

Succession Planning, Employee Development and Retention

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Discussion Topics

- ❑ **Importance of Succession Planning**
- ❑ **Components of a Succession Plan**
- ❑ **Succession Plan Steps**
- ❑ **Employee Development**
- ❑ **Employee Recruitment and Retention Strategies**
- ❑ **Common Recruiting Missteps**



Interesting Public Finance Stats...

Source:
Association of
State Treasurers
Study, 2021



Public finance sector represents 25% of total finance workforce



52% of all workers across city, county and state level public finance offices are female



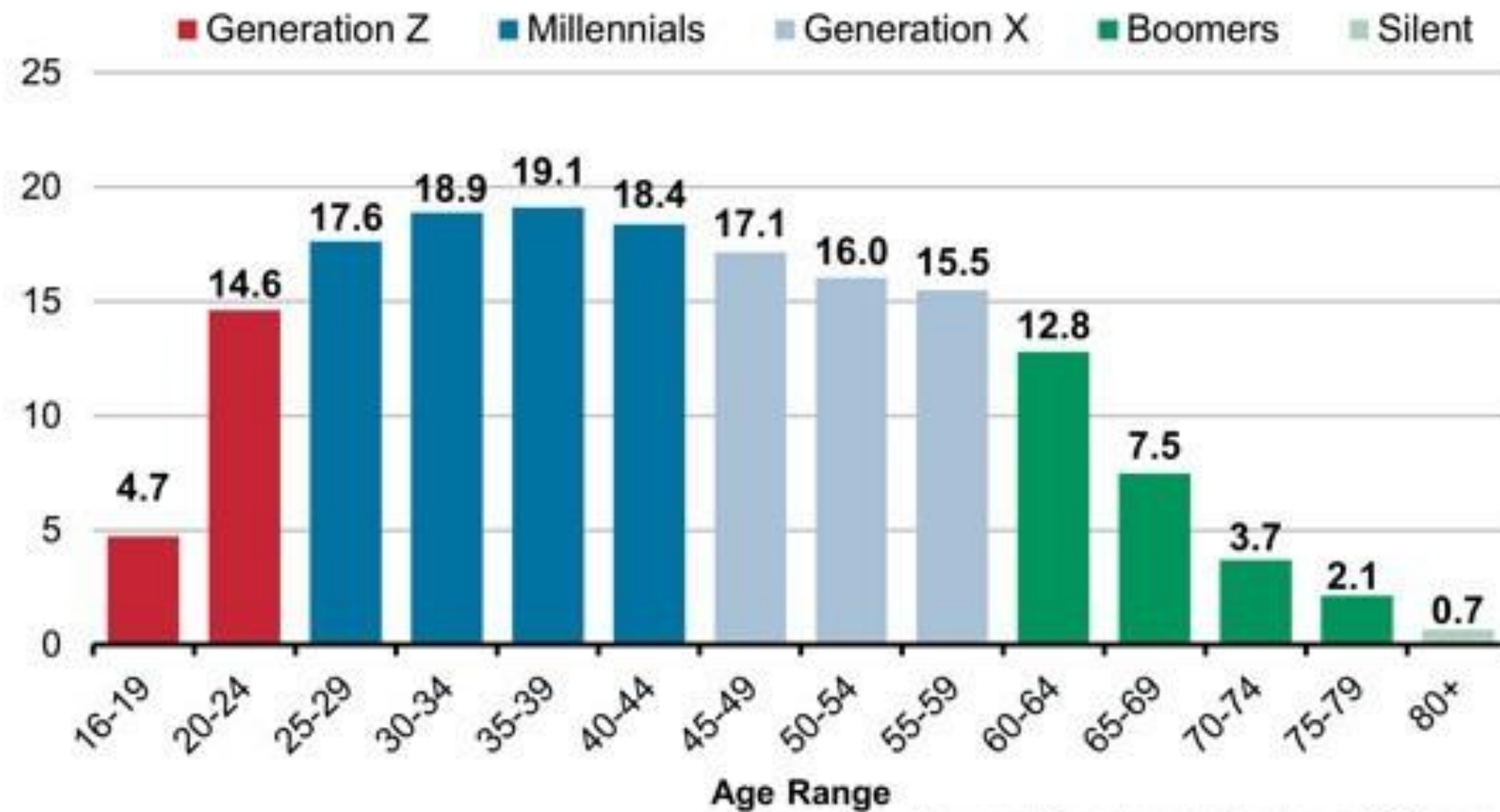
60% of public finance workers are over the age of 45 and nearly one-third of those are over the age of 55. Less than 20% are younger than 34.



