#### **FEATURES**

# It's a Reality: The Shrinking Talent Pool for Local Government Managers

### by Frank Benest

At a summit hosted by ICMA last year, executive recruiters from around the United States underscored the dramatic shift in the talent pool for local government managers. Organized by ICMA Executive Director Bob O'Neill and this author, the summit brought together 28 executive recruiters to:

- 1. Learn from those recruiters who are in the trenches about changing market realities.
- 2. Share information about ICMA's Next Generation initiative.
- 3. Engage executive recruiters in the initiative.

# **Demographic Crisis**

In a discussion led by Don Maruska, director for the Cal-ICMA Coaching Program, executive recruiters expressed strong warnings about the demographic crisis facing the local government management profession. As 80 million baby boomers (born between 1946 and 1964) retire throughout the United States economy, there are only 50 million Generation Xers (1965-1977) available to fill the vacancies left by the wave of retirees.

This is especially a challenge for the public sector, which has a higher number of older baby-boomer employees than the private sector. In the private sector, the largest replacement-talent gaps are in the managerial and administrative ranks, but, again, these gaps are even wider in the public sector. Most local government chief executives and senior managers in California, for example, are now eligible to retire.

In respect to local government, one recruiter lamented the "missing middle." Potential candidates exist who are in their 30s and 50s, but not in their 40s.

Attendees also identified a number of related phenomena worsening the demographic problem:

Lack of rewards for increasingly difficult jobs. Chief executive jobs are becoming increasingly complex, "political," and difficult because of rising levels of media scrutiny and community (and therefore council) discord. In addition, to narrow political agendas, councilmembers (especially mayors) have become more involved in trying to micromanage their local governments.

**Differing values.** Generation Xers want a balanced life and perceive that senior managers in local government are often consumed by work and do not have time for family, leisure, and other personal pursuits. In the post-9/11 world, senior public managers often resist moving their families, including spouses with their own careers, to new locations and taking chief executive positions that may be fraught with risk. (One recruiter commented that "teenagers are now making career decisions for their parents.") Consequently, growing numbers of qualified candidates do not apply or back out of recruitments at the last moment.

If managers want a legacy of talented younger professionals to follow in their footsteps, they must play a marketing and public awareness role in promoting the rewards of the work and telling how they themselves have achieved fulfilling lives.

members promote the profession.

Failure of local governments to grow their own talent. The recruiters stressed that most local governments have eliminated assistant/ deputy manager or assistant/ deputy department head positions as they have downsized their organizations. There is no longer an opportunity in many cities and counties for up-and-coming talent to develop new skills and experiences in assistant and deputy positions. In fact, career assistants who have no desire to move up to a chief executive position often, in practice, block the upward mobility of younger talent.

Moreover, many managers resist requests made by up-and-coming talent to change their titles to "deputy manager" or "deputy department director," even when the title changes would not result in additional compensation. In tough financial times, many organizations have also cut funds for professional development and training and internships of all kinds. Senior managers often feel so overwhelmed with demands from all quarters that coaching and mentoring aspiring managers drop off their to-do lists.

**Other barriers.** Summit attendees noted a variety of other obstacles to filling the top jobs in local government, including incompatible retirement systems from state to state and the high cost of living in many otherwise desirable urban areas.

#### **Current Reactions to the Talent Crisis**

Councils and their contract recruiters have already begun to react to the talent crisis. First of all, recruiters perceive what one summit participant dubbed the "Dick Vermeil/Joe Gibbs phenomenon." Councils and other governing boards are now resorting to bringing in a retired "old pro" for two to three years to fill critical executive positions.

Second, localities are being forced to take bigger risks on younger, more inexperienced candidates, from inside or outside the organizations, than have traditionally held the positions.

Third, to enlarge the pool of senior management talent, councils and other governing boards have become more open to nontraditional candidates from the ranks of business, the military, women, and multicultural groups. (One recruiter acknowledged that some councils "talk a good game" about diverse candidates yet may still resist minority candidates in spite of the mid- to long-term need to use their talents.) As one participant indicated, recruiting nontraditional candidates is no longer a nice thing to do; it's a "business necessity."

