

BOOM! MANAGING A “RETIREMENT TIDAL WAVE”

By Rob Carty, ICMA

“While stability among our senior staff has been a great asset for the city, it will be a disaster when we all retire in the next five to ten years.”

-ICMA Member

“Succession will happen regardless of planning.”

-Ben Marchant, City Administrator, City of Jerome, Idaho

“For the price of one consultant study, we share a management fellow with a neighboring community for a whole year. Our fellow accomplishes much more than one study, and we are building capacity in our profession.”

-Scot Simpson, City Manager, Lancaster, Wisconsin

Houston, We Have a Problem!

A lot has been written lately about the impending retirement of the baby boomer generation and the impact that this potential “tidal wave” of departures will have on local government, in particular senior management. Federal and state statistics claim that as many as 80 percent of senior executives have begun their retirement eligibility. Demographic data for ICMA membership shows a similar trend: up to 50 percent of senior managers are approaching retirement eligibility.

But when will they retire? And when they do, will local governments have enough candidates ready in the wings to fill these empty shoes? And if they don’t step aside, how do we prepare tomorrow’s managers?

To quantify observations about retirement, succession planning, and the future of the local government management profession, ICMA recently surveyed its members who are employed by jurisdictions as chief administrative officers (CAOs), assistant CAOs, or department heads. Below are some key findings that reinforce what ICMA and other management organizations have suggested in recent years.

The written comments provided by survey respondents offered additional insights; many respondents felt that their organizations are too small to develop succession plans. Additionally, recruitment challenges



are hindered by a lack of support among the public and elected officials, and the current economic downturn and decline in retirement savings could significantly delay retirements.

If we fail to develop the best and brightest who currently exist within our ranks, where will tomorrow’s local government leaders come from? The situation looks worse as middle- and entry-level management positions continue to disappear after years of belt-tightening and cutbacks. From where do you promote up when you have largely eliminated the pool from which talent is drawn? And even if current managers delay full retirement and serve as interim managers, shouldn’t we be thinking about creating a robust talent pool that can provide a different mix of experienced

candidates when we need them?

Programmatic Efforts and Solutions

ICMA Executive Director Bob O’Neill tells a story about how he began his career in local government as a management intern with the City of Hampton, Virginia. He frequently reminds colleagues to remember the mentors who gave them a hand; who saw something in them as inexperienced recruits that they couldn’t see in themselves. Developing the next generation of managers is one of the most important functions of our profession. It’s also fun and rewarding.

In 2003, ICMA launched its “Next Generation Initiative” with four broad goals designed to promote the profession, help interested students and career changers enter local government, engage new entrants in important local government leadership networks (e.g., ICMA and state manager associations), and help early- to mid-level careerists build their leadership skills so they are prepared to take on senior roles. Many survey respondents stressed the importance of encouraging local government managers to get engaged in efforts such as these in order to sustain our communities. Here are some ideas:

- 1. Think regionally about establishing a management talent pool.** Sharing an internship or fellowship position with another city, town, or county can give a candidate broad experience, save your jurisdiction money, and accomplish an important goal while building regional connections. At a minimum, hiring an MPA grad or other student, even in an unpaid capacity, helps prepare that individual to become part of the next crop of managers. Several communities have shared fellows through the Local Government Management Fellowship Program, launched in 2004 (icma.org/lgmf).
- 2. Plan for the future, no matter how small your organization.** Developing a succession plan won’t require you to hire someone now or you

to automatically “anoint the deputy.” But it can help you identify the steps you need to take to prepare and budget for staff transitions and changes. Your plan can be an informal talent management plan or a full-blown, council-approved succession plan; it can be as simple as calling an executive recruiter and coaching a fellow or intern in another community.

- 3. Look for home-grown “diamonds in the rough.”** In his best-seller, *Good to Great*, Jim Collins reminds us that many of the CEOs of the great companies in his study were not white knights who rode in from the outside but instead were promoted from within their existing organizations. Seeking new talent from outside versus existing talent has some merit, but continually disregarding home-team players in favor of saviors from other organizations doesn’t foster a contented, skilled, and sustainable employee base. In the 2003 Harvard Business School case study, “GE’s Talent Machine: The Making of a CEO,” Bartlett and McLean cite how Jeff Immelt devoted 40 percent of his time to people issues by strategically studying and placing his senior staff like chess pieces. Not all local governments can be as determined as GE, but a strategic approach to staff planning ensures that future leaders are cultivated within rather than outside the organization.
- 4. Coach, mentor, or talk to your staff about their careers and plans.** This requires actively engaging your employees, understanding your organization’s “bench strength,” and identifying ways to develop those who want to move up (even if it means that they eventually move out). If your staff is small, coach a summer intern, a full-time unpaid intern, or a graduate management fellow in another community or through a state organization.

One ICMA member had this advice for his colleagues who are interested in developing their staffs:

“Identify next-step career and intermediate training goals for your staff as part of your employee development and appraisal system. Know the key positions that you may not have a suitable internal candidate for. Always try to hire [promising] candidates who could potentially work at a higher level than the position you are filling.”

To learn more about becoming a successful coach, building a succession plan, or other programs that can help your organization prepare future local government managers, please visit ICMA and the Alliance online at icma.org/nexgen and www.transformgov.org. We invite you to discuss this article online at forums.icma.org.

The data in this paper is from a November 2008 ICMA survey. Full survey results are available at icma.org/nextgen under “Data on the Profession” in the left menu bar.

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1. Local Governments have very experienced managers at the helm today.	<ul style="list-style-type: none"> • 64% of respondents have been in local government for 20 years or longer. • 48% of respondents have been in a management position for 20 years or longer.
2. Starting at the bottom is how most managers entered the profession.	<ul style="list-style-type: none"> • 85% started with an internship/fellowship in college or an entry-level position. • 40% of career changers also started in local government with an internship/fellowship or entry-level position.
3. Coaching and mentoring is highly valuable in career planning for people early in their careers.	<ul style="list-style-type: none"> • 98% of respondents agreed that people early in their careers benefit from mentors and coaches to help them with career planning. • 89% said they were interested in being a coach or mentor.
4. Managers are going to retire and, all things being equal, will do it close to their eligibility.	<ul style="list-style-type: none"> • 43% of respondents stated they are eligible to retire within one to five years (24% are eligible now). • 51% stated they would retire within one to five years of eligibility.
5. Retirees are going to do something other than be full-time managers.	<ul style="list-style-type: none"> • 28% stated they would serve in interim management positions. • 34% stated they were interested in full- or part-time consulting.
6. We’re not ready for a large volume of retirements.	<ul style="list-style-type: none"> • Few respondents had any kind of entry program: 6% full time graduate, 14% part-time graduate and 11% undergraduate. • 53% don’t have any kind of succession plan, internship, fellowship, step-up, or mentoring program. • 20% are already having trouble recruiting for senior management positions.