

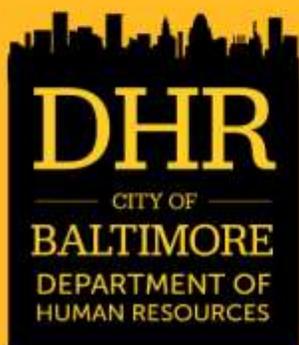


DHR Succession Plan

BE MORE Prepared

Talent for Tomorrow and Beyond

FY 2023



Quinton M. Herbert, JD, Director & CHCO

Brandon M. Scott, Mayor



Succession Planning Program

Table of Contents

- I. Introduction**
- II. Business Case**
- III. Succession Planning Program**
- IV. Succession Planning Definitions**
- V. Analytics**
- VI. Specific Succession Planning Program**
- VII. Summary**

I. Introduction

The Department of Human Resources (“DHR”) in concert with other City of Baltimore agencies, has been tasked with providing a report to the Mayor and City Council which analyzes the sustainability of the City’s internal workforce to ensure the ability to provide and maintain current and future service delivery standards to the City’s constituents. To this end, DHR remains committed to the high performance of all City agencies by attracting, developing, and retaining a prepared, highly skilled, and diverse workforce.

The task at hand provides us with an opportunity to face the realities of our unique and aging population. As such, this succession planning proposal is an especially critical study. These are issues that have been discussed in DHR and within the HR Leaders Program, especially in terms of identifying talent gaps and staffing needs; ensuring the growth of new leaders within our workforce; and developing internship, pathway and apprenticeship programs. This proposal will require the implementation of new strategies across several HR divisions and the integration of data between the Retirement Systems and Human Resources. It includes input from DHR Leadership, our external partners from the Employees' Retirement System (“ERS”) and the Mayor’s Office of Employee Development.

The benefits of having an identifiable succession plan for the City’s critical roles mitigates a number of risks to future City operations. These risks include, but are not limited to:

- Loss of mission critical knowledge that may never be recovered,
- Naming a successor who lacks institutional knowledge, training or skills needed to perform the job successfully,
- Significant loss of time spent getting a new successor up to speed; and
- Potential disruptions to workplace processes, workflows, and protocols.

Succession planning is an important part of the City’s talent management process because it retains and develops intellectual capital for the future. It provides a way to identify key roles, people with the right skills and positions that may need filling in a short space of time. This process will help the City recognize future leaders and have a greater impact in creating and maintaining equitable gender diversity in senior roles.

Having a clearly defined and communicated succession plan demonstrates to invested parties (like our constituents and current and potential employees), that the City is proactively managing current staff and planning for the future. Determining skills,

competencies, and other desirable candidate traits and developing and implementing **The Succession Planning Learning Series (“SPLS”)** to grow these strengths in future candidates, is a proactive and effective means of preparing candidates to assume critical positions when the need arises.

II. Business Case

Succession planning helps an organization identify, develop, and retain employees. The aim of succession planning is to develop pockets of skilled employees by helping them gain the experience and competencies they need to move into key vacancies created by attrition. On a basic level a succession plan will determine a designated backup and a potential successor for select key positions. With a more detailed approach, a succession plan will have replacements ready and ensure those candidates have completed the requisite training, mentoring, and development necessary to make transition efficient and mutually beneficial to both the organization and the qualified employees. In short, effective succession planning will get the right candidate in the right job at the right time.

According to a recent IPMA-HR Benchmarking Report on talent management, “4 out of 10 public sector Human Resources practitioners’ agencies could lose 20% or more of their employees to retirement within the next five years”.¹ In the same study, where 86% of respondents represented municipal/local government, 65% of all respondents said they do not have a succession plan in place. In addition, a Pew research study found that 10,000 baby boomers will turn 65 every day over the next two decades, pushing them closer and closer to the retirement threshold.² Many governments face the challenge of ensuring continuity and consistency of service delivery due to employee turnover. In instances where large numbers of government employees are eligible to retire, there is a concern that not enough qualified or available workers will be prepared to replace them.

Consequently, 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,

¹ https://www.ipma-hr.org/docs/default-source/members-only/benchmarking-reports/2014-ipma-hr-benchmarking-report.pdf?sfvrsn=1e7023ec_4

² <https://www.pewresearch.org/fact-tank/2010/12/29/baby-boomers-retire/>

and recruitment to meet these needs. This creates the nimble and flexible organization that is predicted to be critical to any organization's sustainability. An alignment of resources in an era of shrinking revenue levels ensures that the organization is operating as efficiently and effectively as possible.

