
Executive Succession Planning Guide

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Overview

Introduction Succession planning is a regular on-going planning process to anticipate position vacancies and develop a pool of candidates to fill vacancies upon need. The focus is on identifying & developing talent to ensure an adequate supply of prepared leaders in the organization.

How to use this guide This guide focuses on providing CalPERS managers with the specific steps, instructions, and considerations needed to execute the Executive Succession Planning process. All parties involved in the process should use it as a reference. The appendices contain the tools, handouts, and extra tips referred to throughout the guide, designed to help management complete each stage in the process.

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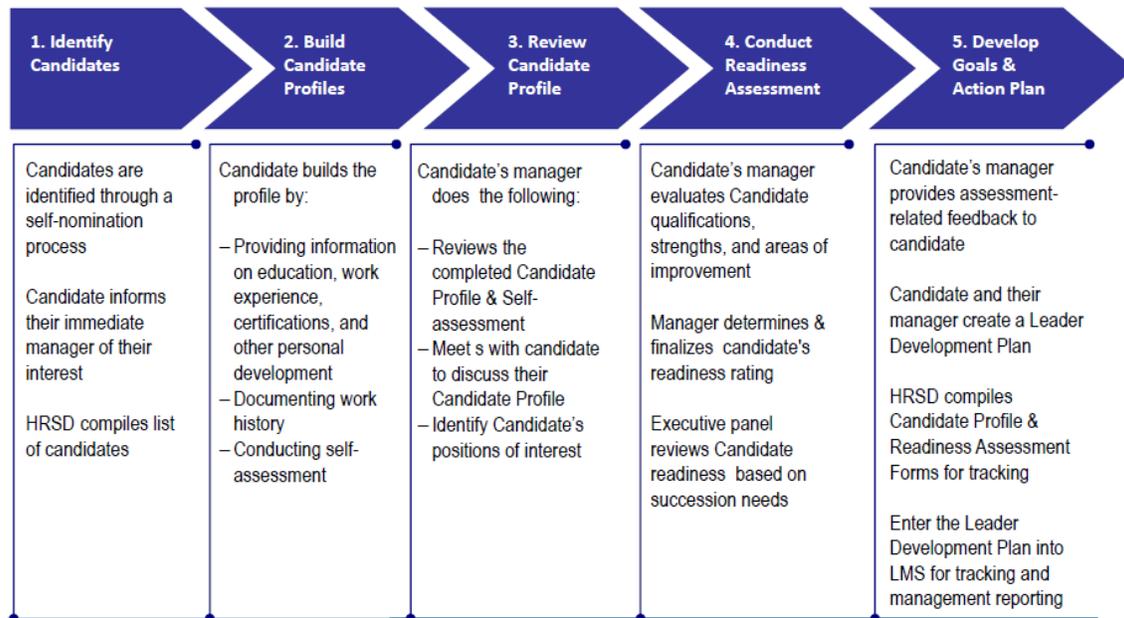
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Key Roles and the Process

Key roles The following table describes the key roles needed to execute an effective succession planning & management process.

Roles	Responsibilities
CEO & Executive Staff	The CEO and Executive staff champion the importance of succession planning, identify those positions that are critical to the future success of CalPERS, and help to identify, assess and develop candidates for future succession.
Managers	Managers work more directly to identify candidates and assess their level of readiness, discuss them in succession assessment sessions, and help manage and track a candidate's developmental actions.
Candidates	Candidates for succession complete their "profile" of experience and qualifications, conduct a self-assessment of their strengths and areas of improvement, identify future career and developmental priorities, and actively engage in developmental actions to improve overall capabilities.
Human Resources Division (HRSD)	HRSD is responsible for all administrative components of the Executive Succession Planning process. These include organization and logistics for assessment sessions, distribution and collection of electronic forms with Managers, and tracking and reporting on the succession candidate group/talent pool and Leader Development Plan progress.

The Process The graphic below reflects the succession planning process.



