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Innovation Study Title Talent Management

Category Organizational Design

Jurisdiction Name Village of Schaumburg, IL

City/County Manager Kenneth Fritz

Population 74,227

Submit Innovation Study for an Alliance Innovation Award Yes No

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Synopsis

Intent of the project/program/service

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 94% 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. The CAO selected a team to utilize the best research available to create a Talent Management Plan/TMP to address these problems.

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, a partner of SuccessFactors. 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.

Through initial assessment of the CAO’s objectives, it was determined that a system solution was needed to assist with the implementation of the TMP. It was determined after investigating system solutions that SuccessFactors had modules available and modules on the SuccessFactors roadmap would meet both our short term and long term needs to fully implement the TMP. The initial investment was made in Goal Management followed by Performance Management, 360 Degree Feedback, Career Development, and Employee Profile. Most recently, the village has implemented Goal Execution, Recruiting, Employee Central, Talent Tracker and Calibration, with Compensation and Learning on the village’s roadmap for this current year. Each module implementation in our SuccessFactors progression has been done to systematically align with the progression and next steps being taken with the TMP.

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

Costs

Although the process can be replicated for a lower cost without software assistance, the team utilizes SuccessFactors, talent management suite to increase efficiency of managing the data. As part of the succession planning process, we utilize the following various modules in SF including the Career Development module (\$5,000 annually), Talent Tracker module (\$12,000 annually), and 360 Degree Feedback (\$4,600 annually). We also use Lominger's 67 Competencies (\$4,000 annually) and Choices Architect Card Decks (\$120 each). In the past we have used TalentView of Leadership Transitions (TVOLT) assessment tool from Personnel Decisions International Corp (PDI Ninth House) at a cost of \$400 per assessment. Workplace Solutions Executive Leadership Coaching costs on average \$1,600 per high potential. The village also hopes to acquire the Succession module to better track and view the organization's talent at a glance.

Innovative Characteristics

The Talent Management Plan has allowed the village to have a formal process in place that allows us to identify high potential employees and start the process of getting those high potential employees ready for that next level of leadership and responsibility. By having the formal process in place it has allowed for career development to begin for critical leadership positions and to date seven high potentials have been promoted with three promoted into executive level positions through this process.

One executive who was 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 \$98,317 for a bad hire it is very important to be sure the right person is hired for the job the first time.

Obstacles

Being flexible and not trying to do it all at once have been keys to our success. 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. The phased implementation has also allowed HR to further make its business case for implementing additional modules of SuccessFactors that will allow future years of our Talent Management process to be more automated with enhanced results.

Applicable Results and Real World Practicality

Being ahead of the curve by preparing high potentials for future roles, allow for a positive controlled development process. It also allows for an organization to be more prepared for the expected and unexpected departure of key employees. We learned that you cannot do everything as fast as you want. Listen to your customers (executives, managers & employees), they will provide feedback that is the key for success. We also learned that not everything needs to be automated. Approach this as a project with an objective. The means you achieve the objective is not what counts but it is the end result. Automation does make the process easier but it should not be the roadblock that prevents an organization from starting their process.

This program/process is very applicable to other local governments. All local government will experience the departure of a key individual(s) in the organization at some point in time. Without planning for that departure by preparing high potential employees for that next level,

services will be affected. Whether the process is a manual process and tracked through the use of spreadsheets, it is automated or it is somewhere in between; preparing future leaders is important for all organizations.

Outcomes Achieved

Job-specific success profiles have been developed for every position in the village as new positions open up. This enables the village to have a greater chance of getting the right person for the right job at the right time, by interviewing candidates on the competencies that are most critical for success at that position.

The economic downturn in 2008 had a definite impact on the TMP. A lack of funding required the Talent Management Team to adapt their plans so that the succession needs could still be addressed in the village. The ideal scenario would have been to do the entire succession planning process with SuccessFactors tools. However due to the lack of funds, the village developed a process that incorporated the tools already in place from SuccessFactors and then created the remainder of the process as manual process with a vision future automation. At the same time the economic downturn contributed to some employees delaying retirement due to losses in their retirement savings. The tight job market also probably kept employees from leaving for better jobs. Nevertheless, there were some openings at the leadership level, which led to more internal hiring to fill the positions. The positions of those who were promoted were not filled, which resulted in fewer workers doing more of the work. The ultimate accomplishment through this process and the difficult economic times was development of talent continued despite the lack of funding to fully implement the process at one time

Private consultant

Consultants were used for part of the assessment process and for the leadership training being provided to high potentials and managers, and for facilitation of the leadership workshops. PDI Ninth House is the provider of the TalentView of Leadership Transitions (TVOLT) self-assessment tool completed by each high potential participant in the Talent Management process. PDI Ninth House also provides assistance to the Talent Management Team with interpretation of the TVOLT results. Darryl Harris, Carroll Keller Group, serves as facilitator for five half day leadership development and supervisory workshops. All succession candidates need to complete the Leadership track courses in a three year period.

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Innovation Study Presentation

The village's presentation would be a PowerPoint presentation walking others through the process taken in Schaumburg. The presentation would include both the positive results and obstacles that have been overcome in the process.