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Recruiting and retaining qualified personnel was the top priority for 91 percent of human resource managers who responded to the Center for State and Local Government Excellence’s (SLGE) 2017 workforce trends survey. This challenge is compounded by the growing number of baby-boomer retirements and increased turnover among younger workers. To address the demographic shifts and ensure that they will have a skilled workforce for the future, state and local governments need a holistic approach to recruitment and retention, including the use of succession planning.

Just as the state and local government workforce is evolving, so, too, are succession planning strategies. To gain a better understanding of how public organizations are approaching succession planning and talent development, SLGE selected two local governments and one state government for case studies: Sunnyvale, California; Hennepin County, Minnesota; and the State of Tennessee. Leaders in these three government organizations describe succession planning as an important part of their strategy to attract, engage, and retain employees. They encourage engagement and learning from the time an employee is hired, and they provide opportunities for regular feedback. Periodic “stay interviews,” for example, provide a regular way for managers and supervisors to find out what is going well and what challenges employees are facing that could influence choices they make about continued employment.

In these learning organizations, leaders are committed to creating opportunities for employees to grow and thrive. Examples of how leaders across these three organizations carry out that commitment are:

• Helping employees assess the best path to reach their goals and identify the education, training, and job experiences they will need to become qualified for positions that interest them
• Encouraging employees to pursue promotions
• Sending a clear message that promotions are based on performance rather than seniority
• Stressing that succession planning does not mean that an “heir apparent” will be identified and groomed for specific jobs
Striving to create a pool of employees who are in varying stages of readiness to assume new responsibilities.

All three organizations focus on being an employer of choice, and they have structures in place to support learning and employee engagement.

- Sunnyvale employees develop personal and professional growth plans that serve as the framework for managers and employees to discuss learning and promotional opportunities.
- Hennepin County has a New Employee Academy that assigns employees to cohorts after an initial orientation. The cohorts help new employees create a network across business lines as they meet three times over the first year with each other and human resource staff.
- LEAD Tennessee helps build a sustained leadership pipeline by annually giving 130 employees from all state agencies a 12-month leadership development experience.

A SENSE OF URGENCY

Whether the issue is increased competition with the private and nonprofit sectors to attract and retain talent or an assessment of shifting demographics, leaders in these three organizations bring a sense of urgency to the goal of being an employer of choice.

Sunnyvale focused on better understanding employee needs and priorities and striving to be recognized as a great place to work. Hennepin County began its plan to increase the readiness of potential successors by undertaking a comprehensive assessment of its benefit offerings. Tennessee implemented civil service reform at the same time it committed to a comprehensive learning and development program.

The role of leadership is essential in driving change and building trust, especially when budgets are tight. By investing in people, the organization sends a clear message that employees are valued. And sustained commitment is the key to building a talent pipeline.

ENDNOTES


INTRODUCTION
Sunnyvale, California’s reputation as a learning organization helps the city attract and retain employees in Silicon Valley’s highly competitive environment. To be recognized as a great place to work has required a sustained commitment to engage with employees in their career development from the time they start work with the city until they are contemplating retirement. Listening and responding to employee concerns and interests has guided the city’s approach to succession planning. It also has shaped the city’s professional development program, which includes a wide range of training and work experiences. In addition to those training opportunities, the city provides both education reimbursement and well-structured career development programs. The city’s budget for the education reimbursement benefit, for example, has doubled in the past two years.

After the Great Recession, Sunnyvale had to defer cost-of-living increases and eliminate 200 vacant positions. These difficult cuts deeply affected employee morale, prompting city leaders to redouble their efforts to reach out to employees to better understand their needs and priorities. The city’s goal since that time has been to rebuild trust with employees and increase employee satisfaction. The core strategy is to develop an organization culture where employees can grow and make meaningful contributions. One important component of that strategy is schedule flexibility so that employees can achieve a higher level of work-life balance and participate in professional development and training programs.