STAGE 1: Identify Candidates

Self-nomination to succession process For the purposes of CalPERS succession planning administration, a self-nomination process is used to identify candidates. Executive roles are critical to the future operation and direction of CalPERS, and candidates will be evaluated based upon their ability to perform at the Executive level. The candidates identified from the self-nomination process are at the Division Chief (equivalent) and above.

Announcement An announcement is emailed to internal CalPERS candidates at the Division Chief level and above. Executive staff meets with their reports to solicit interest in being considered as a permanent successor candidate for various executive roles.

Interim Candidates In the above-mentioned discussion, those candidates not interested in participating in the succession planning process are asked about their willingness to serve at the Executive level in an interim capacity¹.

Executive staff informs HRSD management of interim candidates by sending an email to the **HRSD, Exec Succession Planning** mailbox. HRSD will track these candidates to enable the organization to make an expeditious interim appointment should the need arise.

Self-nomination Leaders interested in participating in the succession planning process, should discuss their interest with their manager and inform HRSD management by sending an email to the **HRSD, Exec Succession Planning** mailbox.

¹ Individual identified as a candidate who can serve in the “interim” due to a sudden departure or gap in appointing a successor. Consistent with best practice, this should not include those interested in competing as a permanent successor for the job.

STAGE 2: Build Candidate Profile

Candidate Profile

The Candidate Profile is at the center of the succession planning process and must be developed for every candidate included in the process. The Candidate Profile contains all critical information for the candidate that is necessary for subsequent steps in the process and must be completed to launch the process. The profile is a “snapshot” of each candidate that provides a common way to understand their background.

Candidate completes profile

After the candidate has self-nominated and notified their manager and the **HRSD, Exec Succession Planning** mailbox, HRSD emails the candidate the Candidate Profile form. The candidate completes the form, returns it to their manager and the **HRSD, Exec Succession Planning** mailbox, and meets with their manager to discuss.

Candidate Profile information

The candidate completes all sections of the Candidate Profile form. The information will be part of the discussion between the candidate and his/her manager and includes:

- Job & Performance Information
 - Experience (CalPERS and external)
 - Education
 - Professional Credentials
 - Relevant Development History
-

Candidate meets with manager

The candidate’s manager meets with the candidate to discuss his/her completed Candidate Profile. In this meeting, the manager should explain that:

- The enterprise effort to establish Executive level talent pools will be used for leader development and succession planning purposes.
 - The candidate profile, as well as other tools such as competency assessments, 360° survey ratings, and development planning will assist management in understanding employee preferences and capabilities for the future.
 - The profile provides helpful information to support the readiness assessment process. Job preferences indicated in the profile will determine the talent pool(s) the candidate is placed into, but does not guarantee a future promotion.
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STAGE 3: Review Readiness

Rate and submit the candidate's readiness

The Readiness Assessment form is provided by the HRSD via email to the candidate's manager who will review the candidate's profile and self-assessment and evaluate the readiness of their candidates to fill key positions and to assume greater responsibility, either now or in the future.

Readiness should be determined in relation to CalPERS Executive Leadership Competencies (Appendix 3). Assessing candidates on these competencies is important to obtain a baseline and determine the candidate's readiness to assume new responsibility.

The manager determines the candidate's readiness level and indicates which one of the following three categories best describes the candidate readiness in each competency area and overall.

Expert	Skilled	Basic
Ready for promotion now	Ready for promotion after further development (1-2yrs)	Requires further development (3-5yrs)

Additionally, the manager indicates if the candidate is qualified to serve as an "Acting Replacement"² in the event of a short-term absence.

The manager submits the completed form to the **HRSD, Exec Succession Planning** mailbox.

Review and assess readiness of the candidate

HRSD will compile all Candidate Profile and Readiness Assessment forms for the Executive Assessment Session. The candidate's manager should be prepared to discuss with the Executive Panel their observations of the candidate's strengths, areas for improvement and development priorities and opportunities in relation to the Executive Competencies.

