Framework for Succession Planning of

KCCDFI Mutual Benefit Association, Inc.

Version:	03-2022
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Reviewed by:	**Governance Committee** Designation
Approved by:	**The Board of Trustees** Designation
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SUCCESSION PLANNING POLICY OF KCCDFI Mutual Benefit Association, Inc.

I.   PURPOSE

KCCDFI Mutual Benefit Association, Inc. adheres to the recommendation for the Board of ICRCs, as stated in its revised Code of Corporate Governance for Insurance Commission Regulated Companies (ICRCs) issued in 2020, that Microinsurance Mutual Benefit Associations or Mi-MBAs must ensure and adopt an effective succession planning program for Board of trustees, key officers, and senior management to ensure growth and sustainability.

KCCDFI Mutual Benefit Association, Inc. hereby establishes this policy for succession planning and shall implement efforts guided by this policy to provide continuity in leadership and avoid extended and/or costly vacancies in key positions. *KCCDFI Mutual Benefit Association, Inc.* shall ensure a succession plan is designed and existing to identify and prepare candidates for its Board of trustees, key officers, and senior management positions that will become vacant due to planned or unplanned separation or termination or new business opportunities.

II.   POLICY STATEMENT

KCCDFI Mutual Benefit Association, Inc. acknowledges that a succession plan for its Board of trustees, officers, and senior management is in the best interest of the organization and will foster continuity of leadership for the Board of trustees, key officers, and senior management positions in the organization. With this in mind, it is the policy of *KCCDFI Mutual Benefit Association, Inc.* to assess the leadership roles and its talents to determine the talent needs

of the organization every year and ensure the timely development, replacement, and selection of qualified persons to fill in the most suitable position key positions in the organization.

The organization establishes this policy to ensure diverse, good fit, and highly qualified persons have the necessary skills needed for the fulfilment of the organization's mission and goals. This policy upholds the commitment of the organization to give assurance and confidence to its community, demonstrating that changes in leadership would be carefully planned, communicated, and implemented by the Board of trustees, key officers, and senior management with the help of the Governance Committee.

In lieu of the 2020 Code of Corporate Governance for Insurance Commission Regulated Companies (ICRCs), KCCDFI Mutual Benefit Association, Inc. shall ensure deliberate efforts will be taken to pursue an objective and standardized process of identifying, assessing and developing people to ensure the organization's continued effective performance through leadership continuity. KCCDFI Mutual Benefit Association, Inc**.** is committed to implement succession plans for the Board of trustees, officers, and senior management positions in the organization. The Governance Committee shall ensure that suitable and satisfactory plans are in place for orderly succession for the organization's Board of trustees, officers, and senior management, and that such is achieved with good governance, efficiency, and effective oversight of the succession plans in the organization.

KCCDFI Mutual Benefit Association, Inc. shall have an existing formulated and readily adoptable succession planning policy with implementation guidelines that has been initially approved by the Board at any given time. This Policy shall be reviewed yearly and may be amended by the Board of trustees, officers, and senior management together with the Governance Committee of the Microinsurance MBA as needed. Amendments and approvals for revisions in this policy shall be executed through a scheduled meeting during the year, or as the need arises.

This Succession Planning Policy was made effective starting on May 2022.

III.   COVERAGE AND APPLICABILITY

The Policy focuses mainly on the succession planning at the Board and Senior Management levels. The Board includes the Board of trustees and officers of the Microinsurance MBA who are elected during the general assembly. Senior Management includes the roles of the general manager and/or CEO and senior management whose role is at least three (3) years existing in the organization and is overseeing at least two (2) other roles. In the event that roles had been volatile in the organization, senior management may refer to persons serving the organization for at least three (3) years and is overseeing at least two (2) other persons in different roles.

IV. POLICY OBJECTIVES

KCCDFI Mutual Benefit Association, Inc.'s succession planning policy is anchored to the organization's Values, Mission, Vision, and Objectives. With this in mind, this policy commits itself to the following principles:

1. Use of affirmative recruitment policy which is consistent with the purpose of **KCCDFI Mutual Benefit Association, Inc.'s** succession planning policy.
2. Encourage the support of branch / department / group to allow the release of potential subordinates to other branch / department / group for multi-skills in other functions.
3. Provide sufficient support and resources quantified as at least ten percent (10%) of annual budgetary for successor's development programs while keeping the job specific experience up-to-date through:
    a. Performance of relevance work experience and recognizable / observable accomplishments
    b. Implementation of effective performance management system
    c. Work exposure to special areas of expertise that enhances existing skills and develop skills gap

This succession planning policy is made in mind of the following specific objectives that will support the organization's sustainability and enable its continuous growth and development:

1. **Identify deliberate activities to address risks** in the operations of the organization, where the organization must not to be affected on account of interruptions because of *involuntary or voluntary and planned or unplanned separation from the organization such as death, permanent incapacitation, retirement, resignation, or any other sudden exit* of any Member of the Board or Senior Management or any other employee covered under this Policy.

2. **Identify guidelines and standard process for replacement** of planned and unplanned attrition. This includes but is not limited to (a) efforts for succession management, (b) implementation to completion of succession plan, (c) limit of tenure for board membership, (d) resource allocation for program implementation related to succession plan, and (e) retirement age and turnover for transition.

3. **Timely filling-up of critical roles with high quality persons** and in accordance with existing policies in the organization and legislation of the country such as *equal employment and opportunity and any other non-discriminatory laws*.

4. **Identify critical roles** in the board and senior management levels, and **create a talent pool** of high potential personnel, who can be considered for appointment at the Board and Senior Management positions.

5. **Identify clear action steps to support successors' development** of their current and future leadership competencies in the industry and in alignment with **[Name of Organization]'s** short- and long-term strategies and goals, including sufficient allocation of resources to groom them to assume such leadership roles for appointment at the Board and/or promotion at the Senior Management positions in the Mi-MBA, whenever applicable and necessary.

V.   STRATEGIES

Because succession planning is a dynamic process, the following elements should be observed in its implementation:

1. Determining the key positions in **KCCDFI Mutual Benefit Association, Inc.**
2. Yearly updating of job descriptions of the key positions to ensure its accuracy and relevance is kept clear
3. Identifying candidates or creating a pool of candidates as successor for the key positions, which includes a selection process that involves screening and deliberation as well as capacity building recommendations for:
    a.   Yearly individual development successor's plan
    b.   Temporary assignments
    c.   Strategic work exposures
    d.   Mentorship programs
    e.   Evaluation of succession plan

VI.   GUIDELINES FOR IMPLEMENTATION

The General Manager/CEO is responsible for **KCCDFI MBA's** succession plan and chairs the Succession Planning Committee, which also includes the Board of Trustees, Key Officers, and Senior Management specifically the Human Resource and Finance. It is a shared responsibility amongst these roles to ensure timely and quality replacement for vacant positions of any of the Board of Trustees, Key Officers, and Senior Management positions of the Mi-MBA organization. The Governance Committee is responsible for program evaluation including its monitoring and evaluation.

