

# LEADERSHIP DEVELOPMENT AND SUCCESSION PLAN 2018-22

HUMAN RESOURCES | DECEMBER 2019



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ONE OF THE THINGS WE OFTEN MISS  
IN **SUCCESSION PLANNING** IS THAT IT  
SHOULD BE **GRADUAL** AND **THOUGHTFUL**,  
WITH LOTS OF **SHARING** OF INFORMATION  
AND **KNOWLEDGE** AND **PERSPECTIVE**, SO  
THAT IT'S ALMOST A **NON-EVENT** WHEN  
IT HAPPENS.

ANNE M. MULCAHY

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# A MESSAGE FROM CALSTRS DIRECTOR OF HUMAN RESOURCES

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The California State Teachers' Retirement System recognizes that strategic planning for the ever-evolving workforce is critically important to the organization's success. In this pursuit, the CalSTRS Leadership Development and Succession Plan for Fiscal Years 2018-22 focuses on human resources strategies that strengthen our leadership team, develop our talent pipeline and mitigate leader turnover risks. With senior leaders at or near retirement age, planning for the transfer and transition of leadership is a priority. This plan provides the direction to identify, develop or select the next generation of prepared, capable and engaged leaders.

The foundation of this plan closely aligns with the six recommendations from the 2018-22 Workforce Plan and CalSTRS long-term strategic and annual business plans. The six recommendations outlined in this plan build upon the previous 2013-17 Leadership Development and Succession Plan's efforts to develop and execute strategies that prepare the organization for future workforce

variabilities. The success of these efforts is reflected in the nearly 87 percent of recommendations accomplished from the previous plan.

Investing in leadership and staff development and succession planning is crucial to our long-term performance, growth and continued success in fulfilling our mission. Leadership development continues to be a key component in fostering CalSTRS leaders to achieve enterprise-wide strategic goals, maintain optimal business operations and cultivate an engaged and diverse workforce.

Our most valuable asset is our employees. With the organization's mission at the forefront, this plan refreshes CalSTRS commitment to deliver a culture that invests in our employees' growth so that we may secure the financial future and sustain the trust of California's educators.

MELISSA **NORCIA**  
*Director of Human Resources*

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# INTRODUCTION

## Foreword

The California State Teachers' Retirement System Leadership Development and Succession Plan is an analysis of the organization's workforce to address and support current and future needs and ensure adequate staffing. Sustaining development and succession planning, particularly for leadership, supports the accomplishment of the organization's strategic initiatives included in CalSTRS Strategic Plan for fiscal years 2016–19.

This Leadership Development and Succession Plan is an updated version of the original 2013-17 CalSTRS Leadership Development and Succession Plan. Included in this version are new and ongoing development and succession planning strategies, as well as a recap of the objectives established in the original plan and the many and varied accomplishments CalSTRS has achieved in the intervening years.

## Organization Overview

CalSTRS was established by law in 1913 to provide retirement benefits to California's public educators from pre-kindergarten through community college.

CalSTRS, with a portfolio valued at \$208.7 billion as of June 30, 2017, is the largest educator-only pension fund in the world. CalSTRS administers a hybrid retirement system, consisting of traditional defined benefit, cash balance and voluntary defined contribution plans. CalSTRS also provides disability and survivor benefits. CalSTRS serves California's 914,000 public school educators and their families from the state's 1,700 school districts, county offices of education and community college districts.

## Succession Planning

### What Is Succession Planning?

Succession planning is a deliberate and systematic effort by an organization to identify and develop potential successors to ensure leadership continuity in the organization's key and mission-critical positions.

### Why Is Succession Planning important?

Succession planning is vital for safeguarding the organization against unplanned and unexpected change; it is a type of risk management that ensures the functions of the organization's critical positions are well understood. The ultimate goal of succession planning is that every key or mission critical position within an organization has at least one person ready to successfully assume the roles and responsibilities of the position.

### What Is involved?

Succession planning includes any effort designed to ensure the continued effective performance of an organization, division or unit by making a plan for the replacement of the organization's leaders over time. A plan is developed to bridge the gap between available talent and the organization's future workforce needs.

### Purpose

The CalSTRS Leadership Development and Succession Plan supports the recommendations of the 2018-22 Workforce Plan which is a high level workforce analysis.

The initiatives, strategies and recommendations described in this plan are derived from an in-depth analysis of CalSTRS internal workforce, in alignment with CalSTRS current and future Strategic Plan Goals, the Human Resources division objectives, leadership development opportunities in place or planned and best practice research from both the private and public sectors. The information in this plan provides a high level framework to support leadership in developing and implementing succession planning strategies to meet long-term organizational needs. Highlights in this plan include the following:

- CalSTRS demographics
- Succession planning initiatives, strategies and recommendations
- Next steps in succession planning

This plan reflects CalSTRS commitment to a long-term, sustainable and highly functioning organization by ensuring that leadership is prepared with adequate information and strategies to effectively manage the transition of:

- Senior leaders into executive roles
- Front-line leaders into senior leadership roles
- Staff into leadership positions
- Ongoing development of staff at all levels

Through these efforts, CalSTRS actively fosters leadership continuity in critical positions affecting organizational performance by encouraging the growth, retention and development of all employees.

The Human Resources Division is committed to supporting the CalSTRS workforce. The Training Services team has development programs and offerings for employees at every stage of their career. The Knowledge Transfer and Transition and Mentorship programs are in their infancy, but both will be critical succession planning strategies moving forward. From benefits counseling to career counseling, from onboarding to critical position mapping, from processing Requests for Personnel Action to ergonomic evaluations, all of HR's services are designed to support CalSTRS' greatest asset—our people. The HR division will continue to engage and work closely with leadership and staff on a wide variety of succession planning implementation activities over the next five years, and beyond.

## WORKFORCE OVERVIEW

### Current Workforce Profile

The graphic below is a snapshot of CalSTRS workforce. As of December 30, 2017, CalSTRS has 1158 total filled positions, a 37 percent increase since the last plan in 2013. All benefits-related member-facing staff are now under the Benefits & Services Branch, including our decentralized Member Service Center staff. A new division, Business Transformation, was created to support the Benefits & Services branch as well as the Pension Solution project. CalSTRS Investments branch continues to bring externally managed assets in house, which necessitates branch growth. The CalSTRS operational and support branches, such as Technology Services and Administrative Services, have also grown to support CalSTRS staff, stakeholders and systems.