# **Next-Generation Strategies**

To move beyond these immediate reactions to anticipate the new market realities, the attending recruiters recommended a number of next-generation strategies:

## Executive Recruiter Firms Participating in The Summit

Alliance Resource Consulting

Avery Associates

Bennett Yarger Associates

Bob Murray & Associates

Brimeyer Group

CPS Executive Search

Peckham & McKenney

Slavin Management Consultants

The Hawkins Company

The Mercer Group

The Mills Group

The Oldani Group

The PAR Group
The Waters Consulting Group
Waldron & Company

1. Workforce planning and talent development. As organizations increasingly rely on internal candidates, local governments must engage in succession planning. In addition to attracting young workers to replenish and reenergize their organizations through paid and unpaid internships, local governments need to identify up-and-coming talent and engage these candidates in leadership academies, special assignments and "action learning" within and across departments, talent exchanges, and interim positions whereby they can acquire line and management experience.

Some recruiters stressed the need to better develop defined career paths leading to senior management positions and, in that effort, to broaden job descriptions so that aspiring managers can supervise others and take on new project assignments. Senior managers, of course, must take some risks and tolerate more mistakes, or there will be no growth for younger employees.

- **2. Educating governing boards.** While raising the consciousness of councils and other governing boards is a responsibility for everyone in the local government management profession, executive recruiters-as outside third parties-can play a critical role in "educating their clients." This role should consist of elevating the awareness of council and board members about:
  - The replacement-talent crisis.
  - The need to consider younger talent and take bigger risks.
  - The need to consider nontraditional candidates, especially people of color and different cultures.
  - The requirement that organizations, especially their top managers, focus on talent development and succession planning.
  - The most critical need for councils and boards to fix their negative cultures and improve over time their reputations so they can attract and retain talent.

Recruiters at the summit suggested that the National League of Cities and the state leagues can also play a role in educating councils on new market realities and on what they need to do in response to these market imperatives.

3. Promoting the rewards and joys of the top jobs. Several recruiters emphasized that managers and other senior personnel need to promote the benefits, rewards, and joys of their jobs. One attendee noted that managers spend too much time telling "war stories" and complaining at conferences and meetings about their councils, their staffs, and their constituents.

A significant number of local governments have created hostile or toxic cultures and work environments. Councils do not sufficiently recognize that candidates make career decisions based on the reputations of the recruiting organizations. Simply put, potential candidates for city and county manager positions do not perceive adequate compensation and other rewards for these jobs.

Chief executives do enjoy the everyday challenges of their jobs, the chance to create and enhance community, and the daily opportunities to make a difference. (In fact, those managers engaged in the Cal-ICMA Coaching Program sessions have often stated that they enjoy the program because it gives them an opportunity to reflect on the nature of their profession and the joys of serving.)

#### **ICMA's Next-Generation Initiative: Elements**

### 1. Research Into the Next-Generation Challenge

What Can Be Done? Attracting Young People to Careers in Local Government Management (2002), is a research study documenting that young people fail to consider local government careers because they don't know anything about the field. Go to <a href="https://www.icma/org/pm/8501">www.icma/org/pm/8501</a>.

Building the Next Generation of Leaders in Federal, State, and Local Government (to be released in 2005), a research project, uses case studies to explore innovative approaches to building the leadership pipeline at local, state and federal levels, as well as to examine the impacts of these leadership preparation programs.

#### 2. The Guidebook

Preparing the Next Generation: A Guide for Current and Future Local Government Managers (2003) is a resource book that dissects the talent crisis facing local government, promotes self-development strategies for aspiring managers, and provides best practices for senior managers in developing the next generation. The guide is available free of charge at <a href="http://jobs.icma.org">http://jobs.icma.org</a>; click on "Preparing the Next Generation" under the "Resources" menu bar.

## 3. The Cal-ICMA Coaching Program

Sponsored by Cal-ICMA, the coaching program consists of telephone panels of senior managers addressing leadership and career development issues; small-group coaching sessions over the telephone for first-time chief executives (or those who are applying for these positions); one-to-one matches between senior managers and up and comers; and networking events for aspiring managers conducted by area manager groups. ICMA will take the lead in helping other state associations replicate this coaching-program model. For more information, go to www.cal-icma.org, and click on "Coaching Corner."