1. Every January of the year, a Succession Planning Committee meeting will be held. At each meeting, each branch / department / group head will:

a. Present to the Succession Planning Committee a review of the branch / department / group succession plan.

b. Identify key positions and incumbents targeted for succession planning. This should include an analysis of planned retirements, potential turnover, etc.

c. Identify individuals who show the potential needed for progression into the targeted positions and leadership within **KCCDFI Mutual Benefit Association, Inc.**

d. Outline the actions taken in the previous six months to prepare identified persons to assume a greater role of responsibility and leadership in the future.

e. Outline the actions to be taken in the next six months to prepare identified persons to assume a greater role of responsibility and leadership in the future.

2. By the end of February each year, the Succession Planning Committee will provide an executive summary that endorses the annual succession plan and management of key talents for the year for approval of the Governance Committee

3. In the same month, the Succession Planning Committee will approve targeted candidates and endorse to the Governance Committee the individual development plans of each as part of the succession plan and management of key talents for the given year.

4. Before the end of the first quarter of the year, the Governance Committee will approve an outline of actions that will be taken in the following six months to prepare individuals to assume a greater role of responsibility in the future.

5. The General Manager will request quarterly updates from the Succession Planning Committee on the development process for each targeted candidate.

Aligned with the objectives and process guidelines of this succession planning policy, below are following guidelines for implementation.

1. Deliberate efforts must be pursued to address risk and vulnerability in the operations of **KCCDFI Mutual Benefit Association, Inc.** to avoid interruptions because of *involuntary or voluntary and planned or unplanned separation from the organization such as death, permanent incapacitation, retirement, resignation, or any other sudden exit*.

a. Vacancies will be filled from within or, in the event no viable candidate is available, on an "acting" basis while an external recruitment effort is to be conducted. Priority source of replacement for the senior management roles is selected from existing persons in the organization regardless of branch / department / group.

b. All planned exit or separation from the organization of any member of the Board or Senior Management or any other employee covered under this Policy must be given thirty (30) days of preparation for replacement. Any attrition without thirty (30) days notice shall be considered unplanned.

    i. Should a critical talent resign, or a key role is identified to be vacant because of death, permanent disability that affects the person's work qualification, resignation, or termination without thirty (30) days notice, Human Resources shall appoint a peer in the role (same level) to be on an "acting" basis for a maximum of ninety 90 days only.

    ii. A person in the Board of Trustees, Key Officers, and Senior Management position who is diagnosed of a terminal illness shall at all times have an identified ready-now successor.

    iii. **KCCDFI Mutual Benefit Association, Inc.** adheres to the compulsory age of sixty-five (65) years old for retirement of its Senior Management and may provide options for early retirement-based from our existing policies.

    iv. Maximum tenure of Board Membership shall not exceed two (2) consecutive terms or years, whichever is longer.

2. The major roles and responsibilities for the implementation of this succession planning policy rests in the following:

a. Identified Successor / Candidate

    i. Commits self to the succession development process

    ii. Provides feedback and support in refining the Yearly Succession Plan

    iii. Drives personal development

    iv. Invest necessary resources including time and effort

    v.   Keeps a receptive mind to feedback and pieces of advice

    vi.   Displays willingness and interest to learn and adapt

    vii.   Makes the necessary changes and improvements

    viii. Provides suggestions and/or alternatives for calculated risks

b. Human Resources

    i.   Facilitates identification of key positions and talents

    ii.   Evaluates and monitors alignment of competency requirements with overall organizational competencies

    iii.   Engages branch / department / group leaders in preparation of list of potential candidates and their respective succession plan and management initiatives

    iv.   Facilitates development intervention including monitoring and evaluation of such

    v.   Provides guidance and support to all persons involved in the succession planning process

c. Supervisors and/or Managers

    i.   Identifies potential candidates for key positions within branch / department / group

    ii.   Drafts replacement plan for each key positions

    iii.   Clarifies performance expectations for each of the key roles

    iv.   Engages in mentorship program

    v.   Ensures smooth transition and good working environment and/or relationships

    vi.   Allocates branch / department / group resources including but not limited to funding for candidates' development

      d.   Senior Management

         i.   Approves budget appropriation for successors' development initiatives such as on-the-job training, wok exposures, and the like

         ii.   Provides short-term and long-term goals and direction

         iii.   Recommends final endorsement for succession planning deliberation and decision making

      e.   External Consultant (Optional)

         i.   Coaches Succession Planning Committee for deliberation and strategy development of yearly succession planning and management initiatives

         ii.   Facilitates creation of succession plans, its monitoring and evaluation

         iii.   Provides expertise or acts as resource person in the effective practice and implementation of succession development plans

The tools and templates to be used in 1) identifying and assessing key positions, 2) identifying and assessing key talents, 3) developing a successor, and 4) developing, monitoring, evaluating, and reviewing succession planning program can be found in the annex of this policy.

VII.   CONFIDENTIALITY

All persons responsible for decision making and implementation of the Succession Planning Policy and the programs related to such, must be committed, and shall ensure confidentiality of the discussions and deliberation process with regard to the prospective candidate, except that the information may be shared, if required, with the concerned candidate in order to prepare the person for such elevation.

VIII.   DISCLOSURE AND INTEGRATION

This Succession Planning Policy, including its implementation guidelines, shall form part of the organization's policies and manuals, specifically overseen by the Succession Planning Committee.

IX.   REPEALING CLAUSE

All other policies inconsistent herewith are hereby repealed or modified accordingly.

X.   SEPARABILITY CLAUSE

If for any reason or reasons, any part of this policy be declared in valid, no other parts or provision hereof shall be affected thereby.

XI.   POLICY AMENDMENT, REVIEW, AND APPROVAL

This Succession Planning Policy, including its implementation guidelines, may be amended after a report with recommendation endorsed by the Succession Planning Committee and approved by the Governance Committee. The recommended amendments shall be subject for approval of the Governance Committee and Board of Trustees.

KCCDFI Mutual Benefit Association, Inc.