Compensation is competitive with the private sector for recent graduates and early career professionals.

The Workforce in 2025

Projected size of U.S. labor force (in millions) by age, for the year 2025



Source: Department of Labor | WSJ.com

2025 – Gen Z
and Millennials
Comprise 55%
of
the Workforce

Public Sector and Gen Z – It's a Perfect Storm!

- ▶ **Motivated by Stability**
- ▶ **Strong Social Responsibility**
- ▶ **Desire for Meaningful Work**
- ▶ **Work/Life Balance is Important**
- ▶ **Willing to Change the Status Quo/Adaptable**
- ▶ **Value Diversity and Inclusion**
- ▶ **Digital Fluency**

Source: Gen Z in the Workplace: How Should Companies Adapt? April 18, 2023, Johns Hopkins University

If you want to understand your workplace... check out this research

Jason Dorsey – Center for Generational Kinetics – genhq.com

Generations provide clues and people should not be placed in boxes

Thought leadership is based on extensive research

All generations are important to the workplace

Generational Research – Jason Dorsey

Parenting is the #1 influence
that shapes generations

Technology is the #2

Geography is #3 – urban vs.
rural

Dorsey's Thoughts on Gen Z

Fastest growing generation in the workplace today

Has a fundamentally different relationship with technology

Most diverse generation ever

Cares deeply about social issues

Most similar to Boomers

- Jason Dorsey -- Zconomy

Easy Steps to Recruiting Gen Z

Put salary (lowest you are willing to pay and be competitive) in the first paragraph of the job posting.

Include information on flexible scheduling – both hours and other hybrid options.

Include information on benefits – specifically mental health services.

- Source: Jason Dorsey, Center for Generational Kinetics

Top 5 Priorities for Government HR in 2024

Retention – 50%

Recruiting – 49%

Employee Engagement – 29%

Leadership Development – 27%

Operational Efficiency – 19%

- Source: NEOGOV 2023 survey of Top HR Priorities in 2024. Respondents included city (34%), County (30%), State (21%)

Time Spent on Strategic Planning for Long Term Future

Only 19% of NEOGOV survey respondents rate succession planning as a top priority for 2024 and

50% of agencies surveyed do not have a succession plan in place to capture institutional knowledge.

Grow Your Own!

- ← Identify employees with an aptitude for advancement
- ← Communicate with employees about their aspirations
- ← Assist employees with further education – flexible scheduling, tuition reimbursement, etc.
- ← Show your confidence in their abilities!

Importance of Succession Planning

Allows for the transfer of Institutional Knowledge

Ensures the Continuity of Operations

Ensures Efficiency of Operations

Reduces Exposure and Liability

Assists in preserving the Bond Rating – Moody's/ S and P/Fitch


Positions organization to become an "Employer of Choice"

It supports Employee Development and Retention

Recognizes and respects the Expertise and Longevity

It's Fiscally Prudent to do so!

Succession Planning Components

- Expectations and Outcomes
 - Organization's Strategic Initiatives
 - External Market/Upcoming Needs (5 Years)
 - Vacancies, Mission Critical and Readiness
 - Alternative Staffing Models
 - Assess Workforce Interest/Readiness and Potential
 - Intuitional Knowledge Transfer Assessment
 - Employee Development Plan
 - Employee Retention Plan
- 

Identify Future Workforce Needs



What issues are coming down the pike?

Federal and state programs that affect staffing

Consolidation of services

Financial health of the jurisdiction

Community issues

Economy



Which positions or tasks are mission critical?

Positions or Tasks!



Analyze Present and Future Needs



Where are the gaps?



Where is the surplus?



