

MEMORANDUM

November 13, 2009

To: County Council

From: Valerie Ervin, Chair 
Education Committee

Duchy Trachtenberg, Chair 
Management and Fiscal Policy Committee

Subject: **Summary of Worksession on OLO Report 2010-2, Succession Management in Montgomery County Public Schools and County Government**

Summary

This memorandum summarizes the Education and Management and Fiscal Policy Committees' review of OLO Report 2010-2 on October 12, 2009. Councilmember Knapp requested this study as part of OLO's FY10 Work Program to improve the Council's understandings of how many MCPS and Executive Branch staff will be eligible to retire over the next five to ten years and how each agency is preparing for these retirements.

In brief, OLO found that a third of each agency's workforces will be eligible to retire within the next ten years. In the Executive Branch, this total includes 55% of MLS and Question A employees, 88% of Police Managers, and 91% of Fire Managers. In MCPS, this includes 51% of central-office administrators and 48% of principals. While both agencies employ an array of succession management practices, neither has developed a comprehensive workforce plan nor an integrated approach to address their anticipated workforce gaps.

The Committees held an extensive question and answer session with agency representatives. As a result of the Committees' discussion, Councilmember Knapp suggests that the Council consider having Council Committees question participants about the status of their workforce and succession plans during the Committees' budget discussions next spring.

Background

OLO staff members Elaine Bonner-Tompkins, Kristen Latham and Sue Richards briefed the Committees on the report. The bulk of their briefing outlined the project's findings and recommended issues for discussion, including a review of best practices and national workforce trends, a description of each agency's workforce demographics and retirement eligibility data and their data management practices, and highlights about their succession planning practices.

This briefing was followed by a question and answer session with Councilmembers and agency representatives that included remarks from:

- Timothy Firestine, Chief Administrative Officer, Montgomery County Government;
- Richard Bowers, Chief, Montgomery County Fire and Rescue Services;
- Karen Plucinski, Manager, Office of Human Resources;
- Thomas Manger, Chief, Montgomery County Police Department; and
- Susan Marks, Associate Superintendent, Office of Human Resources for MCPS.

Councilmembers questioned the Chief Administrative Officer (CAO) about the impracticality of an agency-wide succession plan and the intent of the Manager Development program, about knowledge transfer contracts, about the compatibility of a buyout plan and a succession plan, about how proactively departments are working to improve workforce diversity, and about specific principles that departments are asked to follow as they manage succession issues.

The CAO stated that he and the Executive hold department heads accountable for succession planning, that he is in regular contact with department heads about succession planning, and that he has asked department heads to report on their succession plans as part of their ongoing departmental performance reviews. The CAO identified Police, Fire, and the Department of Health and Human Services as places where he sees critical positions that need to be addressed.

Chief Bowers and Chief Manger provided additional details about their succession planning practices. Chief Bowers highlighted the Fire and EMS Academy initiative, which is a partnership between MCFRS and MCPS to educate MCPS students about MCFRS careers. Chief Manager provided details about MCPD's monthly data monitoring practices and reported that MCPD uses rotational assignments to keep knowledge management issues under control.

Councilmembers asked MCPS to address the tools the school system will need to recruit for hard-to-fill positions, to describe their knowledge management efforts, particularly at the Executive level, and to provide more information about their model practices.

Associate Superintendent Marks stated that MCPS looks at workforce excellence as a continuum, and that they have three professional growth systems overseen by implementation teams, a career pathway system for supporting services, and a career lattice for teachers. She stated that although the task of identifying critical areas is an ongoing effort, the economic downturn has helped to slow the occurrence of vacancies. As an example, she reported that for the first time in several years, MCPS had no speech pathology vacancies at the start of this school year. In terms of knowledge management, the Associate Superintendent reported that, in addition to each office preparing key processes, the information from these processes is being shared regularly among members of the Executive Leadership group.

The attached worksession packet provides additional report highlights and recommended discussion issues recommended for the Council's ongoing oversight of this issue.

Attachment

MEMORANDUM

October 8, 2009

TO: Education Committee
Management and Fiscal Policy (MFP) Committee

FROM: Kristen Latham, ^{KL} Legislative Analyst
Elaine Bonner-Tompkins, ^{EBT} Senior Legislative Analyst
Sue Richards, ^{SR} Senior Legislative Analyst
Office of Legislative Oversight

SUBJECT: OLO Report 2010-2: Succession Management in Montgomery County Public Schools and County Government

On October 12, the Education and MFP Committees will hold a joint worksession on OLO Report 2010-2, which was released by the Council on September 15th. Councilmember Mike Knapp requested this study of workforce demographics and succession planning in Montgomery County Public Schools (MCPS) and County Government to understand how retirements may affect the workforce in the future.