Developing Competencies

A competency is a characteristic of an employee that correlates to high job performance and success within an organizational structure. Two types of competencies exist – individual and organizational. Individual competencies are a critical tool in succession planning and workforce management. Competencies help identify capabilities, skills, and attitudes needed to meet current and future staffing needs. Competencies are skills, behaviors, and attributes that employees possess that are generally linked to strong job performance. They include knowledge, skills, and abilities but also include other personal characteristics. Examples of competencies include: presentation skills, written communication, effectiveness of communication, decision making, influence, stress tolerance and teamwork. Competencies may be categorized by leader, employee or management level. Some competencies may be inherent to one's personality such as ability to handle conflict. Others may be reflective of characteristics and skills that are developed or built later in life through training, education, and experience.

Timing

Succession planning should begin and actively occur at a time when there is not an emergency need to fill key positions. It is preferable to conduct succession planning activities when vacancies do not yet exist and the incumbent has not made his or her wishes of terminating employment final. 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).

III. Succession Planning Program

The City of Baltimore's Succession Planning Program identifies agencies with 250+ Supervisory & Management employees and critically skilled positions and develops action plans for those individuals to assume these key positions. It is a comprehensive plan that addresses both immediate and future staffing needs to ensure a pipeline of talent available to execute an agency strategies and goals.

This succession planning program will help ensure future business continuity and performance, particularly during times of shifting leadership and change. Even when there is no identifiable successor within an organization, succession planning can help identify the gaps in knowledge, skills and assist in the development plans needed for internal and external candidates.

Succession planning works best when we can identify individuals with the skills and potential to perform in future roles, to strengthen the overall capability of the agency, and ultimately, to achieve the City of Baltimore's strategic goals.

Common succession planning objectives will ensure success of any succession planning effort, the main objectives include the following:

- Identifying significant agency business challenges in the next 1-5 years;
- Identifying critical positions that will be needed to support business continuity;
- Selecting the competencies individuals will need to be successful in positions and to meet identified business challenges;
- Developing a pool of talent to step into critical positions; and
- Reviewing potential position vacancies and capturing the knowledge that individuals possess before departing the agency.

For a succession planning initiative to be successful in supporting business strategies and goals, the following items should be understood and addressed:

- Succession Planning is closely tied to business strategy and goals;
- Executive and senior leaders should be vested in the process to ensure its success;
- Development of key talent is clearly defined, focused, and managed throughout the process; and
- Employees understand their role in the process and know what is expected of them.

A quality succession plan is supported by other key HR systems such as Learning and Development of key talent, Recruitment and Selection of internal/external talent and Performance Management to drive competency excellence in identified talent. These HR systems work in concert to ensure a successful execution of the succession plan.

IV. Succession Planning Definitions

Attrition – the departure of employees from the organization for any reason (voluntary or involuntary), including resignation, termination, death or retirement.

Critical Roles – Roles that have the greatest impact on an agency’s performance, and would also be the most difficult to replace.

Developmental Roles – Roles that provide developmental experience.

Employee Onboard Count & Retirement Eligibility - Provides visual representation of the employees onboard, their distribution across the organization and how much of the workforce is retirement eligible.

Feeder Roles – Roles that allow employees to develop the requisite knowledge, skills and experience to assume greater roles and responsibilities in an agency when a critical role becomes vacant.

Four Box (4-Box) – Tool used to evaluate an employee's Skill and Will or desire to grow in their career.

GS level distribution – Tool used to identify whether there is a junior pipeline of employees for succession planning. This tool may also aid in identifying critical positions.

High Potential – An employee who has been identified as having the ability to advance

Retirement Eligible (such as series) – Metric used to identify areas that may experience future turnover and may be vulnerable to knowledge loss without a successor.

Separations (hiring) – Metric used to study hiring and separation trends over a set period of time for the purpose of forecasting future staffing needs across different scenarios.

Separation and accession trends by series – Metric used to identify areas of high turnover to prioritize for succession planning activities.

Talent Pool – A group of people being developed for career advancement in higher level roles.

Talent Review – A broad review of talent to identify candidates for development to higher levels. Usually involves group discussion at multiple levels.

Time Stayed Past Retirement – Metric used to provide insight into how long employees typically stay past their retirement eligibility date.