Review of job descriptions:

- Summary
- Essential Functions
- Qualifications and Experience
- Physical Demands and Working Conditions

Workforce Review - Local



Determine which positions are mission critical and could face vacancies in the next five years



Survey incumbent employees to determine interest in moving into different positions – assess career goals



Survey incumbent employees about competencies needed to perform work



Survey Directors/Department Heads/Managers about potential employees to fill positions



Review organizational goals and strategic initiatives to determine if other positions are needed and who will be targeted to fill them – skill set/diversity

Workforce Review – What to ask?

- Do you anticipate vacancies in your department within the next five years?
- Do you have staff that are ready to move into vacant positions?
- Would you consider any of the previously listed positions “Mission Critical”, meaning they must be filled should a vacancy arise?
- Have you implemented alternative staffing methods in your department?
- If yes, what methods have you used?
- Do you think any of your “Mission Critical” positions could be filled by using alternative staffing methods?
- Are your staffing needs going to change, based on your Department’s Strategic Initiatives?

Assess Workforce Potential/Interest = Employee Retention



Directors/Department Heads, Managers

Complete Talent Pool Nomination Form
Complete Talent Pool Nomination
Summary



Employees

Complete Talent Pool Applicant Profile
Form

Workforce Review – Employee Readiness

Position Title

Years of experience in Current Position

Years of experience in Field of Work

Do you feel you have the adequate training and development to perform your current job?

If no, what training and development would help you perform your current job?

Do you desire to be promoted in your current organization should a vacancy occur?

To what type of position would you like to be promoted?

Do you feel you have the adequate training and experience to be promoted within your organization?

If not, what type of training and development would help you achieve your career goals?

Institutional Knowledge Transfer Assessment

- Update job responsibilities
- Update education and training
- Update Years of experience
- Consider alternative staffing
- Document meeting responsibilities
- Document ongoing projects
- Document electronic information
- Update equipment needs
- Update physical demands and working conditions
- Request transition assistance

Employee Development Plan



Determine desirable skill set for position



Assess employee background and experience



Develop training and development plan for specific employee



Identify training resources



Include development plan in professional development plan



Document progress

Employee Retention Is Better Than Recruiting

Employee Engagement Surveys

Stay Interviews

Exit Interviews are “a must” but often too late

Deal with toxic work environments

Employee Recruitment and Retention Strategies

Work Schedule

- Hybrid Work
- Remote Work
- Flexible Schedules by Position
- Summer Hours
- Modified Hours

Tools = Trust

- Supervisory Fundamentals
- Intentional Communication
- Cross training
- Process Improvement
- Empowerment

Competitive Compensation

- ▶ **70% of employee turnover is related to compensation (NEOGOV)**
- ▶ **Important to have internal and external equity**
- ▶ **Look at career ladders/latices for employees**



Review Benefits Structure
– Consider Unique Benefits
– Some May Save You \$\$

- ▶ **On site Clinic**
- ▶ **Mental Health Support – EAP – 24 hour support**
- ▶ **Tuition Reimbursement Programs**
- ▶ **Mentoring Programs**



More on Benefits...

- Consider a stipend to purchase personalized benefits such as pet insurance, elder care assistance, yoga classes, etc.
- Flexibility in workplace options – Work Your Day – River Falls, WI
- Transition to PTO from traditional vacation/sick leave programs
- Professional Development
- Year-round education of employees on benefits' options
- “Total Rewards” presentations to employees

Alternative Staffing Options to Benefit Your Current Staff

- ↑▼ **Mentoring Talent**
- ↑▼ **Job Sharing**
- ↑▼ **Phasing Retirement**
- ↑▼ **Outsourcing/Contracting**
- ↑▼ **Interim or Project Work**

Mentoring Talent



Consider promoting or bringing on staff that may not be fully trained to complete an assignment.



Use existing staff to develop internal talent by sharing experiences and conducting training.



Locate and in-source a retired professional to work with a staff member on developing skills sets in areas that may be underdeveloped and on creating a professional network of peers for future support.

Job Sharing – Colleagues/Communities

Discuss with colleagues in surrounding communities long term staffing needs.