As the graphic below indicates, staff has, on average, 8.57 years of state service while Leadership has, on average, 14.88 years of service. CalSTRS currently has a staff to leader ratio of approximately four to one.

### EMPLOYEE COUNT AND YEARS OF STATE SERVICE

**14.88 YEARS**

AVERAGE LENGTH OF STATE SERVICE—LEADERSHIP

**8.57 YEARS**

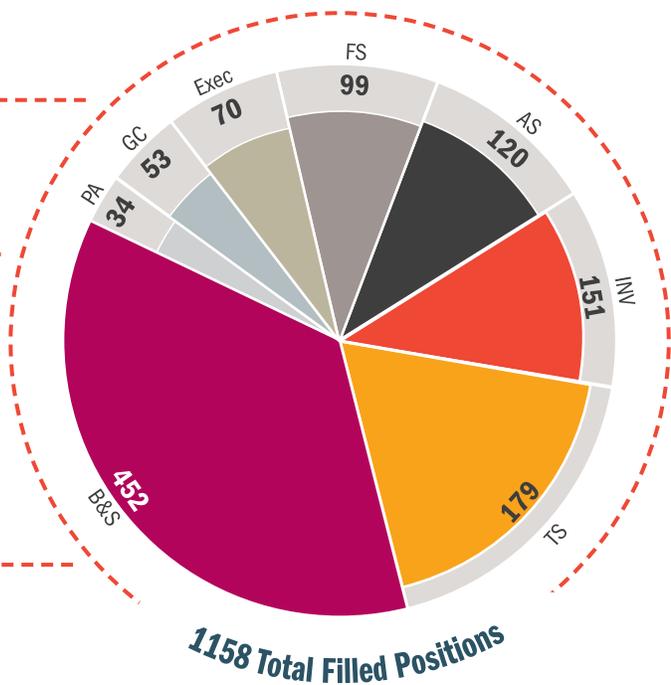
AVERAGE LENGTH OF STATE SERVICE—STAFF

**240**

# OF LEADERSHIP POSITIONS

**918**

# OF STAFF POSITIONS (INCLUDES SPECIALISTS)



AS OF 12/30/17

## Retirement Risk

Retirement risk is calculated using a combination of age and years of state service. The term immediate risk includes employees who are 55 or over with 20 years or more of state service. The five-year risk category includes those who are immediately eligible to retire all the way to those who are five years away from being immediately eligible. These individuals are 50 or over with 15 years or more of state service. There are always employees in our workforce with unknown retirement risk meaning they have been employed by the state less than five years, but meet the age factor for retirement—these employees are not reflected in the retirement risk table below. We group CalSTRS staff into the following three groups for retirement risk.

### CalSTRS Retirement Risk Definitions:

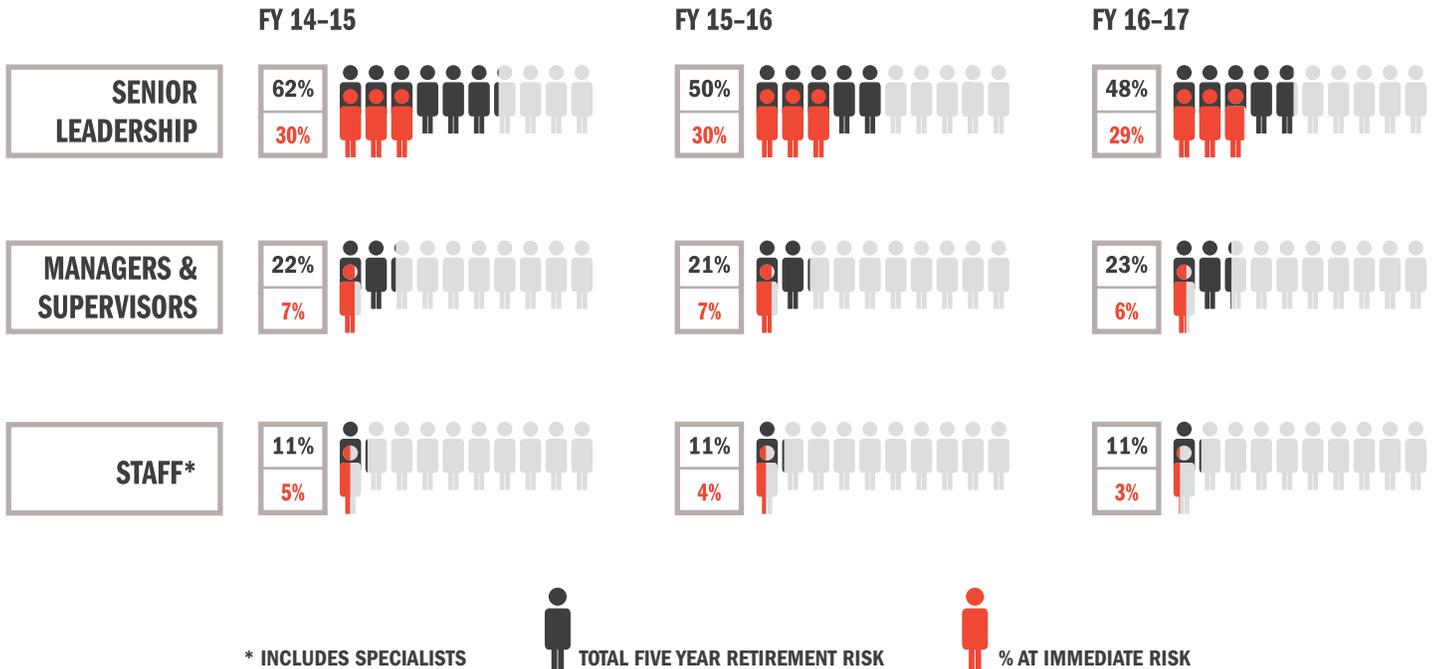
- Immediate risk: 55 years of age or more + 20 years or more of state service.
- Five-year risk: 50 years of age or more + 15 years or more of state service.
- Unknown risk: 50 years of age or more with limited state service and unknown other retirement savings.