ANNEX: SUCCESSION PLANNING TOOLS AND TEMPLATES

Awareness of your organization's current and future plan is vital not only to set your succession planning for success but also to make sure that it is relevant. Answer the following questions for your guide and reference:

1. What is your organization's purpose?
2. What are your organization's goals in the next five (5) years?
3. What are the key challenges that you need to address in your organization in the next five (5) years that may be related to your succession plans?
4. What is happening inside and outside your organization right now?
    a. What are your challenges and/or concerns in sourcing, selecting, and/or hiring a talent?
    b. What are the performance demands from your employees that are challenging and relevant to the sustainability and growth of your organization?
    c. What initiatives does your organization take to address competency and performance gaps?
    d. What efforts are in place to ensure continuity of leadership in the organization?
    e. What are the current criteria and initiatives to recognize high performers, high potentials and successors in the organization?
5. What is happening inside and outside your organization in the near future, based on your developmental roadmap that may affect your talent acquisition and/or replacement?

I.   IDENTIFYING AND ASSESSING KEY POSITIONS

Prior to identifying key positions, it is imperative to study the current organization structure; and inventory of job title must be made. After which identifying key positions will take place. Take note that it is essential to look at the outputs being delivered more than the position itself. Undergoing process review like SIPOC (Supplier-Input-Process-Output-Customer) helps in identifying if there are enhancements needed to make in terms of processing. Also, it is a tool that enables the organization to know if there are any redundancies or there are addition needed to establish quality.

Supplier *(What position is giving the input?)*	Input *(What resources are needed or provided by the supplier? Can be materials or information.)*	Process *(What activities are carried out to create value for the customer?)*	Output *(What products or services are created or resulted from the process?)*	Customer *(Who are the recipients of beneficiaries?)*	Key Output?
Example: Development Officer (D.O.)	Members List (ML)	D.O brings ML to Center for Collection	D.O provides receipts	Members receive receipts for acknowledge	o Yes o No

		and receives collection		ment of payment	

Review the job description that the organization has, the salary review must be conducted wherein the external equity which includes job family and industry classification, and internal equity which includes salary range, fixed vs. variable pay, benefits, bonuses and incentives, and career progression are analyzed.

In identifying and assessing key positions, the minimum requirement for it to be done are the Inventory of Job Position and Key Position Vulnerability Analysis. The **Inventory of Job Position** is used to identify the key positions and the **Key Position Vulnerability Analysis** is used to assess the timeline that the organization has for the vacancy of the position.

Inventory of Job Position

List all the job positions in the organization and each of its key deliverables. After which, identify its impact as F for Financial, C for Customer Satisfaction related, P for Process improvement, and O for Organizational Learning and Growth. Lastly, identify whether the key deliverables are important to the organization for sustainability, growth, or both.

POSITION[1]	KEY DELIVERABLE/S[2]	RESULT AREA[3]	IMPORTANCE[4]
(Example) Claims Officer	Ensure validity of claims	P	✓ Sustainability ✓Growth
	Ensure Complete Requirements	F/P	✓ Sustainability ✓Growth
	Payment of Benefit within 1-3-5 days	F/C	✓ Sustainability ✓ Growth

[1]List each job position in your organization.
[2]What are the key deliverables of each job position?
[3]Which result area of the organization is most impacted by the key deliverable/s? (F-financial, C-customer satisfaction, P-process improvement, O-organizational learning and growth)
[4]What is the importance and impact of each key deliverable to the organization? Does it impact the sustainability of the organization, growth of the organization, or both sustainability and growth of the organization?

Key Position Vulnerability Analysis

The table below is used to identify the vulnerabilities of each key position to be vacant. For each job title / description, write the incumbent job titleholder and determine the knowledge and skills level, if applicable. In the last column, identify the reason and remaining years when the position will be open or vacant.

JOB TITLE / DESCRIPTION	INCUMBENT	KNOWLEDGE LEVEL[1]		SKILLS LEVEL[1]		VULNERABILITY[2] (Open in _ Years)
		TARGET	ACTUAL	TARGET	ACTUAL	

Ex: GM	Juan De la Cruz	4	4	4	4	✓ Career Advancement ✓ Retirement (2 Years)

[1]Rank as follows: 1-Not descriptive of this role, 2- Slightly descriptive of this role, 3- Moderately descriptive of this role, 4- Strongly descriptive of this role

[2]Career advancement and Retirement are just few reasons for the position to be vacant.

Based on answers above, plot the identified key positions on this table.

		LOW	MEDIUM	HIGH
H I G H	**CRITICALITY**	☐ Sustainability ☐ Growth ☐ **Open in _ Years** **Position Titles:** **1.** **2.** **3.**	☐ **Sustainability** ☐ **Growth** ☐ **Open in _ Years** **Position Titles:** **1.** **2.** **3.**	☐ **Sustainability** ☐ **Growth** ☐ **Open in _ Years** **Position Titles:** **1.** **2.** **3.**
M E D I U M		☐ Sustainability ☐ **Growth** ☐ **Open in _ Years** **Position Titles:** **1.** **2.** **3.**	☐ Sustainability ☐ Growth ☐ **Open in _ Years** **Position Titles:** **1.** **2.** **3.**	☐ **Sustainability** ☐ **Growth** ☐ **Open in _ Years** **Position Titles:** **1.** **2.** **3.**
L O W		☐ **Sustainability** ☐ **Growth** ☐ **Open in _ Years** **Position Titles:** **1.** **2.**	☐ **Sustainability** ☐ **Growth** ☐ **Open in _ Years** **Position Titles:** **1.** **2.**	☐ Sustainability ☐ Growth ☐ **Open in _ Years** **Position Titles:** **1.** **2.**

		3.	3.	3.
			VULNERABILITY	

## II.   IDENTIFYING AND ASSESSING KEY TALENTS

Let us remember the primary goal of a succession plan, which is the continuity of business operations and leadership. With this in mind, it is important to have the following strategies in place that you may need during your discussion with the key talent/s:

1. Recruitment Strategy
    a. Recruitment and relocation bonus or incentive
    b. Special programs
2. Retention Strategy
    a. Retention bonus
    b. Quality of work life programs
3. Development and Learning Strategy
    a. Planned job assignment
    b. Formal development
    c. Coaching and/or mentoring
    d. Needs assessment
    e. Action Learning projects

As discussed in the policy development, this is linked to the following processes:

1. Workforce planning
2. Recruitment and retention
3. Compensation & benefits
4. Performance management
5. Recognition and rewards

