Building Strong Organizations to Meet 21st Century Challenges

Heidi Voorhees, Co-owner and President, GovHRUSA, LLC
Presentation to Michigan Municipal Executives
January 2020
Challenges for the Next Ten Years

- Demographic Shifts
- Emerging Technologies
- Pension Investment Returns
- Cultural and Generational Shifts
• 45 – median age of government employees
• 2012 – 46% of local government employees put their retirement plans on hold due to the recession
• 2016 – 21% of local government employees said their retirement plans are still on hold.
• 54% of local governments reported an increase in retirements between 2014 and 2015.

Source: Civicplus – Is Your Local Government Ready for the Silver Tsunami?
### City Managers – An Aging Group

<table>
<thead>
<tr>
<th></th>
<th>1971</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Managers Under Age 40</td>
<td>71%</td>
<td>13%</td>
</tr>
<tr>
<td>City Managers Under Age 30</td>
<td>26%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: ICMA
Biggest Trend Shaping the 2030 Workforce?

- Diversity and Inclusion – 28%
- Rebuilding public service commitment – 17%
- Evolving Services – 17%
- Public/Private Partnerships – 15%
- Automation – 14%
- Contractual Staffing – 9%
## How Our Communities Are Changing

Source: Brookings Institute

<table>
<thead>
<tr>
<th>Race</th>
<th>2016</th>
<th>2030</th>
<th>2060</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>77%</td>
<td>74%</td>
<td>68%</td>
</tr>
<tr>
<td>Non-Hispanic White</td>
<td>61%</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>Black</td>
<td>13.3%</td>
<td>13.8%</td>
<td>15%</td>
</tr>
<tr>
<td>Asian</td>
<td>5.7%</td>
<td>6.9%</td>
<td>9%</td>
</tr>
<tr>
<td>2 or more races</td>
<td>2.6%</td>
<td>3.6%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>
Diversity’s dividend

What’s the likelihood that companies in the top quartile for diversity financially outperform those in the bottom quartile?¹

- 15% more likely to outperform
  Gender-diverse companies

- 35% more likely to outperform
  Ethnically diverse companies

¹Results show likelihood of financial performance above the national industry median. Analysis is based on composite data for all countries in the data set. Results vary by individual country.

Source: McKinsey analysis
The researchers found that companies with one or more women on the board delivered higher average returns on equity, lower gearing (that is, net debt to equity) and better average growth.
## How Our Communities Are Changing

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Source: Brookings Institute
<table>
<thead>
<tr>
<th>Age Groups by Race/Ethnicity</th>
<th>White</th>
<th>Black</th>
<th>Hispanic</th>
<th>Asian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boomers (55+)</td>
<td>75%</td>
<td>10%</td>
<td>9.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Gen X (35-54)</td>
<td>61%</td>
<td>12%</td>
<td>19%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Millennials (18-34)</td>
<td>55%</td>
<td>13.9%</td>
<td>20%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Population Statistics
30% of ICMA members are women.

15% of CAO positions are occupied by women (14% in MI).

37% of #2 positions are occupied by women (33% in MI).

46% of other positions are occupied by women (40% in MI).

Notably in 2012, 3% of CAOs were African American.

Local Government Statistics

Source: https://icma.org/data-women-members-profession
Research shows diversity can bring discomfort, less cohesion and lack of trust;

Generally people like to be with people like them;

People fear saying the wrong thing or offending someone.

The Value of Diversity

- Organizations that represent the communities they serve
- Non homogenous groups bring different points of view and work harder to reach consensus
- This hard work can lead to better outcomes

Millennials became the largest generation in the labor force in 2016

U.S. labor force, in millions


PEW RESEARCH CENTER
Millennials are better educated than prior generations

Educational attainment of 25- to 37-year-olds (%)

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school grad</td>
<td>30%</td>
<td>14</td>
<td>13</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>High school graduate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some college</td>
<td>43</td>
<td>41</td>
<td>40</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>Bachelor’s degree or higher</td>
<td>13</td>
<td>21</td>
<td>21</td>
<td>28</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>24</td>
<td>25</td>
<td>29</td>
<td>39</td>
</tr>
</tbody>
</table>
Among Millennials, women outpacing men in college completion