The senior leader group, comprised of our Leader 4 and Executive, will always be an important focus for retirement risk by nature of the depth and breadth of experience typically required of senior leader positions. It is also our smallest group so the average age is not normalized and the risk is more obvious.

Our overall retirement risk has decreased as many members of our workforce have retired over the past several years. These retirements were anticipated and successfully managed through knowledge transfer activities to reduce the impact and business continuity risk to the organization.

As of June 30, 2017, senior leaders were at 29 percent immediate risk and 48 percent five-year risk. The manager/supervisor (Leader 1, 2 and 3 level) group was at six percent immediate risk and 23 percent five-year risk. The staff group (including staff and specialists) has only three percent immediate risk and 11 percent five-year retirement risk.

## CALSTRS RETIREMENT RISK



## CalSTRS Competencies and Professional Development Pipeline

Competency pipelines were developed for CalSTRS as a way to show how the classification families build on each other and reveal a clear path from staff all the way to executive. Competency bridging pipelines were created for the leadership levels, Investments classifications, and analyst and specialist paths.

The professional development pipeline (see Appendix II) reflects CalSTRS competency development for upward mobility classifications up through executive development.

CalSTRS training programs flow from Pre-Analyst Academy (entry-level academy) to the Masters Series/Executive Development Program (series for seasoned or senior leaders by application).

- 90 employees have graduated from the Pre-Analyst Academy since its inception in 2011.
- 312 employees have graduated from the Analyst Academy since its inception in 2011.
- The Lead person training – released in 2016, has already trained 63 employees.
- 247 employees have participated in the Emerging Leaders Series since its inception.
- 170 employees have completed the Manager Academy since its inception in 2012.

**The Masters Series**—This is the sustainable series for senior leaders interested in development. The program was established in 2016 and launched with a cohort of 20 employees. The first cohort is in progress with graduation scheduled for April 2018. The second cohort will be accepted to the program in fall fiscal year 2018-19.

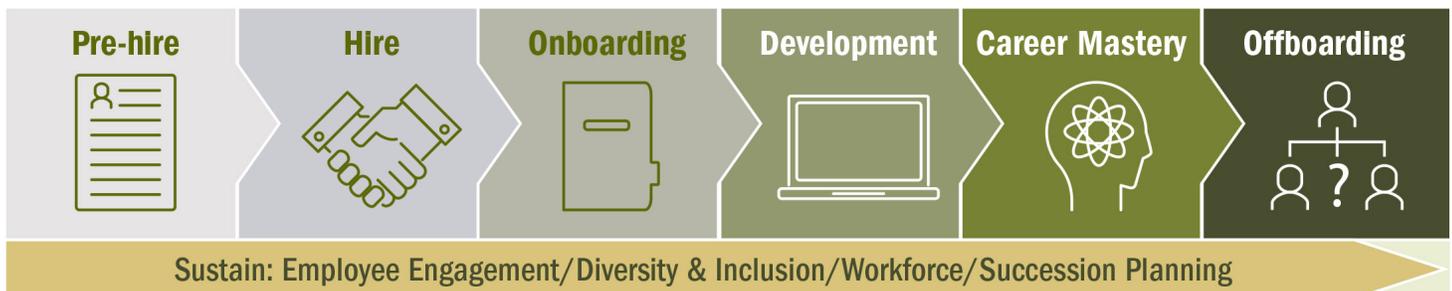
**ASPIRE**—Investments' Leadership Development Program was released in 2017, and is the last in the pipeline to be implemented. The program is underway with its first cohort of 18 employees. The program model is based on the Masters Series framework.

One full round of the Executive Development Program was very successful. Of the 11 cohort participants who finished the program, seven have been promoted to executive or director level positions. This offering is being replaced by the sustainable Masters Series.

## Employee Life Cycle

The employee life cycle pipeline shows how each stage is connected to the next with engagement, diversity and inclusion, and competencies tying it all together and affecting every aspect of the employee lifecycle from pre-hire to retire.