² Individual identified as candidate who can serve in an "Acting" capacity in the event of a short-term absence. Note: Not intended to include serving in an interim capacity due to a sudden departure or gap in appointing a successor.

STAGE 4: Conduct Executive Assessment Session

Assessment session

The Executive Assessment Session is a facilitated and structured meeting to evaluate the promotional readiness, strengths, and developmental needs and priorities for a group of candidates self-nominated for succession. During the session, the Executive panel shares perspectives and provides input to the candidates' managers. The Executive panel typically consists of 3-4 Executives who work directly with the candidates being reviewed. Panel discussions are highly confidential, and information should remain in the construct of the Executive Assessment Session.

The following objectives are critical to an effective assessment session.

- Understanding the strengths, gaps, and developmental priorities for those candidates identified as future successors.
 - Obtaining insight from other Executives about the potential and readiness of candidates to assume new roles, regardless of current branch, division, unit, or role.
 - Discussing developmental opportunities that exist for high potential talent across CalPERS.
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Assessment facilitation & roles

It is recommended that the review session be facilitated by someone in HRSD or an external facilitator. The CEO or sponsoring Executive may also work with the facilitator to set and clarify ground rules, expectations, and procedures for preparing to discuss the candidate group.

Roles	Responsibilities
Session Facilitator	<ul style="list-style-type: none"> • Maintain confidentiality of Executive panel discussions • Provide the structure necessary to discuss all candidates in an organized manner • Provide oversight for all aspects of meeting set-up, documentation, timing, location, agenda, and follow-up • Be familiar with the candidates profile being discussed • Ensure the panel discussion of candidates focuses on appropriate Executive Leadership Competencies • Manage the meeting such that all opposing views are shared constructively and issues are discussed with positive tone

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STAGE 4: Conduct Executive Assessment Session, Continued

Assessment facilitation & roles (continued)

Roles	Responsibilities
HRSD, Leadership Development staff	<ul style="list-style-type: none"> • Taking guidance from the facilitator, coordinate all aspects of meeting set-up, documentation, timing, location, agenda, and follow-up • Ensure that all employee profiles have been collected in advance of the session and have been compiled into a binder for use by the Executive panel during the session • Collect all updated profiles once the session is completed and managers have finalized candidate readiness ratings
Candidate Manager(s)	<ul style="list-style-type: none"> • Maintain confidentiality of Executive panel discussions • Review all Candidate Profiles and complete Readiness Assessments for their self-nominating reports in advance of the Executive Assessment Session • Be prepared to share with the Executive panel high-level points for each candidate & solicit input on strengths, areas of improvement, and developmental opportunities • Act as sponsor/advocate for candidates • Document potential changes for the Readiness Assessments(s) employee profiles resulting from the Executive panel discussion • Gather insights from other Executives and use them when creating Leader Development Plans • Work with candidates to establish Leader Development Plans and monitor progress
Executive Assessment Panel	<ul style="list-style-type: none"> • Maintain confidentiality of Executive panel discussions • Engage in strategic discussions related to workforce needs within CalPERS overall • Help to prioritize the Executive positions requiring immediate succession focus, e.g. any impending retirements • Assist managers in determining appropriate readiness levels as it relates to the Executive Competencies and the identified positions of interest • Serve as champions for a strong CalPERS leadership team and support the creation of development opportunities for high potential candidates

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STAGE 4: Conduct Executive Assessment Session, Continued

Assessment session discussion

After some introductory discussion to open the assessment session, managers present their candidates and collect feedback from the Executive panel regarding readiness levels, potential fit with future vacancies and/or as an Acting Replacement, and possible developmental opportunities. This discussion should foster a more complete and realistic understanding of candidates' capabilities. The more exposure and experience candidates have had across the organization, the richer and more informed the discussion.

Discuss the following four areas during the assessment session.

