**Policy 1520: Succession Planning**

**Model Policy Revised Date: 5/6/2025**

**General Policy Statement:**

[[CUname]]'s (Credit Union) success is dependent upon placing the right people in the appropriate positions at the right time. The succession plan is designed to ensure the continued effective performance of the Credit Union by planning for the ongoing development, placement, and replacement of key people. The goal is to make succession activities part of the strategic planning process and integral to business operations and governance.

Through the succession plan the Credit Union seeks to provide significant opportunities for employees, increase the pool of promotable employees, encourage advancement of diverse groups, and to ensure the Credit Union is able to adapt to a rapidly changing business environment. Succession plans and activities are closely monitored to ensure that they are consistent with the Credit Union's commitment to success and to Equal Employment Opportunity. The Succession Guidelines are suggested, and may be altered or eliminated at any time and may not be followed in every instance.

1. **COMMITMENT TO PROMOTION FROM WITHIN.** The Credit Union is firmly committed to promoting from within whenever possible. The Credit Union is committed to assisting employees in developing their potential and in pursuing their career goals.
2. **TIMING.** Succession planning is an ongoing activity. However management will review and update plans at least every 24 months.
3. **PROCESS.**  
   1. **Identify and Define Covered Positions.** Identify current and future covered organizational positions, which may include:  
      1. Management Officials
      2. Assistant Management Officials
      3. Senior Executive Officers (if not already covered)
      4. Unique and difficult to fill professional or technical positions
      5. Other personnel deemed critical by the Board of Directors
      6. Board of Directors and Volunteers
   2. **Forecast Future Needs.** Forecast long term (over 3 years), intermediate and immediate replacement needs for key positions.
   3. **Analyze Key Positions.**  
      1. Perform a position analysis. Identify the critical competencies of the positions. Assess skill, knowledge, experience, and personal requirements of key positions.
      2. Create a position profile for use in recruiting or developing key employees. Develop criteria used to evaluate quality and readiness of successors.
      3. Identify possible career paths.
      4. Determine whether positions are likely to be filled externally or internally.
   4. **Identify High-Potential Employees.** Select and develop potential successors to specific positions and/or establish a pool of key employee talent for general positions. Identify immediate replacement, intermediate-term, and long-term replacements.  
      1. Assess past and current performance, readiness, and potential of employees, including relevant experience, skills, personal career goals, and education.
      2. Institute individual employee development plans. Determine training, experience, and development needs of successors.
      3. Provide necessary training, development activities, and opportunities. This may include leadership training, mentorship programs, educational opportunities, and cross training programs to gain exposure to multiple departments.
   5. **Identify Potential Volunteer Candidates**. Through different training, community outreach and more formal programs such as an Associate Board Member program, the Credit Union can identify a pool of potential volunteer candidates who are committed to the Credit Union’s success and have a deep understanding of governance processes.
   6. **Implement a Review Program.** Regularly assess and review success of the Succession Planning program and modify as necessary.
4. **MANAGEMENT RESPONSIBILITIES.**  
   1. **All Managers.** Every manager has an obligation to (1) prepare employees to assume new responsibilities, (2) identify exceptional talent within the organization, (3) identify and prepare successors, (4) participate in employee development plans, (5) conduct an annual HR audit of his/her employees (direct reports) to determine employee performance, readiness, potential to move to an advanced position, and the employee development needed, and (6) review  
      positions, position descriptions and staffing needs and modify where necessary.
   2. **Managers Overseeing Replacement of "Covered Positions."** Managers identified as being responsible for assisting in the Succession Planning for covered positions are responsible for recommending potential successors and coordination of all succession planning activities.
   3. **Senior Management Review.** All succession plans and employees identified as potential candidates for "covered positions" will be reviewed at least every 24 months by a designed committee, as outlined in the strategic plan (see 1520.10: Succession Plan).
   4. **President/CEO.** At least every 24 months, the President/CEO will evaluate the success of Credit Union succession plans in supporting strategic plans, providing future talent and in meeting organizational needs.
5. **HUMAN RESOURCES AS FACILITATOR.** Managers should confer with Human Resources at any time if they have questions or need assistance in implementing the Succession Planning process.  Human Resources will be responsible for assisting and providing budget implications for implementation of the proposed strategic plan at least every 24 months.
6. **NONDISCRIMINATION.** The Credit Union is committed to providing advancement opportunities and promoting all employees based on merit, the ability to do the job and other objective criteria. Employees will be evaluated without regard to sex, sexual orientation, gender identity, pregnancy (current, past, or potential), race, religion, disability, age, national origin, genetic information, military or protected veteran status, or other protected class. The Credit Union seeks to employ a diverse workforce at all levels of the organization.
7. **SUGGESTED GUIDELINES ONLY.** The Credit Union may unilaterally change or completely rescind succession guidelines as needed. No express or implied promises or contracts are created, and these guidelines may not be used in every instance. (Contact Human Resources for a copy of the Credit Union’s Employment-at-Will Policy.). While the preference is to promote from within, the Credit Union may, as business needs require, seek qualified outside candidates.
8. **CONFIDENTIALITY.** Succession planning should only be discussed within the Credit Union and then only on a "need to know" basis. Such discussions should generally only take place with managers involved in the planning process and not with potential successor candidates or other employees except as authorized by senior management or as required to implement the plan.
9. **RELATED ISSUES.** Related Human Resource issues can be found in the Credit Union’s Employee Handbook.