Retain or engage a professional to complete the identified functions in a job share arrangement.

Job shares can be used for general oversight, such as Finance Director duties or for very specialized skills such as TIF Administration, ERP Project Management, Grant Administration.

Phasing Retirement

Rather than pick a firm retirement date on the calendar, slowly phase out an employee.

Outsource the employee to a third-party provider and then hire the person back on an interim, part-time or as-needed basis.

Benefits include helping the transition of a new staff member who will be filling the vacated position and easing the transition to retirement for the employee, especially if he or she is long-tenured.

Outsourcing/Contracting Technical/Seasonal/Part-time/Projects



Consider filling jobs in a non-traditional way based on the actual needs of the organization.



Look at work cycles and peak staffing times, such as billing cycles, sticker sales and year-end.



Bring on additional staff through a third-party to address the fluctuations in staffing needs.



Consider permanently outsourcing functions or projects that can be done professionally seeking part-time or project-oriented work – such as studies, data preparation, engineering, plan review, CALEA, etc.

Interim or Project Work

Consider using interim or project workers to staff in the following instances:



During critical times when the primary worker is out – such as medical leave or other long-term leave is necessary but not permanent.

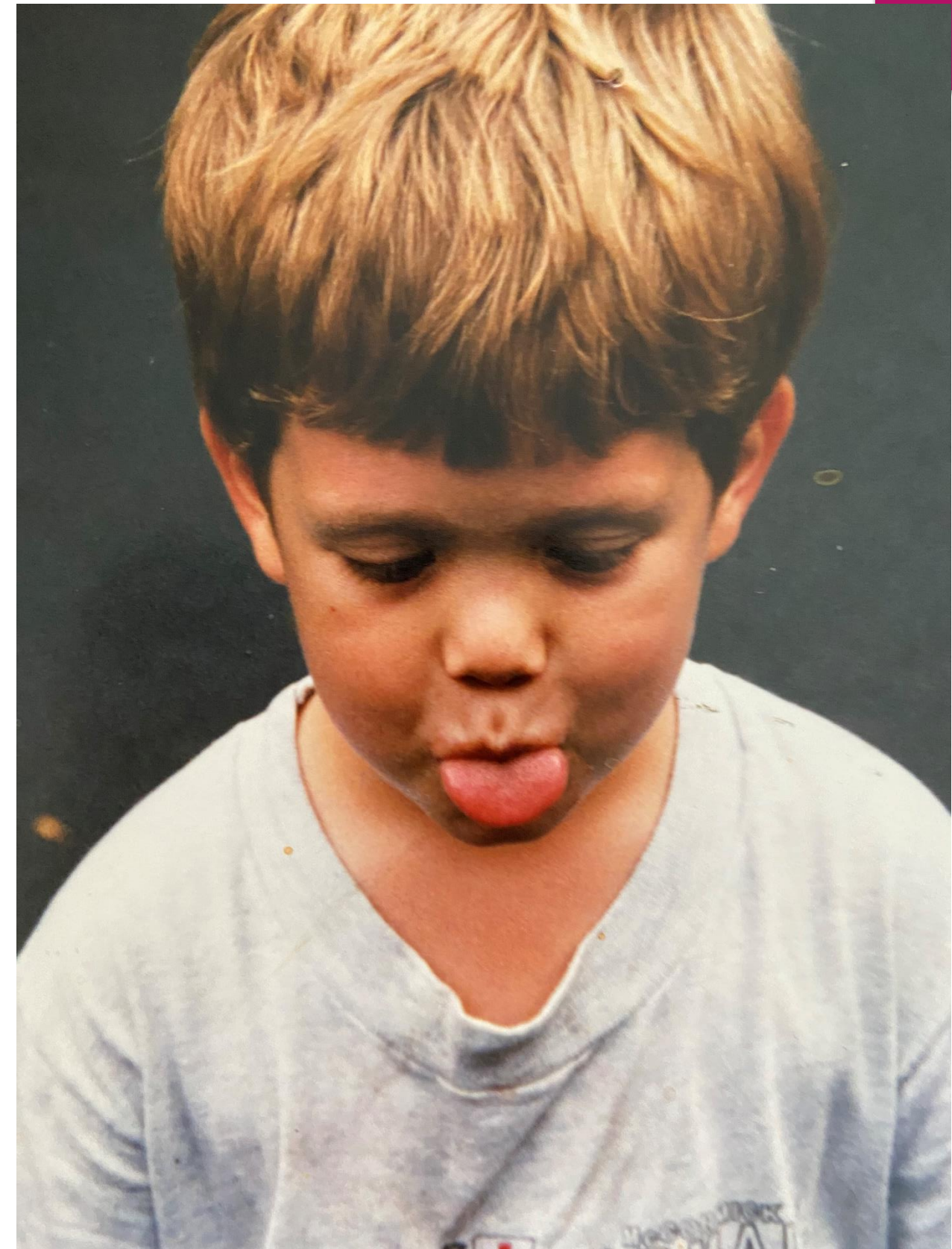


When an unplanned departure is made from the organization and there is an opportunity to analyze staffing needs before a permanent appointment is made.



When a project needs to be completed on a one-time basis.

None of this
worked and you
still need to
recruit...



New Rules for Recruiting – Post and Pray is Not Okay

- ▶ **Develop a specific recruitment plan**
- ▶ **Include realistic salary information**
- ▶ **Go old school – billboards, notices in businesses, community organization outreach**
- ▶ **Source: ELGL – New Rules of Recruiting**
