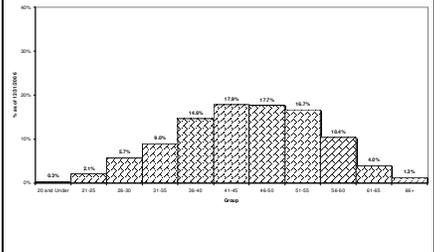
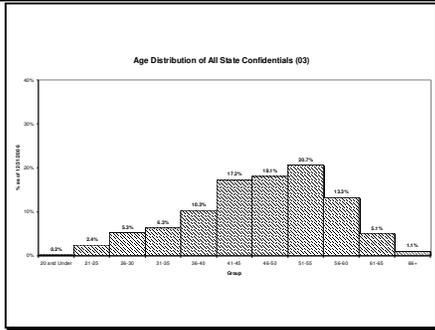


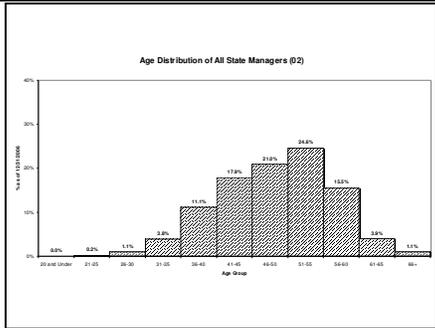
Slide 1	<p style="text-align: center;"><b>Succession Planning</b>  <b>DMR Managers' Day '07</b></p> <p style="text-align: center;">Martin W. Anderson, Ph.D.  Director of Administration  Department of Administrative Services</p>	Introduction																								
Slide 2		Tidal Wave																								
Slide 3	<p style="text-align: center;">The lay of the land ....</p>																									
Slide 4	<p style="text-align: center;">Age Distribution of All State Executive Branch</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Age Group</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>20 and under</td><td>0.3%</td></tr> <tr><td>21-25</td><td>3.1%</td></tr> <tr><td>26-30</td><td>6.7%</td></tr> <tr><td>31-35</td><td>8.9%</td></tr> <tr><td>36-40</td><td>14.8%</td></tr> <tr><td>41-45</td><td>17.8%</td></tr> <tr><td>46-50</td><td>17.2%</td></tr> <tr><td>51-55</td><td>16.7%</td></tr> <tr><td>56-60</td><td>10.8%</td></tr> <tr><td>61-65</td><td>4.3%</td></tr> <tr><td>66+</td><td>3.2%</td></tr> </tbody> </table>	Age Group	Percentage	20 and under	0.3%	21-25	3.1%	26-30	6.7%	31-35	8.9%	36-40	14.8%	41-45	17.8%	46-50	17.2%	51-55	16.7%	56-60	10.8%	61-65	4.3%	66+	3.2%	<p>I have a number of histograms to show you.</p> <p>This is an age histogram for all of the state executive branch employees regardless of type. If you are having trouble seeing the #s, each bar of the histograms like this one represents the percentage of employees that we have within 5 year age spans beginning with the 20 and under group and followed by 21 to 25, 26 to 30, and so forth.</p> <p>This one is somewhat normally distributed with 32.4% of our employees being over the age of 50 which is a convenient benchmark for doing comparisons with other groups.</p> <p>I painstakingly made each of these age histograms the same proportion up and down &amp; side to side so you can see the age effects at work in our workforce.</p>
Age Group	Percentage																									
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66+	3.2%																									

Slide 5



Your agency doesn't have an enormous number of confidential employees but this is still interesting to show the shift in age demographics such that now we're up to 40.2% over our 50+ in age benchmark.

Slide 6



This is the age distribution for all state managers. Now things get a little spookier with all of the executive branch managers. We are up to 45.1% in the 50+ age group and one can see the very notable skew to the left of the age distribution.