# 4. Local Government Management Fellows

Cosponsored by ICMA, NFBPA, NASPAA, and the International Hispanic Network, this fellowship program attracts the best and the brightest among recent master's program graduates. Each fellow is placed in a full-time, management-track position under the guidance of a designated mentor. The first pilot year, 2004, led to the funding and placement of six fellows with the program, which is slated to expand in 2005. The 2004 LGMF program also led to a partnership with Ohio's Wittenberg University to promote an undergraduate internship program under the LGMF program umbrella. For more information, visit the Web site at <a href="https://www.localintern.org">www.localintern.org</a>.

## 5. The Emerging Leaders Program

Since many aspiring mid-career managers do not qualify for the ICMA Voluntary Credentialing Program or for education programs targeted for credentialed managers, ICMA will launch an Emerging Leaders Program in 2005 that will provide specially tailored educational and professional development opportunities for up-and-coming talent.

## 6. Public Service Fairs

In the past two years, ICMA and NFBPA have promoted local government management careers at four university public service fairs in different locations across the United States. Sponsored by the Public Policy and International Affairs Program, these fairs offered university students an opportunity to interact with local government managers at information booths and workshops.

## 7. Annual Conference Scholarships

ICMA offers women and minorities who are beginning their careers in local government, as well as

graduate students in public administration, financial assistance to attend the annual conference.

#### 8. The "Next Generation" Web Site

In 2005, ICMA plans to launch a "Next Generation" Web site devoted to students, young professionals, and senior managers who want to reach out and support these next-generation groups. The Web site will list job, internship, and scholarship opportunities and related resources.

For more information, contact Michele Frisby at ICMA (mfrisby@icma.org).

#### Role of Executive Recruiters

What can recruiters do as individuals and as a group, by themselves or in collaboration with ICMA and state associations? The discussion and the survey completed during the summit by the recruiters suggested a number of roles.

First, in addition to educating their clients (i.e., governing boards), recruiters need to be more visible among the next generation of senior managers. They can speak at the conferences and meetings of assistants and other local governmental groups, publicize the rising demand for mid-career professionals to replace baby-boomer senior managers, critique resumes and interviewing techniques of up-and-comers in workshops or one-on-one sessions, and generally encourage aspiring managers to contact them. (It was noted that younger professionals do not contact recruiters and ask for support or assistance, even though recruiters are constantly looking for new talent.)

Second, recruiters are well suited to serve on coaching-program panels like those organized by Cal-ICMA with city and county managers and to discuss leadership and career development topics.

Third, recruiters can partner with managers and assistants in reaching out to universities and promoting local government careers in classes and at career fairs.

Fourth, executive recruiters have a business stake in preparing the next generation. Without up-and-coming talent, they have little to sell to local government. Consequently, recruiters need to invest in ICMA's next generation initiative. For instance, CPS Executive Search recently invested \$60,000 over three years to help fund and enhance the Cal-ICMA Coaching Program and to help replicate it in other states through ICMA. Bill Avery Associates has just invested \$20,000 in the Management Talent Exchange Program, which offers aspiring managers in Santa Clara and San Mateo counties in California an opportunity to develop new skills and relationships in another local government by participating in a three-month exchange. Other firms need to look at next-generation programs as business investment opportunities.

## **Next Steps**

As follow-up measures responding to the executive recruiter summit, ICMA, as well as Cal-ICMA and other state associations, will:

- Secure wider participation by recruiters in the Preparing the Next Generation Committee in California as it tests and models next-generation strategies.
- Engage more recruiters in program sessions at conferences sponsored by ICMA and state associations, as well as next-generation committees at the national and state levels.
- Involve recruiters in coaching panels, small-group coaching sessions, and other coaching programs.
- Solicit financial investments in specific next-generation programs from those recruiting firms that have indicated an interest; involve these firms as partners in the design and delivery of

the programs.

- Involve recruiters in developing the curriculum for credentialed managers and the upcoming ICMA program for "emerging leaders."
- Host Summit II at the 2005 ICMA conference in Minneapolis. The summit will update recruiting firms on the progress of the ICMA Next Generation initiative, highlight partnerships with recruiting firms, and plan additional collaborative efforts.

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