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SCHOOL OF GOVERNMENT 75 YEARS UNC CHAPEL HILL

Special Issue

Workforce Planning: Big Challenges on the Horizon

Popular Government

James Madison and other leaders in the American Revolution employed the term "popular government" to signify the ideal of a democratic, or "popular," government—a government, as Abraham Lincoln later put it, of the people, by the people, and for the people. In that spirit *Popular Government* offers research and analysis on state and local government in North Carolina and other issues of public concern. For, as Madison said, "A people who mean to be their own governors must arm themselves with the power which knowledge gives."

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The School of Government at the University of North Carolina at Chapel Hill works to improve the lives of North Carolinians by engaging in practical scholarship that helps public officials and citizens understand and strengthen state and local government. The core components of the School are the Institute of Government, established in 1931 to provide educational, advisory, and research services for state and local governments, and the two-year Master of Public Administration Program, which prepares graduates for leadership careers in public service. The School also sponsors centers focused on information technology, environmental finance, and civic education for youth.

The Institute of Government is the largest university-based local government training, advisory, and research organization in the United States, offering up to 200 classes, seminars, schools, and specialized conferences for more than 12,000 public officials each year. In addition, faculty members annually publish approximately fifty books, periodicals, and other reference works related to state and local government. Each day that the General Assembly is in session, the Institute's *Daily Bulletin*, available in electronic format, reports on the day's activities for members of the legislature and others who need to follow the course of legislation.

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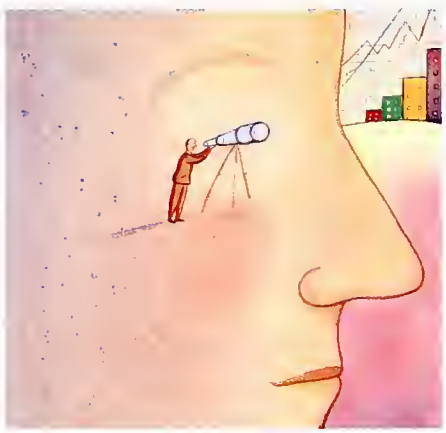


In the coming years, 80 million baby boomers will reach retirement eligibility. A generation half that size will be left to replace them. Changing demographics and increased demands on government require thoughtful strategic planning and workforce management.

This special issue of *Popular Government* examines the topic of planning and people through four articles. Heather Anne Drennan looks at strategic planning in North Carolina municipalities to understand which factors determine its effectiveness. She addresses how the state's cities compare with cities nationally in the use of strategic planning.

Establishing strategic priorities is a common first step taken by North Carolina cities and counties. To achieve these priorities, public employers must have the staff in place, with the right skills. Workforce planning enables agencies to ascertain their need for human resources to meet their objectives, and the availability of such resources. Willow S. Jacobson discusses the compelling importance of workforce planning, describes steps in the process, and reviews efforts under way in North Carolina municipalities.

Christina E. Ritchie then examines succession planning, a component of workforce planning that focuses on leadership and critical positions at every level of the organization. She presents data on succession planning in North Carolina as well as across the nation. The article concludes with a set of lessons and recommendations.

Finally, Brittany F. Whitmire illustrates how workforce and succession planning apply to small family-farm businesses in North Carolina. She demonstrates the usefulness of workforce planning for these organizations and shows the importance of tailoring efforts to the specific needs and characteristics of the profession.

This issue of *Popular Government* takes you on a journey that begins with the need to set objectives and continues with a guide to knowing your workforce requirements and preparing your workforce for the efforts ahead. It progresses to an examination of how to ensure leadership succession and ends with lessons drawn from North Carolina's farms, which have long served as a foundation of the state's economy. We hope that this special issue will be an aid in your planning process, wherever you may be on the workforce management journey.

—Willow S. Jacobson, Guest Editor, and John B. Stephens, Editor

ON THE COVER *With retirements looming and demands growing, it is time for governments to look—and plan—ahead.*

Feature Articles

Articles

Departments

Bluestein Named to New Associate Dean Position

School of Government Dean Michael R. Smith has announced the appointment of Frayda S. Bluestein as the School's associate dean for programs. The newly created position strengthens administrative capacity at the School now that Smith has assumed part-time duties as UNC at Chapel Hill's vice-chancellor for engagement.