Overall, OLO found that:

- One-third of MCPS' and County Government Executive Branch workforces will be eligible to retire within the next 10 years, including more than half of leadership positions.
- MCPS and the Executive Branch collect workforce data through a variety of data management systems and annually report data on employee demographics, turnover analysis, and salary information. Additionally, MCPS reports on retirement eligibility of its staff, while the Executive does not publish such forecasts.
- Neither MCPS nor the Executive Branch has a comprehensive strategic workforce plan; however, both organizations have implemented workforce planning strategies.

OLO recommends the Joint Committee worksession begin with a briefing on the report by OLO staff, followed by comments from MCPS and Executive Branch representatives. The Committee can then address OLO's recommended discussion issues summarized in this packet. The following MCPS and Executive Branch staff will attend the worksession:

MCPS

- Susan Marks, Associate Superintendent, Office of Human Resources
- Jamie Virga, Associate Superintendent, Office of Organizational Development
- Cheri Lavorgna, Director, Technology, Reporting and System Support

County Government

- Timothy Firestine, Chief Administrative Officer
- Fariba Kassiri, Assistant Chief Administrative Officer
- Richard Bowers, Chief of Fire and Rescue Services (or designee)
- Thomas Manger, Chief of Police (or designee)
- Karen Plucinski, Manager, Office of Human Resources

A. REPORT HIGHLIGHTS

This section summarizes the national workforce trends and best practices along with local government workforce data and succession management strategies. The report's four-page executive summary is attached starting on ©1.

National Trends and Best Practices. Human resource experts predict that three converging, demographic trends could lead to skilled labor shortages, declines in productivity, and an irreplaceable loss of institutional knowledge in the next ten years. These trends are:

- Baby boomer retirements;
- An aging workforce; and
- A shrinking pool of skilled replacement workers.

Research shows that organizations with strategic and/or integrated succession management approaches may be more prepared for the changing workforce and experience higher retention rates, increased employee morale, and an environment that stimulates innovation and organizational change. The research suggests an organization should develop an integrated succession management approach that includes:

- (a) **Workforce planning** to identify current and future workforce gaps and develop strategies to address identified gaps;
- (b) **Succession planning** to identify key persons/positions within an organization and develop strategies, such as *leadership development programs*, to replace these staff with high quality personnel when those employees leave;
- (c) **Knowledge management practices** to transfer knowledge from key employees to others to ensure that accumulated knowledge does not leave an organization when an employee retires; and
- (d) **Recruitment and retention practices** to smooth spikes in the transitioning of retirees out of the organization and to help fill talent or skill shortages.

Montgomery County Public Schools. The MCPS workforce consists of approximately 22,000 employees and includes teachers, support services personnel, and administrators. While MCPS has not developed a comprehensive strategic workforce or succession management plan, it is currently:

- Implementing several strategies that support succession management and workforce planning; and
- Planning to develop a comprehensive workforce plan for all positions and to study succession planning this school year.

Aging of the Workforce and Retirement Eligibility. A comparison of workforce age distribution in 2004 and 2009 shows the cohort of employees age 60 and above grew steadily for the past six years, increasing from 8% in 2004 to 11% in 2009. The first table on the next page describes the size of the MCPS workforce and the distribution of employees by age from 2004 to 2009.

Size and Distribution of MCPS Workforce by Age, 2004-2009

	2004	2005	2006	2007	2008	2009	Change
Size of MCPS Workforce							
Total Workforce	20,303	20,785	21,277	21,849	22,122	22,014	1,711
Distribution by Age Cohort							
Age 29 and under	14%	14%	15%	15%	15%	14%	0%
Age 30-39	21%	21%	21%	21%	21%	21%	0%
Age 40-49	27%	26%	26%	25%	25%	25%	-2%
Age 50-59	30%	30%	30%	30%	29%	29%	-1%
Age 60 and above	8%	8%	9%	9%	10%	11%	3%

Source: MCPS Staff Statistical Profiles 2004-2009

The aging workforce will result in high levels of retirement eligibility among staff over the next ten years. The table below describes retirement eligibility rates for MCPS staff by employee group. Of note, approximately half of central-office administrators, principals, and MBOA members will be eligible to retire within ten years.

