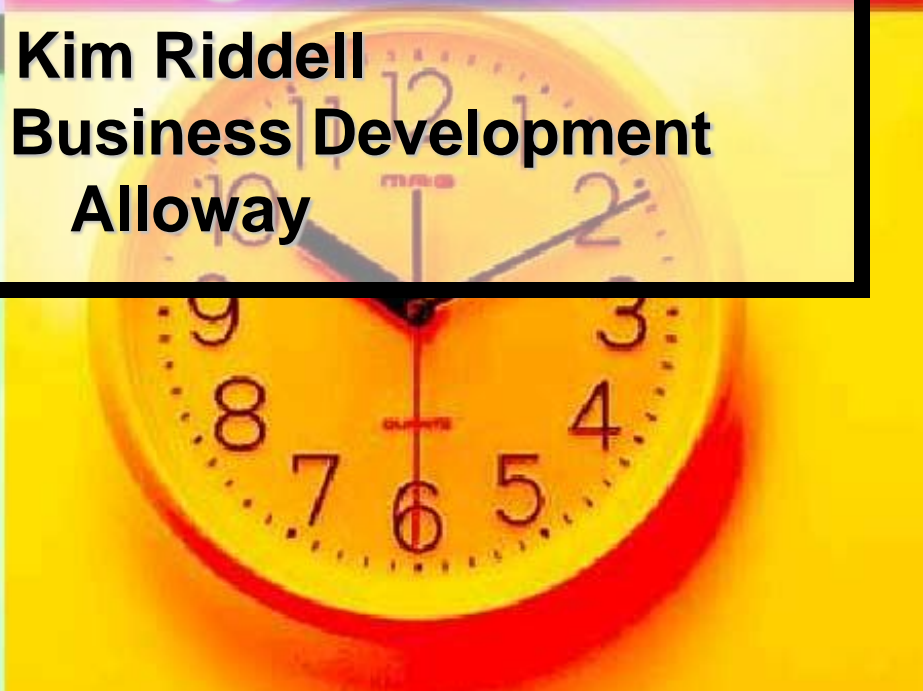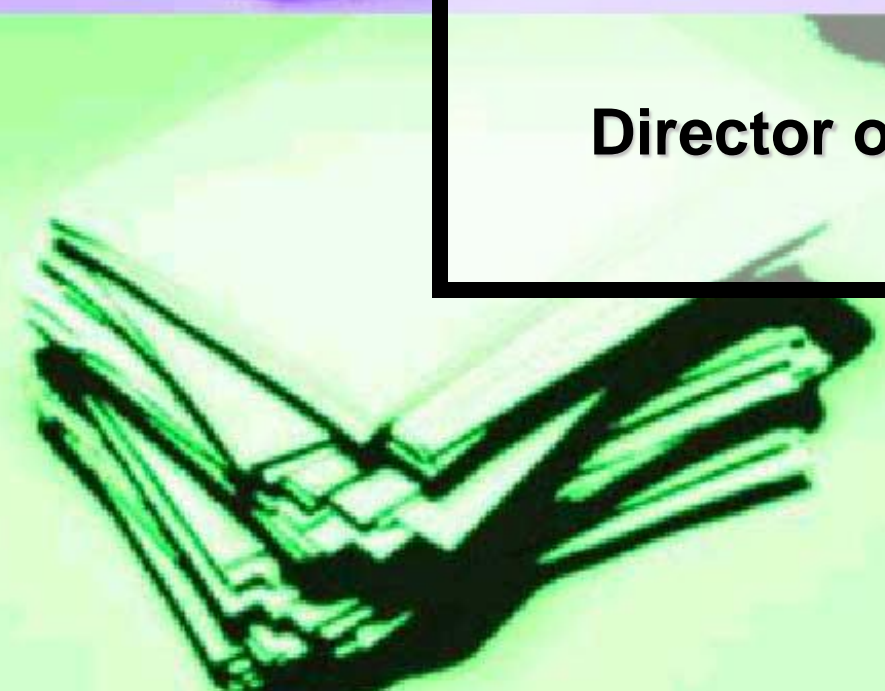# Succession Planning As a Competitive Strategy in Government Agencies

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Succession Planning

- Current Statistics
- Business vs. Government
- Alignment between Succession planning / Strategic planning
- Literature review
- Best practices in succession planning
- Personal reflections

Current Statistics

- In 2006 almost 50% of the entire U.S. workforce was made up of people age 42 to 60