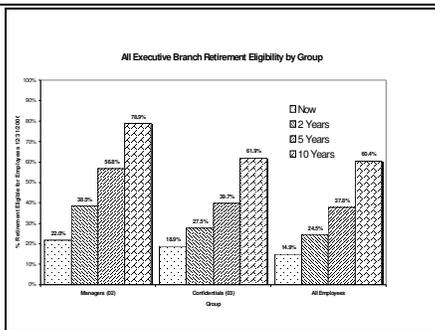
Also note the huge drop off in the numbers for the 61 and older set.

Just so you are thinking that managers have always been older as a group, consider this:

In 1971, 5% of city & county managers were over age 50 and by 2002 that % skyrocketed to 43%. It hasn't always been this way.

60% of the Federal workforce is over age 45 compared to 40% in the private sector. What happens with our employees happens first and happens hardest among the employment sectors.

Slide 7



What I've tried to do here is show retirement eligibility of the state workforce for three groups: All employees, all confidential employees, all managers in the Connecticut State Executive Branch.

This can be a useful gauge of our circumstances even if it is true that there are plenty of people who do not retire as soon as they are eligible to do so.

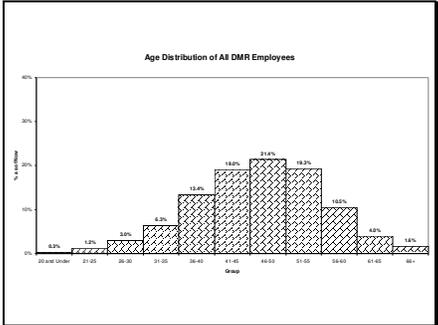
Using age and years of service respective of the retirement tier they are in, you can get an idea of what percentage of these groups could retire now, in 2 years, in 5 years and in 10 years. Note that 38.5% of all current state managers could leave in 2 years if they wanted. Many factors contribute to retirement decisions and we haven't taken stock of

any of those. But the potential is quite daunting.

Now, sure, we can hire new managers but where will they come from, are they really prepared for these jobs, how long does it take to prepare someone for these jobs? All important questions.

Note: 38.5% managers versus 27.5% of confidentials versus 24.5% of all employees can go in two years.

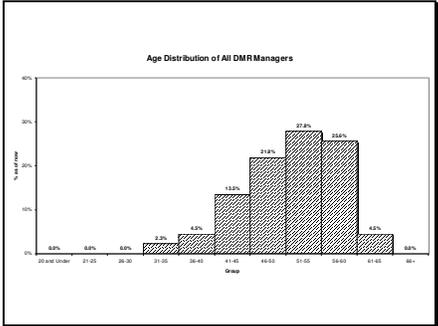
Slide 8



Let's place our attention a little closer to home:

Here's a histogram of the age distribution of all DMR employees using data pulled from Core-CT only a few weeks ago which lets us look at your agency. 35.4% are over the 50 year benchmark compared to the 32% for all state employees. Not so bad, I guess, in percentage terms.

Slide 9

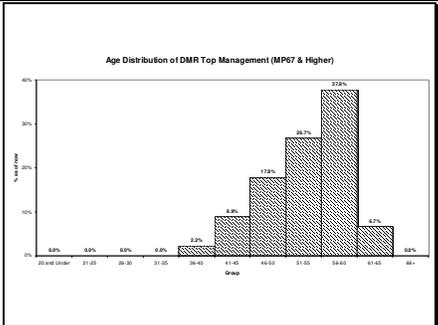


But look at your management. That is, look at you.

57.9% compared to 45.1% for the "general" state management workforce are over the age of 50. This made me curious about your top managers and executives using persons with jobs rated MP67 or higher.

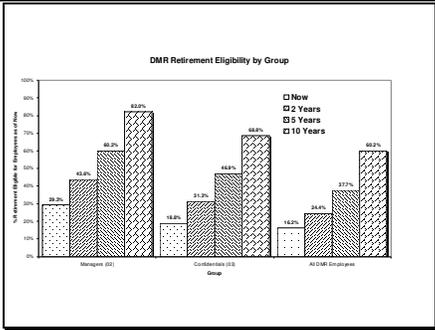
The reason I concern myself with that is that succession planning is a more focused activity on the key positions within an organization.