Sunnyvale sees succession planning as part of a full safety net of human resources offerings that appeal to current and future employees. Each employee files a professional career development plan with the human resources department. The plan serves as a guide for employees to discuss their priorities for growth and educational opportunities with their supervisors. In addition to educational and professional development programs, the city offers a variety of hands-on opportunities for growth within city government so that employees can get both technical and leadership experience. These opportunities help employees gain the qualifications and knowledge they need to apply for positions that align with their career goals.
LEADERSHIP PROMOTES A LEARNING CULTURE

Sunnyvale’s learning culture is driven by leadership’s focus on employee needs and goals, starting with employees filing professional career development plans with the Department of Human Resources. The development plan serves as a guide for managers and employees to identify ways for employees to gain the knowledge and experience they need to reach their goals. Managers meet with employees to make sure they are aware of the range of opportunities available to them. In addition to one-on-one meetings, city leaders hold “tailgate” meetings at various worksites to educate employees on the employee development and educational opportunities that are available to them.

The city offers a robust schedule of classes through its Citywide Employee Training Program. Employees register for classes that interest them, and their requests go to their supervisors for approval. Most classes last four to eight hours and cover a range of topics from presentation and communication skills, essential analytical skills, customer service, and developing resilience, to the mechanics of purchasing, budgeting, and project management. Classes in computer skills are also offered, including both introductory and advanced training in using spreadsheets, word processing, and working with databases.

Equally important, city leaders offer employees hands-on experiences that increase their readiness to apply for promotions. In human resources, for example, a department director needs to become familiar with several specialty areas, including risk management, employee relations, and benefits. Division managers are given opportunities to rotate into different specialty areas when a vacancy occurs to broaden their knowledge and experience. The rotational assignments not only strengthen an application for an internal promotion, they also open up opportunities to work in another agency.

Sometimes unique opportunities make it possible for employees to gain an enriching experience. A Google-funded transportation project provided a senior public works employee with a two-year assignment to focus on improving traffic flow at choke points in the city’s transportation system. This assignment proved beneficial to all parties. The employee was energized by the new challenge, the city was able to address a vexing problem, and Google was pleased with the results.

Job shadowing is also encouraged to help employees explore their career interests in another local government field. For example, a building inspector who develops an interest in transportation can shadow someone in a transportation position to learn more about the work to determine if it is a good career direction to pursue.

Recognizing the value of helping new supervisors hone their skills, the city created a Leadership and Supervision Academy. Core courses address the...
role of a front-line leader, communication essentials, performance management, team facilitation, and policies and procedures that supervisors need to understand.

REGIONAL STRATEGY EXPANDS OPPORTUNITIES
Regional collaboration provides another vehicle for leadership development opportunities. Local governments in Santa Clara and San Mateo counties offer a forum for future city and county managers, academies for emerging leaders, speed coaching, and a talent exchange program. The Bay Area Employment Relations Consortium is another regional training group that offers classes for supervisors, managers, and human resources personnel on important legal principles and how they apply in the workplace. Attorneys who specialize in employment law teach the classes.

SUCCESSION PLANNING APPROACHES
Sunnyvale is committed to growing its own talent. The city sees succession planning as the primary way to identify and develop employees with the potential to fill key city positions in the future. The process begins with managers assessing their current staff, future business needs, and current business trends with the goal of identifying positions that are critical for business continuity. The city looks at areas where there may be a high number of vacancies and at positions that have been difficult to fill, sometimes requiring multiple recruitment efforts. Managers also analyze the readiness of current staff to move into these positions.

The next step is for managers to engage with all employees working in potential feeder positions to gauge their interest in participating in the succession planning program elements, including job shadowing, coaching, mentoring, job exchange, career development and training.

Employees are encouraged to take the initiative to meet with their managers to discuss their interest in participating in the succession planning program and to identify potential mentors, coaches, or individuals they would like to shadow. They can use the city’s career interest form or the more comprehensive career development plan to notify their managers of their interests. Completed forms are filed with the human resources department in order for employees to secure priority registration for classes related to their career development goals.

Human resources personnel also oversee the tuition reimbursement program, which is allocated on an annual basis. Employees are eligible for a maximum reimbursement of $1,500 per year with funding available on a first-come, first-served basis.

Managers ask interested employees to prepare resumes to help identify what skills, education, and experience the employees will need to become qualified for positions that interest them. Once that analysis is
completed, managers and employees work together to determine the best path forward to obtain the skills and experience needed to become qualified candidates.