Retirement Eligibility of MCPS Workforce by Employee Group, 2009-2018

Employee Groups	Percent Eligible to Retire in:		
	2009	2013	2018
Total Workforce	9%	19%	33%
Central-Office Administrators (MCAAP)	12%	31%	51%
Principals (MCAAP)	17%	30%	48%
Assistant Principals (MCAAP)	7%	16%	30%
Business and Operations Administrators (MBOA)	20%	37%	55%
Other Professionals (MCEA)	13%	29%	45%
Teachers (MCEA)	6%	14%	25%
Support Services Personnel (SEIU)	12%	23%	41%

Source: MCPS Staff Statistical Profile 2009

Data Management. MCPS uses two primary data management systems to collect and analyze workforce data including information on employee demographics; age distribution; retirement eligibility; and turnover patterns. All information is annually reported in the Staff Statistical Profile, which serves as a good tool to analyze projected workforce gaps.

Workforce Management Strategies. MCPS has a succession plan for school-based administrators and teachers and is currently working on developing a comprehensive workforce plan for all other employee groups. While MCPS does not have a comprehensive succession management plan for all positions, and central-office administrators in particular, the school system has implemented the following strategies to support staff transitions and successions:

- **Leadership Development Program**, an intensive four- to five-year principal preparation program that includes on the job professional development, leadership seminars, and training;
- **Key Work Process Documentation** to have each central office (1) identify and map their five most critical work processes, (2) develop an action plan to evaluate them, (3) identify outcome measures, and (4) develop a communications plan for employees involved or impacted by the key work processes.

Executive Branch of Montgomery County Government. The Montgomery County Executive Branch workforce has approximately 9,000 full-time employees across public safety, transportation, human services, culture/recreation, and community development departments. There is currently no workforce or strategic succession management plan for the County as whole, although County departments have implemented numerous approaches to succession management. For example, the County’s public safety departments rely on career ladders to staff their leadership positions.

Aging of the Workforce and Retirement Eligibility. A breakdown of the Executive Branch workforce over the past five years shows employees age 50-59 and age 60 and above increased their workforce representation by a combined 4%.

Size and Distribution of Executive Branch Workforce by Age, 2004-2008

Age	2004	2005	2006	2007	2008	Change
Size of Executive Branch Workforce						
Total Workforce	7,941	8,129	8,383	8,802	9,000	1,059
Distribution by Age Cohort						
Age 29 and under	10%	10%	11%	11%	11%	1%
Age 30 - 39	24%	24%	23%	23%	22%	-2%
Age 40 - 49	33%	32%	32%	31%	30%	-3%
Age 50 - 59	27%	27%	27%	27%	28%	2%
Age 60 and above	6%	7%	7%	8%	8%	2%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

In addition to the aging workforce, the retirement eligibility of Executive Branch staff will increase by nearly 30 percentage points in the next ten years. Of note, leadership positions (MLS/Question A employees and public safety managers) show particularly high rates of retirement eligibility. The table on the next page describes the forecasted retirement eligibility of Executive Branch personnel by group from 2009 to 2018.

Retirement Eligibility of Executive Branch Workforce by Employee Group, 2009-2018

Employee Groups	Percent Eligible to Retire in:		
	2009	2013	2018
Total Workforce	8%	20%	37%
Unrepresented Employee Groups			
General Salary Schedule	6%	25%	46%
MLS and Question A	9%	29%	55%
Police Managers	40%	77%	88%
Fire Managers	86%	91%	91%
Correction Managers	12%	31%	58%
Represented Employee Groups			
MCGEO	4%	15%	32%
Police Bargaining Unit	8%	16%	32%
Fire Bargaining Unit	24%	34%	46%
Correction Officers	1%	6%	27%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

Data Management. The Office of the County Executive, the Office of Human Resources (OHR), and department directors jointly track and monitor workforce data through many interconnected and independent data management systems. The Executive Branch annually publishes two reports – the Personal Management Review and the OHR Exit Survey – that detail employee demographic, salary, position, and retirement information. However, neither report includes data on retirement eligibility or workforce trends which could prove useful in anticipating and responding to changes in the Executive Branch workforce.

OHR anticipates that the implementation of the Enterprise Resource Planning System (ERP) will bring all of the current human resource functions into one system and also add a workforce management module.

Workforce Management Strategies. The County Government does not have a comprehensive strategic workforce plan. The CAO has stated that the development of a strategic workforce plan for the entire Executive Branch is impractical because departments’ missions and workforce requirements are so diverse. Instead, the CAO expects department directors to manage succession issues as part of day-to-day operations.

