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Putting the "SUCCESS" in your Succession Plan

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Topics for Today

- Succession planning by the numbers – what's the real state of the U.S. workforce?
- Who's leaving... and who's coming in to replace them?
- Replacement vs. Retention – Why your succession plan needs to address both.
- How are other municipalities preparing to head off the crisis?



Did You Know... ?

- There are just over 40 million Americans age 65 or older, and they make up 13% of the population. By 2030, when all the baby boomers will have passed age 65, they will make up 20% of the population.
- Currently, one-third (33%) of the U.S. labor force is age 50 and older.
- The states with the highest percentages of people age 65 and older are Florida, West Virginia, Maine and Pennsylvania. The states with the lowest proportions of senior citizens are Alaska, Utah and Texas.
- Every day more than 10,000 baby boomers reach the age of 65. Every year, that's around 4 MILLION people that become eligible to retire.
- 37% of local government workers are age 50 and older, compared to 28% in the private sector.
- IPMA-HR reports that many government organizations could see retirement levels of 20% or more within the next five years.

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It's not just about "REPLACEMENT"...

It's also about "RETENTION"

- 30% of external new hires turn over within the first two years of employment. (Monster.com)
- Turnover in the first 18 months of employment can be as high as 50%. (SHRM)
- Replacement costs can range from 25% - 50% of annual salary. (Bureau of Labor Statistics)
- Not long ago, the average number of jobs held in one person's career was 6. Today it is 11.
- The average worker today stays at a job for about 4.4 years.

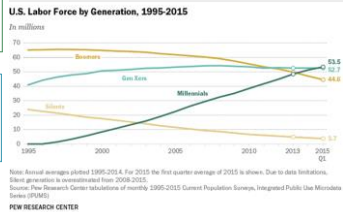
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Changing workforce demographics create challenges...

Silent Generation: Born 1928 – 1945
 Baby Boomers: Born 1946 – 1964
 Generation X: Born 1965 – 1980
 Millennials: Born 1981 – 1997

The Millennial generation is now the largest generation in the U.S., both in terms of workforce population and in general population.



There are more generations in the workforce now than ever before in our history!

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Identify Goals & Objectives

- Commitment and communication
- Assess current leadership roles and long-term needs
 - What do we expect to change in priority over the next 1 to 5 years?
 - Will job functions need to be consolidated or expanded?
 - What skills/abilities will be needed to match staffing changes?



Identify Key Positions

- What operations/roles are critical to the needs of the department/organization
 - Positions of influence within organization or community
 - Positions key to strategic goals
 - Organization specific or highly specialized roles
 - Positions with significant learning curves



Assess Vulnerability

- Assess Vulnerability of Position
 - High potential
 - Engagement
 - Demographics
 - Performance feedback/development discussions



City & County of Broomfield

Suzanne Smith, Director of Human Resources



Broomfield's Pre-Work

- Broomfield Leadership Academy
 - Identified Core Leadership Competencies
 - Created academy program
 - Mentors
 - Workplace project
- Knowledge Transfer
 - Documentation
 - SOPs
- Employee Engagement Survey
 - Workplace Dynamics



Baby Steps At First

- Focused on Critical Employees Nearing Retirement
 - Hired potential replacements in lower level positions
 - Mentoring
 - Documentation
- Revamped our Hiring Process
 - Scorecard
 - Who Hiring
- Started the conversation – Identifying Key Employees



Other Activities

- Retention of Top Performers
 - Employee testimonials – View them at <http://www.broomfield.org/index.aspx?NID=2401>
 - Opportunities outside of normal duties
 - Broomfield Innovation Team
 - Google Innovation Team
 - Employee Committees
- Compensation Plan
 - Emphasized flexibility
 - Adjustments towards the mid-point
 - Exceptional Merit
 - Meetings to focus on gaps

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Today

- Demographics
 - Average age of senior leadership team
 - Average age of front-line and middle leadership
 - Average age of key technical positions
 - Who is eligible for retirement
- Satisfaction Levels by Work Unit
- Personnel Merit System doesn't go away
 - Competitive process for vacancies
 - Must meet or exceed qualifications

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Process

- Strategic Plan (Optional – but you probably need to know where you are going)
- Risk Assessment
- Identify Key Positions
- Profile of Key Positions
- Shared Core Competencies
- Development Pool
- Employees Complete Their Profiles
- Perform Gap Analysis
- Create Development Plans to Fill Gaps

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Plans for 2017

- Oracle HCM
- Best Fit Analysis
- Readiness
- Risk of Loss
- Impact of Loss

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Resources

- Larimer County – Workforce “Planting” Guide
- Fairfax County – Workforce Planning Manual
- IPMA-HR Succession Planning
- Consultants
- HRIS/HCM Vendor

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Town of Frederick

Lauren Mueller, Director of Human Resources

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But... we're small!

- No matter the size of your organization, you can *(and should)*:
 - Identify key positions in the organization, and which of those positions will likely need to be backfilled in the next 12 – 36 months
 - Identify key employees in the organization with the capability and the desire to move into these key positions
 - Review the required competencies of the position
 - Identify knowledge / development / experience gaps
 - Develop an action plan for getting employees ready to fill these key positions when the time comes



Have A Plan

- Developmental Action Plans should address:
- What new responsibilities do you plan to assign to help this person develop?
 - What task force, projects or special assignments will be given to aid development?
 - What specific training, seminars, certifications or degrees are recommended or required?
 - What contribution is the organization going to make, and what personal contribution is the employee willing to make?



Knowledge Transfer

- Standard Operating Procedures
- Department Manuals
- History Journals
 - Electronic (database/spreadsheet) or Hand-Written
 - Bullets or Full Sentences
 - Text or Pictures
 - Biographical or Autobiographical
- Whatever You Do... **Just DO IT !!**



Remember...

Succession Planning IS...

- A formal way to look at current and future staffing needs
- A catalyst for leadership development
- Proactive
- For everyone in the organization
- Preparation
- A continuous and ongoing effort

Succession Planning ISN'T...

- Only something we do if we know someone is retiring soon
- A disaster recovery plan
- Reactive
- Only for the top of the org. chart
- Preselection
- A one-time project that lives in someone's filing cabinet

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QUESTIONS ??

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THANK YOU !!

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