Any employee who wants to pursue promotional opportunities is encouraged to do so. In recent years, city leaders have emphasized that promotions are based on performance and examinations, rather than seniority. Because this approach to promotions was a change in organizational culture and traditional practice, good communication about the process was important. Through its succession planning process, the city works to create a pool of internal candidates who are in varying stages of readiness to be able to assume new responsibilities. To further strengthen the pool of promotion-ready employees, Sunnyvale sometimes hires more individuals than needed for immediate vacancies. For example, when there were three police dispatcher vacancies, the city hired five individuals, anticipating that two dispatchers were close to retirement age. Open positions are posted internally before external recruitment.

To strengthen its long-term leadership capacity and pipeline, Sunnyvale has been creative in opening up opportunities for managers to gain new leadership responsibilities. For example, the city has tapped two experienced department directors to lead important city projects, including development of the Civic Center and the Town Center. One department director was within ten years of retirement, and another was considering retiring in two to three years. Both were energized by the new assignments and the projects benefitted from their experience. While their department directors were on special assignment, the next level of managers gained experience as interim department directors.

The city council sees the results of the succession planning process and supports the overall approach.

THE VALUE OF BEING AN EMPLOYER OF CHOICE

Because Sunnyvale competes with a strong private sector job market, city leaders strive to be an employer of choice. Talent gaps and challenges affect all levels of the organization. Turnover rates due to employees choosing to leave city government have been inching up over the past two years primarily due to the low unemployment rate in the region. City leaders recognize that retaining employees involves intangible benefits and make it a priority to reach out to employees to ask them what is on their minds. The city also holds regular meetings with labor associations.

In addition to offering alternative work schedules and the flexibility to participate in professional development programs, the city makes a concerted effort to accommodate employee preferences and requests. This has resulted in city-organized game days, resident rates for employees to use the community center regardless of where they live, city-sponsored yoga classes, and the opportunity to take 15-minute “walks on the clock” to promote wellness.
In the aftermath of the Great Recession, some employee perks were eliminated, including coffee service. Employees complained that they missed having coffee on job sites and that it took too long to go out for coffee. To meet a need that was clearly important to employees, the city gave a $6,000 grant to Downtown Streets, a nonprofit that addresses the needs of the homeless. Downtown Streets used the grant to create a coffee cart near the library. The new coffee cart provides jobs for the homeless and a convenient location where many city employees can buy coffee.

Not all employee requests are easily implemented, such as allowing employees to fill up their personal cars at work using a mobile gas filling business. Before that could be done, the city council had to pass an ordinance that allowed the service to be offered citywide for safety purposes. Now employees can use on-site mobile gas filling and dry-cleaning services from third-party providers. The city has also partnered with surrounding venues to provide discount rates to movies, amusement parks, bike shops, and gyms.

While compensation cannot be matched with the private sector, sometimes the city can provide a 5 percent special assignment pay boost to employees who take on an added duty or project. For example, the water regulations manager qualified for a special assignment pay increase when he assumed responsibility for a regional community choice energy project designed to get the 12 participating cities to become 100 percent users of renewable energy.

Because the high cost of housing in Sunnyvale and adjacent communities can lead to difficulty recruiting and retaining executive-level staff, Sunnyvale has a home loan program for council appointees and senior executives. The finance director, city attorney, and city manager serve on a committee to consider applicants for the home loan program. Bank loan rates are for terms of 15, 30, and 45 years. Loans can be provided for up to ten times the individual’s salary and require a minimum 5 percent down payment.

**CONCLUSION**

Because of the region’s low unemployment rate and intense competition for talent in and around Sunnyvale, succession planning is a particularly important tool in the city’s ongoing strategy to attract and retain employees. Sunnyvale’s goal is to build trust, increase employee satisfaction, and be recognized as a great place to work. It focuses on developing a culture where employees know they can grow and make significant contributions.

City leaders offer a number of lessons learned to others that strive to be an employer of choice. “It’s important to be high touch and employee driven,” said Sunnyvale City Manager Deanna Santana. “You have to be careful not to overpromise and to manage expectations.” She adds that the focus must be on human satisfaction and growth. “It’s not just about a promotion. You may learn things. You owe us full commitment.”

“It’s not just about a promotion. You may learn things. You owe you job satisfaction. You owe us full commitment.”

- Deanna Santana
Sunnyvale City Manager
TAKEAWAYS

 Succession planning is part of a full safety net of human resources offerings that appeal to current and future employees.