While there is no overall workforce plan, the County has implemented several succession management strategies to retain leadership skills and knowledge when turnover occurs. The following strategies have been implemented:

- **Management Leadership Service (MLS)** is a leadership training program for current management employees. It focuses on enhancing leadership skills and establishing networks to promote information sharing, cooperation and problem solving across departmental lines. The initial vision of developing a cohort of senior managers that could be reassigned across the County Government has not been realized.
- **Management Development Program (MDP)** is a program for potential management employees across all departments. The program focuses on enhancing employees’ leadership competencies, organizational flexibility, and occupational mobility. In September 2009, after the second MDP class graduates, there will be 70 MDP graduates still employed with the County. Of these, 14 are in MLS Leadership positions and 56 are eligible to interview for future MLS Leadership positions.

- **Knowledge Transfer Contracts** with retiring employees in key positions are designed to maintain the systematic delivery of County services. Departments use these contracts to develop written policies and procedures or share historical knowledge of administrative procedures between retiring and current employees.
- **Automating Business Processes** include the Enterprise Resource Planning (ERP) project to upgrade technology for the County Government's internal administrative functions and MC311 to upgrade the County Government's external customer relation functions. The CAO anticipates that the ERP project could support strategic workforce downsizing because the technology can lead to efficiencies.

B. RECOMMENDED DISCUSSION ISSUES

The magnitude of pending retirements, the gaps in data collection and program practices, and the anticipated challenges and potential benefits to be realized from workforce turnover suggest that MCPS' and County Government's succession management practices merit ongoing Council oversight. This section summarizes recommended tasks and issues for the Council to discuss with agency representatives.

1. Review the adequacy of workforce data collection, analysis and reporting practices.

OLO recommends that the Council conduct ongoing reviews of the adequacy of each agency's workforce data collection, analysis, and reporting practices that enable each agency to identify current and projected workforce gaps. In particular, we suggest the following questions for discussion:

Montgomery County Public Schools

- How does MCPS project future staffing needs and workforce gaps?
- What are the future workforce gaps and how large are they projected to be five years from now? Ten years?
- What, if any, additional data would MCPS need to collect and analyze to enhance its forecasts of its future workforce gaps?

Montgomery County Executive Branch

- How does the County Government project the future staffing needs and future workforce gaps of the different departments?
- Where are the projected workforce gaps and how large are they projected to be, particularly for the list of relevant positions that the national Bureau of Labor Statistics has designated as hard-to-fill (e.g., correctional and police officers, firefighters, bus drivers, dispatchers, and all health care occupations)?
- Does the Executive Branch have any plans or suggestions for strengthening the County Government's workforce data collection and reporting efforts, especially with regard to workforce trend data, disaggregated departmental data, and retirement eligibility forecasts?

2. Hold regular discussions about the specific workforce challenges each agency faces based on a close reading of tailored workforce trend data.

OLO recommends that the Council discuss with representatives what specific workforce challenges they see now and in the future and what specific retirement forecasts and turnover trends support this view. In particular, we suggest the following questions for discussion:

Montgomery County Public Schools

- What workforce gaps does MCPS project among its workforce over the next 5-10 years? In particular what workforce surpluses and deficits are anticipated?
- Does MCPS envision any difficulties in replacing up to half of its central office, business, and operations administrators due to retirements over the next decade?
- Does MCPS expect any difficulties in replacing up to 40% of its support services personnel in the next 10 years? If so, among which specific SEIU positions or related-functions?

Montgomery County Executive Branch

- Given the public safety retirement eligibility forecasts, what workforce challenges does the CAO see for the Police Department (MCPD) and Montgomery County Fire and Rescue Services (MCFRS) five years from now? Ten years?
- Where does the CAO see the greatest Executive Branch workforce challenges for the non-public safety departments? What are the data to support this view?
- For both public safety and non-public safety departments, has there been any effort to assess the likelihood of when those eligible to retire will actually retire? If so, what was learned?
- What are the CAO's plans to monitor retirement trends and to keep the Council informed of significant changes and challenges?