"Frayda is the perfect person to fill the role of associate dean for programs," Smith said. "She is smart, thoughtful, and creative. She understands what we do, and she is committed to our doing it even better."

In her new role, Bluestein will be responsible for orienting faculty and working with faculty advisory committees. She also will be responsible for managing and supporting the School's appointment, promotion, and tenure process, and she will have lead responsibility for implementing and managing changes in the faculty's strategic planning process.

"I love my work as a faculty member," Bluestein said, "but I am excited about the opportunity to support the work of other faculty and staff and to strengthen our services to the people we serve."

Before joining the Institute of Government faculty in 1991, Bluestein worked for four years in a private law practice, focusing primarily on municipal and land-use law. She also worked for one year in the Legislative Drafting Division of the North Carolina General Assembly. Her teaching, research, and writing focus on the legal requirements for bidding local government contracts, conflicts of interest in contracting, and general local government law. She is the author of *A Legal Guide to Purchasing and Contracting for North Carolina Local Governments*. In 2004 she was awarded the School's two-year professorship for teaching excellence.

Bluestein holds a B.A. from the University of California at Berkeley and a J.D. from the University of California at Davis.

Other members of the School's leadership team are Thomas H. Thornburg, senior associate dean; Ann Cary Simpson, associate dean for development and communications; and Bradley G. Volk, associate dean for administration.

Joyce, Ammons, Owens Awarded Endowed Professorships

Three School of Government faculty members have, through the School, received endowed professorships on the basis of their high level of service to North Carolinians as teachers, advisers, researchers, and writers.

Robert P. Joyce has been named Charles Edwin Hinsdale Professor of Public Law and Government. Joyce joined the Institute of Government in 1980. He specializes in school law (especially schools as employers), higher education law, elections law, legislative representation, government employer-employee relations, and employment discrimination law. He has served as editor of the School's Legislative

Frayda S. Bluestein, left; Robert P. Joyce, top right; David N. Ammons, center right; David W. Owens, bottom right

Reporting Service, of the *School Law Bulletin*, and of *Popular Government*. His publications include *The Law of Employment in North Carolina's Public Schools*, *The Precinct Manual*, and chapters in *Education Law in North Carolina*. Joyce holds a J.D. from Harvard Law School.

The chair was endowed in 1993 by Hinsdale, who served as a faculty member at the Institute for twenty years.

David N. Ammons has become Albert Coates Professor of Public Administration and Government. Ammons joined the Institute in 1996. His areas of expertise include public administration, productivity improvement in local government, performance measurement, and benchmarking. Among his six books on local government management are *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards*; *Accountability for Performance: Measurement and Monitoring in Local Government*; and *Tools for Decision Making: A Practical Guide for Local Government*. Ammons received his Ph.D. from the University of Oklahoma.

The chair honors Albert Coates, who founded the Institute (now part of the School) in 1931 and served as its director until 1962.

David W. Owens is now Gladys Hall Coates Professor of Public Law and Government. An Institute faculty member since 1989, Owens specializes in zoning, subdivision regulation, and other land-use controls; city and county planning; and environmental protection. He has published numerous books and articles on zoning law, including the basic legal reference, *Land Use Law in North Carolina*, and the widely used guide for citizen boards, *Introduction to Zoning*. Owens earned both a graduate planning degree and a J.D. from UNC at Chapel Hill.

The chair is named for Gladys Hall Coates, the wife of Albert Coates, a partner in the Institute's development, and an authority on student government in North Carolina.

The Albert and Gladys Hall Coates professorships were made possible by a 1979 gift from Paul and Margaret Johnston. Paul Johnston was a faculty member at the Institute.

Rivenbark Earns Achievement Award

Associate Professor William C. Rivenbark has received the Albert and Gladys Hall Coates Faculty Achievement Award. He will hold this two-year professorship through June 30, 2008.

According to Michael R. Smith, dean of the School of Government, Rivenbark was selected for this award

> *because he has excelled in so many different areas. He managed and improved the performance measurement program, now called the North Carolina Benchmarking Project, for seven years. He teaches and consults with public officials in the budgeting area, is a productive writer, and voluntarily has assumed significant teaching and advising responsibilities in the MPA Program. Bill carries out all of these responsibilities with the highest level of quality and a great sense of humor.*

Rivenbark joined the Institute of Government in 1999. He specializes in public administration, local government administration, budget preparation and enactment, and performance measurement and benchmarking. His research involving performance measurement and financial management in local government has appeared in *Government Finance Review*, the *Journal of Government Financial Management*, the *Journal of Public Affairs Education*, the *Journal of Public Budgeting, Accounting & Financial Management*, *Popular Government*, the *Public Administration Quarterly*, *Public Finance Review*, *Public Performance & Management Review*, and *State and Local Government Review*. He also is coauthor of *Performance Budgeting for State and Local Government* (M. E. Sharpe, 2003).