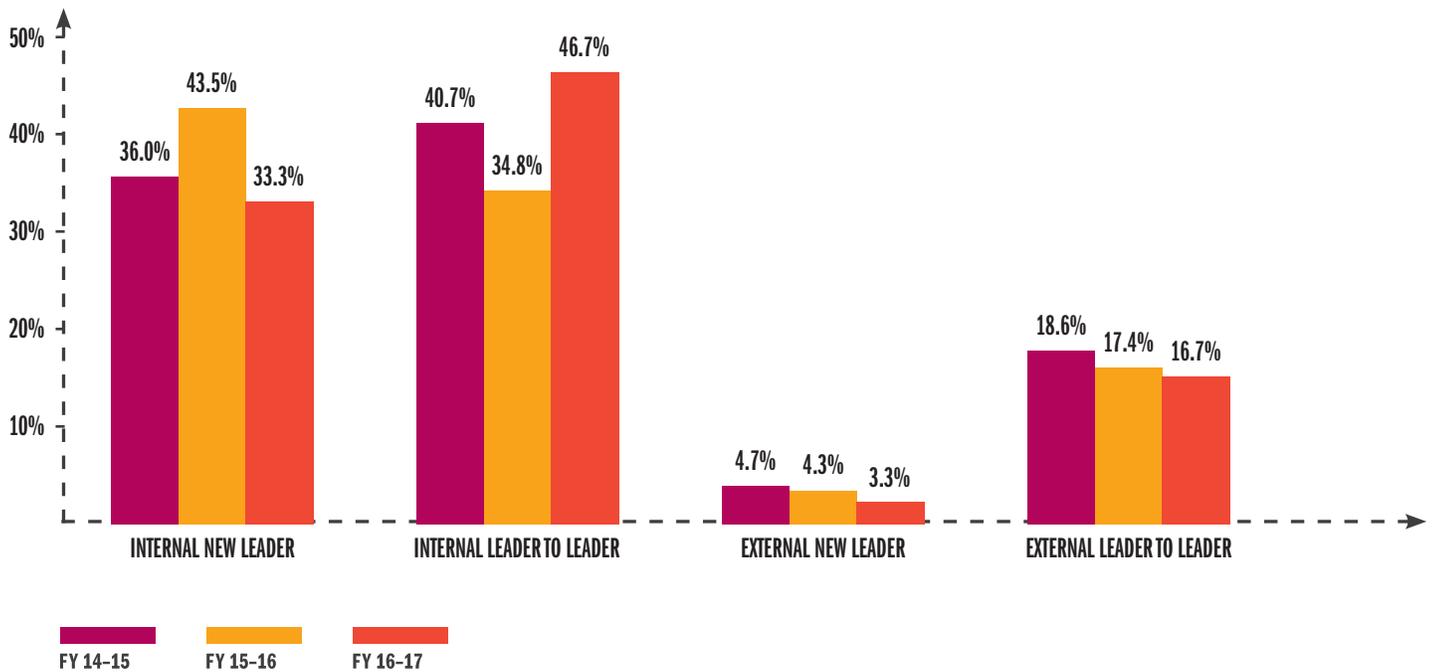
## CalSTRS Employee Life Cycle



## Growth/Movement

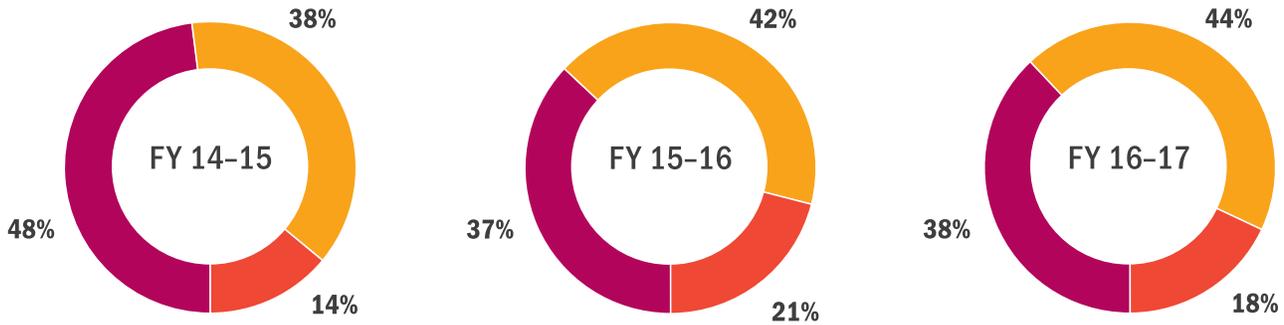
CalSTRS regularly hires and promotes internal staff. In fiscal year 2016-17, 80 percent of the leadership hires made were internal staff either moving within leadership via promotion or transfer, or internal staff promoting into leadership for the first time. The chart below shows CalSTRS' success through succession planning and leadership development, as well as our successful ability to attract and recruit fresh talent externally to fill our leadership roles.

### LEADERSHIP HIRES



Additionally, we continue to balance our hiring between internal promotions, internal transfers and external hires (either new to state service or new to CalSTRS from another state department) as can be seen in the graphic below.

## APPOINTMENTS



# of appointments	FY 14-15	FY 15-16	FY 16-17
Internal Promotions	151	110	145
Internal Transfers	44	63	68
New Hires	120	127	164
<b>Total</b>	<b>315</b>	<b>300</b>	<b>377</b>



Prior to 2017, entry level staff had the option to go through the pre-analyst academy. Many of our staff successfully graduated from this academy and went on to promote into analyst roles. Now, with the Upward Mobility program in place, there is even more support and resources dedicated to assisting entry level staff who want to promote into entry-level technical, professional or administrative jobs.

Each employee should fill out an Individual Development Plan each year to plan and track their learning and development. IDPs are no longer required to be completed, but they are the best way for an employee to focus on their own development. If an employee is interested in furthering their career and would like help with completing their IDP, Career Counseling services are available. CalSTRS has a dedicated space just for career counseling where individuals or groups can meet face to face with the counselor. Staff can request career counseling via the Administrative Services SharePoint site.

Over the past three years, the vast majority of people who attended an academy or series also submitted IDPs. Of those who attended academies or series, many also enrolled in and received career counseling. Of the 75 employees who attended an academy/series, submitted an IDP and received career counseling, nearly half have been promoted at least once.

The Professional Development Program has supported our internal staff in their development and growth. It includes our Upward Mobility program through Pre-Analyst Academy, Analyst Academy, Lead Person Series, Emerging Leadership Series, Manager's Academy, Masters Series, the ASPIRE program and the Executive Development Program. Using hands-on and experiential learning, cohorts, strengths-based leadership and more, these development opportunities now flow for a comprehensive and complete development pipeline.

## Competencies and Performance Management

Over the duration of the previous plan, we made changes and upgrades to our competency model and the way competencies are used at CalSTRS. HR redesigned the annual performance review and probationary report forms for staff by incorporating our competencies into the forms. Additionally, HR updated the leadership appraisal forms to be competency-based as well to support consistency in evaluations for all CalSTRS employees.

CalSTRS has been measuring competencies as part of the annual review process for several years and now has baseline data to use to compare from year to year. HR tracks performance ratings and leverages strengths and weaknesses in individual employee performance to support enterprise-wide priorities and development strategies. Since strong communication is a key driver for employee engagement, increased focus on improving communications through learning opportunities, board updates, Central TV and QPR updates offered to staff and leadership have been implemented.