3. Assess annually how well each agency's strategies and address the workforce challenges anticipated.

OLO recommends that the Council discuss with MCPS and Executive Branch representatives their assessment of how well each organization's current and future plans address anticipated workforce challenges. OLO suggests the following questions for discussion:

Montgomery County Public Schools

- Which retirements does MCPS consider its highest immediate priority to address? What is the school systems current or anticipated response?
- How does MCPS assess the adequacy of its current array of programs to address the agency's forecasted workforce gaps?
- What are the potential benefits and drawbacks to developing a succession management plan for MCPS central office administrators?
- What succession plans does the school system have in place for key singleton positions that support business operations, such as the Director of the Department of Facilities Management?

Montgomery County Executive Branch

- How does the CAO think the County Government’s current array of succession programs aligns with the County Government’s forecast of workforce gaps?
- What is the CAO’s assessment of the adequacy of the public safety leadership pipelines? Of the Management Leadership Service pipeline?
- What additional plans exist to address succession for the knowledge positions throughout the County Government, particularly key singleton positions?

LIST OF ATTACHMENTS

Item	Begins at:
Executive Summary, OLO Report 2012-2	© 1
MCPS Chief Operating Officer’s letter, September 2, 2009	© 5
Montgomery County Government’s Chief Administrative Officer’s Memorandum, September 9, 2009	© 7

**SUCCESSION MANAGEMENT IN MONTGOMERY COUNTY
PUBLIC SCHOOLS AND COUNTY GOVERNMENT
OFFICE OF LEGISLATIVE OVERSIGHT REPORT 2010-2
SEPTEMBER 15, 2009**

The County Council requested this Office of Legislative Oversight (OLO) study of approaches to succession planning in Montgomery County Public Schools (MCPS) and the Executive Branch of Montgomery County Government to estimate the magnitude of eligible retirees and to understand how each agency is preparing to address the wave of retirements each will face in the coming years.

In brief, OLO finds that:

- Within the next 10 years, about one-third of MCPS' workforce (33% of 22,014 employees in FY 2009) and the Executive Branch's workforce (37% of 9,000 in FY 2008) will become eligible to retire. This pool of eligible retirees includes more than half of each agency's senior managers.
- Both MCPS and the Executive Branch monitor workforce data and employ an array of succession management practices; however, neither has a comprehensive workforce plan nor an integrated succession management approach to forecast and address each agency's future workforce gaps.

The findings below highlight national and local workforce trends and succession management practices.

NATIONAL WORKFORCE TRENDS AND BEST PRACTICES

1. Anticipated changes in the public sector workforce due to retirements, aging, and a smaller pool of replacement workers create both challenges and opportunities for the future.

National forecasts suggest the pending wave of retirements among the nation's 77 million baby boomers may affect government agencies sooner and more severely than the private sector. As boomers retire, experts expect the challenges to public sector agencies will include recruiting for hard-to-fill positions, competing for talent with the private sector, and retaining organizational knowledge. At the same time, a commitment to strategically manage workforce turnover can create opportunities to increase leadership diversity, and to establish leadership pipelines that increase retention rates and reduce recruitment costs.

2. Researchers suggest that a long-term, integrated approach to succession management is generally more effective than a short-term, "just-in-time" approach.

A succession plan can be the product of a stand-alone exercise or result from a broader organizational response to managing employee turnover. Research shows that organizations with an integrated versus a "just-in-time" approach to succession management experience higher retention rates, increased employee morale, and an environment that stimulates innovation and organizational change. Four key components of an integrated succession management approach include:

- **Workforce planning** to identify current and anticipated workforce gaps and develops strategies to address these gaps;
- **Succession planning** to identify critical positions or people and develops strategies, such as leadership development programs and career ladders, to minimize risks that may occur when critical employees leave an organization;
- **Knowledge management practices** to create, identify, capture, and distribute institutional knowledge from key employees to others; and
- **Recruitment and retention practices** to smooth spikes in the transitioning of retirees out of the organization and to help fill talent or skill shortages.

LOCAL WORKFORCE DEMOGRAPHICS AND SUCCESSION MANAGEMENT PRACTICES

3. **A 10-year forecast of retirement eligibility by employee groups in MCPS and the Executive Branch shows especially high rates of eligibility among senior managers and public safety leaders. This suggests that agencies should focus on succession management.**

In 2009, retirement eligibility rates for all MCPS employee groups are below 20%. By 2018, rates will reach 51% for central-office administrators, 48% for principals, and 55% for business and operations administrators. In the Executive Branch, 2009 retirement eligibility rates are already at 86% for fire managers and 40% for police managers. By 2018, these rates will reach 86% and 91% respectively.

