

What City Managers Want From HR Directors/What City Managers Need

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November 4, 2016



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Premise for Panel Discussion

- While it may not take a “village” - it does require a team to effectively manage a city or county
 - The City Manager cannot do it alone
 - The City Manager doesn't have all the answers
 - The senior executive/leadership team helps run the city
 - The Human Resources Director can be one of the most important members of that team
 - A good department head sees both opportunities and problems before they fully mature and recommends actionable strategies and solutions to the City Manager and leadership team



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Premise for Panel Discussion (cont.)

- Yes, a good department head manages UP as well as down the organization!
- The City Manager is no different.
- As HR Director, you have your fingers on the pulse of the organization, constantly examining its strengths and weaknesses and always proposing ways to improve the capacity of the organization.
- You are not just waiting for direction from the CMO, you are offer big picture thinking and options
- The department heads with this mindset are the most valuable
- Again, a CM doesn't have all the answers and may WANT certain things from their HR Director but may NEED much more



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Premise for Panel Discussion (cont.)

- What do CM's typically WANT from their HR Department?
 - Lack of conflict, errors and surprises
 - A capable workforce that reflects the community
 - Lack of legitimate grievances
 - Employee compensation and benefit programs are effectively managed
 - High level of communication with employee groups
- What do CM's NEED from their HR Departments
 - An understanding of what is a high-performing city
 - An understanding what is a healthy corporate culture
 - An understanding where your city stands vs. the benchmark
 - A specific and actionable plan for high-performance (ends) and a healthy culture (means)

• YOU OWN IT!



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What Is The Biggest Determinant For Organizational Success/Failure?

- Stockton, San Bernardino, Oxnard, Beaumont, CA and Detroit—what do they have in common?
 - Was it bad luck?
 - Was it poor fiscal management? That is a symptom...
 - The health of the organizational culture determined their fate
 - “Groupthink” determined their fate
 - Your organizational culture determines your fate



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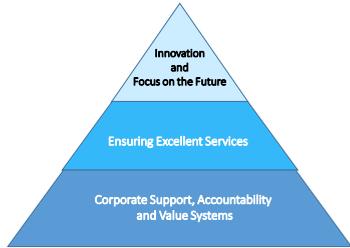
What Is The Biggest Determinant For Organizational Success/Failure?

- Organizational Culture—what is it?
 - Behavioral norms or standards—written or unwritten—from the top to the bottom—actually practices vs. espoused
 - Policies and procedures—written vs. actual application
 - Organizational rituals
 - Organizational decisions e.g. promotions, demotions, training, recognitions, etc.
 - What gets rewarded and what does not
 - Can be organized or ad hoc
 - Is not static—evolves with or without your help



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Three Critical Building Blocks of Good Government & High Performance



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What Have We Found In These Distressed Cities?

"Groupthink" Was Strong

Unhealthy Organizational Cultures

- Employee roles and norms defined by individuals rather than from the CMO or Leadership Team—culture was ad hoc
- Professional standards & expectations were low
- Finances managed primarily by one or two people
- Staff guessing what the Council wanted which drove recommendations
- Council was shocked and was not told the condition of the City
- Investment in people was very low
- Lack of leadership
- No performance evaluations or proactive management plans

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What Did We Find (cont.)?

Unhealthy Organizational Culture

- Silos everywhere
- Some department heads held the organization hostage—perceived as friends of CMO
- Lack of communication and expectations
- Problems brewing
- Violating state and federal laws
- Lack of ownership
- Heading for or falling over a fiscal cliff

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Boy Oh Boy, What Next?

- **Priority #1**
 - Deal with emergencies—remove violations of State and Federal Law or Council policy
 - Fix finances e.g. huge dollar implications to General Fund
 - Make sure you have right team—to help the City initiate transformation (must have right values!)
- **Priority #2**
 - Understanding the performance triangle!
 - Creating new organizational culture
 - Start building new capacity – CMO can't do it all!
 - This is where HR Directors shine!
- **Priority #3**
 - Best Management Practices
 - Work your way up the triangle!

How Do We Create A New Culture To Support The High-Performing City?

- Its simple but must be specific and clear then reinforced over time
- Should be in the following order
- Starts at the top and then fans out from there
- Create and define the Sr. Leadership Team
 - Team & core values and mutual expectations
 - Team competencies
 - Benchmark & ongoing performance management program
- Create and define the mid-manager group
 - Team & core values and mutual expectations
 - Desired competencies—both core and specific to role
 - Performance management program
- Repeat for supervisors and line-staff

How Do We Create A New Culture To Support The High-Performing City (cont.)?

- Design all the organizational “levers” around the desired culture or value system
- The performance management program is the most important
 - Source of communication between supervisor and employee to plan for the future
 - Must be two way—what I need more of, less of or keep doing the same.....
 - Get away from the old report card format—design it for the 98%
 - Performance Improvement Plan (PIP) is for the 2%
 - Reflecting on the past is good, but as a learning tool to get better next year
 - Documents investments in the employee and ties to business needs of the city
 - Its about talent development and mutual commitments for the year
 - Its about using the science of human motivation to pull the proper” levers”

How Do We Create A New Culture To Support The High-Performing City (cont.)?

What really motivates your employees—the “levers”?