Time to Hire – Metric used to determine which positions take longest to fill and are therefore more vulnerable when turnover occurs.

Years of Service – Metric which identifies employees who may be closest to retirement and have more institutional knowledge to capture.

V. Analytics

The City of Baltimore is not immune to the economic factors that are affecting regional workplaces and employees who work and reside in the city. Our current workforce of 12,521 represents the number of full-time and part-time workers employed by the City of Baltimore. Of this 58% of the workforce or 7,215 reside in the City of Baltimore.

As with many employers we are currently seeing some of the impact from the “Great Resignation.” Whether it is related to career growth, opportunities to go back to school, work environment challenges or retirement, for the past fiscal year the city’s agencies have endured a lower percentage of turnover creating a flat or negative impact. This is due to our ability to attract and hire additional workers into city employment outpacing the number of workers who have resigned from the City of Baltimore.

The following turnover data report from July 1, 2021, to March 2022 reflects a current citywide turnover rate of 4.2%. The chart below demonstrates each Agency’s turnover percentage, while the negative numbers will show the impact of hiring additional staff added to those agencies.

[the remainder of this page is left blank intentionally]

Turnover Data Fiscal Year 2022

Agency	Annual-TO
Baltimore City Office of Information and Technology	-9.40%
Cable & Communications	33.30%
City Council	0.00%
Comptroller	0.00%
Comptroller - Audits	2.80%
Comptroller - Communication Services	0.00%
Comptroller - Real Estate	12.50%
Convention Center	13.70%
Council Services	0.00%
Courts - Circuit Court	4.10%
Courts - Orphan's Court	12.50%
Elections	0.00%
Enoch Pratt Free Library	6.20%
Environmental Control Board	-18.20%
Finance - Accounting & Payroll	-20.00%
Finance - Administration & Budgets	12.80%
Finance - Collections	-3.40%
Finance - Purchasing	-2.60%
Finance - Risk Management	18.20%
Finance - Treasury	0.00%
Fire Department	3.70%
General Services	3.10%
Health Department	15.60%
Housing & Community Development	6.70%
Human Resources	-4.80%
Labor Commissioner's Office	0.00%
Law Department	-4.00%
Legislative Reference	0.00%
Liquor License Board	0.00%
Mayor's Office	-41.50%
Mayor's Office of Employment Development	-22.30%
Mayor's Office of Homeless Services	-1.90%
MOCFS	12.20%
Municipal Zoning & Appeals	-14.30%
Office of Equity and Civil Rights	14.30%
Office of the Inspector General	6.30%

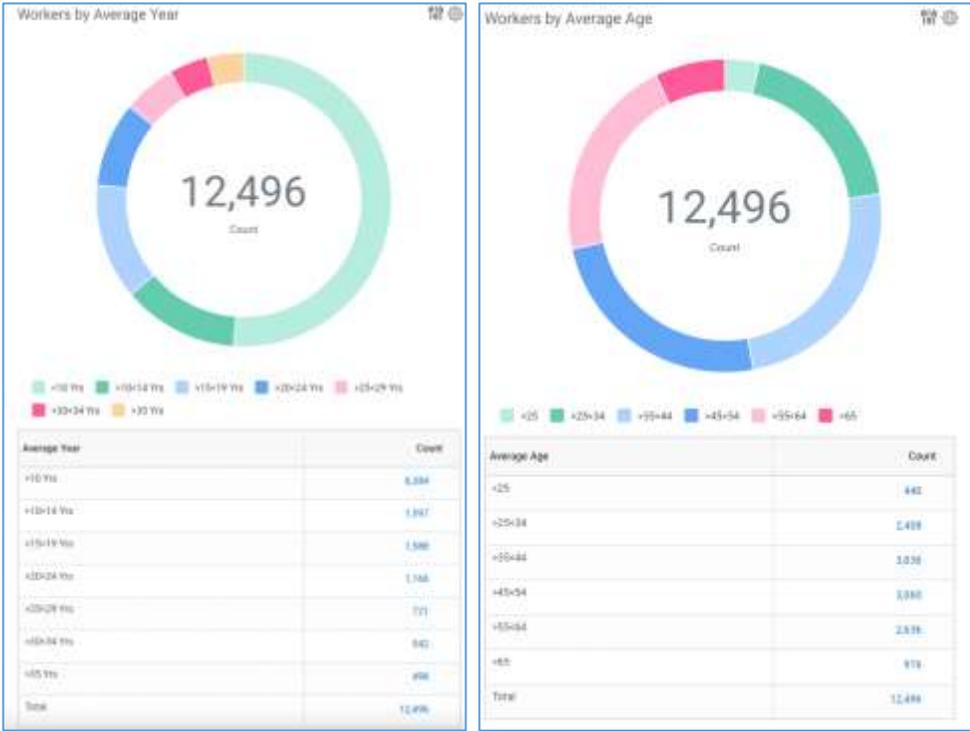
Planning	1.90%
Police Department	4.10%
Public Works - Administration	-62.30%
Public Works - Solid Waste	-5.70%
Public Works - Solid Waste (weekly)	5.60%
Public Works - Water & Waste Water	9.60%
Rec & Parks	13.30%
Recreation & Parks - Administration	2.10%
Recreation & Parks - Parks	6.50%
Recreation & Parks - Recreation	28.40%
Retire - ERS/EOS	-2.80%
Retire - Fire & Police	-3.70%
Sheriff's Office	-0.60%
State's Attorney's Office	10.80%
Transportation - Crossing Guards	-3.40%
Transportation - Highways	2.90%
Transportation - Towing	9.40%
Transportation - Traffic	2.70%
Transportation Highways	10.90%
CITYWIDE	4.20%