Size and Retirement Eligibility of MCPS and Executive Branch Workforces for Select Employee Groups

Employee Groups	Size of Workforce	Percent Eligible to Retire in:		
		2009	2013	2018
Montgomery County Public Schools, FY 2009				
Total Workforce	22,014	9%	19%	33%
Central-Office Administrators	266	12%	31%	51%
Principals	202	17%	30%	48%
Business and Operations Administrators	91	20%	37%	55%
Teachers (10-month)	11,497	6%	14%	25%
Support Services Personnel	9,288	12%	23%	41%
County Government's Executive Branch, FY 2008				
Total Workforce	9,000	8%	20%	37%
MLS and Question A	402	7%	29%	55%
Police Managers (uniformed)	52	40%	77%	88%
Fire Managers (uniformed)	44	86%	91%	91%
MCGEO	5,101	4%	15%	32%
Police Bargaining Unit	1,141	8%	16%	32%
Fire Bargaining Unit	1,143	24%	34%	46%

4. **MCPS uses the Staff Statistical Profile and other studies to monitor workforce data. MCPS has the capacity to develop a strategic workforce plan, but does not have one.**

MCPS collects data on many measures that are essential to analyzing current and projected workforce gaps. For example, MCPS' annual Staff Statistical Profile reports data on: employee demographics; age distribution; retirement eligibility; and turnover patterns for administrators, teachers, other professionals, and support services personnel. MCPS uses these data to track the diversity of its workforce, staff turnover, and a host of other measures aligned to its strategic plan, *Our Call to Action*. MCPS, however, does not use these data to project future staffing needs for all of the positions that it employs.

5. **The Executive Branch uses the Personnel Management Review, the Exit Survey, departmental plans, and the budget process to monitor workforce issues. The Chief Administrative Officer thinks a strategic workforce plan for the entire Executive Branch is impractical.**

The Office of the County Executive, the Office of Human Resources (OHR), and department directors jointly track and monitor workforce data to support County operations and inform the annual budget process. The Personnel Management Review and Exit Survey, two reports that provide annual workforce data, currently lack useful information about anticipated workforce changes such as data on employee retirement eligibility or actual retirements by workforce sub-units. The Chief Administrative Officer (CAO) expects department directors to manage workforce turnover and succession issues as part of their day-to-day operations and thinks a strategic workforce plan for the entire Executive Branch would be impractical given the diversity of each department's mission and workforce requirements.

6. MCPS has a succession plan and leadership development program for school administrators, but not central-office administrators.

MCPS began the Leadership Development Program (LDP) to build its pipeline of school administrators. The LDP is an intensive four- to five-year principal preparation program that offers on-the-job professional development, leadership seminars, and training. According to MCPS, the LDP has successfully provided internal candidates the opportunity to perform as principals and to increase their success once they become principals. MCPS has neither developed nor assessed the need for a succession plan for central-office administrators. Some MCPS division directors have deputies who could potentially succeed into their positions; however, many do not.

7. The Executive Branch's Manager Development Program uses best practice strategies to create a succession pool for the Management Leadership Service.

The Office of Human Resources (OHR) created the Manager Development Program (MDP) to develop a cohort of employees who could interview for future Management Leadership Service vacancies based on an estimate that half of these positions could become vacant within five years. MDP's objectives are to enhance employees' leadership competencies, organizational flexibility, and occupational mobility. MDP's best practices include a leadership institute, action/experiential learning, and an Individual Leadership Development Plan.

8. The Executive Branch has not realized the Management Leadership Service goal of training managers that could be reassigned across County Government departments.

The Management Leadership Service (MLS) program was designed, in part, to create "a flexible classification system" to allow management to "quickly reassign MLS managers to respond to the needs of the County and its residents;" and, to give managers "opportunities to change assignments to pursue skill development, job enrichment and professional growth." However, the goal of developing a mobile corps of senior County Government managers has not been realized.

Based on anecdotal information, OHR has observed MLS managers transfer across divisions within a department, but not across departments. OHR notes that the technical complexity and expertise associated with many County programs limit managers' ability to transfer across departments. Further, the CAO indicates that the original assumption that core management skills were a more critical driver of a manager's interests than subject matter expertise proved not to be true.

9. Both MCPS and the Executive Branch have used knowledge management approaches to minimize the risks of losing core organizational knowledge as a result of employee turnover.

Over the past year, MCPS has embarked on a system-wide strategy to have each central office map its key work processes, develop a plan to evaluate them, identify measures for determining the effectiveness of its key work processes, and develop a communication plan for employees affected by the key processes. According to MCPS, they intend to have every department articulate, publish, evaluate, map, and create performance measures for each of its key work processes within two years.

