related needs."

In the past, employers looked at benefits with the single goal of controlling costs. Today, more companies, like Avalution, are seeing it as an investment that reflects their organization's culture.

CREATING A CULTURE OF SUCCESS

In addition to good benefits, employees — especially millennials — are looking for an environment where they can make a difference, be respected and thrive.

"When people feel valued, they work with passion and want to stay," said Mike Rao, principal of DS Benefits' HR Group.

In his 30-plus years working with organizations to improve performance and develop critical competencies in employees, Rao has identified specific commonalities among top talent.

First and foremost, people want to feel empowered. They want to make decisions without being micromanaged.

"If you hire someone to do a job, let them do their job," Rao said.

Employees also want to grow. Companies who provide ongoing training and support are the ones who will be handing out retirement watches to their best and brightest.

Finally, people want to feel like they're making a contribution to the organization's success. Companies who support their employees in achieving these objectives are more likely to keep them.

The HR Group at DS Benefits offers a number of programs to help companies improve employee satisfaction and retention, including executive coaching,

company assessments and leadership development.

For Avalution, the leadership development aspect has been particularly beneficial. "Mike and his team helped us focus on solidifying our core values and focusing on each of our employees' unique abilities," Retko said. "Thanks to their expertise, we have plans in place to organically develop our next level of leadership."

THE VALUE OF CORPORATE ASSESSMENTS

When interviewing prospects, companies aren't just looking for the best candidate; they're looking for the best fit. Résumés and references usually aren't enough to make that evaluation.

"We need to know how folks learn and how they process information," Rao said. "With a thorough assessment, we can learn where an individual is naturally suited to do well. With managers, we can help them understand how to communicate with each employee in his or her preferred style. That goes a long way in keeping people happy."

EMPLOYEE SATISFACTION HAS MANY DEFINITIONS

Everybody is different. Some are looking for good pay and benefits. Others are looking to rise up the corporate ladder. Others want to know they're making a contribution. The key for employers is knowing the motivations of each individual and then developing programs that meet those needs.

Dino Sciulli is president of DS Benefits Group. Contact him at 330-725-0501 or dsciulli@dsbenefitsgroup.com. Mike Rao is principal of DS Benefits' HR Group. Contact him at 330-760-9179 or mrao@dsbenefitsgroup.com.

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Succession planning as a vital strategic tool

By JODY WHEATON

The pain of talent shortage and talent retention is an issue that many organizations face. With looming retirements of seasoned team members, a competitive labor market and voluntary turnover, succession and development planning is more important today than ever before.



Wheaton

In a conversation with a colleague who recently took a new strategy position and turned over the reins to his chief information officer successor, he shared a unique perspective of what succession planning looks like when done right.

The two had worked together for many years, with his successor becoming his trusted go-to person. They collaborated to create a plan for developmental opportunities that put her in

front of internal and external stakeholders. The plan was clear, intentional and included a pathway to opportunities for leading projects, processes and people. It is clear they have built a deep professional respect for one another, and she will now carry on his legacy as her own.

As HR leaders, we understand that succession planning is a vital strategic tool that aligns with the organization's long-term plan and is designed to meet its future talent needs. It promotes and supports from within, is driven by success factors, emphasizes diversity and is woven into the fabric of organizational culture.

The organization benefits by promoting from within, leveraging knowledge and advancing it forward, and having a proven track record of success with its employees. From an employee's perspective, benefits include the availability of internal opportunities and a potential for upward mobility. When an organization commits to individual

advancement, it ultimately leads to a committed and loyal workforce.

HR leaders, this is your call to action. If your organization views succession planning as a "check-the-box" activity, it's time to hold the organization and management team accountable for visiting the succession plan often and with intention. Managers must have the tools to facilitate coaching and developmental conversations with their employees. In these conversations, a manager should share their perspective on the employee's capability to take on increased responsibilities and develop an agreed-upon plan to help the individual get there.

Mentorship, knowledge transfer and advocacy set up the incumbent for success when the transition happens. Be mindful that traditionally underrepresented groups don't have the same level of advocacy, and providing them — along with other potential successors — with opportunities to gain exposure and



demonstrate their aptitude is paramount to putting development into action.

As with anything, you get out what you put in. Organizations will realize the benefits of succession planning once we do our due diligence to drive it forward and bring it to life.

Jody Wheaton is executive director of client solutions and program management at Corporate College, a division of Cuyahoga Community College. Contact her at 216-987-5867 or jody.wheaton@tri-edu.

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