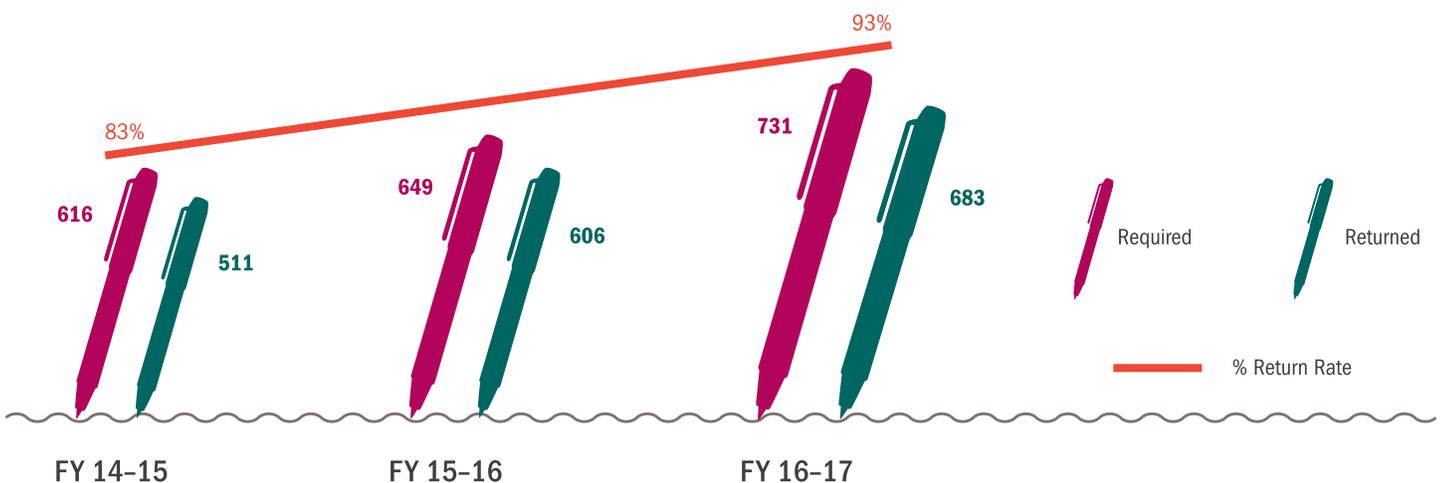
Through the analysis of this data, we have also determined that there is an opportunity to better prepare the leader groups in vision and strategic thinking. To improve organizational performance and understanding of the value of strategic thinking, the Enterprise Strategy Management division has implemented quarterly performance management reviews

for several areas of the organization. Business area leaders and data stewards work with ESM to set, track and report performance goals to executive staff. These quarterly reporting meetings drive improvements at the operational level. Regular meetings are held to manage performance resulting in expanded understanding of strategic goals and in continuous improvements to all aspects of the business.

HR established a employee performance management specialist to be a dedicated resource to leaders for employee performance management. The specialist ensures performance reviews, probationary reports and other related documents are appropriately completed and properly documented. Each performance review or probationary report is read and reviewed to proactively respond to any performance problems that arise or become apparent during the review process. In addition to tracking and reporting of performance and probationary reporting, development plans are submitted to the Training Services team for tracking and review.

CalSTRS is heavily focused on ensuring business areas are fully compliant with providing timely, meaningful, documented feedback to every employee. The performance and development cycle of individuals plays a pivotal role in improving organizational performance. This cycle supports the succession planning process by formally preparing and building a pipeline of highly qualified, skilled and ready individuals to take on more complex and higher level roles.

## ANNUAL PERFORMANCE REVIEW RETURN RATES



## Workforce Challenges

Succession planning efforts have successfully identified workforce gaps and challenges that now are monitored and strategically addressed. Our internal pipelines are successfully transitioning staff at all levels of the organization.

Some of the workforce areas of concern that we will monitor throughout the duration of this plan are:

**Senior Leader Retirement Risk**—48 percent of our senior leaders are eligible for retirement within the next five years. As leaders retire, it is important that knowledge transfer and transition strategies are in place to support business continuity.

**Technology**—as we hire more digital natives (people for whom computers have always been part of their lives) any antiquated systems we have may detract from our mission and make recruitment and retention of quality talent more difficult. Conversely, as we update our technology, existing staff may feel less valued or effective without proper upskilling or training in the use of these tools. Additionally, the long-term Pension Solution project may be taxing to our subject matter experts; however, CalSTRS must sustain both human and capital resources through the longevity of the project.

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## WORKFORCE GAP ANALYSIS

### Future Workforce Profile

As CalSTRS focuses on modifications and replacements of technological systems, and continues to bring assets in house in Investments, CalSTRS permanent workforce and its contingency and contract staff will increase. These increases in staffing will continue to impact space usage, support function needs, the complexity of operational and administrative support, and costs involved with successfully recruiting, onboarding and training new members of the workforce.

### Mission-Critical Positions

Mission-critical position mapping is a succession planning best practice with the intent to mitigate organizational risk. Mission critical risk mapping encompasses a small percentage of positions, only those deemed critical to the successful pursuit of the organization's mission. It includes identifying potential temporary successors who can step in to the mission critical position in the event of crisis and/or unexpected departure of the incumbent.

#### Mission-critical positions are positions that:

- Exert critical influence on the operational activities or the strategic objectives of the organization.
- Have characteristics unique to the organization making it difficult to fill.
- Put CalSTRS operations immediately at risk if vacated.

The loss of an incumbent in a mission-critical position can generally be considered influential enough to slow or stop the operation of a unit, division, branch or the organization. That impact would continue to be felt until another person was hired and effectively trained or learned the nuances of the position. The mission-critical position mapping exercise, which requires regular maintenance by staff, will help CalSTRS maintain business continuity and ensure that all identified positions have documented succession and/or recruitment plans in place.

A list of key mission-critical positions and potential temporary successors was originally identified in 2009. The list has been dramatically adjusted, added to and updated several times in the intervening years.

Although CalSTRS has not yet experienced an unexpected vacancy of a mission-critical position, the potential for major knowledge gaps or the inability to complete projects remains a true threat to our organization.

### **Knowledge Transfer and Transition**

The Knowledge Transfer and Transition program is evolving. Although the use of the program will be driven primarily by business areas and their needs, all parts of the organization will be asked to create functional org charts, to fill out knowledge transfer and transition forms to share explicit knowledge within their business areas, and to organize policies and procedures in an accessible way.

The KTT program's SharePoint site is built and being tested for efficacy with pilot participants. This site offers all of the tools necessary for a robust program available to the entire organization. HR will be introducing the knowledge transfer/transition concepts to the organization by facilitating roadshows, brown bag lunches and meetings with groups of managers about how the tools in the SharePoint site can best be used and to the benefit of their current and future workforce.