Rivenbark earned a B.S. from Auburn University, an M.P.A. from Auburn University at Montgomery, and a Ph.D. from Mississippi State University. Before joining the Institute, he worked for the City of Greenville, South Carolina, in various management positions.

The teaching award is named for Albert Coates, the founder of the Institute and its first director, and his wife, Gladys, Albert's partner in development of the Institute.

Special Gifts Honor Brannon and Vogt

Professors Joan G. Brannon and A. John "Jack" Vogt, both of whom entered the university's phased retirement program in 2006, have been honored with special-recognition gifts by friends and colleagues.

Brannon's faculty colleagues, the North Carolina Association of District Court Judges, and the North Carolina Association of Clerks of Superior Court celebrated her retirement from thirty-five years of teaching, advising, and writing with a generous, combined gift of $10,000 to the Drennan Fund for Judicial Education.

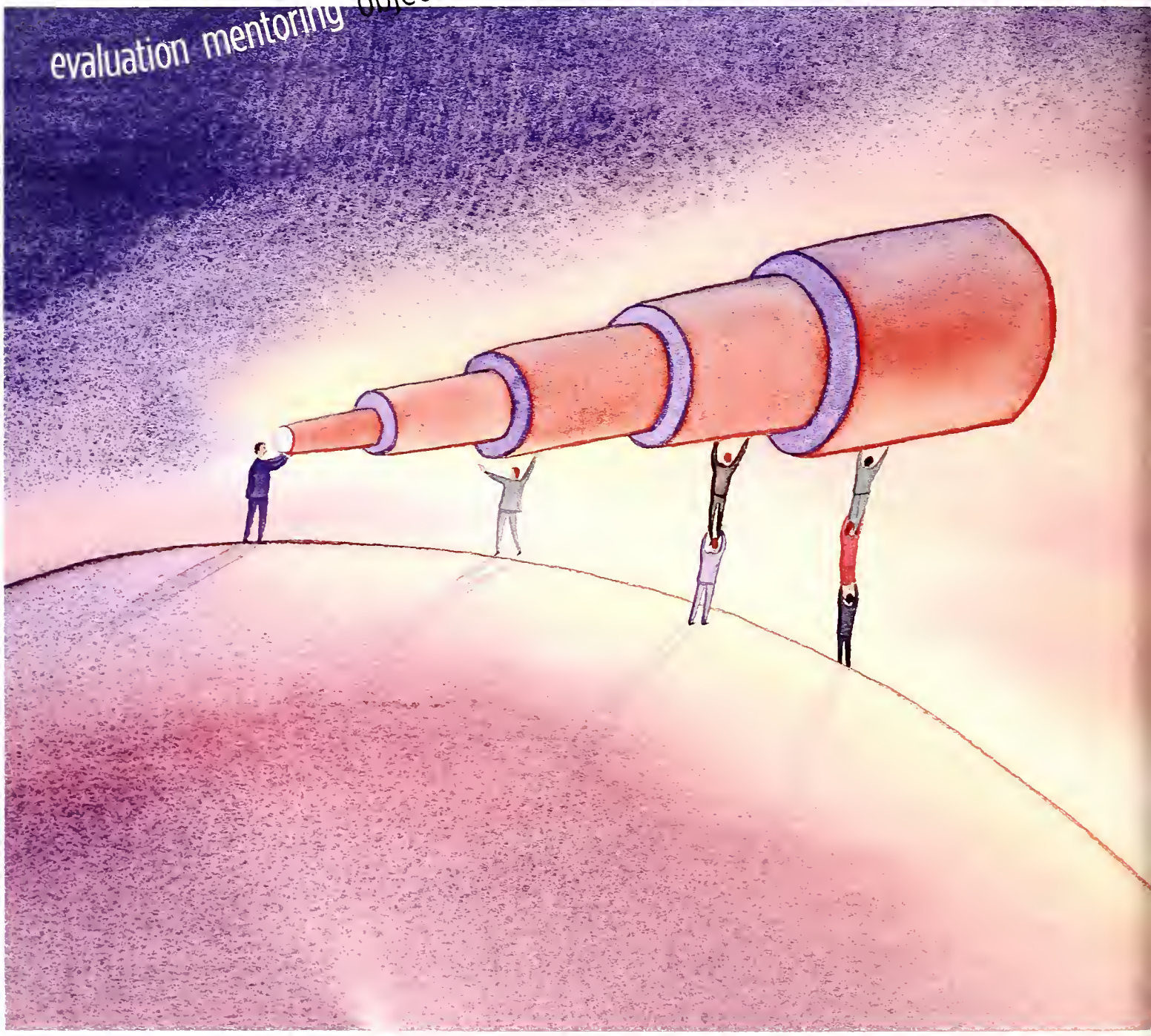
Brenda Tucker, president of the clerks association, aptly summed up the broad respect and admiration that Brannon earned over her career: "Joan has been a tireless, devoted resource to our entire membership, past and present. We wish her the very best in all future endeavors and are certain she has set a precedent through the quality education that local and state government offices have received during her tenure at the School."

