

## Workforce: 1,900 employees including full-time and hourly

### Synopsis

The New York State Office of General Services' (OGS) approach to building the leadership pipeline is part of its overall Succession Management Program, which encompasses the entire workforce. Initially focused on replacement strategies for mission-critical positions, OGS's approach has broadened to include strategies for replenishing the talent pool. By institutionalizing Individual Development Plans (IDPs), defining career paths, analyzing existing job titles and promotion criteria, closing skills gaps, and facilitating knowledge transfer, OGS has implemented a comprehensive and aggressive strategy to replenish its talent pool, while also feeding its leadership pipeline.

### Challenges

The New York State Office of General Services (OGS) faces a number of challenges that, if unchecked, could severely impact the quality and depth of its talent pool.

- **Retirements.** Like other agencies at every level of government, OGS faces staffing challenges due to a maturing workforce. Overall, 24 percent of the agency's existing workforce will be eligible to retire between 2004-2008 — in addition to the 12 percent of the workforce that took advantage of a 2003 Early Retirement Incentive. The agency forecasts potential separations by job title to identify those that are most vulnerable. In some job titles, at least 35 percent of incumbents could leave.
- **Hiring freeze.** Exacerbating the dearth of younger state employees is a hiring freeze that has remained in place, with limited exceptions, since 2001. By limiting entry-level hires, the state has slowed the infusion of younger workers to a trickle. In addition, the hiring freeze has increased internal competition for talent; as a result, it has also increased the movement of current state employees' both within and across departments.
- **Outsourcing.** Because of existing skill gaps within the organization and the relatively "closed hiring environment" created by a prolonged hiring freeze, OGS has resorted to a greater use of outside consultants/contractors. In addition, outsourcing may also lead to attrition, if employees who manage consulting contracts are recruited by a contractor.
- **Gaps in supervisory and management skills.** Although OGS has taken steps to enhance these skills within its workforce, business units continue to report that the current promotional pool is not adequately prepared.

- **Gaps in technical skills.** Several business units within OGS face a serious gap between the technical skills needed in their workforce and the skills currently available in the candidate pool. The replacement curve—or the time it takes for current employees to develop those skills or (absent the hiring freeze) to bring in new people who already have them—takes time. Contracting-out is a short-term solution. Yet it reduces the pool of seasoned workers who can pass along their skills to those who are more junior.
- **Lack of employee development planning.** Historically, when managers promoted employees or hired new ones, most didn't create a formal plan for their development or assess their promotional potential.
- **Organizational structures that limit employee career opportunities.** Although some sequences of job titles suggest a career path, many did not. In addition, some prerequisites for promotions were too narrowly defined.

### Approach

OGS has two huge advantages in dealing with these challenges: It got started early—in fact, as early as 2000—thinking about succession. And, since then, it has expanded the scope of its succession-management efforts and implemented an array of hard-hitting strategies to meet future workforce needs. The agency has gone beyond the usual let's-add-a-program response, such as piling on some management courses or mentors. While such tactics can be effective, they may have limited impact if organizational factors are holding people back. OGS's succession management plan intervenes at the structural level—for example, by revising organizational and title structures to create flexibility and better promotional opportunities—and at the policy level—for example, by requiring that every new personnel appointment must include an Individual Development Plan. As a result, OGS's effort to address multiple factors that affect its talent supply, including systemic issues, can serve as a model to other jurisdictions.

### How OGS Got Started

Human Resources Director Dan Cunningham prefers the term succession management to succession plan, since it implies taking action to meet future workforce needs. "Rather than just identifying mission-critical positions, competencies and skills" needed in the future, he says, succession management includes "having a plan of action to get there."

Back in 2000, OGS's first Succession Management Program focused on replacement strategies to fill specific, mission-critical positions, such as a department head who was preparing to retire. The plan identified areas where the agency was most vulnerable and then outlined replacement strategies for filling anticipated gaps.

That plan, coupled with the agency's strategic plan, prepared OGS for an unanticipated challenge: In late 2002, the state announced an early retirement incentive plan. As a result, OGS was likely to lose up to 19 percent of its workforce by March 2003. While other agencies scrambled to come up with a realignment and restructuring plan to absorb this sudden spike in retirements, OGS had, in effect, already collected the necessary data and crunched the numbers. In January 2003, it presented the State's Division of the Budget (DOB) and Civil Service with a plan for filling mission-critical positions through a combination of recruiting, position reclassifications, and temporarily doubling-up in some positions. The plan won rapid approval, setting the standard with DOB. By the time the early retirements went into effect, OGS had filled 60 percent of the mission-critical positions that were being vacated.

Since its first Succession Management Plan, OGS has moved from looking at specific, mission-critical positions to focusing on broader personnel issues: replenishing the talent pool, promoting employee development, defining career paths, and facilitating knowledge transfer. However, the lever for moving the agency wasn't some exotic, new solution. It was a simple tool that was already available, though little used.

