

Press release
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Sudden resignation a clear sign Kiwi companies need to plan for the future

- 57% of New Zealand HR managers say succession planning is the most challenging part of their HR planning and 48% anticipate it will be their primary challenge in three years.
- 60% think succession planning will have the greatest impact on the future of the workplace, followed by a mobile workforce (43%) and social media recruitment (37%).

Auckland, 13 December 2016 – New Zealand Prime Minister John Key’s sudden resignation last week¹ shows how important it is to have a succession plan ready – the same goes for company HR planning. Research by leading global recruitment company [Robert Half](#) confirms succession planning is currently the most challenging part of HR planning, a trend that is set to continue for the next several years.

The research indicates sudden resignations are a primary concern for New Zealand companies, as more than one in two (57%) HR managers say succession planning is the most challenging part of their HR planning. Looking ahead, almost half (48%) anticipate succession planning will be their primary challenge in three years’ time. The concern for future talent planning can be attributed to the overwhelming majority (96%) of New Zealand businesses who are anticipating a skills gap due to the retirement of the Baby Boomer generation (born between 1946-1964).

Megan Alexander, General Manager Robert Half New Zealand said: *“Not having a succession plan in place, particularly at the executive level, puts any business at risk. The cost to a company when a high-performing employee suddenly resigns can be immediate and the impact felt across the business. Companies need to be prepared, either by having a potential successor in place or by hiring an additional member of staff.”*

“Planning for the future talent pipeline also needs to take into account the generational shifts in the workplace, with the gradual retirement of the Baby Boomer generation set to continue over the next several years. It is not surprising that succession planning is one of the main concerns for HR managers as the anticipated rise in retirements will also impact the company’s recruitment strategy, which will need to be adapted to replacing their most experienced employees.”

When asked about the future of the workforce, six in 10 (60%) HR managers think succession planning will have the greatest impact on the future of the workplace. More than four out of 10 (43%) say a more mobile workforce will impact the workplace the most, followed by more than one in three (37%) who refer to social media recruitment. This predication can be attributed to the future challenge of securing an adequate talent pipeline HR managers anticipate they will face, and the gradual shift of Generation Y and Z dominating the workforce.

“Companies are anticipating using social media channels more to source candidates as Gen Y and Z tend to use social media as their go-to job board. HR managers planning for the future will need to adapt to the changing workplace conditions and accommodate to this new generation of social media-savvy and mobile candidates,” **Megan Alexander** concluded.

¹ http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11760656

To help companies kick-start their succession planning, here are seven steps to take:

1. **Be proactive in your succession planning:** Don't delay in finding and preparing a promising candidate for a leadership role. Even if you think you won't need a replacement in the near future, prepping someone to assume an important role creates an invaluable safety net.
2. **Keep an open mind:** While the obvious successor may be the second in command, don't disregard other promising employees. Look for people who best display the skills necessary to thrive in the position regardless of their current title.
3. **Make the vision known:** Include potential managers in strategy conversations to help them acquire planning and leadership skills, as well as a broad vision of the organisation and its objectives.
4. **Offer regular feedback:** When an employee delivers a successful presentation or outperforms on a project, make note of it. Keep track of these achievements in a top-performer file so you have something to reference the next time a management position opens.
5. **Provide training:** As you identify your top performers, offer additional training and mentoring to help them develop new skills and refine existing ones. Remember that good leaders not only need technical acumen, but also strong soft skills, such as standout verbal and written communication abilities, as well as tact and diplomacy.
6. **Do a trial run:** A holiday is a great time to have a potential successor step in to assume some responsibilities. The employee will gain experience while you learn how prepared the person is to take on a bigger role.
7. **Use your succession plan to develop a hiring strategy:** Once you've identified internal employees as potential successors for key roles in your organisation, take note of any talent gaps. In this way, a succession plan can help you identify where to focus your recruiting efforts.

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Notes to editors

About the research

The annual study is developed by Robert Half and conducted by an independent research firm, surveying 100 Chief Financial Officers (CFO) and finance directors in New Zealand. This survey is part of the international workplace survey, a questionnaire about job trends, talent management and trends in the workplace.

About Robert Half

Robert Half is the world's first and largest specialised recruitment consultancy and member of the S&P 500. Founded in 1948, the company has over 325 offices worldwide providing temporary, interim and permanent recruitment solutions for accounting, finance and technology in New Zealand. More information on roberthalf.co.nz.

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