

Succession Planning in Government: Why it is still relevant

Nearly ten years ago, we first heard about succession planning in government. In anticipation of massive Baby Boomer retirements, human resource practitioners were advocating for organizations to consider how to manage this impending knowledge drain. In fact, one study found that only 13 percent of today's local government managers are under 40, while nearly 71 percent were under 40 in the early 1970s (Henderson, 2008). When the current economic crisis hit, focus shifted from managing the future to managing current resources and dealing with the reduction in revenue streams. This does not mean government doesn't have an impending crisis; it means we need to rethink succession planning and how it can be managed in a constrained environment. In this article we begin to explore why succession planning is still an issue (and possibly a greater issue than it was ten years ago) and how governments can begin to address the issue without significant financial investment.

Workforce Issues in the Public Sector

The good news is that there are an increasing number of postponed retirements, providing governments a little bit of breathing room for planning purposes. The Center for State and Local Government Excellence (SLGE) reported in a recent survey that 40.2 percent of survey respondents have postponed their retirement plans as a result of The Great Recession (SLGE, 2011). This allows managers to extend their timelines for the development of workforce and succession plans. However, The Great Recession has impacted the capacity of state and local governments to conduct these activities.

In 2009 The International Public Management Association for Human Resources (IPMA-HR) conducted a Benchmarking survey on workforce and succession planning. Only 25 percent of respondents reported having a formal workforce/succession plan in place. Those that did not cited insufficient staff (67 percent) and preoccupation (64 percent) with short-term activities (IPMA – HR, 2009). While the survey has not been updated since 2009, we would argue that even more municipalities have become preoccupied with short-term activities, further diluting the number of jurisdictions undertaking workforce development and succession initiatives.

Complicating the situation is the recent change in the perception of job security in government employment. No formal studies have examined this, but we expect that recent events—the movements to limit bargaining rights of governmental employees, pension reforms, reduced local revenues, an overall compression of the workforce—have further distracted government executives from workforce and succession planning.

In an era of doing more with less, how do HR managers deal with the situation?

Why Succession/Workforce Planning?

The need for having a pipeline of talent in place, and the practical desire for workforce and succession planning, regardless of the size of the organization, are critical to sustained and uninterrupted service levels in government. Succession and workforce planning present an opportunity to proactively identify and plan for staffing, training, and knowledge needs. Doing so allows an organization to predict where

critical needs are in the organization, providing the necessary time to adjust programs, training, and recruitment to meet these needs. This creates the nimble and flexible organization that is predicted to be critical to any organizations sustainability. An alignment of resources in an era of shrinking revenue levels ensures that the organization is operating as efficiently and effectively as possible.

Last, research shows that organizations with an integrated rather than just-in-time approach to succession management experience higher retention rates, increased employee morale, and an environment that stimulates innovation and organizational change (CPS Human Resources, 2005).

Adopting a Lean Framework for Succession Planning in Government

Baker Tilly’s State and Local Government Consulting team has been working with state and local government agencies to maximize resources while maintaining or increasing service level expectations. As part of these efforts, we have been working with governments to assist in their succession and workforce planning initiatives. The methodology that we advocate can be adopted by agencies at a low cost to the organization. The following diagram summarizes our five-step process:



To start, we recommend creating an oversight committee that is responsible for resolving issues related to the development of a succession plan. Typically, senior and middle managers representing the critical business areas of the organization would be on this committee. These managers would then be responsible for reviewing all positions for the organization as part of step one. This task is focused on two main issues: identifying the key leadership positions for the organization and identifying those positions that are critical to the mission and accomplishment of organization objectives. These are the positions that your organization simply cannot live without.

After the positions that will be affected by succession planning have been identified, the team can begin to discuss the base competencies that the organization and staff need in order to successfully accomplish their objectives. Instead of re-creating the wheel, we encourage governments to utilize some of the frameworks that have already been established and modify them to meet your organization-specific needs. The following chart provides links to a sampling of some of these frameworks:

| Area of Focus | Resource |
|-------------------------|---|
| Energy Utility Industry | Center for Energy Workforce Development http://www.cewd.org/documents/energymodel.pdf |
| Information Technology | State of Missouri Department of Economic Development http://www.missourieconomy.org/industry/target_comp_model_it.stm |
| Human Resources | US Office of Personnel Management |

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|------------|--|
| | http://www.opm.gov/studies/transapp.pdf |
| Leadership | US Department of Agriculture http://www.ocio.usda.gov/directives/doc/DR4040-412-001.htm University of Iowa http://www.uiowa.edu/hr/lead/frame.pdf |
| General | State of Georgia http://www.spa.ga.gov/pdfs/wfp/GA_framework.pdf |

Measuring the existence of these competencies in your workforce can be as simple as delivering a survey to managers. Remember that these competencies *must* be aligned with any performance measurement and professional development process that your organization has. If not, there is simply no link between what is valued and what is taught in the organization.

In addition, we recommend that you identify potential candidates for the positions you've identified in the first step of this process. While still respecting competition in the process, the assessment of your "bench strength" allows you to determine where your knowledge gaps exist and [?] conduct professional development activities. Once you have determined the competencies and what your organization's current capacity for these are, you are in a better position to begin planning programs for the future.

The Succession Planning Toolbox

After you have identified the positions you need to plan for, the competencies needed, and the gaps, then you are able to begin devising specific strategies targeted at improving institutional knowledge. You can employ a number of different strategies to do this. The following list provides a brief overview of some of the key strategies that organizations utilize in succession planning activities:

Training:

Training allows the organization to provide employees with information that can allow them to perform their current job duties in the most efficient way possible and can also grow employees into new positions, duties, and responsibilities. Training can take many forms—self study, directed, internal, external, eLearning, etc.

Coaching & Mentoring:

Increasingly utilized in succession planning, coaching and mentoring allow for seasoned veterans of your organization to work with the next generation to impart knowledge about organizational culture, work policies and procedures, and softer skills such as employee management.

Performance Evaluation:

In order to grow and develop your workforce, you must be able to accurately assess performance and ensure that it is strategically aligned with your competency framework. Additionally, where performance is deficient, you need to have plans for how to improve upon it.

Knowledge Management:

Knowledge transfer focuses on retaining institutional memory and proprietary knowledge that can be

lost when experienced workers depart organizations for retirement or for other reasons. Institutional memory encompasses what the members of an organization have learned from experience as a direct consequence of living through experiences and participating in decision making. An effective knowledge retention program can help mitigate potential skill shortages in key functions.

To make sure that these succession planning strategies are tightly integrated within the organization, we recommend developing formal policies and procedures for the management of succession activities. Revisiting the success and effectiveness of these programs is a critical activity moving forward. Each organization is different, and ~~this activity~~ allows you to determine how to tweak your programs.

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The Bottom Line

Succession planning does not have to be a costly endeavor. However, if left unaddressed, the organization may experience substantial sunk costs in terms of lost knowledge of organizational history and of policies/procedures. It may also suffer from decreased performance and customer satisfaction. With some small steps, organizations can position themselves for sustained service delivery and stability.

For more information regarding succession planning for your organization, contact Christine Smith of Baker Tilly Virchow Krause, LLP at 608 240 2391.

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