continued on page 52

Is Your Plan on the Shelf?

Effective Implementation of Strategic Plans in North Carolina Cities

Heather Anne Dremman



owledge management performance **planning outcomes** demographics

Strategic planning takes considerable time and effort, yet little is known about how effective those using strategic plans find them to be. Local governments increasingly have been participating in this public- and private-sector management trend, which is taught widely in business, nonprofit, and government schools and used by thousands of organizations. Are strategic plans worth the time and money spent on them? What can local governments do to improve the return on their investment in strategic planning?

This article discusses what makes implementation of strategic plans effective in North Carolina municipalities. It reports the findings of a survey of medium-sized and large North Carolina cities, focusing on two questions:

- Which critical factors identified in the literature determine strategic planning effectiveness?
- How do North Carolina cities compare with cities nationally in their use of strategic planning?

Additionally the article recommends strategies that local governments, as well as other government organizations, can use to increase the effectiveness of their strategic planning.

Overview of Strategic Planning

Strategic planning has been defined in academic terms and in practice. The language used to define and describe it is varied.

One way of viewing strategic planning is through its process and parts, as seen in this definition: "a systematic process for gathering information about the big picture and using it to establish a long-term direction and then translate that direction into specific goals, objectives and actions."[1]

Another way to view strategic planning is to see it through its functions. Users in College Station, Texas, describe their plan as both a policy document—outlining what will be accomplished—and a long-range action plan—outlining how and when it will be accomplished. The policy portion of the document has vision statements and supporting policies or strategies. The actionable portion contains an implementation plan for each strategy, citing who is responsible, what change is required, what resources are required to implement the change, and what milestones will monitor progress.[2] Some strategic plans—for example, those required by the Government Performance and Results Act—have multiple parts, including a strategic plan, a performance plan, and a performance report, designed to function together as a management tool for decision making and budgeting.[3]

The research reported in this article used a broad, inclusive definition of strategic planning that encompasses all these processes, components, and functions. It includes traditional long-range planning, council or staff visioning processes, development of performance measures to track progress toward a service goal, and comprehensive planning with municipal service components. This definition is broader than the typical view of many municipalities, which was reflected in the comment of one survey respondent: "The elements of strategic planning we use (i.e., council retreat, department head retreat), we do not even call 'strategic planning.'"

Strategic planning includes traditional long-range planning, council or staff visioning processes, development of performance measures to track progress toward a service goal, and comprehensive planning with municipal service components.

Strategic planning allows organizations to maintain continuity long-term; assess strengths, weaknesses, opportunities, and threats; create shared commitments; adapt to changing environments; and achieve organizational success.[4] Fundamentally, strategic planning creates a process and a resulting product that help organizations be intentional and transparent about what to do and how to do it. When connected to the budget process, strategic planning allows organizations to overcome a major obstacle to implementation: funding. Although the subject is beyond this research, budgeting for the financial and staff resources to implement strategic plans also can be supported through other organizational planning processes, such as workforce and succession planning (see the articles on pages 9 and 26).