 Retaining employees involves intangible benefits, such as flexible work schedules. Asking employees what is on their minds and being attentive to their interests increases employee satisfaction.

 Sunnyvale’s learning culture begins when an employee is hired and files a professional career development plan with human resources. That plan serves as a framework for managers and employees to determine what knowledge and experience is needed to reach their goals.

 A core strategy is to develop an organization culture where employees can grow and make meaningful contributions. That strategy includes schedule flexibility so that employees can participate in a higher level of work-life balance, professional development, and training programs.

QUICK FACTS

- Total authorized staff: 911
- Projected retirements over the next five years: 38%
- 2016 promotions: 37
- Average turnover rate during the past five years: 7.8%
- 2016 population: 152,771
- 2016 unemployment rate: 3.4%
- Website: sunnyvale.ca.gov/

ENDNOTES

Information for this case study comes from the city of Sunnyvale website, human resources documents, and an interview with Deanna Santana, City Manager, Sunnyvale, California, and Teri Silva, Director of Human Resources, Sunnyvale, California, conducted on June 28, 2017.

Hennepin County

INTRODUCTION
Hennepin County, the largest county in Minnesota’s Twin Cities region, is experiencing a significant demographic transformation. Over the next 25 years, immigrants and people of color are projected to make up nearly all of the workforce growth, increasing the region’s overall racial and ethnic diversity. At the same time, the percentage of people 65 years and older is expected to double, from 11 percent of the region’s population in 2010 to 21 percent in 2040. The region expects to have 100,000 more job openings over the next five years than there are qualified applicants to fill them, largely due to baby-boomer retirements. Already, the region is experiencing shortages in qualified candidates to fill information technology, transportation, health care, and public safety positions. These demographic shifts will have major implications for every aspect of Hennepin County’s operations, including health, human, and public safety services.

Five years ago, the county’s human resources department conducted an assessment to determine the number of employees eligible for retirement. By 2025, anticipated turnover rates for directors, managers, and supervisors were projected to be more than 40 percent, with turnover rates of 30 percent for general employees.

PLANNING FOR THE WORKFORCE OF TOMORROW
The changing regional demographics combined with projected retirements and turnover rates highlighted the need for a county-wide plan to manage the leadership transition and create a talent pipeline to ensure continuity in delivering essential services. This workforce challenge was exacerbated by competition with other job sectors for a shrinking talent pool.

The county began its planning by undertaking a comprehensive assessment of the employee benefit package consistent with the goal to remain an attractive employer. A consultant evaluated the total rewards package including not only traditional benefits such as compensation, health/life insurance, and paid time off, but also more intangible offerings intended to encourage employee commitment and make Hennepin County a better place to work. The goal of the evaluation was to ensure that the county was well-positioned to retain talent once employees
were hired. The county also reviewed and revised the minimum qualifications and job descriptions for positions to retain only those technical and educational requirements that were essential and to remove barriers for otherwise capable applicants.

The next step in the process was to implement an organizational culture change. According to Chief Human Resources Officer Michael Rossman, succession planning had a negative connotation of creating an heir apparent for specific senior positions, which is inconsistent with the competitive processes expected in government. To overcome that perception, Hennepin’s approach to succession planning has evolved to emphasize employee empowerment, inclusion, and communication. Every employee is viewed as an asset and a leader. This approach involves identifying talented employees who have an interest in advancement and in developing their knowledge and skills so they can be prepared for future opportunities. Employees gain leadership skills and are encouraged to apply for promotional opportunities. The investment in their development sends a clear message to employees that the county wants them to stay.

At the manager/director level and above, the county uses a more traditional succession planning process which involves:

- Developing criteria for potential candidates
- Reviewing potential candidates based on their aspirations, ability, and readiness
- Developing a list of nominees for inclusion in the succession pool
- Providing coaching and development planning to ensure that the successors are prepared to assume positions when they become available.

On an organization-wide level, the county engages in a talent review process to identify both critical positions and employees with potential for development. This process includes:

- Engaging with employees to determine their aspirations
- Assessing their abilities and readiness
- Conducting talent review meetings with employees
- Discussing development strategies with employee peers
- Providing feedback and suggestions for development opportunities.