Before proceeding to anything, defining "talent" must come first. The values, culture, and practices of the organization should be integrated. The process map below shows how the key positions are incorporated in the key talents.
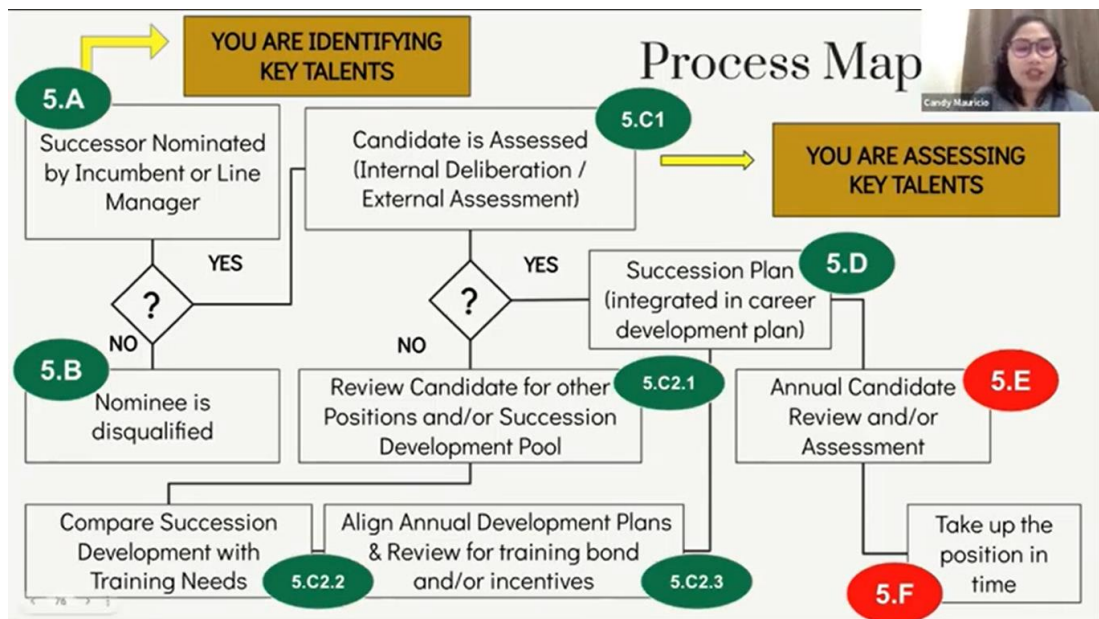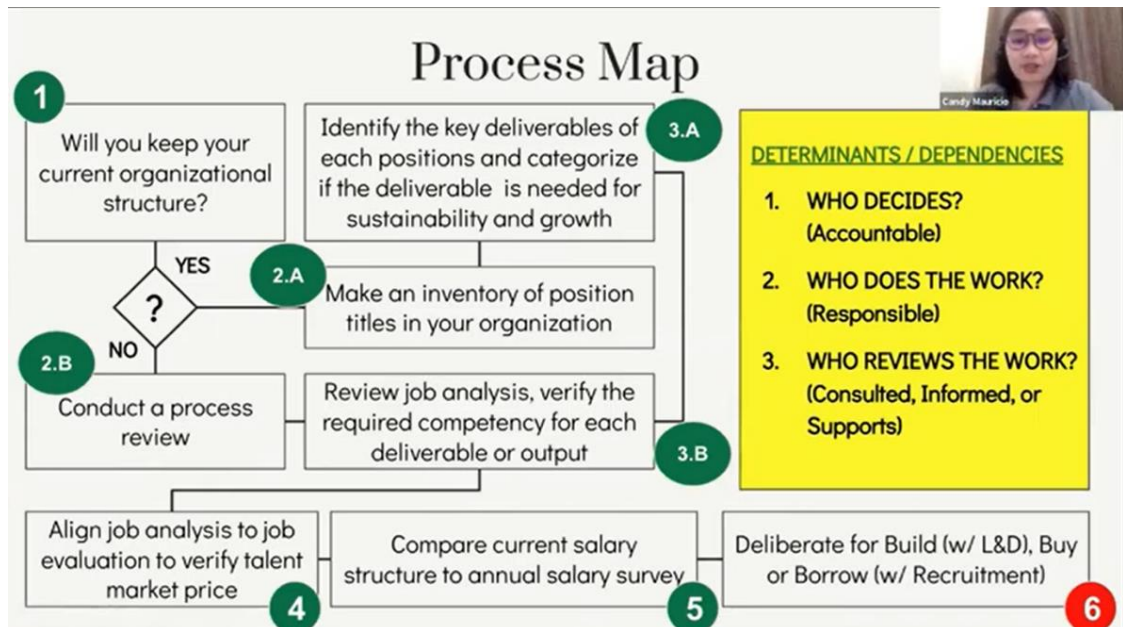
In identifying key talents, it is a pre-requisite to consult the HR Department, especially they are the ones keeping the 201 files of employees in the organization and their respective performance history. 9-box of key positions will also be needed.

Identifying Key Talents

After identifying the key positions from the inventory of job positions and recognizing the order of priority for succession based on the vulnerability checklist, it is now best to do an inventory of talents.

EMPLOYEE	CURRENT ROLE	IMMEDIATE CAREER PROGRESSION[1]	JOB FAMILY[2]	SALARY GRADE	AGE	TENURE	DA (Y/N)[3]	RATING (Year 1, 2, & 3)[4]

[1]Write the immediate career progression for the employee in the organization.
[2]Write in which job family is the current role of employee belongs to. Sample job family are: Operations, Finance, Human Resources, Communications, Information Technology, General Administration, etc.
[3]Write Y (yes) if there has been disciplinary action raised for the respective employee. Otherwise, write N (no).
[4]What is the rating for the employee in the past three years?

ABC in Identifying and Assessing Key Talents

After identifying the key talents, assessing will be conducted. There are different types of assessment. The organization can choose what they most preferred. With this, comes the assessment summary.

It is ideal that each employee will have an identified position where she/he can be a successor. It is vital to take note that the rule of thumb here is 3:3. For every 1 employee, she/he has 3 identified positions wherein she/he can be a successor and at the same time, for every key position, she/he has 3 identified key talents to be a successor. The 3:3 assures that mutual benefit is being done for both organization and the employee.