Previous Research on Municipal Strategic Planning

Research has documented the prevalence of local government strategic planning and, to a lesser extent, of planning pro-

The author, a 2005 graduate of UNC at Chapel Hill's Master of Public Administration Program, is a budget analyst for the City of Raleigh. Contact her at heather.drennan@ci.raleigh.nc.us.

cesses used to enhance local governments' annual budget process. One study found that medium-sized and large municipalities are using strategic planning with increasing sophistication. The vast majority of the respondents in that study believed that the benefits of strategic planning at least outweighed the costs.[5]

College Station, Texas, integrates its budget and planning cycles, and this approach contributes to the success of its strategic plan. Two other lessons learned from the College Station experience apply generally: (1) obtain early commitment from city council members and management and (2) focus on the plan's intended results, to better prepare the city to manage its growth and changes.[6]

For strategic planning to be effective, citizens must be involved. Research has found that even if best practices in strategic planning are followed, to be truly accountable to the community, citizens must participate:

> *It is equally important that policymakers and professionals formulate the visions, goals, and objectives of their strategic plans with the benefit of public input. To do otherwise invites the criticism that even the most efficiently performing local governments lack relevance in the eyes of their citizens/customers and reinforces perceptions of the citizen's inefficacy.*[7]

Lessons learned: integrate budget and planning cycles, get commitment from high-level officials, and keep the focus on intended results.

Study of Medium-Sized and Large North Carolina Municipalities

To answer the two questions that I posed earlier, I surveyed senior staff from human resources, fire, budget, and information technology departments in all twenty-six North Carolina municipalities with populations larger than 25,000. This population threshold was set so that results could be compared with those of several national surveys. One or more officials from twenty-four of the twenty-six municipalities responded to the online survey, resulting in a usable-response rate of 63 percent.[8]

The research reported in this article was not causal. Rather, it analyzed what the relationships were among multiple factors and how effective each respondent perceived his or her own city's strategic plan to be. There are many standards for a good strategic plan, but the plans were not evaluated by these standards.

Strategic planning differs in theory and practice. Some aspects of strategic planning are not conducted citywide. Also, a respondent may not have known about all city initiatives. Because of this, I analyzed data by each city as a whole and by department. Whereas prior research used a single point of contact for each municipality, the research reported in this article probed more deeply, asking four senior department staff members from each municipality for their perspectives. This gave a glimpse into actual plan implementation, not just the city council's or the city manager's intent.

Overview of Findings

Strategic planning is prevalent in North Carolina: all the municipalities that responded conducted it in some form. Most produced a written strategic plan and found the resulting document effective or very effective. North Carolina municipalities use strategic planning more often and with more sophistication than the national average.

Three factors improved how effective a strategic plan was perceived to be: connection to the budget, certain aspects of planning processes, and extent of stakeholder involvement. The involvement of key stakeholders, including council members, citizens, and top administrators, was moderately important for successful plan implementation. More significant than who was involved in the planning process, though, was how long the city had been engaging in strategic planning, how often the plan was updated, and how the plan was connected to the annual budget process. (For the statistical correlations of the most effective strategic-planning factors analyzed, see Table 1.)

Table 1. **Comparison of Strategic Planning Factors**

Strategic Planning Factor	Strength of Correlation
Departments required to identify and link goals and objectives to budget request*	.792
Effectiveness of document	.759
Link between strategic plan and budget process	.692
Neighborhood groups*	.680
Regional representatives*	.666
Forecasting of revenues and expenditures to determine financial feasibility	.603

Source: From Heather Anne Drennan, Effectiveness of Strategic Planning in North Carolina Municipal Government, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005) (on file with author).

Note: In comparing factors in the three categories (connection to the budget, certain aspects of planning processes, and extent of stakeholder involvement), the most important variables are those related to the budget cycle and public participation. This table ranks those variables. The higher the number in the right column, the greater the importance of the variable in the effectiveness of the resulting strategic plan. Whether departments are required to identify and link their budget requests with strategic goals and objectives—and the formality of the requirement—is much more influential than many other factors.

*Analyzed as an index of two or more related variables.

Connection to the Budget

The strategic plan's connection with the budget cycle is the strongest indicator of success. The budget's interrelationship with strategic planning has multiple dimensions, each of which is important to effective implementation. Factors include department meetings with budget staff, a link between budget requests and department goals and objectives, joining of the strategic planning and annual

budget processes, and use of financial forecasting to determine the feasibility of plan goals and objectives.