LEADERS AT ALL LEVELS

Hennepin County believes in creating leaders at all levels, embracing the philosophy that leadership is portable. County Administrator David Hough explains that once employees have developed their leadership potential, they can be moved into an area without the same level of subject matter expertise as those who are reporting to them. Subject matter expertise can be acquired. The county’s focus is on building portable leadership skills such as the ability to collaborate, engage, and espouse the core values, mission, and vision of the organization.

The county recognizes that not all leaders must be
supervisors—technical proficiency should also be rewarded. Historically, the way to advance in large organizations has been to assume supervisory responsibilities and to enhance those duties over time. Hennepin has created pilot programs that offer the potential for employees to become nonsupervisory leaders, such as senior attorneys and probation officers, based on longevity and technical skills and expertise.

To develop leadership skills among talented, interested employees at all levels of the organization and to build a talent pool from which to fill leadership vacancies, the county has developed a number of programs:

• New Employee Academy which uses a cohort approach to employee onboarding and orientation to build relationships among new employees from different departments and provide opportunities for follow-up meetings after the initial orientation session

• Unleashing Your Potential, a nine-month program for entry-level employees intended to engage them at the outset of their careers and to gauge their interest in leadership

• Emerging Leadership Development Program, Management Institute, and Leadership Management Academy, a series of progressive programs that are offered through the county’s Center of Innovation and Excellence to further develop employee leadership skills.

From these programs, the county has created a transition cohort of more than 320 leaders, many of whom have been promoted from within. The challenge is to take this model and expand it to scale since there are a limited number of opportunities available in county government to give these qualified employees the opportunity to lead. Hennepin continually assesses whether there are enough learning cohorts, career mobility, and advancement opportunities to keep interested employees engaged, active, and learning until an opportunity becomes available.

**SUPPORT FROM LEADERSHIP**

Support from Hennepin County’s elected leadership has been key to the success of these strategies and essential to preserve the county’s reputation as an employer of choice. In 2016, commissioners authorized a few partially-funded positions which permit the county to hire potential successors for positions before an incumbent retires. These overlapping positions provide successors with the opportunity for job shadowing and mentoring, facilitate knowledge transfer, and ensure a smoother transition in service delivery. In addition, over the past two years, commissioners have authorized funding to allow the county to offer the IRS maximum of $5,250 in tax-free tuition reimbursement to any interested employee. This allows individuals who work full-time to further their education.

**CONNECTING EMPLOYEES TO RESOURCES**

In August 2017, the county created an Employee Career Center to provide services to connect employees to career and personal development resources, educational institutions, and other community...
resources. The center gives employees access to resources which enable them to learn, grow, and explore opportunities that help them to achieve career goals and find professional fulfillment.

The career center offers services in three core areas:

• Career resources to assist employees in career exploration, preparation, and development, including career assessments, coaching, career mapping, transition planning, mentorship resources, resume writing and interview skills

• Higher education resources, including assisting employees with the county’s tuition reimbursement resources, navigating undergraduate and graduate admissions processes, applying for financial aid, transferring credits, degree mapping, and identifying and applying for certification and credentialing programs

• Community resources to provide employees with information about available community support and assistance programs, including housing assistance, food resources, and transportation

HENNEPIN CAREER CONNECTIONS

To supplement its internal workforce development and talent management strategies, the county launched Hennepin Career Connections, working in partnership with local educational and nonprofit organizations. The program is designed to create pathways into education and careers for individuals who might not otherwise consider county employment. Training programs are customized to Hennepin County’s needs as an employer focusing on 15 job classes for which minimum qualifications were reviewed and revised to open up opportunities. Examples of positions that have been filled by participants in Career Connections include human services representatives, health advocates, building operations technicians and administrative professionals with a guaranteed living wage.

“It used to be that every one of our jobs required a B.A., and that’s not necessary,” Hough said. “If we can train the talent and bring that talent into the organization, we not only create loyalty, we create retention and advance those leaders.”

CONCLUSION

For Hennepin County, developing leaders at all levels of the organization is key to ensuring the county’s workforce is ready for future challenges, such as changing demographics and service needs. The county has realized the power of truly investing in its people and making a commitment to provide employees with leadership and development opportunities. Chief Human Resources Officer Rossman notes that when these programs are done correctly, they really pay off. The county’s investment in its employees’ future demonstrates that the county trusts and values them. Continued success will require an ongoing effort to engage employees, policy makers, and community partners, and to communicate clearly about the goals of the program.