- ▶ **<https://elgl.org/the-new-rules-of-recruiting/>**



Key Missteps Communities Make in Recruiting

Failure to pay a competitive salary

Unrealistic or outdated qualifications
for position

Requiring residency

Not offering a hybrid work option
when it is feasible

Lack of outreach

**More
Unrealistic
Qualifications**

Requiring Certifications
such as CPA

Service in government


Requiring a bachelor's
degree



Skills Based Hiring

50% of IBM's jobs do not require a four-year degree and they are not the only one!

“A person's educational credentials are not the only indicators of success, so we advanced our approach to hiring to focus on skills, experiences and potential,” said Jimmy Etheredge, CEO of Accenture North America.



And in the Public Sector...

Pennsylvania – January 2023 – eliminated four-year degree requirements for 92% of state government positions.

Maryland – State Government looking for STARs – Skilled Through Alternative Routes.

Utah – Governor announced in December 2022 that 98% of positions will not require a degree.

Other Public Sector Data – Skills Based Hiring

NEOGOV – Top HR Priorities in 2024

65% of government agencies have loosened degree requirements by accepting a combination of education and experience.

57% of respondents have implemented a skills-based hiring strategy

Other Barriers to Successful Recruiting

Copying and pasting the job description into the job posting

Requiring a valid driver's license for every job

Requiring multiple or any years of local government experience

Not including the salary in the job posting

Requiring a detailed written application process

Not having an electronic applicant tracking system

Having a lengthy recruitment process

Consider instead...

Use of the word “ideally” in minimum qualifications – “ideally two years experience in public works operations”

Including a Substitution Clause – “a combination of education, training and experience can be substituted for minimum qualifications.”

Adding a welcoming statement such as “veterans are encouraged to apply.”