The Executive Branch uses knowledge transfer contracts, automated business processes, and temporary promotions and assignments to transfer knowledge among employees. Knowledge transfer contracts have been used by the CAO to enable departments to develop written policies and procedures or share historical knowledge of administrative procedures. Departments have used these contracts as a stop-gap response to some immediate succession issues and a long-range response to others. The Executive Branch is also investing in automating business processes via its Enterprise Resource Planning project and MC311 to upgrade the County's internal administrative and customer relation functions.

RECOMMENDED DISCUSSION ISSUES

Pending retirements, gaps in data collection and program practices, and anticipated challenges and benefits of managing workforce turnover strategically suggest that the succession management practices of both MCPS and the Executive Branch merit ongoing Council oversight. To assist the Council with its oversight, OLO recommends the Council pursue three specific oversight tasks:

- Conduct ongoing reviews of the adequacy of each agency's workforce data practices.
- Hold regular discussions about the specific workforce challenges each agency faces today and anticipates in coming years, based on a close reading of tailored workforce trend data.
- Assess annually how well each agency's current and future plans address the workforce challenges it anticipates.

Specific issues recommended for discussion with MCPS and Executive Branch representatives include:

1. The adequacy of each agency's workforce data collection, analysis, and reporting practices.

- **MCPS** - The school system collects an abundance of data that can measure gaps in its current workforce. OLO recommends that the Council discuss with MCPS representatives whether the school system's current data collection, reporting, and analysis practices enable the agency to identify current and projected workforce gaps.
- **Executive Branch** - The Executive Branch's current presentation of workforce data does not offer a clear view of future workforce gaps, either by department or type of job/position. OLO recommends that the Council discuss with the CAO whether the County Government's current data collection, reporting, and analysis practices enable the Executive Branch to identify current and projected workforce gaps.

2. Current and projected workforce gaps, particularly among senior staff.

- **MCPS** - By 2018, about half of all MCPS' current principals, central-office administrators, and business and operations administrators will be eligible to retire. OLO recommends that the Council discuss with MCPS representatives what specific workforce challenges they see now and in the future, and what specific retirement forecasts and turnover trends support this view.
- **Executive Branch** - Within the next ten years, more than half of current MLS and Question A managers, and more than 80% of uniformed public safety managers will be eligible to retire. OLO recommends that the Council discuss with the CAO what workforce challenges he identifies as the highest immediate priorities to address, and what specific retirement forecasts and turnover trends support this view.

3. Each agency's plans and programs to address anticipated workforce gaps.

- **MCPS** implements a number of leadership development strategies aimed at ensuring a highly qualified pipeline of school leaders and retaining and transferring organizational knowledge. OLO recommends that the Council discuss with MCPS representatives their assessment of how well the school system's current and future plans address anticipated workforce challenges.
- **The Executive Branch** uses leadership development programs, a senior leadership service, and career ladders to prepare future civilian and uniformed managers. The Executive Branch also has initiated management projects (e.g., the ERP project, MC311) and used knowledge transfer contracts to preserve and improve key institutional knowledge and practices. OLO recommends that the Council discuss with the CAO how well the County Government's current and future plans will address its anticipated workforce challenges.

For complete OLO Report 2010-2 see www.montgomerycountymd.gov/olo.



September 2, 2009

Ms. Elaine Bonner-Tompkins, Senior Legislative Analyst
Office of Legislative Oversight
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850

Dear Ms. Bonner-Tompkins:

Thank you for providing Montgomery County Public Schools (MCPS) staff with the opportunity to review and comment on the Office of Legislative Oversight Report 2010–2 on Succession Management in MCPS and County Government. MCPS staff previously provided comments and suggestions for technical changes to you and your staff, and it is evident that much of the feedback was considered and incorporated into the final document. MCPS staff who participated in this review appreciated the collaborative process that was used by your staff. We appreciate acknowledgement of the Staff Statistical Profile data and the programs that MCPS has implemented to address anticipated workforce gaps. The information in this report will be helpful as we continue to develop processes to address succession planning in MCPS.

MCPS is developing a strategic workforce plan for all employee groups. The workforce plan for instructional positions is fairly well defined, but can be better documented. The Office of Human Resources projects teacher vacancies by analyzing hiring trends and focuses efforts on critical needs areas, such as special education, science, and mathematics. This process is essential as critical needs continue to change based on student enrollment, staff turnover, and the number of university graduates. For example, several years ago, there was a critical shortage of English for Speakers of Other Languages (ESOL) teachers. Utilization of MCPS university partnerships to train ESOL teachers has addressed this need, so this no longer is a critical hiring area.