“It we can train the talent and bring that talent into the organization, we not only create loyalty, we create retention and advance those leaders.”

- David Hough
County Administrator
Hennepin’s efforts have been held up as a model for similar organizations, but the county still faces challenges. For example, both elected and appointed county leaders want to improve transparency to ensure that all employees who come into the organization receive the career guidance they need to find their future career path. And, while helping employees recognize their potential within the organization is not a typical government role, Hennepin County is committed to helping employees see what they can achieve, recognizing that it will take time and that there are multiple paths and opportunities available to them.

TAKEAWAYS

- Public service remains a rewarding career choice. Employees, regardless of generation, want the opportunity to make a difference. Governments should use this to their advantage when building a brand to attract potential employees.

- Succession planning and talent development can’t be the flavor of the day. Instead they require building on an existing foundation with periodic adjustments based on mistakes and lessons learned rather than changing course every few years.

- Culture change to support succession planning doesn’t happen overnight. It involves a long-range plan with a sustained investment by committed individuals, knowing that the future of the organization depends on the next set of employees and leaders being well prepared.

- Informing, educating, and involving employees, policy makers, and partners is essential. All parties, including organized labor, need to be at the table to understand processes and to earn their support.

QUICK FACTS

- Total authorized staff: 8,500
- Projected retirements over the next five years: 22%
- Average turnover rate during the past five years: 9%
- 2016 population: 1,232,483
- 2016 unemployment rate: 3.4%
- Website: [www.hennepin.us](http://www.hennepin.us)

ENDNOTES

Information for this case study comes from several publications provided by the Hennepin County Human Resources Department and an interview with David Hough, Administrator, Hennepin County, Minnesota, and Michael Rossman, Chief Human Resources Officer, Hennepin County, Minnesota, conducted on June 28, 2017.
INTRODUCTION

In April 2012, Tennessee Governor Bill Haslam signed the Tennessee Excellence, Accountability and Management Act (TEAM Act) which set in motion a series of changes in how the state recruited, retained, and rewarded employees. With an increasing number of the state’s 38,000 executive branch employees becoming eligible for retirement each year, Governor Haslam said reforms to outdated human resources systems and practices were needed to build a top-notch workforce for the future. “For decades, employment decisions in state government have been based solely on seniority with job performance never being considered,” the Governor said in signing the bill. “No one has been able to convince me that is a good way to manage our employees or serve our taxpayers. We have to do better. It is what hardworking employees deserve and what taxpayers expect.”

Reforms included:

- New job descriptions using knowledge, skills, abilities, and competencies and hiring practices to attract and retain talented employees and make state government an employer of choice
- Individual work outcomes based on SMART (specific, measurable, achievable, relevant, and time sensitive) goals for all employees
- A merit pay system to reward above-average performance
- A comprehensive learning and leadership development strategy that provides opportunities for all employees.

Civil service reform was an important element of Tennessee’s commitment to building a talent management system that focuses on preparing individuals for future challenges and opportunities, retaining key talent, and ensuring that there are qualified people capable of filling mission-critical positions.

The Department of Human Resources (DOHR), led by Commissioner Rebecca Hunter, serves as a critical resource in helping state agencies meet their workforce needs, including working with agency leaders to create customized learning strategies that develop and sustain a high-performing workforce.
Succession planning is a vital component of the state’s talent management system. Commissioner Hunter said the Governor views succession planning “as a business need, and there is an urgency around it.”

Tennessee links succession planning with a robust program of continuous learning to ensure that each agency has the staffing levels and skill mix needed to meet its strategic mission, and employees have opportunities to grow and thrive, ultimately ensuring that the state is a learning organization.

THE ROLE OF LEADERSHIP
Governor Haslam’s leadership in transforming the state’s approach to recruiting, retaining, and rewarding employees was essential to create an environment for change. Even more important has been his sustained participation in and support for critical human resource actions. “The Governor empowers us to do what we feel is best to accomplish workforce goals,” Commissioner Hunter said. In addition, the Governor’s office has communicated the importance of talent management, succession planning, and leadership development to Cabinet members, many of whom have become “change champions” and active participants in learning programs. Sustained involvement of department heads and senior managers in training and leadership development ensures that they will support the programs even when budgets are tight.