[the remainder of this page is left blank intentionally]

A. Diversity and Inclusion

With the implementation of Workday, agency leaders will have access to their agency’s Diversity, Equity and Inclusion Dashboard in Workday that will provide the current state of their organizational workforce. DEI Dashboard data available to the agency leaders includes *inter alia*: age, years of service, race, sex and gender.

Diversity & Inclusion Dashboard



B. Retirement Potential Employee Retirement Savings

In this section you will find information on the employee population including retirement potentials in the Employee Retirement System (ERS) programs and Fire and Police retirement programs.

Retirement eligible by agency identifies the agencies that may experience future turnover and those who are vulnerable to knowledge loss without a successor. The data reveals City agencies that may be vulnerable due to the number of employees who have remained past their retirement eligibility date. Retirement eligible employees increase the risk of higher attrition at each 5-year increment. Knowledge transfer is key to ensuring that the agency does not lose key information and know how when the retirement eligible population does retire.

Employees who are enrolled in the retirement benefits must reach specific criteria to be eligible for retirement benefits. For example:

- **Early Service Retirement:** at least age 55 with a minimum of 5 years of membership service credit. Benefits paid under this provision are reduced. Reduction factor is determined based on age at selected retirement date.
- **Normal Service Retirement or Full Retirement:** at least age 65 with a minimum of 5 years of membership service credit or 30 years of membership regardless of age. Benefits paid under this provision are not reduced.

The following tables represent the percentage of the city’s workforce who are eligible for Full Retirement and Early Retirement both in the aggregate and by agency.

Period	Total Eligible	% Full Retirement	% Early Retirement
2022	3,188	48.8%	51.2%
2023	3,506	50.4%	49.6%
2024	3,852	52.4%	47.6%
2025	4,267	54.5%	45.5%
2026	4,610	56.9%	43.1%

Retirement Eligible by Agency and Year

Public Safety Administrative

Agency	2022	2023	2024	2025	2026
Fire Department	62	69	79	87	91
Police Department	128	137	150	161	175
Total Public Safety	190	206	229	248	266

Operational

	2022	2023	2024	2025	2026
Agency					
DPW - Administration	50	57	67	74	82
DPW - Solid Waste	211	246	275	311	346
DPW - Water & Wastewater	556	607	658	722	754
TRANS - Crossing Guards	104	111	120	135	150
TRANS - Highways	310	335	359	382	402
TRANS - Towing	10	12	16	17	19
TRANS - Traffic	71	78	91	98	109
General Services	114	124	132	151	155
R&P - Parks	34	40	40	45	49
R&P - Recreation	20	22	25	33	35
R&P - Administration	18	19	21	25	32
HLTH - Health Department	205	227	245	278	299
Total Operational	1,703	1,878	2,049	2,271	2,432

Enterprise Support

Agency	2022	2023	2024	2025	2026
FIN - Acct & Payroll	11	11	12	13	13
FIN - Admin & Budgets	9	9	11	12	14
FIN - Collections	48	53	56	61	69
FIN - Purchasing	15	16	17	20	24
HR - Human Resources	14	18	21	23	25
M-R Info Technology	7	9	11	18	24
Total Enterprise	104	116	128	147	169
Grand Totals	1,997	2,200	2,406	2,666	2,687

C. Public Safety Retirement Eligibility

The City’s Public Safety Uniformed officers in our Fire Department and Police Department’s consists of employees who have former Military Service included in their retirement program. This program is regulated by the State of Maryland limiting the City’s ability to fully control the agreement and details of the Fire and Police Retirement plan.