Slide 10



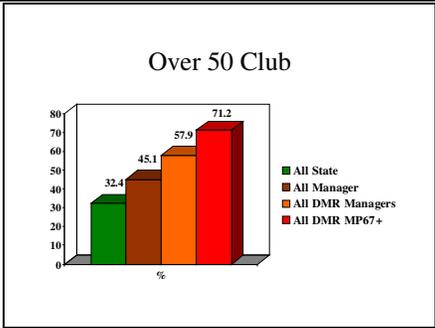
Bam. 71.2 % are over the age of 50. This is striking and shows that the replacement of senior managers in your agency is a problem you cannot ignore plus I wonder how much time you really have to do anything about it.

Slide 11



Here is the graph showing retirement eligibility for the same three groups in your agency as depicted for the whole executive branch of government. For you managers, 43.6% could be out in 2 years with the yield for all state managers being 38.5% in comparison.

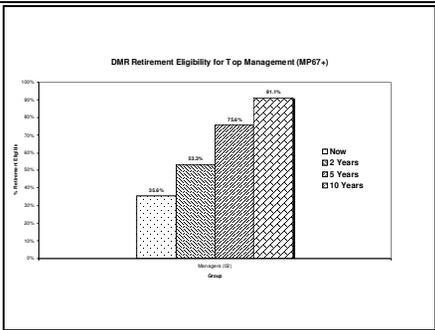
Slide 12



Here's a comparison of the % of employees in the over 50 club for all of the state, for all of the managers, for all of the DMR managers and for all of the DMR senior managers.

32.4% to  
45.1% to  
57.9% to  
71.2%

Slide 13



In terms of your top management and the potential loss of staff?

It appears you already have a pending continuity of operations issue about to happen with your senior management in that over half of these most senior and most knowledgeable employees can be gone in two years. It is 13.3% more of an outage than anticipated from pandemic influenza unless you can succeed these people quickly. And that 40% outage for pandemic influenza is considered to be a dire emergency.

Slide 14



Knowing that this reverse tsunami was coming, a few years ago, we inaugurated a web presence on workforce planning. We tried to keep it simple because we know agencies only have so much stomach for doing certain types of planning. We also tried to make it a la cart and as a set of tools that agencies could use that are powered by the reporting feature of Core-CT. A number of agencies have come on board to use these tools. Information on the workforce planning site is taught in the human resources certification program and they are taught in the new manager orientation program—both conducted by DAS

Before we delve into succession planning I want to talk about the broader context of workforce planning. In its most simple form, this is identifying the gaps we will have in the workforce that we will need in the future and the efforts made to address those gaps. I don't want to overdo this but I want you to understand that succession planning is one key component of workforce planning. It can stand alone but we view it as a part of a larger array of planning activities.

Slide 15

Workforce Planning High View

1. Analysis--determine profile of current workforce

- Profile the Current Workforce
- Profile the Future Workforce
- Tools:
  - Agency Roster & Position Summary
  - Current Staff, Workforce Projections
  - Future Staff, Workforce Projections

For our model, there are 4 broad components with supportive activities.

So this first part profiles the current workforce. We are able to profile the workforce by individual and by type of position. Some of this is very basic but powerful information such as the calculation of the turnover your agency experiences in each job code or job classification. Then we venture into the calculation of your potential losses due to retirement as contrasted with the percentage of the potential retirees that could leave. When correction officers are eligible to retire, they usually do. When office workers are eligible, they may or may not depending on where their spouse or partner is with their retirement, their income situation, and so forth.

The planning then takes on other dimensions: What changes will there be in the volume of work or volume of clients that need to be serviced? What technology changes are in the works? What new competencies or skills will be required in the work force? These numbers can take your future projections up or down in numbers. However, these, along with what you need to have in new employees just to replace staff will help you in planning through the employee acquisition work you have ahead of you.