Candidate Outreach Musts – Improve Your Brand

Introduce your culture and values

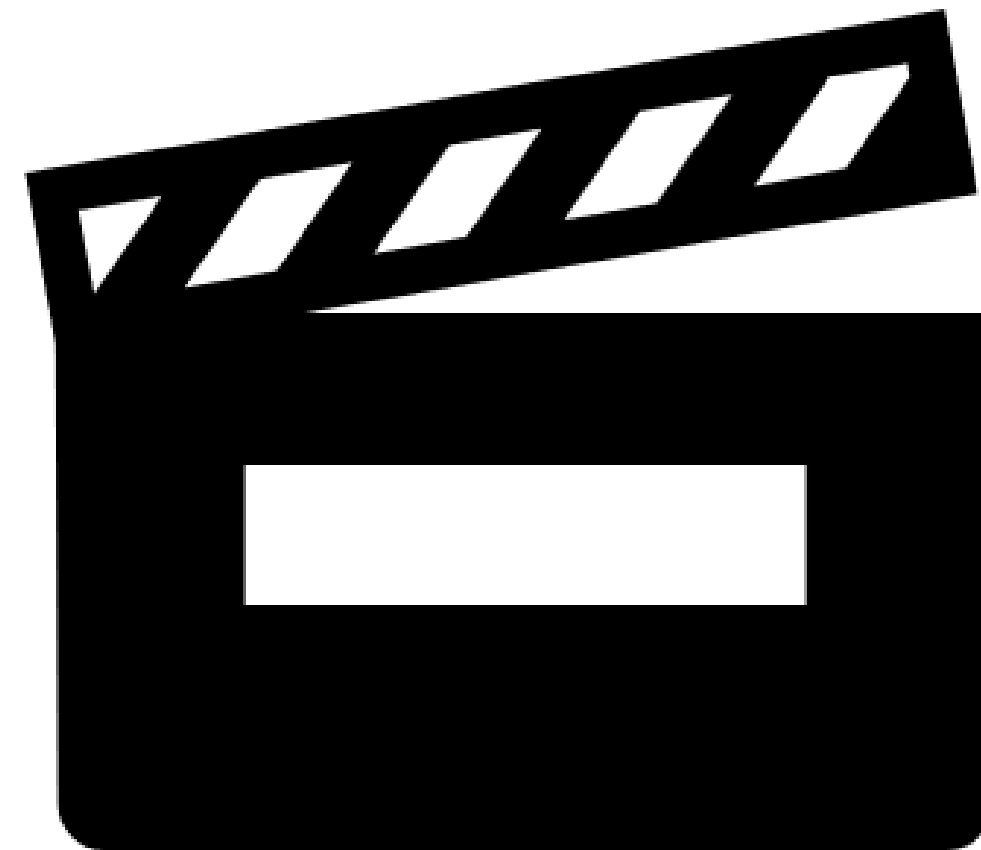
- ← LinkedIn and Facebook – know your audience
- ← Use personal LinkedIn and Facebook for posting
- ← Community organizations including the faith community
- ← Reward successful employee referrals
- ← Encourage internal candidate applications



Consider a Video to Market Your Organization

- ← A source of pride (and fun) for employees
- ← Markets you to your community and potential employees
- ← Connects with technology focused younger cohorts
- ← Does not have to be expensive!

<https://www.facebook.com/cityblmPD/videos/493189985212354/>





Market Your Organization Locally

- ← High school and community college internship/volunteer opportunities – police explorers, etc.
- ← Highlight opportunities to work outside for competitive wages and benefits
- ← Highlight community service aspect of local government employment

Shorten Recruitment Process

Consider these statements in your postings:

“Apply at once, position open until filled. First review of candidates on (date)_____.”

“Apply at once, rolling interview process until position is filled.”

New Rules for Recruiting – Treat Candidates Well

- ← Candidates may fit a future opening
 - ← They will remember your process and talk about it
 - ← Communicate often and honestly
 - ← Close the loop
-
- ← Source: ELGL – New Rules of Recruiting
 - ← <https://elgl.org/the-new-rules-of-recruiting/>



“Culture Eats Strategy for Breakfast”

(Peter Drucker)

- ▶ **Strive for a supportive culture**
- ▶ **Develop reputation as an organization that develops people (you may lose some of them, but that’s ok)**
- ▶ **Organizations must be welcoming and inclusive**
- ▶ **Develop your future supervisors**
- ▶ **Resist micromanaging**





Determining
What
Employees
Want Is Hard –
Instead of
This...

Listen, Listen, Listen...

- ← **Focused Listening**
 - ← **360 Listening**
 - ← **Create time to listen**
 - ← **Ask questions**
- ← Source: Listening is an Overlooked Leadership Tool by Melissa Daimler, Harvard Business Review, May 2016



Additional Resources

- ▶ <https://www.gfoa.org/workforce2023>
- ▶ <https://info.neogov.com/resources/2024-trends-report>
- ▶ <https://research.missionsq.org/content/media/document/2024/4/WorkforceSurveyReport2024.pdf>

Questions?

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