The table below reflects the number of Fire and Police employees who are eligible for retirement as of January 2022 through December 2026.

Agency Name	2022	2023	2024	2025	2026	Total
Fire Department	491	5	7	10	20	533
Police Department	679	7	13	14	10	723
Total Public Safety	1,170	12	20	24	30	1,256

VI. Specific Succession Planning Programs

There are a number of programs that are implemented to administer a successful Succession Planning program, those additional resources provide an opportunity to educate leaders and employees to reduce the skill gaps and develop a successful workforce. Those programs include how we recruit and hire external candidates and our partnerships with local high schools and trade programs. Additionally, DHR’s Office of Learning and Development provides Skill Path Learning Series and employee development programs designed to enhance the skill set of leaders and employees.

In the Fall of 2022, the city will implement the first Succession Planning program focusing on employees in Grades 939 Operations Manager I and above. The program will combine employees in the functional groups of Operational, Public Safety and Enterprise Support.

Function Group	Agencies Included
Operational	Department of General Services, Department of Transportation, Department of Public Works, Health Department, Housing & Community Development, Recreation & Parks
Public Safety	Baltimore City Fire Department, Baltimore City Police Department
Enterprise Support	Department of Finance, Department of Human Resources, Baltimore City Information Technology

In Each Agency

Function Group	Agency	939 & Above	City Resident
Operational	Department of General Services	8	2
	Department of Transportation	20	12
	Department of Public Works	33	17
	Health Department	26	16
	Housing & Community Development	14	9
	Recreation & Parks	8	5
Public Safety	Baltimore City Fire Department	9	7
	Baltimore City Police Department	26	13
Enterprise Support	Department of Finance	13	4
	Department of Human Resources	11	5
	Baltimore City Information Technology	27	9
Total Workers		315	182

Attracting, Hiring and Retaining Talent

A. Recruitment Programs

Quality talent is an important element to each agency's success. A well thought-out and implemented recruiting strategy will help to ensure that the right candidates are hired into positions when needed.

Effective recruiting requires proper planning to ensure a diverse talent pool of candidates. DHR's Office of Recruitment and Shared Services assists agencies recruiting efforts and coordinates with agency HR practitioners in job postings. Some job classes require minimum effort to achieve adequate candidate lists where others pose a challenge. Recruiting for hard-to-fill positions may require the use of several methods to attract qualified candidates.

1. College Internships and Pathway Programs

The strategy to compete and groom entry-level talent is designed to manage, monitor and develop unskilled candidates into our Internship & College Professional, Pathway Programs and Apprenticeship Programs which will provide strategies for staffing short and long-term hiring needs.

DHR’s efforts to understand the depth of recruiting and development of junior talent in the City of Baltimore is currently limited. DHR is working with the Administration to update and formalize the standards, processes and procedures needed to ensure agencies are reporting this information to one centralized location. We recognize the need to groom potential talent for the city which afford us the opportunity to develop specific critical skills for long-term placement.

This is a sample of the relationships that agencies have built. DHR is working with agencies to strategically foster long-term relationships and leverage internship and pathway participation into potential hiring opportunities.

Professional Feeder Programs	Pathway Student Programs
Baltimore Core Graduate Internships JHSPH - Nursing Morgan State UMBC University of Baltimore	Apprenticeship Maryland Baltimore High Schools Career Technical Education Coop Programs YearUp YouthWorks

2. Certified Public Manager Program

The Certified Public Manager program is a nationally accredited, comprehensive management and leadership development program offered through the University of Baltimore. It is designed for high-achieving, career public managers in mid and senior-level government positions. Public managers who successfully complete the challenging program are equipped with the CPM credential as well as expertise and competencies to maximize performance and effectiveness within their respective agency.