- Since government retirement is after 25 to 30 years, baby boomers that started working in the 1970's and early 1980's are at or very near retirement age

- At least 40% of government agencies will see a 30 to 50% staff retirement within the next 3 to 5 years

Consider some other statistics:

- Average time for a new manager to become productive: 6 months
- Cost of a poor hire: $300,000 to $500,000
- Percentage of employees who are well suited for their roles: 20%
- Cost of losing a talented employee: $250,000 to $500,000
- Efficiency rate at which an organization operates with poor employee engagement: 30%

PA Times, Shelley Fulla

Business vs. Government

- Succession planning is regularly practiced in the business world but has NOT been routinely addressed by many governmental agencies.

- Historically not required due to number of people entering the workforce being larger than the number of retirements per year

Gen. X vs. Baby Boomers

- Less workers in Gen. X
- Shorter career life cycles – hold several jobs in a variety of fields
- Continuous education
- Promise of a pension with retirement does NOT hold the same appeal
- Independent and want fast paced work settings

New Workforce Demographics

- Shorter career life cycles
- Increased acceptance of technology
- Increased demand for learning at work
- Increased focus on lifestyle
- "The employee population is rapidly changing to a free-agency, temporary-work, consulting and project workforce" (Green, 2000).

"Silo" Thinking

- Lack of collaboration across the organization

- Focus is on each department rather than the organization as a whole

- Prevents the growth of talented individuals as well as the growth of the organization as a whole!

- Need to align succession planning with the organizations strategic plan

Alignment – How can it happen?

- What are the performance standards and are they being met?
- Qualified employees?
- How do we retain them?
- Can the current leaders move the organization to meet its goals and needs?
- Do the employees know what is expected of them and what they are responsible for?

Steps to Plan Development

- Oversight Committee
  - Identify key leaderships positions
  - Identify positions critical to the mission and accomplishment of organizations objectives (should never be more the 15% of total workforce).
  - Set base competencies for positions and incorporate them into performance evaluations
  - Gap analysis

Key Strategies to Employ:

- Training: can be self study, directed, internal, external or eLearning.

- Coaching & Mentoring

- Performance Evaluation

- Knowledge Management

Communication is Key

- Organizations MUST communicate the goals and expectations
- Communicate the individuals importance in the success of the organization
- Focus on new lifestyle benefits that appeal to Gen. X for employee retention
- It's not just STAFFING anymore!
- It has to be more than a paper policy!

Literature Review - Keys

- Leadership involvement is CRITICAL!
- Must set a tone and share the vision
- Employees must be encouraged to take ownership in the organization
- Leaders MUST be good mentors!

Literature Review - Keys

- Provide continual feedback to employees
- Communicate, assign and delegate judiciously
- Establish accountability for each role within the organization
- Allows for finding, developing and advancing the best people within the organization – focus on hiring the right people and retaining the best you already have

Literature Review – Best Practices – How do they do it?

- Senior management MUST recognize that there is a need to foster and develop individuals to take their place when they are gone – Silo thinking must be eliminated!

- Managers must spend time with staff to give them experience in dealing with the "big picture" of the department and organization as a whole.

Best Practices

- Provide young leaders with projects to develop their strengths and weaknesses and allow them to take ownership in decisions that affect the organization

- Provide young leaders with supervisory authority in your absence – spread this around if possible – provides for first hand knowledge of the difficulties and joys of being a manager

Best Practices

- Allow employees to lead a meeting, provide training on a topic or assist with the budget process
- Encourage employees to be involved in a professional organization or further their education and provide programs through which this is supported and recognized
- Encourage them to troubleshoot operational problems
- Put them in positions where they can learn to deal with elected officials

Best Practices

- Many of these best practices are NOT expensive and can vastly improve the knowledge and moral of staff

- Develop a long term plan for addressing development of staff so that replacements are not "just in time"

- Replace staff before they are gone – difficult, but in some cases do-able

Reasons to develop these types of programs:

- Fill lower levels when incumbents are promoted with quality staff
- Replace current leaders whose skills and competencies have fallen short
- Motivate and retain current employees
- Define leadership competencies at all levels within the organization
- Make leadership an on-going topic of conversation within the organization
- Provide a support network

Additional Benefits

- Retain young professionals by sending a message that there is a future in city government
- Give everyone in the organization a common framework and terminology to discuss leadership
- Encourage employee involvement
- Stimulate innovation
- Improve cross-departmental collaboration

Thank You!

Questions?