- **Review Target Position(s) and requirements** – The Executive panel should briefly discuss those positions identified as critical and the future requirements and risks for those positions (e.g., a future DEO role). Discussion should also cover objectives such as increased diversity, improved competency, more rotation of people, etc. to set the context for meeting.
- **Present Candidates for Succession** – The candidates' managers will present an overview of each of their candidates speaking to readiness level, strengths, and developmental needs and priorities. The Executive panel will supplement the presenting manager's information using their own experience with the candidate. The candidates' managers will capture relevant notes and discussion points to be shared with each candidate in subsequent feedback meetings.
- **Discuss the Candidate Pool as a Whole** – After discussion of individual candidates is complete, focused on the position(s) of interest, the Executive panel should look for important trends across the candidate pool.
 - Summarize the readiness ratings for the group (e.g., list the names of those who are Expert, Skilled, Basic on a chart for all to see).
 - Discuss individual candidates to clarify their placement, increase awareness of individual capabilities and performance, and to ensure appropriate calibration among candidates.
 - Discuss whether external recruitment will be needed to fill gaps that internal development may not meet.

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STAGE 4: Conduct Executive Assessment Session, Continued

Assessment session discussion (continued)

- **Discuss Potential Developmental Approaches for the Candidate Pool as a Whole** – Again considering all candidates; determine common development needs and strategies for development to ensure readiness for future vacancies.
 - Identify any cross-functional developmental needs or approaches (e.g., special work assignments to broaden understanding of CalPERS).
 - Identify and create a list of special projects, developmental assignments, cross-functional experiences, shadow assignments, and dual incumbencies that can be made available to the candidates over the next year.
 - Discuss the success of past development activities and what steps are needed to implement the planned education, project, or job assignments.
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Completion of assessment session

Upon completion of the Executive Assessment Session, candidates' managers should make any resulting changes to the assessments of candidates and confirm the readiness ratings for this succession planning process.

- HRSD staff will collect all final readiness ratings and update the completed list accordingly.
 - Once all Candidate Profiles and Readiness Assessments have been submitted to HRSD, feedback discussions and developmental planning should occur.
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STAGE 5: Complete Leader Development Plan

Development plan

Upon completion of the Executive Assessment Session, candidate managers should discuss developmental planning with each of their candidates. The goal of development planning is to understand candidate strengths and gaps, and then to set readiness goals and a plan of action that will prepare the candidate to successfully assume new roles.

Candidate managers should discuss the current goal(s) and identify new goal(s) to be included based upon feedback provided as a result of the assessment session.

Feedback with candidate

Candidate managers should discuss the outcome of the assessment session with each candidate and provide them with the appropriate context for thinking about their future development.

- Managers should be careful to share information only for that particular candidate (not others) and to focus on information that is constructive. Do not share confidential information. If there was discussion of the candidate's development opportunities during the assessment session, be honest but constructive in framing this to the candidate.
- Discuss and explain the leadership competencies and experiences that would enhance readiness.
- Managers should also provide the candidate with some examples of what might constitute a good developmental goal, given the candidate's current skill set and the priorities of CalPERS.
- Emphasize work assignments as the primary development approach. Secondly, use approaches that involve learning from others. Consider training as the third category of development actions.
- If you are going to be delivering particularly difficult feedback, it often helps to have a dry run with an appropriate management peer before you conduct the real session.

Feedback is the cornerstone of our people's development. The Executive Succession Planning process and tools were created to facilitate the delivery of that feedback. Feedback and leader development planning should be a positive activity. It is an opportunity to help candidates understand how they can further develop within the organization. Our people are CalPERS most valuable resource – communicate this to them throughout the process... effectively and often.

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STAGE 5: Complete Leader Development Plan, Continued

Feedback with candidate (continued)

What gives someone the most satisfaction when they look back at their careers? For many, it is the challenges they personally mastered and those they helped to grow along the way. Invest the time in your own development, and invest it in helping your colleagues. At the end of the day, it is your most important work.