3. Apprenticeship Programs

The City of Baltimore and many workers in the city have benefited from apprenticeship programs that have combined paid-on-the job training with skills-based education that prepares them for highly skilled careers. As the job market continues to lure workers away from apprentice or skilled trades professions the City needs to create a robust program to attract and retain candidates once they have completed training. Specific industry-recognized apprenticeship programs will provide licenses for workers to perform critical skills and ultimately be hired into hard-to-fill jobs.

Apprenticeship Programs
Allstate
Baltimore CORE
COB Joint Apprenticeship Program
DPW CDL Program
Lincoln Technical Institute
MOED
MONSE
North American Trade

The City of Baltimore has a small number of classifications that fall under the hard to fill category. Positions that are considered hard to fill fall under the following conditions despite active, continuous and extensive recruitment efforts:

- The number of applicants has decreased;
- City unable to offer competitive pay;
- Candidates not possessing the competencies or knowledge, skills and abilities;
- High turnover due to physical demands;
- Applicants unable to pass pre-employment testing

Positions Considered Hard to Fill

Classification Title	Reason Hard to Fill
CDL Driver	Competitive pay and working conditions, the number of applicants has decreased, high turnover due to physical demands
Community Health Nurse Supervisor	National nursing shortage and competitive pay
Construction – Building Inspector	Competitive pay
Community Health Nurse II	National nursing shortage and competitive pay
Construction Electrical Inspector	Difficult to find candidates with a Master Plumbing license
Construction Mechanical Inspector	Difficult to find candidates that have a Master Plumbing license
Public Works Inspectors I	Difficult to find candidates that are willing to work in confined spaces
Public Works Inspectors II	Difficult to find candidates that are willing to work in confined spaces
Public Works Inspectors III	Difficult to find candidates that are willing to work in confined spaces
Superintendent, Conduits	Difficult to find candidates that are willing to work in confined spaces

B. Succession Planning Program Learning Series

The educational piece to Succession Planning is titled Succession Planning Learning Series (SPLS). The SPLS can be taken as a stand-alone course through DHR’s Office of Learning & Development or taken as a part of the Leadership Pathway. The SPLS is offered as hybrid learning path where the learner is responsible for self-paced online content along with practical application. SPLS is made up of four modules containing content that provides the learner foundational understanding of succession planning through advanced application utilizing actual agency data. The learning path focuses on the 8 steps of succession planning (see diagram below).

The summary of each module is highlighted below.

Module 1 – Understanding Succession Planning

- In this module a learner will understand the fundamentals of succession planning. They will be introduced to new terms and introduced to the benefits and importance of succession planning but also the risks of not formalizing succession. Several diagrams and visuals aides demonstrate process flow and gain understanding. The two types of succession planning will be introduced along with the eight steps of successful succession planning.

Module 2 – Employee Development for Succession

- In this module a learner will understand succession planning through assessing the talent pool and employee development. New diagrams, visuals aides and forms will be used to help demonstrate process flow and introduce new concepts.

