

# California Special District

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**HR: Retention, recruitment and preparing the next generation**

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**Interview with  
Frank Benest**

# Managing Human Capital in Local Government

## Interview with Dr. Frank Benest



**Human** resource issues can already be complex in any office environment. Throw in the complexities of working in a more regulated, sometimes unionized public agency environment and special district managers and officials have a lot on their plate when managing one of their most important resources – their employees.

Dr. Frank Benest served as the City Manager of Palo Alto, California until 2008 and is a noted consultant and trainer on rightsizing public organizations, entrepreneurial government, civic engagement, leadership development and succession planning. Prior to his appointment in Palo Alto, Dr. Benest served as City Manager in Brea and Colton, California. He has a doctorate in management from Brigham Young University; a Masters in Public Administration from California State University, Long Beach; and a Bachelor of Arts degree from Yale University.

Dr. Benest has worked extensively on the issue of managing talent in public agencies and has published reports on the issues of multi-generational workplaces and preparing the next generation of employees. *California Special District* asked Dr. Benest to outline some of the key issues facing special districts regarding their employees, how they can address those issues and how districts can prepare for the challenges facing them as the Baby Boomer generation begins to retire.

**You have extensive experience working in local government. Are human resource and employee relations issues at all different in the public sector vs. the private? How do they compare?**

Yes. There is quite a bit of difference, because we are a knowledge and service industry in local government and so we're heavily dependent on talent – on human capital -- more so than generally in the private sector. We are also more highly regulated than the private sector in terms of human resource management. Consequently, we are dependent on talent

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and it takes creativity to do a good job because we are highly regulated. In addition, we operate in a more unionized environment than the private sector and this makes human resource and employee relations issues more challenging. But, to the extent that we can fully utilize our human resources and mobilize our talents, we are going to be successful.

**You often quote Charles Lauer: “Leaders don’t force people to follow — they invite them on a journey.” What tips do you have for managers that will help them to lead in this fashion?**

First of all you know management is dependent upon your positional authority, but your positional authority can only force a minimal level of performance or compliance. Given this complex and challenging environment, we need to utilize leadership which is based on one’s personal - and even spiritual - attributes. It is all about winning the hearts and minds of employees. When we talk about inviting people on a journey, they must understand that it is a worthy journey and they must understand the vision. Once that happens, we as leaders must rally people toward that vision. And so that is what Lauer was referring to when he says you can’t force people to follow you, can only invite people on a journey.

**You have said local government management is in the midst of a quiet crisis. What is the crisis?**

In previous decades, we had a gigantic generation of talent – which was the baby boomer generation. Across the economy, there were 80 million baby boomers who were basically well educated, had developed their skills and were either in a high level of management or high level professional

positions. Most baby boomers right now, particularly in the public sector, are in highly skilled professional areas or management and administrative areas. Today there are 80 million baby boomers who have begun to retire or will retire soon and there are only 50 million Gen Xers who are poised to replace them throughout the U.S. economy. Now when you look at the public sector, there is a higher proportion of baby boomers in the public sector than the private sector and the reason is that we were all part of the JFK era: “Ask not what your country can do for you, ask what you can do for your country.” We all joined the public sector and public service to make a difference, build community and contribute to society.

As a whole generation of baby boomers retire and moves to their new life phase, this creates a tremendous brain-drain and leadership crisis for public agencies, because again we have a greater proportion of baby boomers in our organizations than the private sector. The reason it is called a quiet crisis is that it sort of snuck up on us. We had, for many decades, this gigantic talent pool of the baby boomers and we didn’t really worry about talent, because we had a lot of it. And now all of a sudden, this generation is retiring and again, there are a fewer number of Gen Xers who are ready and able to replace us.

**So what can agencies do to begin addressing this problem?**

First of all you have to acknowledge the problem, and then you have to take some steps to begin to address it. That includes doing a workforce analysis to see how vulnerable you are, particularly in certain important and significant positions. This is at the managerial level and the professional level. Then you need to basically

accelerate the development of key talent in your organization. You can’t wait for key talent to develop because of this retirement wave/crisis. Once you do your workforce analysis, then you have to identify key talent and identify areas where they need some assistance in their development and basically accelerate their development so they are more quickly able to advance and take over as baby boomers retire.

**Especially now in California, it is difficult for public agencies to offer highly competitive pay and benefits to the incoming workforce. With these constraints, what can local agency management staff and board members do to attract the younger workforce to public service?**

In addition to accelerating the development of people already in the pipeline, you have to attract new talent, particularly young talent, into the pipeline. So we need to make sure that our employee value proposition is attractive to young people so they will join us and replenish our ranks. Having said that, providing attractive compensation (pay and benefits) is necessary but insufficient. So, we must do our best even though we are under very tough economic times, to maintain competitive wages and attractive benefits. One of our advantages in the public sector is benefits so maintaining attractive benefits will help us because young people are becoming more aware of the need to have not only good pay, but benefits things like healthcare. Even though it takes them time to recognize the value of good retirement, they are certainly aware of healthcare benefits. Good compensation and benefits are necessary but totally insufficient. We really need to focus not only on the money aspect, but also on the meaning we offer and the opportunity to be challenged and the opportunities to learn. Learning is sort of the new social glue for

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## Dr. Benest [continued]



younger employees. As long as people are being challenged in their learning and as long as they are growing, they will stay with us. To the extent that they are not learning, growing and being challenged, they will look elsewhere. Our competitive edge can be on the culture side – we can offer an attractive culture where people have meaning in their work. This is one of the great advantages of public sector work - offering meaningful work that allows employees to be challenged and providing opportunities for growth.