### Building the Pipeline — One Individual Development Plan at a Time

In the past, says Cunningham, "we hired or promoted people without any structured development plan or an assessment of their promotional potential." No more. As of February 2003, OGS no longer signs off on any promotions, new hires, or internal transfers unless they are accompanied by an Individual Development Plan (IDP). And not just any pie-in-the-sky kind of development plan; it must include specific commitments and a timeline for meeting them. To complete the mandatory probationary period, for example, new hires must have taken whatever courses were listed for that period in their initial IDP. Following probation, they must meet with their supervisor or an Employee Development Associate from Human Resources to map out their future career opportunities within OGS and what they will need to do to move ahead.

Since OGS first mandated IDPs for new appointments, it has expanded their use to all employees. In theory, creating an IDP was always part of the state's performance evaluation process, says Cunningham, "People just hadn't done it." Making the process universal "creates an environment that's conducive to continuous learning," he says. "That's how the next generation of leaders will get what it needs to support the organization's strategic business priorities."

### Addressing Structural Factors

"We're now taking succession management to new level," says Cunningham. The agency's *Succession Management Plan for 2004 and Beyond* lays out an agenda for removing many of the structural barriers that may have blocked employees' paths to career advancement or, at the very least, obscured the way. The following are selected tactics outlined in the plan:

- **Defined career paths.** Some job titles made the advancement ladder obvious, but many others did not. Working with employee bargaining units, OGS's Employee Development staff is designing generic career paths related to the job titles and mapping out the experience and development that are required for promotion.
- **Diversifying minimum qualifications for promotion.** Current prerequisites for promotion may be too narrowly defined. To increase the potential candidate pool and provide employees with better career opportunities, the 2004 plan calls for broadening minimum qualifications for appointment to include service in a related job title.
- **Career counseling.** OGS is launching a career planning service for employees in partnership with another state agency, to encourage employees to consider and prepare for future opportunities.
- **Developing supervisory and managerial expertise.** The plan calls for overhauling current training and establishing requirements as part of the IDP process. It also recommends instituting a role-mentoring program pairing veterans with less experienced supervisors and managers. Finally, it recommends using job rotations and formalized management traineeships to better prepare leaders.
- **Instituting alternative examination strategies.**
  - Web-based exams: OGS is partnering with the Department of Civil Service to pilot web-based examinations for selected positions. Doing so will change recruitment from a fixed period to an ongoing process. Those who take a test can get immediate feedback on their score. Candidate lists will be continuously updated as potential candidates take the exams.
  - Portfolio/competency exams: OGS is working with Civil Service to broaden current selection criteria to include not just examination scores but also work experience, project-management skills, licensing requirements and other credentials that are commonly used in the private sector.

Bridge/transition exams: This tactic would provide OGS with a mechanism to expand its candidate pool, streamlining recruitment of high school students into entry-level positions. It would also create enhanced traineeships to facilitate promotional opportunities for existing staff. To earn promotion, they would complete a skill-development program and demonstrate competencies by successfully completing a real-time project (not a simulation). Similar transition exams might also be developed for hourly employees.

- **Expanding OGS's candidate sourcing.** The plan outlines new talent-sourcing strategies, which are now in varying stages of implementation:

Public Management Internships: Administered by Civil Service, this option provides a mechanism to hire individuals with graduate degrees through two-year professional traineeships for entry-level professional administrative positions.

Retiree Service Corps: By rehiring its own retirees, OGS can tap into their skills and experience to complete projects and to supplement, or even help develop, current employees' knowledge and skills. Retiree Service Corps members can also serve as mentors. OGS has piloted such a group and plans to expand it. OGS now provides every employee, upon retirement, with an information packet describing the opportunities for project work and other assignments, as well as the relevant pension restrictions.

Interagency transfers: OGS is working with Civil Service's Career Mobility Office to facilitate the transfer of employees interested in moving to other state agencies.

- **Promoting knowledge transfer from soon-to- retire employees to their successors:**

Job-shadowing and "Temporary Duplicate Items": By employing both the incumbent and his or her successor for a limited time period (up to two years), the agency facilitates the transfer of institutional knowledge in mission-critical positions.

Mentoring by members of the Retiree Service Corps

The Commissioner's Management Institute: A collection of classroom and online learning opportunities designed to develop the competencies that OGS supervisors and managers will need in the future.

## Cost

Using a combination of agency funds and grant funds from outside resources, the agency has made a significant investment to support its Succession Management strategies. For example:

- Development and implementation of the Applied Skilled Trades Development Program, a comprehensive skills and career-development program for the agency's operations and maintenance workforce: \$100,000
- Development and implementation of a "Performance Evaluation for Managers and Supervisors" program that focuses on conducting a performance appraisal, developing an Individual Development Plan: \$30,000
- OGS Virtual University, the agency's online employee-development component: \$50,000
- Updating the Commissioner's Management Institute: \$45,000

## Outcomes

As part of its Succession Management effort, the Division will begin tracking several metrics related to its leadership pipeline including the percentage of supervisors and managers who complete various formal development programs and what they learn and retain from these programs (measured by a pre-test and post-test).

OGS has recently developed a competency model for managers, which will be incorporated into the annual performance review. In the future, HR plans to develop some "dashboard" indicators related to these competencies, so it can track current competency levels across its leadership pipeline in relation to future needs. The data to feed this ongoing evaluation will come from performance reviews and perhaps a competency assessment of future leaders.