ICMA

Leaders at the Core of Better Communities

2010 Annual Awards Program

Program Excellence Awards Nomination Form

Deadline for Nominations: March 12, 2010

Complete this form (sections 1 and 2) and submit with your descriptive narrative.

SECTION 1: Information About the Nominated Program

Program Excellence Award Category *(select only one)*:

☐ Community Health and Safety

☐ Community Partnership

☐ Community Sustainability

☒ Strategic Leadership and Governance

Name of program being nominated:	<u>Talent Management</u>
Jurisdiction(s) where program originated:	<u>Village of Schaumburg</u>
Jurisdiction population(s):	<u>75,936</u>

Please indicate the month and year in which the program you are nominating was fully implemented. (Note: All Program Excellence Award nominations must have been fully implemented by or before January 31, 2009, to be eligible. The start date should not include the initial planning phase.)

Month:	<u>June</u>	Year:	<u>2007</u>

Name(s) and title(s) of individual(s) who should receive recognition for this award at the ICMA Annual Conference in San José, California, October 2010. (Each individual listed MUST be an ICMA member to be recognized.):

Name:	<u>Ken Fritz</u>		
Title:	<u>Village Manager</u>	Jurisdiction:	<u>Village of Schaumburg</u>
Name:	<u>Paula Hewson</u>		
Title:	<u>Senior Assistant to the Village Manager</u>	Jurisdiction:	<u>Village of Schaumburg</u>

Name: ____

Title: ____   Jurisdiction: ____

SECTION 2: Information About the Nominator/Primary Contact

Name of contact: Patty Hoppenstedt

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VILLAGE OF SCHAUMBURG, ILLINOIS

2010 ICMA PROGRAM EXCELLENCE AWARD NOMINATION

STRATEGIC LEADERSHIP AND GOVERNANCE AWARDS CATEGORY

TALENT MANAGEMENT

THE CHALLENGE OR NEED THAT PROMPTED THE GOVERNMENT TO DEVELOP THE PROGRAM

The Chief Administrative Officer/CAO recognized the need to improve the leadership potential of all village employees, while also developing a talent pool of high-potential employees. An early retirement initiative in 2004 had led to the departure of many key leaders. Furthermore, nearly 60% of leaders would be eligible for retirement in the next five years, with one large department facing a potential turnover of 82% of its leadership. Although the village had various systems in place to independently address some of the aspects of talent management, there was no strategy to connect these elements together in a clear, cost-effective plan.

PROGRAM IMPLEMENTATION AND COSTS

The CAO selected a team to utilize the best research available to create a Talent Management Plan/TMP to address these problems. Five elements were identified as part of the TMP, and specific tools, tasks, courses, and deadlines were established for each element:

Five Elements of Talent Management
Attract the right talent with the right competencies for the job
Engage talent you already have with innovation and challenges
Build talent through assessment and development
Promote talent by giving the best performers the biggest opportunities
Retain talent by recognizing performance and contribution to the vision

Two foundational tasks were identified early on as being critical to the success of the TMP. First, the TMP needed a competency model to serve as its foundation and to provide a common language linking each of the five elements together. Rather than create its own competencies the

village selected the 67 research-based competencies developed by Lominger International. Lominger also has a variety of competency-based tools to help support the TMP. Second, the village needed to convene groups of top performers to create Success Profiles comprised of the top 15 competencies for each of the four main levels of employment: Individual Contributor, Professional, Supervisor/Manager, and Executive. The participants spent time discussing the strategic purpose of the position, key deliverables, barriers to success, and expected changes in the village over the next 5-10 years prior to doing a competency card sort exercise. The end result was a list of 15 competencies that distinguish "star performers" from average or poor performers. These Success Profiles are used throughout the TMP for such things as hiring, 360 feedback assessments, development, and succession planning. Job-specific Success Profiles are currently being developed for every position in the village.

Attract Talent. Knowing what competencies are needed for success at different job levels has significantly improved the village's ability to select the best person for the job. Candidates are assessed on their mastery of the necessary competencies for positions by using a structured, behavioral interview process from Lominger called "Interview Architect." Each competency has ten potential questions to explore candidates' experiences with that competency, structured probing questions, and specific positive and negative themes to watch for in their answers. Other areas addressed in Attracting Talent include increasing the talent pool through targeted sourcing based on specific competencies and successful onboarding of new talent to the village.