NAME OF CANDIDATE/ POSITION [1]	KEY POSITION [2]	ASPIRATION [3] (low, medium or high)	BEHAVIOR [4] (low, medium or high)	COMPETENCE [5] (low, medium or high)	9-Box [6]
Employee 1 / Development Officer	Team Leader	Medium	High	High	
Employee 1 / Development Officer	Accounting Officer	High	Medium	High	

[1]What is name of the employee who can be a successor? What is her or his position?
[2]What is the career progression being offered?
[3]Should be asked from the employee / candidate. Which does the employee prefer more? The current job title or the career progression? **Low**- prefers the current job title, **Medium**- amenable with both job titles, **High**- prefers the key position that is offered.
[4]Observed by others. In terms of her/his behavior, where is she/he more capable to deliver her/his responsibilities more? With the current job title or with the career progression? **Low**- to the current job, **Medium**- capable to both job titles, **High**- to the career progression
[5]Assessed Internal / External. In terms of her/his skills, where she/he is more capable to display competence? **Low**- to the current job, **Medium**- capable to both job titles, **High**- to the career progression
[6]Please refer to the indicated template below.

High Potential/ Low Performance	**High Potential/ Medium Performance**	**High Potential/ High Performance**
Demonstrated high potential for advancement but is not meeting current performance expectations	Demonstrated high potential and consistently meets performance expectations	Highest potential for senior leadership position who usually always exceeds performance expectations
Needs coaching and intervention: Wrong job or wrong boss?	Valued talent who needs additional challenge, reward, recognition or opportunity to develop	Star talent who should be targeted for accelerated development opportunities
Medium Potential/ Low Performance	**Medium Potential/ Medium Performance**	**Medium Potential/ High Performance**
Promotion potential one level or lateral move with greater challenge but presently underperforming	Promotion potential one level or lateral move with greater challenge; presently meeting but not exceeding performance expectations	Promotion potential one level or lateral move with greater scope or challenge; always meets and usually exceeds expectations
Consider coaching or corrective action	Keeps things running but might need additional motivation, greater engagement or additional rewards	Strong contributor who could have additional developmental challenges to grow and possibly improve potential
Low Potential/ Low Performance	**Low Potential/ Medium Performance**	**Low Potential/ High Performance**
Has reached career potential and is not delivering	Specialized technical talent or has reached career potential but consistently meets performance expectations	Specialized technical talent or has reached career potential but consistently exceeds performance expectations
Counsel or terminate	Motivate and focus	Valuable in developing others; retain and reward

P O T E N T I A L

PERFORMANCE

III.   DEVELOPING A SUCCESSOR

When identifying and assessing key talents is already done, the next step will be developing a successor. Please review the process map indicated below.
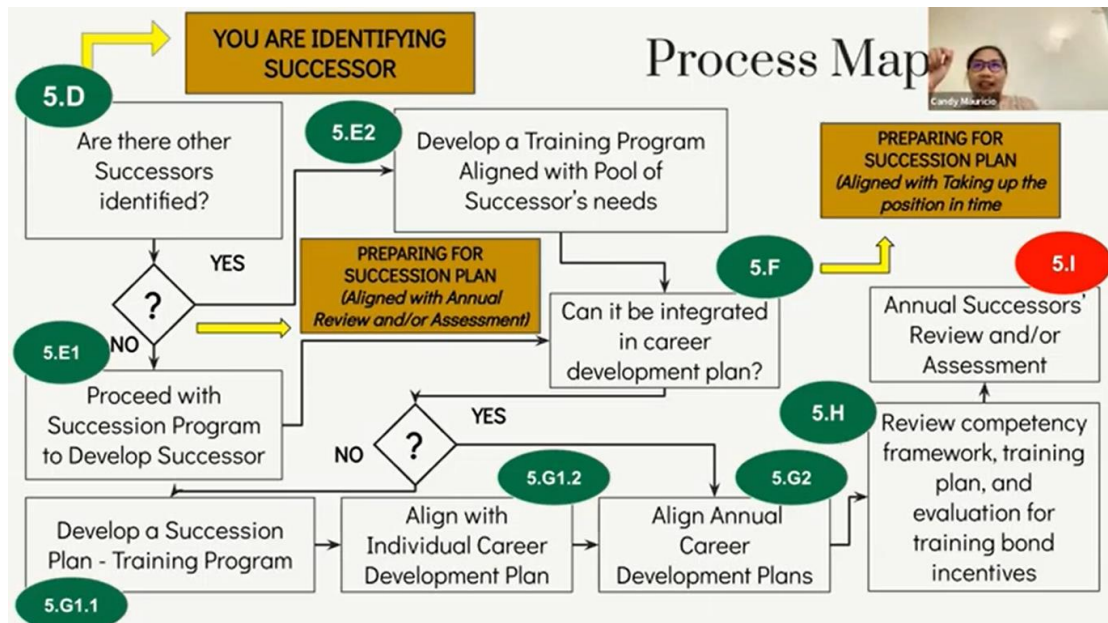
Using your answer on the table in **ABC in identifying and assessing key talents,** follow the next steps below:

1. List the names in order based on the key positions to prioritize:
    a. High critical and high vulnerability
    b. High vulnerability and medium critical
    c. Medium vulnerability and high critical
    d. Medium critical and medium vulnerability
    e. High critical and low vulnerability
    f. Low critical and high vulnerability
    g. Medium critical and low vulnerability
    h. Medium vulnerability and low critical
    i. Low critical and low vulnerability
2. Make sure there are candidates up to Medium critical and medium vulnerability
3. If none, consult recruitment for current market cost and refer to policy for external hiring
4. Deliberate with committee or HR for identified successor per position (who are the top 1 priority?)
5. Proceed with creating a Successors' Development Program for each of these top 1
6. Deliberate with committee or HR for prioritization of successor per position (who are the top 2 and 3 priorities per position?)
7. Proceed with creating a Succession Plan Training Program for these key talents.

Sample of Succession Plan for a Successor

A sample succession plan highlights information from the job description, career development plan that is integrated to the individualized Succession Plan. The key position that is high in both criticality and vulnerability must be identified and must have at least one to three succession plans ideally. Three candidates are needed for that identified position to check the bench strength of the organization; how many potential candidates are in the organization that can be a reliable successor on that position?

KEY POSITION:		ESTIMATED DATE OF POSITION VACANCY:	
NAME OF SUCCESSOR:		RANKING[1]:	
CURRENT POSITION:		SUPERVISOR:	
OVERALL RATING VS. COMPETENCY[2]		9-BOX READINESS[3]	• Now • Within 1 year • Within 2 years • Within 3- 5 years

HIGHLIGHTED POSITION REQUIREMENTS[4]:

Strengths:

Opportunities

Aspirations for the position:

Results expected from the position:

DEVELOPMENT OBJECTIVES[5]	PROGRAMS / ACTION PLAN[5]	OUTPUT[5]	SCHEDULE[5]
REVIEWED BY:	NAME OF SUPERVISOR	**ACCEPTED BY:**	NAME OF SUCCESSOR
FACILITATED BY:	HUMAN RESOURCES	**APPROVED BY:**	NAME OF INCUMBENT

[1]The specific ranking of the potential successor among all the other candidates for succession.
[2]Identify through answering the template given below.
[3]With the help of 9-box, when will the potential candidate be ready to be a successor?
[4]In narrative form, what are the requirements needed to obtain the position?