### **Senior Leader Transition Plan**

The Senior Leader Transition Plan initiative provides CalSTRS a basis to outline strategies for addressing developmental gaps and to ensure support for staff stepping into senior leadership roles. The Senior Leader Transition Plan is based on CalSTRS leadership competencies, Executive Key Drivers for competency bridging, and information gathered during interviews with current senior leaders.

### **Mentorship**

The CalSTRS Mentorship Program objectives have been created and a framework has been established to execute and maintain the program. The framework is aligned with CalSTRS business and culture. Best practices research indicates that it is crucial to have a strong framework in place before launching or piloting a mentorship program to ensure success and sustainability.

The Leadership Development Team has conducted alignment and discovery meetings, creating a program purpose statement, and creating a common language regarding mentorship and what it entails. These meetings also included planning

for sustainability and scalability, stakeholder involvement, sponsorship and feedback.

Human Resources launched the CalSTRS Mentorship Pilot Program in February 2018. The pilot is limited to leadership participation. The pilot will span six months with a total time commitment of 10-12 hours and will include a cross-section of leaders throughout the organization.

After the pilot, a broader launch of the program will be rolled out to the entire organization in fiscal year 2018-19. Mentorship information sessions are offered to inform leaders, mentors and mentees about the program. A SharePoint site is available with mentorship resources and tools.

### **Specialist Usage**

Specialists work at a higher level than analysts, demonstrate expert level business knowledge and are highly skilled. As CalSTRS continues to get sophisticated with the use of technology, assessing enterprise-wide performance, and related process improvements, staff members across the organization are being tasked with supporting the change in work, sometimes resulting in the need of higher skill sets. To meet this demand, many in-house staff members have been promoted into manager/specialist roles. Manager/specialist positions are desirable roles for staff because they provide a career path for the analyst levels and include higher compensation that aligns with higher level duties and responsibilities.

As a retention and project strategy, the specialist option has been a major asset to the organization. It allows the promotion and retention of knowledgeable, competent employees and recognizes their hard work, diligence and subject matter expertise.

### **Talent Acquisition**

Talent Acquisition is the strategic function of finding and hiring staff that meets the organization's unique needs and workforce goals. Talent Acquisition works collaboratively with Workforce Planning to develop a recruitment strategy based on position projection and forecasting, strategic development and a need for a pipeline for potential candidates. The Talent Acquisition Strategy document includes options for CalSTRS to meet the strategic function of talent acquisition on an annual basis. In order for CalSTRS to recruit the most qualified and diverse

candidates, our recruitment and outreach efforts need to reach a broad range of applicants from all geographical areas, work and educational backgrounds. HR will continue working with business area partners, hiring managers and HR liaisons to implement and adhere to best practices in recruitment and selection. Once these highly skilled employees are onboard, it is the responsibility of the organization to grow and mentor them, thus maintaining the internal pipeline and continuing to grow an engaged, highly skilled, and diverse workforce.

### **Student Internships—Pipelining**

CalSTRS efforts at internal pipelining have proven very successful. However, there continues to be a gap in the form of student internships or student service learning. HR has been exploring ways to reach out to the community to catch the interest of promising students early in their career exploration. The goal is to build interest in career fields that students may not yet have considered, such as finance, investments and technology.

CalSTRS student internships and service learning provides students from high school through graduate and professional school levels with unique opportunities to gain exposure to the many career possibilities in state service at CalSTRS. Both programs are being piloted now in select business areas. The design of internship and service learning opportunities are flexible in nature to accommodate students pursuing their educational goals in a professional setting, as well as the business area's needs and schedules. The goals of these programs are to pipeline high school, undergraduate and graduate students into the organization and to pilot both programs in every business area throughout the organization. Ideally, students participating in these programs will opt to pursue technical or academic coursework that prepare them to compete for and secure future roles at CalSTRS.

The student internship program targets undergraduates and recent graduates of community colleges, universities and other qualifying educational institutions. Students in this track will have the opportunity to explore CalSTRS careers while being paid for their work.

The service learning program targets high school students in Yolo County. High school students in the Washington Unified School District in Yolo County are required to complete 32 hours of volunteer work, eight hours per year. In this track, high

school students are introduced to working professionals to help the students understand career opportunities and the skills that are essential in today's workforce. Service learning is unpaid, volunteer work.

### **Workforce Gap Risks/Implications**

The risks due to gaps in our current workforce as it relates to succession planning are as follows:

**Mission-critical position mapping**—Without technology, this exercise will continue to be an extremely arduous and manual process, and difficult to track and manage in real time.

**Knowledge Transfer and Transition**—Ensuring early adoption by the business areas is an important part of a successful succession planning strategy ensuring continued success of the organization. Senior leaders who have participated in the pilot of the Knowledge Transfer and Transition Program demonstrated hesitation in completing the SharePoint Intake Profile documenting pertinent information regarding internal and external contacts, resources, educational tools, etc. More education and understanding around the importance of documenting this information will be imperative to ensure this program becomes a successful part of the succession planning strategy.

**Mentorship**—This program is in the pilot stage, much will depend on the successful alignment with CalSTRS business culture, program design, successful marketing and communication for the life of the program, and continued support for mentors and mentees.

**Specialist roles**—The use of specialist roles is growing in the organization. HR needs to develop ways to integrate them into the career development process.

**Talent Acquisition**—HR needs to finalize and implement talent acquisition strategies; without integrated outreach/ talent acquisition strategies CalSTRS risks missing outreach opportunities.

**Student Pipelining**—There are multiple pipelines for internal staff. Support should also be directed toward funneling promising students, interns, community members, etc., into the organization.

## RECOMMENDATIONS AND NEXT STEPS

Recommendations and next steps roll up from this plan into the Business and Strategic Plans for executive level purview and strategic measurement or into existing HR program oversight.