Creating the Leader Development Plan

The candidate and his/her manager should collaboratively identify 1-2 developmental actions that will help to achieve the developmental goals established in the assessment process. They should also identify an appropriate timeline and desired results to monitor progress on achieving each developmental goal. Consider the following when identifying development priorities.

- Review business requirement information from both CalPERS overall and the candidate's branch, division, or unit: strategy documents, performance objectives, anticipated organizational changes, required competencies or roles.
 - Review information from self- and Readiness Assessment, performance evaluations, 360° survey ratings (if available), Executive Assessment Session and the Candidate Profile.
 - Identify themes in the information, particularly strengths and gaps in capabilities. Identify organizational needs and opportunities that might be particularly important or interesting to the candidate.
 - These could be areas that are of emerging importance to CalPERS that are necessary for career progress, or that are “holes” in the candidate's experience.
 - Identify those career goals that describe the candidate's broad career direction desired over the next three or more years.
 - This should include job content (e.g., actuarial, equities, finance), job level (e.g., Deputy Executive Officer), or key experiences (e.g., project assignment), as well as desired results/outcomes to achieve each.
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Leader Development Plan reporting

Managers should monitor candidates' progress on Leader Development Plans on an ongoing basis with frequency of reporting dependent on the specific target dates/milestones. Progress updates on candidate Leader Development Plans should be completed, at a minimum annually, and sent to the **HRSD, Exec Succession Planning** mailbox for input into the LMS.

Appendix 1: List of Developmental Actions to Consider

Development actions fall into three categories: work assignments, learning from others, and training. These categories are prioritized in order of effectiveness. The following sections offer suggestions for choosing developmental actions that will have the greatest impact on future leader effectiveness.

Work Assignments

The most important resource for developing leaders is experience working on challenging jobs and project assignments. Work assignments have been found to be more effective than any other form of development and are a preferred option for meeting developmental goals. The suggestions below describe how to effectively match a leader's development needs with the right assignment.

Principle #1 – Take the Long View

- Anticipate position vacancies
- Forecast attrition and build skills & experience in advance in order to fill vacancies promptly
- Take advantage of the chain effect triggered by every job reassignment
- Anticipate needs for developmental assignments and create opportunities for developing others
- Don't wait for positions to become vacancies -- seek ways to unblock positions for new developmental assignments – through organizational changes, talent swaps, and work redesign/reallocation
- View job assignments as project assignments – always available for change (not permanent)

Principle #2 – Search for the Right Capabilities

- Branch, division and unit managers must look across the CalPERS talent pool for capabilities needed to meet anticipated business opportunities and organizational changes (e.g., look across divisions for certain projects and assignments)
- Identify leaders qualified for the assignment
- Identify leaders who gain the most developmental benefit from the assignment

Principle #3 – Analyze Assignments & Capabilities Together

- Traditionally, organizations filled jobs with the best-qualified leader, using a very structured, hierarchical process of promotions within an organization. Today, organizations are more flexible to respond to ongoing change and must look at assignment and development needs of leaders as a whole
- Think about assignments that both leverage the capabilities and experience of a leader, while also providing new experiences needed for development
- Consider the developmental features of an assignment and be sure the candidate understands what they are

Appendix 1: List of Developmental Actions to Consider

- Rather than filling an assignment with the most qualified leader, internally or externally, adapt the role to provide a challenging new experience that will further a leader’s development

Principle #4 – Communicate with Candidates

- Discuss possible future assignments openly with the leader
- Discuss the pros and cons of possible assignments
- Indicate the likelihood that each may materialize – based on the factors you know are relevant; identify these factors
- Discuss why targeted assignments are filled (by other leaders)
- What were the capabilities required – the decision factors?
- Was this leader considered? What feedback is relevant?
- What are the implications for the leader’s development plan and likelihood of future assignments?
- How did the assignment match the leader selected (qualifications, matches a development need, etc.)?