[5]Pertains to the program/s that the potential candidate for succession is undergoing or will be undergoing that will satisfy the improvement of skills needed in the position.

In identifying overall ranking vs. competency, there's a need to develop a needs assessment survey for each of the identified successors. Template as follows:

Dear Internal Customer of [INSERT NAME OF SUCCESSOR],

Thank you for your time to complete this brief survey to identify [INSERT NAME OF SUCCESSOR] current competencies. This will help our organization better understand how we can support our employees' career development. Please rate [INSERT NAME OF SUCCESSOR]'s observable level of competency based on the following:

(as referred to the previous template on assessing key talents)

1 - Basic	3 - Advanced
2 - Intermediate	4 - Superior

(Keep in mind the Top 1 - 3 position when deleting the not relevant competencies)

	1	2	3	4	Comments
Tier 1: Personal Effectiveness Competencies					
Interpersonal Skills: Displaying the skills to work effectively with others from diverse backgrounds.					
Demonstrating sensitivity/empathy					
Demonstrating insight into behavior					
Maintaining open relationships.					
Respecting diversity					
Working with diverse people					
Integrity and Ethics: Displaying accepted social and work behaviors.					
Behaving ethically					
Acting fairly					
Taking responsibility					
Professionalism and Credibility: Displaying responsible behaviors at work.					
Demonstrating self-control					

Maintaining a professional appearance				
Substance abuse free				
Maintaining a positive attitude				
Initiative and Self-Management: Seeking out new work challenges and increasing the variety and scope of work.				
Persisting				
Taking initiative				
Setting challenging goals				
Working independently				
Demonstrating the motivation to achieve				
Dependability and Reliability: Behaving consistently and predictably in fulfilling obligations.				
Showing up on time				
Attending to details				
Detecting errors				
Complying with policies				
Honoring commitments				
Accountability				
Tier 2: Academic Competencies				
Reading for Information: Understanding written sentences and paragraphs in work related documents.				
Comprehension – Locates, understands, and interprets written information in prose and in documents such as manuals, reports, memos, letters, forms, graphs, charts, tables, calendars, schedules, signs, notices, applications, and directions; understands the purpose of written materials; attains meaning and comprehends core ideas				
Attention to detail – Identifies main ideas; notes details and facts; detects inconsistencies; identifies implied meaning and details; identifies missing information; identifies trends				

Integration – Critically evaluates and analyzes information in written materials; integrates and synthesizes information from multiple written materials				
Application – Integrates what is learned from written materials with prior knowledge; applies what is learned from written material to follow instructions and complete specific tasks; applies what is learned from written material to future situations				
Business Writing: Using standard business English, defined as writing that is direct, courteous, grammatically correct, clear, succinct, and business-like.				
Organization and development – Creates documents such as letters, directions, manuals, reports, graphs, and flow charts; communicates thoughts, ideas, information, messages and other written information, which may contain technical material, in a logical, organized and coherent manner; ideas are well developed with supporting information and examples				
Mechanics – Uses standard syntax and sentence structure; uses correct spelling, punctuation, and capitalization; uses appropriate grammar (e.g., correct tense, subject-verb agreement, no missing words)				
Tone – Writes in a manner appropriate for business; uses language appropriate for the target audience; uses appropriate tone and word choice (e.g., writing is professional, courteous, and not overly casual)				
Functional Mathematics, Bookkeeping, and Accounting: Using mathematics to solve problems, tabulate, and analyze data.				
Quantification – Reads and writes numbers; counts and places numbers in sequence; recognizes whether one number is larger than another				
Computation – Adds, subtracts, multiplies, and divides with whole numbers, fractions, decimals, and percents; calculates averages, ratios, proportions, and rates; converts decimals to fractions; converts fractions to percents				
Application – Performs basic math computations accurately; translates practical problems into useful mathematical expressions and uses appropriate mathematical formulas and techniques				
Bookkeeping and Accounting – Performs basic bookkeeping and accounting procedures				

Fundamentals of Market Economies: Determining how an economy functions as a whole.				
Principles of macro- and micro--economic				
Principles of market analysis				
Communication – Listening and Speaking: Communicate in order to make oneself understood by supervisors and co-workers.				
Speaking – Expresses information to individuals or groups taking into account the audience and the nature of the information (e.g., technical or controversial); speaks clearly and confidently; information is organized in a logical manner; speaks using common English conventions including proper grammar, tone and pace; tracks audience responses and reacts appropriately to those responses; effectively uses eye contact and non-verbal expression				
Listening – Receives, attends to, interprets, understands, and responds to verbal messages and other cues; picks out important information in verbal messages; understands complex instructions; appreciates feelings and concerns of verbal messages				
Two-way communication – Pays close attention and seeks to understand others, listens attentively, and clarifies information; attends to nonverbal cues and responds appropriately				
Persuasion/Influence – Influences others; persuasively presents thoughts and ideas; gains commitment and ensures support for proposed ideas				
Ask questions or report problems or concerns to people in authority when information or procedures are unclear or need improvement, or when feeling unsafe or threatened in the workplace.				
Critical and Analytical Thinking: Processing information to make logical decisions.				
Reasoning – Possesses sufficient inductive and deductive reasoning ability to perform job successfully; critically reviews, analyzes, synthesizes, compares and interprets information; draws conclusions from relevant and/or missing information; understands the principles underlying the relationship among facts and applies this understanding when solving problems				
Mental agility – Identifies connections between issues; quickly understands, orients to, and learns new assignments				

Tier 3: Workplace Competencies					
Teamwork: Developing capacities used to work with people to achieve goals. Includes social perceptiveness, coordination, persuasion, negotiation, instructing, and service orientation.					23
Acknowledging team membership and role					
Establishing productive relationships					
Identifying with the team and its goals					
Resolving conflicts					
Motivating others					
Negotiating solutions					
Adaptability and Flexibility: Being open to change (positive or negative) and to considerable variety in the workplace.					
Employing unique analyses					
Ability to work in different environments					
Entertaining new ideas					
Dealing with ambiguity					
Managing multiple demands					
Managing uncertainty					
Customer Service and Service Orientation: Actively looking for ways to identify market demands and meet the customer or client need.					
Understanding customer needs					
Providing personalized service					
Acting professionally					
Keeping customers informed					
Strategic Planning and Organization: Developing plans and efficiently using resources to accomplish goals.					
Planning and scheduling tasks so that work is completed on time					
Prioritizing various competing tasks and performing them quickly and efficiently according to their urgency					

