

Ready, Willing, But Not Able: UK Companies Have Succession Planning Initiatives in Place, but Lack Effective Processes and Support

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SuccessFactors Survey Finds Two Thirds of Companies Don't Hold Managers Accountable for Developing Talent, and Fail to Put Effective Succession Planning Processes in Place

London, UK – 21 August 2008 - Companies in the UK and Ireland have succession planning initiatives in place, but do not back them up with effective processes and support, according to a new survey by SuccessFactors, Inc (NASDAQ:SFSF), the global leader in on-demand performance and talent management solutions.

SuccessFactors surveyed 139 HR executives with responsibility for resourcing, talent development and recruitment across a range of industry sectors. Seventy six percent of all companies in the survey were found to have some kind of succession plan in place, yet forty percent of companies lacked any process or capability to identify future talent. Alarming, the survey also found that more than two thirds of organisations surveyed don't hold managers accountable for developing their talent or only pay lip service to this.

Only half the organisations surveyed are assessing (at least once) the capability of their employees, giving them a fair chance to drive their career beyond their immediate supervisor. These organisations have pockets of individual managers assessing employees, but in a scattergun fashion. These findings support previous research that suggests that a major reason for people disengaging at work or leaving voluntarily is a result of lack of career development and advancement opportunities.

Another noteworthy observation from the survey is only thirty percent of organisations actually support their succession management process with some form of technology. It becomes extremely difficult to manually support a consistent process across an entire organisation without any support tools in place.

"Global companies are embracing succession planning as part of their overall talent management strategies with great enthusiasm, in fact it is becoming a top priority for those looking to accelerate and extend their growth," said Lars Dalgaard, founder and chief executive officer for SuccessFactors. "As we all know, employee turnover within organizations does occur but easy-to-use technology is available for organizations to proactively respond. By not putting the mechanisms and tools in place, future leaders cannot be identified, and the impact of the business can be disastrous. At SuccessFactors, we advise our clients to first take inventory of their talent, and routinely re-visit the process to ensure succession decisions are based on clear, accurate, up-to-date data. This ensures a higher degree of success."

Well-developed succession planning processes increase the retention of superior employees because they recognise time, attention and skill development is being invested in them for the purpose of career development. When you continue to challenge and reward talented employees, you eliminate their need to seek opportunities elsewhere.

About SuccessFactors, Inc.

SuccessFactors is one of the fastest growing public software companies and the leading provider of on-demand employee performance and talent management solutions. The company enables organizations of every size, and across every industry and geography, to achieve high-performing workforces through goal alignment and execution, talent development and planning, and pay-for-performance initiatives. From 92 customers and approximately 282,000 end users in 2003 to more than 2,140 customers and 4 million end users today, SuccessFactors' solutions are widely deployed across 60 industries in over 185 countries in 22 languages. Founded in 2001 with offices around the world, the company employs more than 700 people, all passionately focused on revolutionizing the future of work.

For more information, visit: <http://www.successfactors.com>.

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