Shown below are examples of potential work assignments. The manager and candidate should use this table as a reference to create meaningful work assignments that directly aid the candidate in achieving a developmental goal.

Enhancements to Job Content or Scope: Potential Work Assignments

<p>Changes in Job Content</p> <ul style="list-style-type: none"> • Lead the implementation of a new system • Lead organizational restructuring or process redesign • Participate in a managerial exchange • Manage a group of former peers • Manage a group where the people are expert, and leader is not • Manage a situation requiring turnaround in performance • Manage a group in a rapidly expanding operation • Manage a group in a static situation, develop new ways to approach the work 	<p>Small Changes in Job Scope or “fix-its”</p> <ul style="list-style-type: none"> • Act as an Advisor/Mentor to a group of inexperienced people • Lead a task that is entirely outside of leader’s experience • Resolve conflicts among team members • Develop a contingency plan for an aspect of the business • Help to integrate systems across units • Provide inputs and support to a project in another unit or function • Serve on an advisory board or committee • Teach a course or workshop • Design and develop a training course
<p>Small Strategic Assignments</p> <ul style="list-style-type: none"> • Summarize a new idea, trend, or technique to others • Write and champion a proposal for a new 	<p>Address Business Problems or Opportunities</p> <ul style="list-style-type: none"> • Reduce administration costs, inventory costs, etc. • Project to evaluate, plan, and implement a

Appendix 1: List of Developmental Actions to Consider

<p>system, product, approach, or service area</p> <ul style="list-style-type: none"> • Conduct a customer survey on a particular issue or concern • Develop a presentation for a senior executive • Lead the development and implementation of a new policy • Evaluate the impact of training, determine changes required • Lead a study team and present proposed actions to management • Re-engineering a process, especially across organizational units/functions 	<p>new operational improvement, alliance, or vendor relationship</p> <ul style="list-style-type: none"> • Strategic planning (e.g., analysis, environmental scanning, scenario building) • Deal with a business crisis • Troubleshoot problems with a key customer or partner
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The objective is to structure work assignments to meet the candidate’s developmental goals while also accomplishing something important for the business. Some examples of potential development from work assignments include:

- Broader technical experience
- Accountability
- Stretches the leader’s comfort zone
- Performance under pressure (e.g., challenging scope and/or deadlines, few resources, heavy travel)
- High visibility to Executive staff or outsiders
- Major strategic challenge, intellectually difficult
- New project management or technical skill

Learning from Others

“Learning from others” development includes coaching and mentoring (both formal and informal) from others with experience and expertise in areas important to leadership effectiveness. For additional information on informal mentoring, refer to resources on CalPERS intranet. This type of learning is of particular value when combined with work assignments because it allows feedback and knowledge transfer in real world situations.

Learning from others works well because it can be tailored to the candidate and carries significant emotional impact. There is nothing like working with another respected leader to motivate and direct effective development.

Professional coaches provide personalized, objective assessment, feedback, and suggestions. These are sometimes very difficult to get from a direct manager; however, it is important that the coach operate in a way that supports the partnership between candidate and their manager. The coach should help the candidate better understand him/herself and gain ideas and motivation for the development goals established by the

Appendix 1: List of Developmental Actions to Consider

candidate and manager. Candidate managers considering professional coaching as a development action should discuss this with HRSD, Workforce Development staff before finalizing the Leadership Development Plan.

Training

The third major category of developmental actions is training. Training includes both external education programs and CalPERS own internal education. It also includes self-study material, either printed or via the Internet.

CalPERS curriculum offers the advantage of content tailored to the strategies of the organization overall. This internal training also provides a great opportunity to meet and network with colleagues from different areas of CalPERS. Information about available offerings can be found by contacting Leadership Development staff in the HRSD.

External education provides access to leading edge management development and to peers from other organizations who can share their approaches and ideas. Offerings range from full college curriculum to more targeted business or technical topic conferences (e.g., leadership, actuarial, investments, policy). Information about CalPERS recommended offerings are available through Leadership Development staff in HRSD.