Slide 16

**Workforce Planning High View**

**2. Planning—Determine actions required to transform current workforce into required future workforce**

- Plan the Transformation of the Current to Future
- Tools:
  - HR Benchmarks
  - Exit Interview Results
  - Sample Workforce Planning Approaches/Steps

Slide 17

**Workforce Planning High View**

**3. Implementation—execute plan**

- Tools
  - Career Counseling
  - Cost Reduction Techniques
  - Key Performance Measures
  - Leadership Development
  - Organizational Analysis & Design
  - Organizational Assessment
  - Succession Planning

Slide 18

**Workforce Planning High View**

**4. Monitoring—Assess success of plan**

- Revise the Workforce Plan as Needed
  - Lessons Learned Technique

Slide 19

RAND MR1001-7-07

Occupational series	Education			Years of service					
	Level	Number	%	1-3		4-10		>10	
				Number	%	Number	%	Number	%
Program management	<Bachelor	64	31%	3	5%	9	14%	52	81%
	Bachelor	96	46%	1	1%	7	7%	88	92%
	Master								
	Professional certification	48	23%		0%	4	8%	44	92%
	Total	208		4	2%	20	10%	184	89%
Mechanical engineer	<Bachelor	22	3%	11	50%	1	5%	10	46%
	Bachelor	552	68%	38	7%	103	19%	411	74%
	Master								
	Professional certification	214	26%	17	8%	43	20%	154	72%
	Total	814		71	9%	156	19%	587	72%

Legend: Workforce characteristics Levels of aggregation

Let's look at this chart for a moment and I'll show it again. It's something used by the RAND National Defense Research Institute. They have found some organizations benefit from looking at their workforce characteristics in three dimensions as their planning tool.

We have here the workforce characteristics in the black boxes which are occupational series, education, and years of service. In the gray boxes are how they are aggregated. In this example, Program Management and Mechanical Engineering. Think about your key occupational series in the DMR. The relevant education aggregation points are less than a bachelor degree, the bachelor degree, master or professional certification, etc. Years of service are 1-3, 4-10 & more than 10 years.

So this gives us a workforce shape that we either need to maintain or that needs to be shifted or

altered in response to the future requirements of the organization.

Slide 20

RAND National Defense Research Institute

1. What critical workforce characteristics will the organization need in the future to accomplish its strategic intent, and what is the desired distribution of those characteristics?

Here is the first of 4 questions to answer.

For example, if you are going to do even less direct service and will need to greatly increase program management and oversight responsibilities, what will that really take in the form of your workforce distribution to make that happen?

Slide 21

RAND National Defense Research Institute

2. What is the distribution of today's workforce—of the workforce characteristics needed in the future?

Slide 22

RAND National Defense Research Institute

3. If the organization maintains current policies and programs, what distribution of the characteristics will the future workforce possess?

Slide 23

RAND National Defense Research Institute

4. What changes to human resource management policies and practices, resource decisions, and other actions will eliminate or alleviate gaps (overages and shortages) between the future desired distribution and the projected future inventory?

Slide 24

RAND MR7060-7-21

Occupational series	Education			Years of service					
	Level	Number	%	1-3		4-10		>10	
				Number	%	Number	%		
Program management	<Bachelor	64	31%	3	5%	9	14%	52	81%
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	Master								
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	Overseer	36	3%	5	14%	0	0%	12	48%
	Total	814		71	9%	156	19%	587	72%

Legend: Workforce characteristics      Levels of aggregation

So here is the chart again.

As just one thing that can be done, by projecting how the current employees will age out of the workforce and then looking at the numbers that will be needed to replace them, the depth and breadth of needed recruiting activities or internship programs will become fairly clear.

Slide 25	Succession Planning	
Slide 26	Succession Risks to Be Managed <ul style="list-style-type: none"><li>• Vacancy Risk</li><li>• Readiness Risk</li><li>• Transition Risk</li><li>• Portfolio Risk</li></ul>	