RECOMMENDATION	JUSTIFICATION	ACTIVITIES
Annual Performance Reviews	The current process is time-consuming, introduces overlapping competencies and reflects on past year's performance.	<ul style="list-style-type: none"> <li>Redesign performance appraisal process that will meet business needs and provide meaningful and timely feedback to employees.</li> </ul>
Knowledge Transfer and Transition	Knowledge transfer and transition will become increasingly important as seasoned staff exit the organization and new, less experienced staff or those with less institutional background are tasked with taking over.	<ul style="list-style-type: none"> <li>Expand knowledge transfer efforts to knowledge workers.</li> <li>Create information and experience-sharing opportunities or communities of practice for various CalSTRS projects or programs.</li> <li>Introduce information exchange options.</li> </ul>
Mentorship Program	<p>Mentorship is a way to develop existing talent and increase productivity across the organization. Goals of the program:</p> <ol style="list-style-type: none"> <li>1. Assist employees to identify and achieve career development and personal growth goals.</li> <li>2. Increase engagement and career vision.</li> <li>3. Assist in staff retention.</li> <li>4. Create learning opportunities.</li> <li>5. Create a mentorship culture.</li> </ol>	<ul style="list-style-type: none"> <li>Establish a Mentorship Advisory Committee.</li> <li>Review lessons learned from pilot Mentorship Program.</li> <li>Update and maintain an org-wide SharePoint platform.</li> <li>Communicate program to CalSTRS.</li> <li>Rollout Mentorship Program to CalSTRS.</li> <li>Maintain program and incorporate into the CalSTRS culture.</li> </ul>
Mission-Critical Position Mapping	<p>Mission Critical Positions exert influence on the operational and/or strategic activities of our organization. These positions have unique characteristics that are hard to fill and may put CalSTRS at operational risk if vacated.</p> <p>Mission Critical Position Mapping is the first step toward identifying a talent pool to potentially back fill these positions as well as initiate skills identification, recruitment planning and knowledge transfer. Lack of technology will continue to be a hindrance to managing this process timely and efficiently.</p>	<ul style="list-style-type: none"> <li>Determine existing skills and competencies and identify gaps.</li> <li>Initiate open conversations with incumbents of critical positions around career plans, development and mentorship.</li> <li>Establish a repeatable process and framework to assess mission critical positions.</li> </ul>

RECOMMENDATION	JUSTIFICATION	ACTIVITIES
Senior Leadership Transition Plan	The Senior Leadership Transition Plan will help to address the risk of senior leaders retiring or departing from the organization and preparing leaders who are taking over their roles.	<ul style="list-style-type: none"> <li>• Identify gaps in preparation for senior leadership roles within CalSTRS.</li> <li>• Provide a transitional plan for staff entering into senior leadership roles.</li> <li>• Establish charter for senior leadership transition plan effort</li> </ul>
Succession Planning General Recommendations	This process is essential to succession planning because we cannot begin to identify a talent pool without first having a thorough understanding of what we have and what we're missing. Right now, lack of technology to manage this process is impeding progress.	<ul style="list-style-type: none"> <li>• Target development opportunities for front line leadership roles.</li> <li>• Create a development strategy for specialists.</li> <li>• Maintain and enhance current development programs.</li> <li>• Design, pilot and launch Pension Academy.</li> </ul>

### Next Steps

The following items are next steps in the succession planning process.

- Conduct a feasibility study with Human Resources senior leadership against all of the recommendations to determine resources and timelines needed for successful completion in alignment with the CalSTRS Strategic Plan and Annual Business Plan goals.
- Prioritize the recommendations by organizational criticality in alignment with the CalSTRS Strategic and Workforce plans.
- Annually review and reevaluate the CalSTRS Workforce and Leadership Development and Succession plans to ensure current strategic initiatives are included and any changes (economic, environmental, etc.) in the workforce are identified.

**APPENDIX I – ACCOMPLISHMENTS FROM PREVIOUS PLAN**

CATEGORY	RECOMMENDATION	STATUS
Mentoring	Move forward and establish recommended mentorship framework. Launch mentorship pilot.	In progress
Apprenticeships and Traineeships	Allow potential successors to participate in a formal, guided apprenticeship program for a specific occupation for a designated period of time. The subject matter expert in a critical position passes along knowledge and skills one-on-one.	On hold
Communities of Practice/Interest	Allow groups of individuals to share knowledge and common work practices through the CalSTRS SharePoint sites. A community can be a formal or informal work team that enables potential successors to acquire new knowledge quickly, such as: the CalSTRS Wiki and expanded use of specific SharePoint sites for cross-functional team communication and information sharing.	In progress throughout org
Job Shadowing	Types of job shadowing could range from a formal rotational assignment such as a training and development, to an informal informational interview. Job-shadowing differs from an apprenticeship or traineeship because, depending on availability of resources, the employee may not be paired with a subject matter expert. Job shadowing is for employees who want to be exposed to other types of work.	In progress
Lead Person Training	Employees are designated as a lead with roles and responsibilities clarified and delineated from other unit staff and will be given credit for the roles on formal Annual Performance Review forms. Acting as a lead over a project enables the employee to gain more responsibility and experience around prioritizing workloads, interpersonal issues and the dynamics of leadership. Employees learn about their own leadership styles and safely decide whether they want to pursue that role.	Complete/ongoing
On-the-Job Training	On-the-job training is a resource to expand knowledge and become more proficient in an employee’s current role. Employees work closely with staff or leaders in key/critical positions to develop the practical knowledge and skills required to competently perform the functions of their current job. This strategy may also support train-before-hire to ensure knowledge transfer strategies are implemented before an incumbent leaves.	In progress throughout org