Allocating time and resources effectively and coordinating efforts with all affected parties				
Anticipating obstacles to project completion and developing and implementing contingency plans to address them				
Problem Solving and Decision-Making: Considering the relative costs and benefits of potential actions to choose the most appropriate one.				
Identifying the problem				
Seeing the big picture				
Decompose a problem into component parts				
Researching and organizing relevant information				
Generating innovative solutions				
Choosing a solution				
Using Computers: Proficiency in applying basic computer functions.				
Keyboarding and word processing				
Internet applications				
E-mailing				
Spreadsheets				
Database Concepts				
Health and Safety: Supporting a safe and healthy workplace.				
Maintaining a healthy and safe environment				
Take actions to ensure the safety of self and others, in accordance with established personal and jobsite safety practices.				
Anticipate and prevent work-related injuries and illnesses.				
Comply with nationwide and local regulations, and company health and safety policies.				
Recognize common hazards and unsafe conditions that occur at work, their risks, and appropriate controls to address them.				
Follow organizational procedures and protocols for workplace emergencies, including safe evacuation and emergency response.				

Maintain a sanitary and clutter-free work environment.					
Administer first aid or CPR, if trained, and summon assistance as needed.					
Properly handle and dispose of hazardous materials.					
Safeguarding one's person					
Engage in safety training.					
Use equipment and tools safely.					
Use appropriate personal protective equipment.					
Recognize how workplace risks can affect one's life and one's family.					
Understand the legal rights of workers regarding workplace safety and protection from hazards.					
Report injuries, incidents, and workplace hazards to a supervisor as soon as safely possible.					
Contribute to discussions of safety concerns in the workplace, making suggestions as appropriate.					
Tier 4: Industry-Wide Technical Competencies					
Products and Concepts: Knowledge of the products and concepts relating to the financial services industry, including financial instruments, financial management, insurance principles, and cash and capital principles.					
Critical Work Functions:					
Examine characteristics to distinguish between stocks, bonds, and commodities					
Examine characteristics to distinguish between insurance and annuity products					
Develop procedures to create a financial plan					
Analyze tax structures and consequences to assist in business decision-making					
Examine characteristics to explain underwriting functions					
Technical Content Areas:					
Financial Instruments					

Understands the available financial instruments and risk associated with each instrument				
Recognizes appropriate situations for each instrument				
Understands basic differences and similarities between debt-based, equity based, and foreign exchange instruments; Recognizes appropriate investment opportunities associated with each instrument.				
Financial instruments include:				
Securities (Stocks, Bonds, T-bills)				
Other cash (Loans, Certificates of Deposit)				
Exchange traded derivatives (Futures, Options)				
Over-the-counter derivatives (Swaps, Caps, Exotic Instruments)				
Financial Management				
Demonstrates an awareness of the available analytical functions associated within the financial services industry				
Understands the basic concepts associated with financial analysis, credit analysis, debt management, risk management, valuation strategies, investment profitability, and underwriting				
Insurance Principles				
Understands the principles of insurance and insurance contracts				
Demonstrates a knowledge of the different types of insurance (e.g., life, health, property, liability) and the associated risk covered by the insurance				
Cash and Capital Principles				
Understands the nature of cash, the United States monetary system, and the time value of money				
Recognizes the risk, return, and opportunity costs associated with capital				
Business Operations: Performs activities associated with transaction management and understands the business operations performed by organizations within the financial services industry.				
Critical Work Functions:				

Exercise appropriate techniques to gather client information				
Examine client's money management patterns to determine a client's financial situation				
Describe procedures necessary to execute financial transactions				
Use financial information to manage client records				
Technical Content Areas:				
Transaction Management				
Demonstrates the ability to process financial transactions without error;				
Resolves cash discrepancies, and maintains accurate records of transactions				
Understands the principles of confidentiality as they relate to transaction management				
Financial Organizations				
Understands the roles and activities provided by organizations within the financial services industry, including banks, investment banks, insurance companies, and stock brokerages				
Financial Reporting: Knowledge of the documents associated with measuring a business' financial information.				
Critical Work Functions:				
Review client financial information to develop a client's account statement				
Analyze and interpret financial data to produce accurate reports				
Compile business transaction data to report financial information				
Technical Content Areas:				
Financial Statements				
Demonstrates the ability to prepare and interpret balance sheets, income statements, cash flow statements, and statements of retained earnings				
Adheres to record keeping requirements associated with financial statements				

Technology Applications: Knowledge of basic technology as it specifically relates to the financial services industry.				
Critical Work Functions:				
Use spreadsheets and accounting software to maintain and update records				
Use databases and other computer management tools to manage office records				
Technical Content Areas:				
Technology Applications				
Demonstrates a proficiency in the use of financial software, including applications relating to accounting and monetary transactions				
Understands the appropriate digital channels for exchanging electronic transaction information				
Recognizes appropriate techniques for storing and retrieving data				
Regulations and Codes: Knowledge of relevant regulations and codes that impact the financial services industry.				
Critical Work Functions:				
Research the regulatory requirements of financial and investment planning and security sales to assure compliance with codes				
Use national and local regulations to determine financial records management				
Review most current state and national regulations to apply the tax code professionally				
Compare legal interpretations to clarify regulations				
Technical Content Areas:				
Regulation and Code Compliance				
Understands and complies with all relevant laws imposed by regulatory agencies including:				
Deposit Insurance Corporation				
Board of Governors of the Reserve System				
Department of Trade and Industry				

Bureau of Internal Revenue				
National Credit Union Administration				29
Philippine Securities and Exchange Commission				
State agencies				
Follows the financial services industry codes of practice				
Monitors new legislation impacting the financial services industry				
Fraud Prevention: Knowledge of the appropriate procedures for identifying, reporting, and preventing fraud.				
Critical Work Functions:				
Analyze current laws and regulations to maintain appropriate financial practices				
Examine accounting system elements to demonstrate good accounting practices				
Technical Content Areas:				
Fraud Prevention				
Demonstrates an awareness of the necessary steps for preventing fraud				
Understands the appropriate procedures for fraud investigations and internal audits as they relate to detecting and reporting of fraudulent behavior				
Understands the legal and ethical responsibilities as they relate to fraud				