One respondent reported that his or her city has "a very informal strategic planning process and it is also informally linked to the budget process." A more formal connection between strategic planning and the budget—specifically the formality with which departments link their budget requests to goals and objectives—was actually the most important of the budget-related factors listed earlier.

The extent of the connection between the budget and planning processes was evident in one respondent's comment: "Our planning process is our budget process." In North Carolina, 25 percent of responding municipalities required departments to link budget requests to goals and objectives, and 67 percent at least moderately evaluated financial forecasts of specific strategies.

Consistent use of the strategic plan is much more important than the plan components.

In comparison with cities across the nation, North Carolina municipalities use more sophisticated techniques of strategic planning, including incorporation of performance measurement and coordination between the strategic plan and the budget.[9] The most sophisticated uses of strategic management were examined through several related survey questions. The answers indicated that although few North Carolina municipalities use performance budgeting systems, more than half use performance measurement tools.

Recommendation: *Integrate the strategic plan with the annual budget. Align the strategic planning process (or updates) with the annual budget process, and encourage productive meetings between department and budget staff.*

Practically this recommendation means formally requiring all departments to connect their budget requests to department and city goals and objectives. Also, it means requiring that major operating and capital requests involve projections of future costs. Budget staff should review department budget requests and evaluate how well they address department and city goals and objectives. The city manager and the assistant city manager can improve the effectiveness of the strategic plan by evaluating department budget requests in light of citywide goals and objectives.

Certain Aspects of Planning Processes

Several aspects of planning processes related to a municipality's effectiveness in strategic planning and plan implementation: how long the municipality had been engaging in strategic planning, how often the planning process was conducted, and how well the plan was connected to citywide goals.

North Carolina municipalities have extensive experience in strategic planning, 65 percent of them having engaged in it for more than 10 years, and another 25 percent, for 4–9 years. The longer municipalities had engaged in strategic planning, the more effective respondents perceived implementation to be.

Most department respondents (78 percent) updated their strategic plan at least annually. Only 10 percent updated it every three or more years. Municipalities that updated their strategic plans more frequently found the plans to be more effective.

The extent to which departments link their goals to citywide goals is important to how effective the strategic plan is. In North Carolina, 66 percent of the departments reported that their plans explicitly linked most or all department goals to citywide goals.

Just as important as what improves effectiveness is what does not. Respondents perceived service delivery plans, measurable outcomes, timelines, and performance indicators to be less helpful in implementation than the factors cited earlier.

Recommendation: *Experience counts. If strategic planning is not perceived as sufficiently valuable, consider continuing the process a little longer. Also, update the plan regularly to ensure that it is a living, working document.*

If the strategic plan is something pulled off the shelf only once a year, an alternative is to review progress toward strategic plan goals and objectives quarterly at department or council meetings. Consistent use of the plan—whether it is a list of council goals or a more formal plan—is much more important than the plan components (e.g., measurable outcomes or action steps).

Extent of Stakeholder Involvement

Involving key internal and external stakeholders throughout the strategic planning process is important to effective implementation of the resulting plan. Key stakeholders include council members, citizens, and top administrators. Although other stakeholder groups may be important, the research reported in this article suggested that these three had the most impact.

Council Members

Council members played a major role in shaping the strategic vision and direction of a municipality. This in turn influenced the effectiveness of the resulting plan and its implementation. The council's influence, assessed through a combination of factors, was moderately correlated with effective implementation. The visionary policy function had a much greater effect than the overall level of council involvement or the effectiveness of any particular planning processes—for example, council retreats.

All the municipalities that responded to the survey involved council members, and on a citywide basis, 75 percent involved them centrally. This is similar to national findings that 80 percent of councils are centrally involved in strategic plan development.[10]

Citizens

Citizens also have a substantial positive effect on the strategic planning process and its implementation. Whether as part of neighborhood groups, chambers of commerce, or regional organizations, or as private individuals, effective incorporation of citizens into strategic planning is important. When the impact of all these citizen groups together was measured, inclusion of the general public was highly correlated with effectiveness of implementation.

Neighborhood groups and regional organizations can have more impact than economic interest groups (e.g., chambers

of commerce) or individual citizens. This may be evidence of the increased influence that citizens have when they organize to address public interests.