CATEGORY	RECOMMENDATION	STATUS
Review Succession Plan	The board and CalSTRS executive staff will review the strategies and recommendations outlined in this document and prioritize those that CalSTRS will pursue in successive fiscal years through the CalSTRS Strategic Plan.	Ongoing through staff work
Establish Statutory Positions	HR and executive staff will continue to work with a legislative sponsor and control agencies to establish two new statutory positions at the Executive level: the Chief Operations Officer and the Chief Financial Officer.	Complete
Develop Crisis Plan	HR is in partnership with Facilities Operations to provide assistance and resources in the development of the CalSTRS Crisis Plan. Crisis planning is different than succession planning in that it is the identification of key employees within the organization, and who to contact if the employee is unavailable due to an unforeseen emergency. Emergencies include a range of events and hazards caused by both nature and people.	In progress
Prioritize Key Positions	Prioritize key positions by organizational criticality and by branch. Analysis and prioritization has already been completed at the branch level based on demographic, workforce and projected business needs (see CalSTRS Demographics). The next step is to prioritize key positions within those branches.	In progress
Develop Implementation Plans	Develop targeted implementation plans for chosen succession strategies by branch and/or division, as appropriate to ensure organizational objectives are met.	Ongoing
Develop Success Criteria	Develop success criteria with Strategic Planning to measure the effectiveness of the chosen succession strategies via survey or other measurement tool.	Ongoing through quarterly and annual reporting
Update Key and Critical Positions	Update key and critical positions identified in the Risk Replacement Plan done in late 2009. Revisit branches already identified in Risk Replacement Plan documents and update information provided previously. Survey and include newly established leadership positions and potential successors in the Risk Replacement Plan documents.	Ongoing
Update LinkedIn Profiles	Collaborate with Communications to add all executives and directors to LinkedIn to expand CalSTRS “employer of choice” brand identity and to capitalize on an established network of business associates.	Ongoing

CATEGORY	RECOMMENDATION	STATUS
HR Technology Solution	Continue partnership with Technology Services in the identification and procurement of a Human Capital Management solution. Securing a HCM solution is necessary to allow HR the ability to automate and improve organization-wide programs and processes, increase efficiency and reduce risk to the organization.	In progress
Revisiting the Plan	Succession planning is an ongoing strategic process, not a one-time event. Periodic monitoring, evaluating and revising the plan and the effectiveness of the strategies are vital to an effective succession plan. The CalSTRS Leadership Development and Succession Plan covers a five-year period; however, the plan will be reassessed and revised annually. Modifications to the plan will be made and documented as needed to remain flexible in light of budgetary and legislative pressures or changes. Future annual revisions will include the below following items.	Ongoing
Revisiting the Plan	Detailed branch-specific succession planning recommendations.	On hold
Revisiting the Plan	Readiness assessments for potential successors down to the unit-level in alignment with year-over-year development plans.	On hold
Revisiting the Plan	Identified metrics to track program efficiencies and effectiveness.	Ongoing
Revisiting the Plan	Updates on fiscal year 2012-13 activities and their outcomes.	Complete
Revisiting the Plan	Status or changes to fiscal year 2013-14 planned activities.	Complete
Revisiting the Plan	Additional recommendations and programmatic changes as a result of the Executive Development Program and Professional Development Program roll-outs.	Complete

## APPENDIX II – PROFESSIONAL DEVELOPMENT PIPELINE

### UPWARD MOBILITY

- Academic Guidance
- Career Development Planning
- Developmental Assignment Recommendations
- Learning and Development Planning
- Priority Career Counseling Services

#### TARGET AUDIENCE:

- Staff in designated Upward Mobility classifications.

### PRE-ANALYST ACADEMY

- Introduction to Analytical Skills
- Critical Thinking
- Introduction to Completed Staff Work
- Microsoft Word
- Writing for Pre-Analysts
- Microsoft Outlook
- Microsoft Excel
- Microsoft PowerPoint
- Interpersonal Skills

#### TARGET AUDIENCE:

- Support Staff
- Upward Mobility

### ANALYST ACADEMY

- Essential Analytical Skills
- Critical Thinking
- Completed Staff Work
- Writing for Analysts
- Interpersonal Skills
- Principles of Government
- Roles and Responsibilities of a Superior Analyst

#### TARGET AUDIENCE:

- Entry-Level
- Journey Level Analytical Staff

### LEAD PERSON

- Lead Persons do not have all of the same responsibilities of supervisors, but they do have roles and responsibilities beyond those of regular employees. As such, leadpersons exercise quite a bit of influence on those around them.

#### TARGET AUDIENCE:

- Entry Level
- Journey Level Analysts/Specialists

### EMERGING LEADERSHIP SERIES

- Becoming a Leader
- Framing Public Policy Proposals
- Giving and Receiving Feedback
- Emotional Intelligence
- Managing Work Expectations
- Coaching for Success
- Ethics in the Workplace
- Peer Today, Boss Tomorrow

#### TARGET AUDIENCE:

- Associate
- Staff
- Senior

## **MANAGER ACADEMY**

- Managerial Awareness and Strategic Capability
- Advanced Coaching and Building High Performing Teams
- Effective Planning, Balanced Scorecard and Building Adaptability/Flexibility
- Communication, Conflict Management and Influence Skills
- Emotional Intelligence, Time Management, Delegation and Goal Setting

### **TARGET AUDIENCE:**

- New Managers to CalSTRS
- 80-Hour Mandatory Training

## **MASTERS SERIES**

- The Masters Series is designed for experienced leaders to expand their skill set, share their business and leadership knowledge and prepare potential candidates to compete in the selection process for higher level leadership positions.

### **TARGET AUDIENCE:**

- Tenured Managers (3+ Years) at CalSTRS

## **ASPIRE LEADERSHIP DEVELOPMENT PROGRAM**

- The ASPIRE Program is designed to teach the leadership skills essential to prepare potential candidates to compete in the selection process for higher level Investment leadership positions.

### **TARGET AUDIENCE:**

- Investment Officer II level and above

## **EXECUTIVE DEVELOPMENT PROGRAM**

- The Executive Development program is a 12-18 month opportunity with a substantial commitment, designed to prepare potential candidates to compete in the selection process for future executive positions.

### **TARGET AUDIENCE:**

- Manager II
- Manager III
- CEA

### Appendix III- Related Resources

- Strategic Plan
- Business Plan
- Competency Guide
- Competency Bridging Models
- TRAIN
- Training Calendar
  - > Pre-Analyst Academy
  - > Analyst Academy
  - > Lead Person Training
  - > Emerging Leaders Series
  - > Manager Academy
  - > Masters Series
  - > Executive Development Program
- Recognition Program: Virtuosity
- Professional Development Program
- Talent Acquisition
- Outreach
- Diversity and Inclusion
- Career Counseling
- Career Ladders
- Organizational Charts
- Knowledge Transfer & Transition
- Selection Process Guide
- CalSTRS Wiki
- Upward Mobility

CALSTRS

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