IV. **SUCCESSION PLANNING PROGRAM DEVELOPMENT, MONITORING, EVALUATION, AND REVIEW**

The following are helpful terms for reference in discussing, evaluating readiness, and proposing succession planning program:

1. Keep in mind the principles included in the succession planning policy
   a. Alignment of Succession Planning with Recruitment Policy

    b. Enforcing culture and practices in the organization related to people replacement, management, and development in mind of continuity of business and leadership through standardized procedure and resource management

2. Review what is inclusive in your policy objectives. Examples provided were:
   a. Identify deliberate activities to address risks
   b. Identify guidelines and standard process for replacement
   c. Timely filling-up of critical roles with high quality persons
   d. Identify critical roles
   e. Identify clear action steps to support successors' development

3. Keep in mind the Key Result Areas for the organization's succession plan
   a. Identification of up-to-date key positions
   b. Creation and provision of development program for pool of candidates as successor for the key positions

Program Development: Proposing a Succession Plan

A Succession Planning Program can be set to be effective and efficient through a Project Plan.

Below is a sample of a project plan for succession planning:

PROJECT NAME: Succession Planning Program for <INSERT NAME OF ORGANIZATION>

OVERVIEW:

Succession planning was identified as a priority area in the organization's strategic plan as it ensures the pipeline of talent within the organization. This succession planning program proposal is focused on developing and sustaining the competencies and skills needed by the organization to meet goals at present and in the future.

RATIONALE:

<INSERT NAME OF ORGANIZATION> is an organization established on INSERT DATE OR NUMBER OF YEARS, and in compliance with revised Code of Corporate Governance for Insurance Commission Regulated Companies (ICRCs) issued in 2020, would like to propose a succession planning that will also address:

You may answer the following questions:

1. *What are your organization's strategic goals?*
2. *What are your organization's workforce planning strategies?*
3. *How would you describe the link between your strategic goals and succession planning?*

4. *How would you describe the link between your workforce planning strategies and succession planning?*

5. *How will succession planning benefit your organization (e.g. retirement bubble, competition for talent)?*

6. *Demonstrate workforce data that supports the business case for the succession planning goals (e.g. a chart or narrative explaining that 62% of senior leaders will retire within 5 years).*

PROGRAM SPECIFICATIONS:

Below are the details identified to initiate and implement the succession planning program:

<u>Schedules:</u> Below is a high-level sample year-long calendar for the program.

Quarter 1		
JANUARY	**FEBRUARY**	**MARCH**
Succession Planning Committee (SPC) meeting	Executive summary: endorsement of annual succession plan and management of key talents for the year	Approval of the outline of action for the next 6 months
		Updates to GM/ CEO of development process for each targeted candidate
		Drafting and organizing of budget for Succession Plan
		Internal mobility and workload analysis
Organization survey/identification of new projects		

Quarter 2

APRIL	MAY	JUNE
		Updates to GM/ CEO of development process for each targeted candidate
Drafting and organizing of budget for Succession Plan		
Internal mobility and workload analysis		
	Process re-engineering and technology support	
	Performance review/evaluation	

Quarter 3		
JULY	AUGUST	SEPTEMBER
		Updates to GM/ CEO of development process for each targeted candidate
Process re-engineering and technology support		
Performance review/evaluation		
Succession planning deliberation		
	Promotion and salary adjustment	

Quarter 4		
OCTOBER	**NOVEMBER**	**DECEMBER**
		Updates to GM/ CEO of development process for each targeted candidate
Process re-engineering and technology support		
Performance review/evaluation		
Succession planning deliberation		
Promotion and salary adjustment		

These schedules are aligned with the implementation activities that is aligned with the strategic approach to the organization's succession plan challenges as follows:

ISSUE	OBJECTIVE	STRATEGIC APPROACH
Human Resource Planning	Institutionalize human resource planning in compliance with regulatory agencies	Development of HR master plan linked to workforce planning
		Development of Annual HR Plans with clear budgetary requirements
		Acquisition and adoption of an integrated HR information system to automate data reporting
Staffing Gaps	Ensure optimal talent placement in the organization	Linking Recruitment to Human Resource Plans
		Design and Review Leadership and Management Capacity Building Programmes
		Review and harmonize the performance grading structure to eliminate disparities, job duplications

		and roles in the organization
Career Management	Ensure attraction and retention of qualified talents in the organization and their advancement within their career paths	Review and develop career progression guidelines/schemes
		Train and develop talents in the organization
		Ensure opportunities for career growth and/or promotion
Attrition	Ensure retention of key talents within the organization	Attractive retention packages
Ageing talents in Key Positions	Ensure a pool of potential successors with requisite skills and competencies to replace those exiting the service and to support knowledge transfer, employee development and replacement.	Replacement of retirees

Program Implementation Action Plan

Below is the Summary of Activities

STRATEGIC APPROACH	ACTIVITIES	OUTPUT	PERSON RESPONSIBLE	SCHEDULE COMPLETION
Development of HR master plan linked to workforce planning	Develop and update the skills inventory			
	Identify requisite skills and competences to meet			
	Identify the gaps and requisite action required to address the gaps			
	Determine and mobilize resources required			
	Establish monitoring and evaluation framework			
Development of Annual HR Plans with clear budgetary				

requirements				
Acquisition and adoption of an integrated HR information system to automate data reporting				
Linking Recruitment to Human Resource Plans				
Design and Review Leadership and Management Capacity Building Programmes				
Review and harmonize the performance grading structure to eliminate disparities, job duplications and roles in the organization				
Review and develop career progression guidelines/schemes				
Train and develop talents in the organization				
Ensure opportunities for career growth and/or promotion				
Attractive retention packages				

The measures or indicators used to determine the success of the program can include the following:

- Level of employee participation (#s) in the development plan
- Collective activity levels completed on the development plans (e.g., training hours completed, OJT assignments completed)
- Scoring of overall agency competency gaps in key areas and showing a visible gap closure – percentage of agency gaps before and after development activities
- Percentage of development activities completed per schedule
- Breakdown or ratio of internal On-the-job training and/or development activities versus external training activities
- Internal application activity for future leadership's openings

- Percentage of leadership positions filled internally versus externally
- Time to fill leadership positions
- Impact of development activity on overall unit/department attrition rates
- Participant Evaluation Ratings – Participants should have an opportunity to provide feedback about their uniquely developed training program. The Microinsurance MBA should solicit specific feedback from participants such as quality of face-time with mentors, workload implications, opportunities to apply newly learned skill sets and program and development practices as it relates to usefulness, relevance and applicability of the participants career development trajectory and overall goals.