Engage Talent. One of the key goals of the TMP is to develop the leadership potential of all employees. This requires management to take an active role in understanding what motivates their employees, collaboratively establishing performance goals, and providing clear and honest feedback on their performance. Employees are also encouraged to complete an Employee Profile

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that highlights their personal career goals, as well as the skills, knowledge, and value they bring to the village. Aligning the village's goals with the employees' goals helps to produce fully engaged employees who not only meet, but willingly go beyond the village's goals. Courses are available to management through the Schaumburg Institute for Professional Development/SIPD to help develop skills in areas such as motivating employees, coaching, and mentoring.

Build Talent. Good leaders know what their weaknesses are so that they can address them. The Success Profiles identify which competencies are most critical for success in employees' current jobs and enable them to target changes in the areas that are going to have the biggest results. Employees are able to work with managers to identify competency gaps and create development plans to address areas of weakness. Since it is harder to get feedback the higher one moves in an organization, the village also utilizes 360 feedback assessments with higher level leaders to identify competency gaps. The SIPD also provides courses for both employees and managers to develop specific competencies.

Promote Talent. Some employees have greater potential and need to be given the chance to prove that they can do more and move higher in the organization. The Employee Profile is also used at this time to identify which employees have expressed interest in advancement. The Success Profiles help employees identify which competencies are needed for success at the next level in order to create development plans which help them stretch and develop competencies a level ahead of time. This reduces the learning time an employee needs when promoted, as well as providing managers with an opportunity to observe their readiness for promotion.

Retain Talent. Since the village doesn't own its most important asset, it needs to create an environment where people want to stay. Some of the processes which help in this area include: New Employee Orientation, various awards to recognize excellence in the workplace, leadership

training, and coaching. The village is currently moving to a pay for performance system to address monetary incentives for high potentials. The village also conducts exit interviews when people leave to determine if there are any systemic or personnel issues that need to be addressed.

Although the TMP can be replicated for a lower cost without software assistance, the village chose to utilize SuccessFactors' online modules to increase the efficiency of managing the data of various aspects of the TMP, such as performance appraisals, goal management, employee profiles, 360° feedback, and career development plans. The initial configuration cost for the six modules utilized was $56,600. The current annual cost to the village for the modules utilized, including the license to use the Lominger competencies and Interview Architect Express Online, is $43,942. At least one person in the organization needs to complete Lominger's one-time certifications in Leadership Architect 101 ($1,795) and Interview Architect ($1,795) to use some of the Lominger tools. This person can then train the rest of the employees.

TANGIBLE RESULTS OR MEASURABLE OUTCOMES OF THE PROGRAM

One executive who was recently involved in creating a Success Profile and hiring for a senior level position admitted that "although I had my doubts going in, I am now convinced this is an outstanding process. It really gave me a much clearer picture as to who was truly qualified and who was not. I highly recommend that we continue using this process." Another division reports that they are now consistently in agreement over which people to hire and are accurately selecting "star performers." With an average estimated cost of $94,570 for a bad hire it is very important to be sure the right person is selected for the job the first time.

Significant changes in the performance appraisal process have also benefited both supervisors and employees. Employees now rate their own performance. Differences between employee and supervisor ratings provide an opportunity to discuss expectations and to clarify

goals for the next year. The use of Behaviorally Anchored Rating Scales has led to more accurate performance evaluations and improved rater consistency as both supervisors and employees need to support their ratings with concrete behavioral examples from the employee's performance. Performance criteria are linked to specific competencies, which allow for creating targeted development plans to help employees improve performance.

Employees now have greater opportunities to pursue meaningful career goals and achieve their best individual potential, while at the same time providing better service to village residents. Nearly 24% of employees have expressed an interest in their Employee Profiles for further advancement within the village. The Employee Profile has been especially helpful in identifying people who were interested in advancement to positions in other departments.

LESSONS LEARNED DURING PLANNING, IMPLEMENTATION, AND ANALYSIS OF THE PROGRAM

Talent Management becomes even more important during tight economic times. A hiring freeze led to increased internal hiring as higher level positions opened up, making it more critical than ever to develop internal talent. Furthermore, with fewer workers doing more work there is an even greater need to keep employee engagement and morale high.

Getting the Success Profiles right is critical to the success of the program. People need to be working on the competencies that really make a difference to the organization. Success Profile teams need to be comprised of "star performers" who understand the position being assessed.

Be flexible and don't try to do it all at once. Economic constraints, time demands of other major village initiatives, and management and employee feedback received during the roll-out led the Talent Management Team to adjust their plans and timelines on numerous occasions. Introducing the program in phases helped to prevent management and employees from being overwhelmed, as well as providing opportunities to make adjustments as needed.