



CORPORATE
ACADEMY
ROSATOM



EVALUATION AND DEVELOPMENT OF SUCCESSORS

2021

BACKGROUND

State Atomic Energy Corporation Rosatom is one of the global technological leaders. It is a multi-industry holding comprising assets in power engineering, machine engineering and construction, among others, etc. We aspire to global leadership in advanced technologies, competencies and innovations.

To achieve such an ambitious goal, we need well-trained managers and leaders. This means having a robust succession pipeline; therefore, ROSATOM and its Corporate Academy have developed a Successors Evaluation and Development Programme. In the past, we had situations when we had no candidates available for a managerial vacancy. One potential successor lacked adequate training, another one lacked motivation, and still another one was not deemed 100% trustworthy. That happened because candidates were selected by Human Resources or by supervisors, but no proper analysis of the needs of senior management and the person itself was conducted. Thus, in 2019 we realised that it is time to revamp our succession pipeline.

Rosatom Corporate Academy designed a methodology for successor evaluation and further development and became the certification centre for HR departments of ROSATOM enterprises, enabling them to assess their human resources locally and independently. Successors receive complete and transparent feedback on their inclusion in the succession plan based on the results of evaluations and areas where they need to improve in order to achieve the required qualification level.

Successors with the highest potential and motivation for development are added to the candidate pool which at present includes more than 4,000 ROSATOM professionals. Corporate Academy is implementing a 5-level successor development programme which is regularly updated based on the best practices and our key stakeholders' feedback.

Recently, a new business context has urged us to review the key building blocks of our training programme and to introduce new elements and solutions to meet the programme's goals and to provide better trainee experience.



WHAT HAS BEEN DONE?

➔ Engagement of higher-up managers (superior who is more than one level higher in rank)

In response to these challenges, we began to engage managers across a given level, i.e. all persons making decisions on appointment to a particular managerial position, in succession planning and successor evaluation. In particular, we arranged meetings between these managers and potential candidates. Managers' involvement has greatly contributed to the efficiency of our successor pipeline. It enables us to align the process with the enterprises' strategic goals. For example, we now may plan future manager appointments for areas to be launched in 3–10 years and may take on board the expected market developments, changes to our product portfolio and the corresponding needs for managers. Managers are in the best position to determine each employee's potential, as they possess fuller picture and good managerial intuition.

➔ Changes in evaluation

Evaluations now take the form of meetings with a group of three managers who interview each candidate and assess their potential readiness for appointment to the target position. Evaluation of future managers is based not only on their performance, but also on how that performance is achieved. Additionally, Covid-19 pandemic has demonstrated the importance of such leadership qualities as winning the employees' trust, enlisting support of one's team, and motivating the employees to achieve their targets. Rosatom has a large planning timeframe, and it is impossible to predict definitively what skills will be required in the future. Thus, a person's potential and learning capacity have become the most important evaluation criteria.

➔ Defined readiness period

Based on potential successor assessment, they are assigned a readiness period: "ready now", "ready in 1 year", "ready in 3 years" or "ready in 5 years". 35% of those deemed "ready now" or "ready in 1 year" are promoted within 12 months following their assessment.

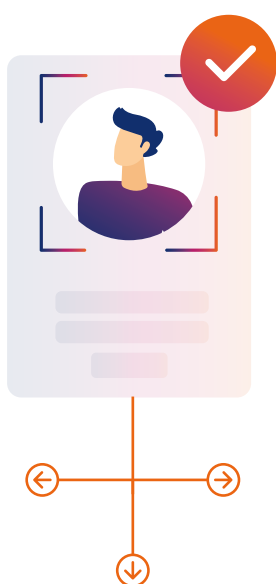


➔ A uniform database

A uniform database on the characteristics of employees and requirements for positions has been created and deployed.

➔ Wide range of training programmes

We have developed and implemented a wide range of training programmes for the further development of successors. They include modular leadership potential development programmes, programmes aimed at supporting ROSATOM strategic goals, functional schools, as well as training sessions for the development of managerial skills and personal effectiveness enhancement.



➔ New programme elements for employees with different levels of managerial experience and professional skills

Since 2019, we have studied external experience as well as internal expectations and opportunities and have implemented new elements in the programme. Our existing mini-MBA modular programme has been supplemented with:

1. intermodal activities,
2. mentoring,
3. involvement of programme participants in industrial strategic projects,
4. a support programme for graduates – additional optional training on topics not included in the main curriculum,
5. focus on development of the successors community and creating an alumni club,
6. internships for best successors in the pipeline – arranging their visits to advanced companies where they may learn best practices, technologies, and management models,
7. a revised approach to project implementation, and
8. fostering holistic thinking and other key leadership skills through training in arts and humanities.

RESULTS

The Academy's Successor Evaluation and Development Programme has become a more effective career and succession management tool for employees and managers. It facilitates the establishment of an industry-specific pool of successors (1-2 per position) and provides an opportunity for each employee to plan their career and development within ROSATOM.

The programme provides the following advantages for employees:



preparing their career and development plans,



understanding their career opportunities and development areas.

In 2020, the programme became an important element in the implementation of ROSATOM's business strategy.

Managers and the company itself have seen the following results:



Managers' feedbacks



1.

Positions without any successors are identified and managers are working on preparing successors from among the younger employees or new hires.



2.

Development of employees and their skills for subsequent appointments has been arranged.



3.

A succession plan is available, particularly for crucial positions. This gives the existing managers confidence that their positions are safeguarded and increases their chances for successful development of their own career.



4.

Where many strong candidates are found in a team, their manager has an important resource for their unit's business development.

Last year 2,021 successors were evaluated within ROSATOM,



and **634 senior managers**
from **91 ROSATOM enterprises**
took part in the evaluation.



At present, **76 HR experts**
hold a successor evaluation certificate.

The Successor Development Programme also proved indispensable in the 2020 crisis, as:

76%

76% of successors
took crucial roles at their
companies' response
centres.

69%

69% top and senior
management
appointments were made
from the successors.

68%

68% of successors
demonstrated the highest
degree of preparedness
for any changes in their
divisions' business and
for operation in uncertain
environment, readiness
to lead and to implement
new methods and formats
at their enterprises.

21%

As of November 2020,
the involvement and
psychological comfort
of teams headed by
Successor Development
Programme participants
were, on average,
21% higher than those
of teams headed by other
employees.

27pp

Increased satisfaction
with development
opportunities by
27 percentage points.

19pp

Increased satisfaction with
management culture,
senior management and
direct managers by
19 percentage points.

71%

The Programme NPS
increased from **32%**
to **71%**.

We are seeing a tremendous boost of interest in development programmes across all management levels. The number of inquiries for more detailed information about the programme has increased by **320%**. We take this as a high-level recognition from our target audience.