SUCCESSION PLANNING ELEMENTS
The state uses two types of succession planning:

- Role based, which focuses on helping employees compete for the roles they seek in the organization and matching those interests with key positions that are difficult to fill and/or are critical to business success.
- Pool based, which focuses on building a leadership pipeline by identifying employees with the potential to move into any of several positions within the organization.

This approach to succession planning supports the state’s “grow-our-own” leadership philosophy. creates internal pathways to advancement, and builds bench strength to ensure that there are qualified people to compete for vacancies when they occur. The state does not use individual-based succession planning in which potential candidates are groomed to fill specific positions, and participation in leadership development programs does not guarantee a promotion.

“This succession planning ensures that there is a pool of talent that supports the state’s ‘grow-our-own’ philosophy,” said Dr. Trish Holliday, Chief Learning Officer.

Executive leaders, senior-level managers, and employees all play critical roles in meeting current and long-term workforce needs through succession planning. For example:

- Executive leaders participate in the Talent Management Executive Leadership series, promote a shared leadership vocabulary, and review and support succession planning initiatives to ensure that they anticipate evolving needs and produce desired results.

“Succession planning ensures that there is a pool of talent that supports the state’s “grow-our-own” philosophy,”

- Dr. Trish Holliday
  Chief Learning Officer
• Senior level leaders assess employee potential, talk with employees about career aspirations and goals, share talent across departments and divisions, and offer stretch and rotation assignments.
• As part of the talent review process, employees will identify personal and career goals, communicate career interests, identify personal development needs, and enhance their career potential by seeking and accepting stretch and rotational assignments, participating in training and development programs, and serving as coaches or mentors to others in the department where appropriate.

LEAD Tennessee is the centerpiece of the state’s process for building a sustained leadership pipeline. Up to 130 employees from across all state agencies participate in 12 months of intense development work around eight core leadership competencies that are most critical to the future success of a customer-focused government. The program has produced more than 900 leaders statewide who:
• Share a common language and mindset about great leadership
• Demonstrate skill in eight core leadership competencies
• Provide agency bench strength
• Are motivated and prepared to lead when opportunities arise

As part of the ongoing succession planning process, state agencies are beginning to conduct annual talent reviews to assess talent among current employees and invest in growth opportunities for employees that meet agency needs. The Department of Human Resources provides employee and supervisor scorecards to guide the annual reviews.

BUILDING A LEARNING CULTURE
As one of the first states to create a chief learning officer position, Tennessee has invested in a comprehensive training portfolio that reaches every level of government. “We are not teaching to the elite here,” Holliday said. “But we also are not a repair shop for performance problems.” The state encourages competition to participate in learning programs in order to attract employees who are motivated to advance in the organization and willing to invest time in developing their capacity. “Our message to employees is that if you work hard and strive for excellence, you have a future here,” Holliday added.

Employee development programs include the Tennessee Government Executive Institute, Tennessee Government Management Institute, the Accelerated Leadership Institute for high-potential employees who don’t have supervisory responsibility or experience, leadership academies, supervisor and management development program, and agency technical training. The broad scope of the state’s learning programs is intended to meet the range of needs among nearly 38,000 employees and communicate that there are opportunities for all employees.

Experience demonstrates that the state’s learning culture motivates employees and contributes to a positive attitude. “People walk taller when they know that we are investing in their development,” Hunter said. “There is “Our message to employees is that if you work hard and strive for excellence, you have a future here.”

- Dr. Trish Holliday
Chief Learning Officer
MAKING STATE GOVERNMENT AN EMPLOYER OF CHOICE

The Department of Human Resources uses a variety of approaches to make state government an employer of choice, including providing benefits that address the interests and desires of a changing workforce, building a culture that supports employee retention, and marketing state government as a great place to work. With an increasing number of current and potential employees born after 1964 and growing retirements among baby boomers, the state has focused on five strategies for attracting and retaining its future workforce:

1. Effective onboarding
2. Honest and frequent feedback
3. Growth opportunities and challenging work
4. Flexible work schedules to support work-life balance
5. Employee empowerment through coaching, mentoring, and engagement in decision making.