Module 3 – Recruiting / Hiring for Succession

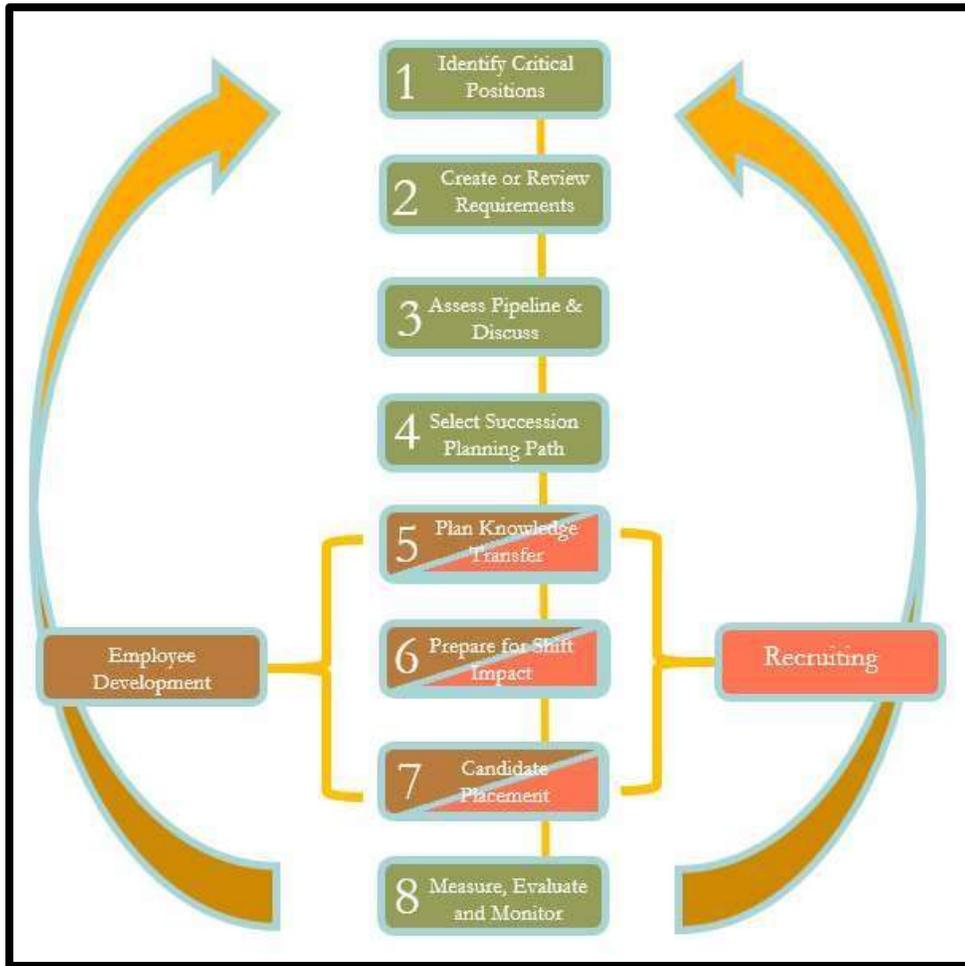
- In this module a learner will understand succession planning through a recruitment and hiring lens. New diagrams, visuals aides and forms will be used to help demonstrate process flow and introduce new concepts.

Module 4 – Practical Application

- In this module a learner will put their new knowledge into practice. Learners are expected to have actual office /agency / team data and information ready to make the determination of which succession planning method they will use. Learners should be prepared to place their employees into the tools provided and work through each step of the succession planning process. Learners will be provided access to the *Manager's Guide to Succession Planning* (see below) for the course and for future use.

[the remainder of this page is left blank intentionally]

8 Steps of Succession Planning



Manager's Guide to Succession Planning

The *Succession Planning Manager's Guide* is intended to provide agencies with a framework to develop staffing strategies to ensure talent is available for critical and vulnerable positions. Succession Planning programs will help management focus on the position first and then potential successors. During and after participating in the Succession Planning Learning Series a manager will be encouraged to use the *Manager's Guide to Succession Planning*.

Succession planning is not just a one-time assessment, it is a continuous cycle which involves short-term and long-term commitments in the development of the candidate pool; those who are willing and able to meet current and future City of Baltimore and Agency needs.

Focusing on the qualified positions rather than specific employees offers many benefits, such as:

- Fostering a culture of trust and fairness;
- A competitive process that promotes diversity and inclusion;
- Discovering unexpected and highly qualified candidates that may emerge through the competitive process;
- Reduced risk that a pre-selected candidate may leave the organization before they've assumed the successor position; and
- An increase in employee engagement as a result of the creation of career opportunities

Again, Succession Planning has the overall goal of placing the right person with the right skills in the right position at the right time. The manager's toolkit will assist leaders in developing strategies that support the development of its workforce.

The Succession Planning Manager's Guide will be available for leaders who are required to attend the Succession Planning Learning Series.

VIII. Final Summary

As the City of Baltimore considers succession planning, it is essential to rely upon a cross-agency succession planning team consisting of executive leadership, senior managers and HR staff. A successful succession planning undertaking requires a collaborative approach with facilitation by the enterprise support agencies.

It has been our objective to provide a framework for a succession planning program that is consistent with the strategic goals of the agencies and the City of Baltimore's business needs.

When designing this comprehensive succession planning framework, it was of primary importance that the following be considered:

- Disparate treatment;
- Job-relatedness; and
- Potential adverse impact

Additionally, since succession planning has the potential to impact an employee's employment status, the program must comport with current legal requirements and/or regulations.

HR plays a critical role in the succession planning process and may assume various roles depending on the size of the agency or resources available within an agency. HR will take on the role of a succession planning talent partner and share the expertise with members on the succession planning team.

Succession planning is vital to the long-term strategy of the City of Baltimore as it grows. It is more cost-effective to develop current employees for key positions rather than hire outside talent. Giving employees a clear path forward in their careers via a succession plan will also foster greater engagement and retention.