Historically, many people viewed training as the first choice for effective development, and training continues to be valuable if used properly. It is especially effective for the intellectual components of leadership: technical knowledge or business context. When properly designed, training can also help develop new behaviors that can be applied in the workplace. The weakest point of training, however, can be application. Training will often not impact job performance unless it is integrated with job assignments and learning from others; therefore, a Leader Development Plan should always position training to link with these other development approaches.

Appendix 2: Hints for Providing Feedback

Feedback is important because it provides succession candidates with important guidance regarding their performance. This insight helps improve their effectiveness and grow professionally, which ultimately contributes to the overall success of CalPERS.

Candidates generally want to receive feedback on how they are doing. Most leaders want to advance in position as well as in responsibility, and they cannot accomplish either without honest, candid feedback discussions. Additionally, recognition is important so that leaders know they are performing effectively and that CalPERS values them. When good performance is recognized, everyone benefits.

Delivering Written Feedback

When it comes time to write an evaluation, consider the following tips:

- Keep things simple, honest, objective and concise.
- Always cite specific examples of performance strengths and areas for development.
- When identifying performance problems, attempt to identify the source as well.
- Suggest solutions to identified issues.
- Consider the following questions:
 - What were this leader’s achievements on this project/assignment?
 - What strengths did he/she exhibit? In what areas can he/she improve?
 - What resources or support does he/she need in order to achieve development objectives?
 - Was this leader appropriately challenged on this project/assignment?

Delivering Verbal Feedback

The 1:1 feedback meeting is often the most difficult part of giving feedback. The following suggestions may make it a little easier:

- Formulate your thoughts before meeting with the candidate.
- Separate the candidate’s performance into three distinct areas, and discuss one at a time:
 - **Continue** – things the leader does well and should continue to do
 - **Start** – new behaviors the leader should begin to adopt in order to enhance performance
 - **Stop** – things the leader should stop doing because they are ineffective, or counter-productive
- Keep the discussion fact-based and on-track; opinion-based statements are more subjective and are open to interpretation.
- Ask the candidate to respond to different points you have made, and then listen to the answer.

Typically, feedback should include both positive as well as constructive comments. Note that constructive commentary does not necessarily equate to negative performance. Sometimes the most effective and helpful feedback centers on opportunities to continue

Appendix 2: Hints for Providing Feedback

to develop and grow. Developmental feedback can also be used to help candidate set realistic personal and career planning goals.

Providing Positive Feedback

It is very important to congratulate an individual when they deliver a strong performance. Positive reinforcement encourages the individual to continue to deliver quality performance in the future and helps to make clear the connection between their performance and the success of a project, assignment or event.

Often, managers make the mistake of assuming that because a leader performed exceptionally well on a project or work assignment, it is not important to offer developmental feedback. In fact, this is usually the best time to inquire about developmental needs the leader may have. Ask them questions like:

- What challenges are you looking for in the future?
- Are there capabilities that you would like to further develop? What are they?
- What can I do to help you further develop?

Providing Constructive Feedback

Delivering constructive feedback is essential to a candidate's growth and development. When delivered appropriately, honest performance feedback, even of a negative nature, can be some of the most helpful guidance you can offer.

There is a real art to giving constructive feedback so that the candidate not only hears what is being said, but also agrees to work on the issue(s), and is motivated to change to produce the desired results. Some suggestions for constructively passing on criticism:

- **Deliver the feedback in a timely manner.** If feedback is to be effective, it must happen shortly after an instance in which the behavior was initially observed. The longer feedback is delayed, the less impact it has.
- **Get straight to the point.** Sugar-coating difficult feedback is counterproductive. Usually, it only serves to push the important information into the background, and may even confuse the individual. Direct and honest delivery is key. Most individuals appreciate sincere, straightforward feedback.
- **Maintain a calm, professional approach.** Individuals are more open to feedback when it is presented in a calm environment. If the discussion becomes heated or emotional, and you are not able to return to a rational discussion, stop the meeting and suggest that the conversation be continued when the individual has calmed down.