The school-based leadership development program has been a successful mechanism for training and developing principals and assistant principals. Most school-based administrative vacancies are filled by promoting staff from within the school system. While there is not a specific leadership development program for central office administrative positions, most vacancies of central office instructional administrative positions are filled by MCPS school-based administrators.

The negotiated agreement between MCPS and the Montgomery County Association for Administrators and Principals (MCAAP) has language related to succession planning. MCPS staff and MCAAP will begin a study of succession planning this year. In addition, a group of central services administrators is developing a plan for training and development of central services administrators. The Service Employees International Union Local 500 Negotiated Agreement outlines the development of a career pathways initiative with the goal of providing a program to assist supporting service employees with individual career development planning. The team working on the career pathways design is expected to complete its work in January 2010.

Office of the Chief Operating Officer

850 Hungerford Drive, Room 149 ♦ Rockville, Maryland 20850 ♦ 301-279-3626

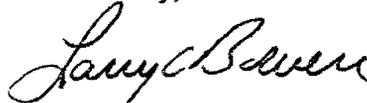
Although MCPS does not have a comprehensive workforce plan that is well documented, there are a number of systems and processes in place to address succession planning. The Executive Leadership Team and the chief operating officer and deputy superintendent leadership team meetings provide an opportunity for senior staff to analyze workforce data, make recommendations to increase the diversity of the leadership, identify training needs, and support the development of future leaders. In addition, the implementation teams of the three professional growth systems have increased mentoring opportunities for supporting services and administrative employees. The Leadership Development Advisory Committee collaborates, reviews, and makes recommendations for administrative training.

In order to support succession planning for business, financial, and support operations, MCPS' commitment to process management provides a mechanism to transfer knowledge of key work processes. Each office is working to identify and map key processes. Some offices are further along in this process than others; however, our plan is to have all processes mapped within the next two years. This will provide documentation of the duties and responsibilities for new business and support operations managers who are appointed in the future.

As with many large organizations, MCPS is challenged with replacing a large number of employees who are within five to ten years of retirement. Additionally, the need to hire school-based staff is driven by student enrollment. The combination of changes in student enrollment and identifying critical teaching and administrative areas make the analysis of workforce needs complicated. However, the analysis of staff data allows MCPS senior staff to adjust projections and put plans in place to respond to these challenges. For example, over the last two years, due to the reduced number of school-based administrative vacancies, the number of elementary and secondary interns has been reduced for the 2009-2010 school year. MCPS will continue to identify and collect workforce data and utilize the information to develop actions that support succession planning.

MCPS is committed to working with our administrative leadership and our employee unions to analyze workforce data and develop processes to address the changing workforce demands of the school system. MCPS welcomes the opportunity to discuss with the Montgomery County Council the current and future state of succession planning. Again, thank you for the opportunity to review the findings and recommendations.

Sincerely,



Larry A. Bowers
Chief Operating Officer

LAB:vnb

Copy to:

Dr. Weast

Dr. Lacey



OFFICE OF THE COUNTY EXECUTIVE

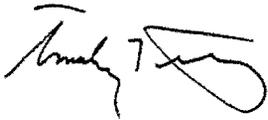
Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

September 9, 2009

TO: Elaine Bonner Tompkins, Senior Legislative Analyst
Sue Richards, Senior Legislative Analyst
Kristen Latham, Legislative Analyst
Office of Legislative Oversight

FROM: Timothy L. Firestine, Chief Administrative Officer 

SUBJECT: DRAFT OLO Report 2010-2: Succession Management in Montgomery
County Public Schools and County Government

Thank you for the opportunity to review and provide feedback on the Draft Succession Management report. My office and the Office of Human Resources have reviewed the draft report. We find the document to be very comprehensive and it does a good job of explaining the problem and issues. The one item not addressed in the report is the impact of hiring freezes, Reduction in Force (RIF) and job reductions on succession management. It is my understanding that the Office of Human Resources has already provided input on the technical aspect of report. If you have any specific questions or need additional clarification, please contact Karen Plucinski at 240-773-3386.

cc: Fariba Kassiri, ACAO, Office of County Executive
Joseph Adler, Director, Office of Human Resources
Kathleen Boucher, ACAO, Office of County Executive