In addition to its leadership and employee development and succession planning programs, two examples of how Tennessee embraces these practices are:

• A structured onboarding process for all newly hired, transferred, or promoted employees to equip them with the knowledge and support they need to succeed in their new positions. Unlike some traditional employee orientation which focuses on completing forms and reviewing benefits, Tennessee’s onboarding process is designed to integrate employees into the organization to ensure that they have the knowledge and skills needed to become successful and productive. The process, which was developed by a statewide task force made up of human resources and talent management directors that reviewed how other states approached onboarding, is carried out by supervisors with employees as active participants. The task force’s work produced a handbook entitled Creating a State of Success and an online learning module to guide managers and supervisors through the first 90 days of the onboarding process.

• Periodic “stay interviews” with employees to learn what’s going well, what they like about working for the state, what has contributed to their success, challenges they are encountering, and what the manager can do to overcome those challenges. While exit interviews are conducted routinely, a stay interview can sometimes make the difference in retaining a good employee by providing an opportunity for input, demonstrating that the employer cares about them, and identifying problems or challenges that can be addressed before that employee decides to leave state government. The stay interview methodology has been incorporated into the talent review process as a retention tool for high performers.

FOCUSBING ON PEOPLE

Underlying Tennessee’s talent management, succession planning, and leadership development policies, and procedures, Tennessee’s onboarding process is designed to integrate employees into the organization to ensure that they have the knowledge and skills needed to become successful and productive. The process, which was developed by a statewide task force made up of human resources and talent management directors that reviewed how other states approached onboarding, is carried out by supervisors with employees as active participants. The task force’s work produced a handbook entitled Creating a State of Success and an online learning module to guide managers and supervisors through the first 90 days of the onboarding process.

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programs is a deep and pervasive commitment to people. “We sometimes get so focused on performance that we forget about people,” Hunter said. “People are our greatest organizational asset.” Leaders and managers are encouraged to look for ways to engage employees by asking what they are interested in and how they want to contribute. Agency heads, senior managers, and supervisors regularly demonstrate the value and importance of employees in delivering on the state’s mission through use of surveys, stay interviews, frequent feedback, and opportunities to serve on task forces and advisory councils. “We focus on the good things that are happening in our organization to create a culture that motivates people to stay,” Holliday said.

Investing in engagement and regular connections with all employees is particularly important with younger workers who tend to be less likely to make a long-term commitment to one organization unless they feel valued and see opportunities for advancement.

CONCLUSION
In Tennessee, a deep commitment to employee and leadership development has helped the state deal with the challenges of impending retirements, a shrinking labor pool, growing competition for talent, and changing workforce expectations. Commissioner Hunter believes that the principles that guide Tennessee’s approach to developing a top-notch workforce for the future are transferable to organizations of all sizes. Those principles include:

• Providing learning and development opportunities for all employees rather than an elite few
• Focusing on people as well as performance
• Engaging employees in meaningful ways
• Creating an environment where employees can thrive
• Committing to a “grow-our-own” leadership philosophy as an essential component of workforce and succession planning
• Implementing a comprehensive talent management strategy.

TAKEAWAYS

▶ Succession planning goes hand-in-hand with a robust program of continuous learning to ensure that agencies have the staffing levels and mix of skills needed to carry out their mission.
▶ Tennessee’s two complementary approaches to succession planning – role based to help employees compete for roles they seek in the organization and pool based to build a leadership pipeline by identifying employees with the potential to move up – support the state’s grow-its-own leadership philosophy.
▶ Sustained involvement of department heads and senior managers in training and leadership development ensures that they will support the programs even when budgets are tight.
▶ The state’s learning culture motivates employees, contributes to a positive attitude, and supports employee retention.

QUICK FACTS
Total authorized staff: 43,733
Executive Branch
Projected retirements over the next five years: 38%
2016 Promotions: 4,200
Average turnover rate during the past five years: 13%
2016 population: 6.6 million
2016 unemployment rate: 4%
Website: www.tn.gov
www.tn.gov/hr

ENDNOTES
Information for this case study comes from the Tennessee Department of Human Resources website, human resources publications, and an interview with Rebecca Hunter, Commissioner, Tennessee Department of Human Resources, and Dr. Trish Holliday, Assistant Commissioner and Chief of Learning, Tennessee Department of Human Resources, conducted on June 27, 2017

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