Research shows that the younger generation also wants to be partners in the enterprise. They do not want to wait 20 years of paying their dues before they get any input into decisions. They want to be partners in the enterprise now. They want to provide input. They want to be part of the influence and decision-making process at a much younger age. So being partners in the enterprise is very important and, finally, they want balance. They are still committed to their careers, but they don't want to sacrifice their personal lives or their family lives for their career. We have the opportunity to win on the value side if we, in some cases, retool the way we do our work and the way we lead our organization.

### **You advocate developing a multi-dimensional talent strategy in the workplace. What does this strategy entail?**

In government, we have five-year or seven-year capital improvement programs. Some governments also have long-term financial strategies. It is amazing to me that, given that the majority of our resources are in people, we don't have a longer-term comprehensive human capital strategy. The talent strategy is based on a number of things. First of all, we need to identify the kind of challenges that we have now and the challenges we'll have in the future. Based upon those kinds of challenges for our public agencies, we need to determine what the competencies are that we need for our leaders and emerging leaders and our key professionals. Based upon those key competencies, to what extent are we accelerating the development of people, so that they develop those competencies? To what extent are we attracting talent into the pipeline so we have those competencies? To what extent are we retaining and growing our talent? To what extent are we focusing on different talent segments? What are we doing to retain those folks? So there is a whole host of metrics that we need to have in terms of developing this strategy and implementing that strategy.

### **Do you think that many agencies are doing this right now?**

No. There is an interesting study by the Center for Excellence in State and Local Governments that indicates we probably have bought ourselves a little time because of the economic situation where some of our older talent may stay around a

little bit. Now that will not change the demographic. We may buy six months, 12 months; maybe 18 months because people's private investments have declined in value, but the problem is that, while we may have bought some time, we have to use the time. And we have to use the time in terms of looking at what our talent needs are now and in the future and what we are going to do about it. I do not see a great number of public agencies that are saying now is the time to invest in talent and developing talent and attracting, retaining and growing our talent. The great companies in the private sector invest in the downturn so they are ready for the upturn. We need to do the same thing in the public sector.

### **How important is it for board members and managers to secure replacement talent for top positions?**

Again, assuming that we know that we are in a service and knowledge industry, it is all about talent and you can't do anything without talent. Board members have to understand that they may have the greatest policy ideas in the world and they may have the greatest policy agenda in the world, but their ideas are impotent without talent to execute those ideas. Board members are typically focused on the here and now or the near future, but they can't accomplish anything without talent.

While talent may stay with us given the very dismal economy right now, what is going to happen as soon as the economy improves? All of a sudden, our key talent will be in a much better position to leave us. So we better create what I call organizational stickiness now so talent will stay with us once the economy begins to improve. Particularly for board members, I think the key question is how important is it for our policy agenda to have talent to implement it? In the report I did for ICMA in terms of creating a talent strategy, I stress the importance of consciously addressing an agency's employee value proposition and that is sort of a two-fold question: Number one, why would key talent *want* to join and stay with us? And number two, why would key talent be *reluctant* to join and stay with us? We need to very forthrightly and self-critically address those two questions if we are going to be successful in dealing with the war for talent.

**What are the most important things a special district can do to begin securing talent for those positions?**

Again, number one is just an acknowledgement that it is all about talent. Number two, there needs to be a workforce analysis so they see where they are vulnerable in terms of their managerial positions and their key professional positions. Number three, they need to do a talent readiness assessment – how ready is key talent in terms of advancing once people retire or move on or leave. I think there needs to be a conversation with board members so they understand that there is a talent crisis and a next generation challenge. The board members need to be aware of it and conscious about it and then there has to be

some very pragmatic steps that special districts take in terms of developing its talent. That could be by its own development programs (and in the report I list a variety of cost-effective things that organizations can do, such as special assignments, interim positions, rotational positions, etc. The last thing that they need to do of course is monitor their progress.

**Times are tough now in the economy. Jobs are hard to find and can even be hard to keep. In this climate, what are ways one can advance their career?**

An individual needs to do a self-assessment about where they are, what their strengths are and what are some areas they need to develop. They can do that not only by self-assessment, but they can also get feedback from managers, supervisors and coaches. The Cal-ICMA Coaching Program provides one-on-one coaches for instance and is an excellent tool.

In addition, they need to come to some sort of conclusion about how they can invest in themselves now so that they become more valuable to the organization now and in the near term and they become better able to move forward and advance in their career.

*For more information on the issues discussed in this interview and the CAL-ICMA Coaching Program, visit the Cal-ICMA website at [www.cal-icma.org/](http://www.cal-icma.org/) coaching. Additional information and reports may be found at [www.frankbenest.com](http://www.frankbenest.com). ■*



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