

# LBA Performance Audit Report Summary:

Succession Planning – July 2008

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The purpose of this audit was to determine whether the State has effectively conducted succession planning for its key positions. It focuses on identifying succession planning best practices and comparing them to New Hampshire's succession planning activities and examining the State's Executive Branch workforce by identifying key positions and developing a demographic profile of the incumbents. The audit period was the six months ended December 31, 2007.

RSA 21-I:42 establishes the Division of Personnel (DoP) within the Department of Administrative Services (DAS) and vests general human resources responsibility with the Division. RSA 21-I:42, I makes the DoP responsible for managing a centralized personnel operation.

## ***Results In Brief***

The report presents four observations and recommendations intended to improve the State's succession planning efforts. The recommendations include: (1) State agencies should adopt best practices in developing their succession plans, (2) The State's DoP should develop and distribute a succession planning toolkit, (3) Consider amending rules and statutes to enable an outgoing incumbent and incoming successor to occupy the same position for a short time period to train the new employee, and (4) Consider amending statute to provide the DAS Commissioner with authority to require agencies to prepare succession plans.

Our demographic analysis of the Statewide workforce compared to key employees found 35.1% of the Statewide non-law enforcement State workers were eligible for retirement at December 31, 2007 compared to 52.4% for key employees. Projecting out to 2011, the percentage of key employees eligible for retirement will increase to 72.9% while 54 percent of the Statewide workforce will be eligible for retirement. We believe there is an increased risk to agency operations because of the higher proportion of key employees eligible for retirement when compared to the Statewide workforce.

Other findings include: (1) The State's human resources function is decentralized and State agencies have had little succession planning guidance from the Department of Administrative Services, and (2) State agency managers provided only one *written* plan that could be considered a succession plan.