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**SAMPLE ONLY**

**TALENT MANAGEMENT & SUCCESSION  
PLANNING INTRODUCTION (2011)**

**IDENTIFYING & EVALUATING HIGH PERFORMERS & HIGH POTENTIALS**

## **RATIONALE (2011)**

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It is essential to understand the following when making decisions about Talent Management & Succession Planning:

**A. The issues confronting us are being felt across the whole industry sector, making it a more than fertile, competitive environment for talent (recruitment and retention):**

1. The Independent Petroleum Association of America estimated that 40% of the industry's skilled professionals will have reached retirement age by 2010. The lack of experienced employees has reached crisis levels.
2. The shortage of experienced talent is the biggest issue in the oil patch today . .
3. Over the last decade the risk of serious shortages in SET (science, engineering and technical skills) has emerged, exacerbated by increasing global demand, a large section of the industry's workforce rapidly approaching retirement, and the large-scale down-sizing leading to lack of recruitment into the energy sector . . .
4. The workforce crisis affects these costs through two mechanisms: an overall increase in excess demand for talent and an environment of talent poaching among firms
5. Earlier data identified that ... direct employment costs increased to more than USD 2.2B ... with a view that this would rise substantially thereafter
6. To try to retain experienced professionals, firms have various medium- and long-term incentive strategies to act as "velvet handcuffs". Companies have responded by using selective premiums . .
7. It is a common trend in the energy sector for executives to retire but stay on as consultants at a higher hourly rate than they earned at retirement. This trend will continue for some time as the industry continues to age
8. ... a significant concern ... the lack of oilfield executives with experience outside the sector. Less than 10% of energy executives have experience outside the oil patch, compared with 40% for executives with experience outside the industry... the industry can benefit from leadership skills garnered outside the industry as well.
9. The next decade will see a mass exodus from the industry.

**B. Corporate HR has identified to the Board of Directors that a targeted Leadership Succession Planning and Talent Review Process is essential as a key accountability in our role as Leaders and a critical factor in achieving our business goals, to make year-on-year improvements in the quality of our organization.**

The purpose of the Leadership Succession Planning Process is to measure the strength and depth of Leadership Talent in our organization and take actions to improve organizational capability to enhance business performance. In summary, the benefits are:

- Clear line-of-sight on leadership succession, key talent pools/pipelines and critical skills/disciplines for each Region, Group and Function
- A Talent Inventory with high quality information to enhance decision-making on succession planning, organization design, staffing and development actions
- Common language, standards and tools for managing our Leadership Talent in a more consistent and effective way
- Quality feedback and guidance to individuals which clarifies their personal/career development options.

## **SAMPLE ONLY**

Accordingly, our organization and each of its segments, must have a strong and identified leadership cohort – therefore, appropriately and consistently identifying and evaluating high *performers* and high *potential* employees is a priority for achieving the success of this vision, as well as assisting us to successfully develop and retain employees whether they be high performers, high potentials or both.

### **EVALUATING FOR CLARITY & CONSISTENCY**

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#### **DEFINITION: HIGH PERFORMERS VS HIGH POTENTIALS**

It is important to understand the difference between high performers and high potentials:



For further information, please  
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Thank you!