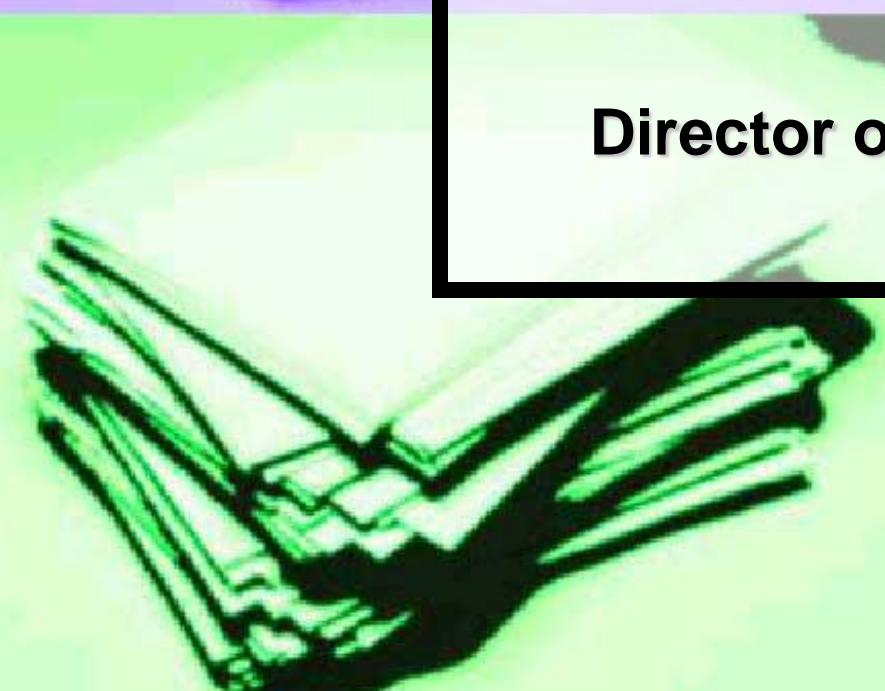
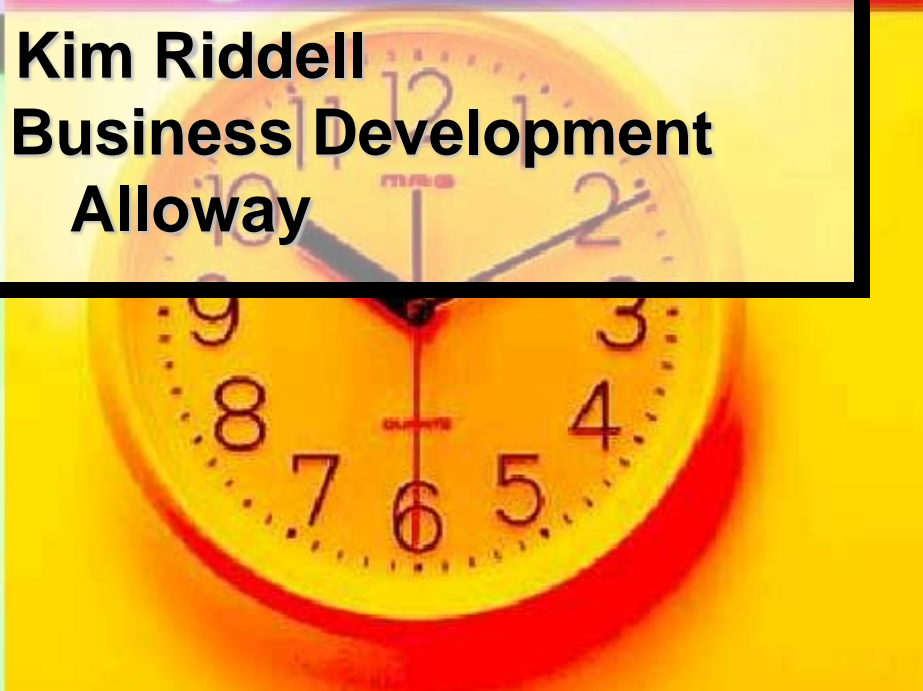


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Succession Planning As a Competitive Strategy in Government Agencies

A stack of papers, slightly blurred, with a green and blue color cast, located in the bottom-left quadrant of the slide.A clock face, slightly blurred, with a yellow and orange color cast, located in the bottom-right quadrant of the slide.

Kim Riddell
Director of Business Development
Alloway



Succession Planning

- What is Succession Planning?
- Statistics
- Business vs. Government
- Generational Differences
- Succession Plan Development
- Critical Keys to Success
- Best Practices
- Benefits of Succession Planning

What is Succession Planning?

- The process of systematically identifying, assessing, and developing employee talents to meet future staffing needs of the organization.



Past and Current Statistics


- In 2006 almost 50% of the entire U.S. workforce was made up of people age 42 to 60
- 13% of today's local government managers are under 40, while in the early 1970's nearly 71% were under the age of 40 (Henderson, 2008)
- At least 40% of government agencies will see 30 to 50% of their staff retire within the next 3 to 5 years



Current Statistics

- When the economic crisis hit, focus shifted from managing the future through succession planning efforts, to dealing with the reduction in revenue streams and managing existing resources.
- Even though the economy is slowly recovering, government agencies need to rethink succession planning and how it can be managed in a constrained environment.





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



How do you know if you need a succession plan?

- Do you have potential candidates internally that can fill a vacancy due to retirement or other employment opportunities?
- Do you have qualified staff to fill in when the manager is out of the office?
- Are senior managers expected to take cell phones and computers on vacation or to conferences with them so they can have constant contact?
- Are managers required to call in and check on facilities / solve problems etc. when they are out?

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





Baby Boomers vs. Younger Generations

- 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

- 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).



Governmental “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 leadership positions
- Identify positions critical to the mission and accomplishment of organization's objectives (should never be more than 15% of total workforce).
- Set base competencies for positions and incorporate them into performance evaluations

Steps (continued)

- Gap analysis – what is the current “bench strength” of the organization?
- Design the succession plan and implement
- Monitor and evaluate continuously





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 individual's importance in the success of the organization
- Focus on new lifestyle benefits that appeal to Gen. X and Millennials for employee retention
- It's not just **STAFFING** anymore! A warm body is not the only answer...
- It has to be more than a paper policy!



Other Success Factors:

- 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!





Success Factors Continued:

- 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

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 vacancies created by promotion 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





Additional benefits:

- Minimized disruption in the face of change
- Enhanced knowledge transfer – minimize the “silo” affect
- Enhanced ability to offer challenging and rewarding career opportunities
- Ensures a source of potential replacements for key leadership positions
- Assures staff of their importance to the municipality



Thank You!



Questions?