Appendix 2: Hints for Providing Feedback

- **Be specific.** Focus in on the precise behaviors the individual should strive to change, versus communicating a vague generalization that he or she did a poor job. Make sure the individual can act upon the feedback – i.e. make sure it is within their power to alter the behavior.
- **Keep it objective.** Feedback must be based on factual evidence, and not on unsubstantiated hearsay. If the feedback is not based on things that can be seen, heard or measured, you risk having the listener become defensive and “shutting you out”. Gather supporting factual information before meeting with the candidate and stick to these facts in your discussion.
- **Focus on solving the issue.** Work with the candidate to develop a solution to the performance problem, rather than merely demanding improvement. Actively involve them in a discussion to try to get to the root of the problem (the cause), and brainstorm about how to avoid in the future.
- **Be supportive.** Set a tone that lets the candidate know the feedback is intended to help them grow and develop, rather than to assign blame or punish.
- **Listen.** Make sure you allow the candidate to respond to the points you have made, and really listen to their responses. Do not interrupt them.

Appendix 3: Executive Leadership Competencies

Competency	Associated Knowledge & Skills
Ethics and Integrity	<ul style="list-style-type: none"> • Exhibits ethical, honest and professional behavior at all time with all staff, customers, and stakeholders • Chooses the right course of action, even in the face of opposition or influence • Takes responsibility for own actions and for those of the group, team or organization • Exemplifies the CalPERS core values of quality, respect, integrity, openness, accountability and balance
Building Coalitions	<ul style="list-style-type: none"> • Develops networks and builds alliances; collaborates with customers and stakeholders to build strategic relationships and address needs • Creates and manages a positive perception of the organization and its programs and services • Performs effectively in an open public setting and serves as a trusted advisor and educator to customers and stakeholders • Builds relationships of trust, confidence, and respect with members of the Board • Works effectively with the Board to develop and manage strategic initiatives that accomplish objectives and meet CalPERS fiduciary responsibility
Leading People	<ul style="list-style-type: none"> • Fosters an inclusive workplace that values diversity and respects and recognizes individual contributions • Promotes continuous learning and the development of self and others to achieve maximum potential • Fosters and maintains cooperative and productive relationships across all levels and functions • Seeks to understand concerns, emotions, feelings, and differing viewpoints to resolve conflicts constructively • Inspires commitment, pride and trust by modeling CalPERS core values • Applies broad and extensive Executive/senior level management experience to establish and achieve strategic goals
Leading Change	<ul style="list-style-type: none"> • Formulates strategic goals and objectives and implements plans consistent with CalPERS long-term interests • Builds a shared vision and influences others to translate vision into action • Encourages new ideas and innovation; designs and implements new or cutting edge programs/processes • Demonstrates maturity, resiliency and sound judgment when dealing with organizational challenges • Cultivates a risk intelligent culture, and assesses and mitigates risk when making decisions or recommending organizational strategies and tactics
Results Driven	<ul style="list-style-type: none"> • Recognizes when a decision must be made and acts in a thoughtful and timely manner • Makes decisions that produce high quality results by applying technical knowledge, analyzing problems and calculating risks • Deals effectively with ambiguity and learns from success and failure • Anticipates and meets the needs of both internal and external customers; delivers high-quality products and services • Understands and ensures appropriate application of principles, strategies, requirements, regulations, and policies related to pension administration, health benefit purchasing and administration, financial markets and institutional investment programs
Business Acumen	<ul style="list-style-type: none"> • Strategically manages human, financial/investment, material and information resources and assets • Understands the organization's financial processes and effectively manages program budgets using cost-benefit thinking to set priorities and achieve results • Builds and manages the workforce based on organizational goals, budget considerations, and staffing needs • Keeps up-to-date on technological developments and effectively uses technology to achieve results