% of 25- to 37-year-olds who have completed at least a bachelor’s degree

<table>
<thead>
<tr>
<th>Millennial</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennial (2018)</td>
<td>43%</td>
<td>36%</td>
</tr>
<tr>
<td>Gen Xer (2001)</td>
<td>31%</td>
<td>28%</td>
</tr>
<tr>
<td>Late Boomer (1989)</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>Early Boomer (1982)</td>
<td>21%</td>
<td>27%</td>
</tr>
<tr>
<td>Silent (1968)</td>
<td>11%</td>
<td>19%</td>
</tr>
</tbody>
</table>
What Young People Want in Their Careers

- Work/Life Balance – 62%
- Job Security – 57%
- Dedicated to a Cause or Feel I am Serving a Greater Good – 49%
- Be Competitively or Intellectually Challenged – 34%
- Be a Leader or Manager of People – 26%

Source: Universum annual survey of 65,000 U.S. college students and MBA students
It’s A Perfect Storm of Opportunity

- Local government needs service oriented talent
- Communities are more diverse and government needs to reflect that diversity in hiring
- Millennials are more well educated than previous generations
- Millennials want to serve and make a difference
- Millennials are a more diverse cohort.
APWA Taps Into Workforce of Tomorrow

https://www.facebook.com/APWAChicagoMetro/videos/434848514128262/
Important Attractors Offered by Employers

1. Respect for employees – 53%
2. Secure employment – 52%
3. Creative and dynamic work force – 49%
4. Professional training and development – 45%
5. Friendly work environment – 45%
Five Ideal Employers!

- FBI
- National Institutes of Health
- NASA
- Department of State
- Peace Corps
# Hard to Fill Positions: Trend

Source: SLGE.org – State and Local Government Workforce Survey 2019

<table>
<thead>
<tr>
<th>Position</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policing</td>
<td>15%</td>
<td>32%</td>
</tr>
<tr>
<td>Engineers/Engineering</td>
<td>12%</td>
<td>29%</td>
</tr>
<tr>
<td>Maintenance Worker/Laborer</td>
<td>3%</td>
<td>24%</td>
</tr>
<tr>
<td>Skilled Trades</td>
<td>3%</td>
<td>24%</td>
</tr>
<tr>
<td>Dispatch</td>
<td>5%</td>
<td>22%</td>
</tr>
<tr>
<td>Building Permit/Inspections</td>
<td>4%</td>
<td>17%</td>
</tr>
</tbody>
</table>
Skills Sought

- 75% -- Interpersonal
- 57% -- Technology
- 52% -- Written Communication
- 31% -- Management
- 20% -- Other
- 15% -- Public Speaking/Presentations
- 13% -- Finance

Source: SLGE.org – State and Local Government Workforce Survey 2019
Recruitment and Retention – What Employees Want

• Listen – (Respect)
• Stop Micromanaging – (Respect)
• Address Performance Issues
• Conduct Regular, Productive Staff Meetings (creative and dynamic workplace)
• Encourage Professional Development and New Ideas (Professional training and dev)
• Don’t Play Favorites
• Be Emotionally Consistent
• Practice Patience and Optimism
• Respond to Email
• Give Direction

Source: GovHRUSA
“Listen” as the Word of the Year

"You're not listening to what you're hearing."
Five Culture Killers

- Top down management style
- Failure to foster a workplace that is inclusive and diverse
- Unethical conduct by leaders
- Leaders failure to address unethical conduct
- Failure to communicate and/or listen
Five Culture Enhancers

- Leading productive, effective and inclusive meetings
- A combination of internal and external hiring
- Effective on boarding of new employees
- Regular senior leadership engagement with employees
- Exit interviews with the Manager
It Is Not Always a Level Playing Field
No or Low Cost Ways to Level the Playing Field

• Focused conversations with current employees
• Welcoming outreach
• Partnerships with community colleges and high schools
• Paid internships for community college students
• Invest in test prep, licenses and certifications for technical staff
Unintentional Bias in Recruiting and Hiring

• Go where the candidates are
• Blind job applications
• First impressions
• “Similar to me” bias
• Negative emphasis
• Non-verbal bias
Professional Development – Grow Your Own!

- Consider Internal “Universities” and webinars
- Develop Mentoring Programs
- Look for Local Conferences (APWA, etc)
- Talk to Employees About Career Goals
Consider a Video to Market Your Organization

• A source of pride (and fun) for employees
• Markets you to your community and potential employees
• Connects with technology focused younger cohorts
• Does not have to be expensive!

https://www.youtube.com/watch?v=vqhkszHcG20s