- Personal Achievement (In order of impact)
- Recognition
- The Work Itself
- Advancement
- Growth

How Do We Create A New Culture To Support The High-Performing City (cont.)?

What gets in the way—more “levers”?

- Policy and administration (In order of impact)
- Supervision
- Relationship with Supervisor
- Work conditions
- Salary

How Do We Create A New Culture To Support The High-Performing City (cont.)?

Create organizational development program (must be tied to values)

- Mid-manager team across departmental silos
- Recognizing high-performers & future promotions
- Document what people need and offer training, symposiums, classes, CM Academy or retreats
- Ethics training
- Governance councils—IT, Risk Mgmt., Fleet, HR, etc.
- Program for new supervisors
- Testing for values and competencies in promotions & hiring
- Support supervisors in dealing with the 2%
- Survey employees after a few years—is it working and if not where?
- Create system to ensure the 5 top de-motivators are not getting in the way
- Exit interviews

Changing the Culture...



Creating a Sustainable Culture

- Change is **HARD!**
 - “We didn’t get here overnight and we won’t change it overnight”
- Takes commitment and tenacity from entire executive management team and willingness to lead by example
- Especially true for the Human Resources Director or Manager
- Communications must be consistent with the City Manager’s message
 - Timely and frank feedback to CMO so important
 - HR hears the good and bad from employees and the City Manager needs to be aware of how his/her message is being received

Taking Steps to Sustainability - Benicia

- City of Benicia is a full service city:
 - Fire
 - Police
 - Water
 - Wastewater
 - Library

Taking Steps to Sustainability – Benicia (cont.)

- Level of service provided to the community is no longer sustainable
 - Revenues flat
 - Fees antiquated – do not cover cost of services
 - Built-out city – deteriorating industrial park
- Employee compensation no longer competitive following reductions taken during the recession and several subsequent years of no increases
 - Employee morale impacted significantly by concessions
 - Retirements/turnover increasing
 - Retention/recruitment becoming challenging
- Staff capacity not sufficient to provide quality services in a sustainable manner

Strategy for Sustainability

- Council directed staff to develop a sustainable plan for the organization
 - Engage employees in the process
- This direction resulted in the development of a strategy for achieving sustainability, which included:
 - 10-year forecast and various financial studies
 - Organizational Scan
 - Comprehensive Strategic Planning Process

Organizational Scan

- The Organizational Scan was a key component of this process
- Intended to be a high level scan to identify economies and efficiencies
- The scan ended up being much more than that:
 - Highlighted foundational areas in the City that needed more focus and resources
 - Engaged employees in the process of creating a more sustainable organization
 - Department heads and mid-management were heavily involved in the development of the org scan
 - Employee engagement process served to orient employees to other departments
 - Helped to break down silos, promote collaboration and begin to change the culture

Role of Human Resources

- Human Resources was tasked with an important role in this process - Employee Engagement:
- Engagement efforts included:
 - Employee Survey
 - Focus Groups
 - All employee meetings to keep staff informed and engaged

Role of Human Resources (cont.)

- Translating employee feedback from surveys and focus groups into content to be included in the organizational scan
- Reporting back to employees regarding the final report
 - Letting them know their feedback was heard and in report
- Consistent and timely communication is key to keeping staff interested and engaged
 - Communications both from CMO to employees – and feedback back to the City Manager
 - HR was critical for ensuring this back and forth was occurring effectively

Next Steps to Sustainability

- Benicia is still on its path to sustainability and there remains much to do:
 - Conduct a Strategic Planning process that builds off the organization scan
 - Program the implementation of recommendations of the scan into future budgets
 - Continue to engage employees early and often during these efforts
- Added challenge of transition in leadership, turnover continuing, and anticipated changes in the Council
- During times of stress, we revert to what is comfortable, even if unproductive
- The challenge before the executive management team now, and particularly the City Manager and Human Resources Manager, is to keep the momentum going – to keep the focus on the goal of sustainability

Lessons Learned – Take Aways?

HR Directors give their City Managers what they want & what they really need— HR Directors own the corporate culture & big picture

- Corporate cultures determine performance
- Must be planned, expectations clear and reinforced with City rituals e.g. PE's, training, promotions, providing new opportunities (develop and invest in capacity-building)
- Absent this, people create their own expectations based on what works or doesn't work
- Constantly work it! Everyone must participate in practicing & reinforcing the culture

Watch Out For Groupthink

Performance Management Program Is Most Important

- Design it for the 98% and the PIP for the 2%
- Use the science of motivation and focus on talent development

Lessons Learned – Take Aways (cont.)?

- Know the triangle and see how the culture affects it
- Obsess over the corporate values and how the city reinforces it or not
- Expect high professional standards from everyone & invest in talent
- The City Manager cannot do it alone.....you have to think broadly
- You need to communicate the good, bad and the ugly
- Ask your employees.....how are we doing?
- It becomes the selling point for new recruitments and becomes self-perpetuating
- What will happen after you leave? It must continue without you and if unsure; start from the beginning and do it all over again!

Summary

- Your city may not be distressed like Oxnard, Stockton. Beaumont or San Bernardino, but you are somewhere on the continuum....from poor, to good to great.
- So, where are you?
- Remember, if you are not obsessing over your corporate culture, then someone else is designing it for you, piece by piece, silo by silo.
- Your CM doesn't have all the answers. The HR Director needs to provide more of them.....

Questions?

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