Although research consistently finds the general public to be a key stakeholder, North Carolina municipalities have not involved the general public extensively in strategic planning. Of those responding, 25 percent centrally involved chambers of commerce; 13 percent, citizens; 13 percent, neighborhood groups; and 8 percent, regional representatives. Overall, less than 30 percent of North Carolina municipalities centrally involved at least one category of external stakeholder. By comparison, nationally 62 percent of municipalities centrally involve citizens and external stakeholders.[11] Low public involvement in North Carolina is problematic because of the substantial positive influence that these external stakeholders can have on implementation.

Creating a shared vision for the future by developing consensus among internal and external participants at all levels allows cities to address the most important community priorities realistically and meaningfully.

Top Administrators

The impact of top administrators on plan effectiveness was less strong. Of these, assistant city managers' involvement, in both degree and effectiveness, was the strongest. The more involved they were, the more effective plan implementation was. However, this factor was only moderately correlated with effective strategic planning. Almost 80 percent of the responding North Carolina municipalities centrally involved assistant managers, and 83 percent found their involvement to be moderately or highly effective.

Nationally the impact of the assistant city manager on the planning process has not been assessed, but 97 percent of municipalities reported that the city manager was centrally involved. This finding aligns with the practice in the responding North Carolina municipalities, all of which centrally involved the city manager, and it confirms the important role that top administrators play in guiding strategic plan implementation.

North Carolina falls short on inclusion of line employees. Almost 50 percent of municipalities nationwide centrally involved nonmanagement employees, and their involvement predicted the strategic plan's impact.[12] In contrast, only 17 percent of North Carolina respondents included line employees. Although their participation was not strongly correlated with effectiveness, this may be because of their minimal involvement and North Carolina municipalities' limited experience in including them.

Recommendation: *Increase opportunities for meaningful public participation of neighborhood groups, regional representatives, chambers of commerce, and citizens.*

Practical challenges to doing so are the increased resources, complexity, and time involved. This may be why North Carolina's cities do not use citizens in the planning process as extensively as municipalities nationally do. However, the research reported in this article has shown clearly the value of public involvement. Creating a shared vision for the future by developing consensus among internal and external participants at all levels allows cities to address the most important community priorities realistically and meaningfully.

Conclusion

Strategic planning was used in most of the medium-sized and large North Carolina municipalities responding. Overall, respondents found the implementation of strategic plans to be effective. Connection with the budget, certain aspects of planning processes, and stakeholder participation are all influential in strategic planning effectiveness. Of these, connection with the budget had the strongest impact on effective implementation overall and was the critical factor for success.

Notes

This article is based on original research reported in Heather Anne Drennan, Effectiveness of Strategic Planning in North Carolina Municipal Government, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005) (on file with authors).

1. Theodore H. Poister & Gregory Streib, *Elements of Strategic Planning and Management in Municipal Government: Status after Two Decades*, 65 PUBLIC ADMINISTRATION REVIEW 65, 66 (2005).
2. Dana Ingman et al., *Strategic Planning That Uses an Integrated Approach*, 84 PUBLIC MANAGEMENT 16 (2002).
3. Edward Long & Aimee L. Franklin, *The Paradox of Implementing the Government Performance and Results Act: Top-Down Direction for Bottom-Up Implementation*, 64 PUBLIC ADMINISTRATION REVIEW 309 (2004).
4. Anonymous, *Strategic Planning: A Formula for Success*, 111 AMERICAN CITY & COUNTY 64 (1996); John Bertot, *Strategic Plans Key to County Success*, 109 AMERICAN CITY & COUNTY 14 (1994); Ingman et al., *Strategic Planning*.
5. Poister & Streib, *Elements*.
6. Ingman et al., *Strategic Planning*.
7. Michael W. Shelton & Troy Albee, *Financial Performance Monitoring and Customer-Oriented Government: A Case Study*, 12 JOURNAL OF PUBLIC BUDGETING, ACCOUNTING & FINANCIAL MANAGEMENT 87, 87 (2000).
8. Five of the 24 responding jurisdictions had a 100 percent response rate, with someone from each of the four departments responding. Nine had a 75 percent response rate; 7, a 50 percent response rate; and 3, a 25 percent response rate. Overall, there were 71 responses, of which 65 were usable, resulting in a 63 percent usable response rate. By department the usable response rate was 81 percent for senior budget or finance staff, 65 percent for senior fire staff, 69 percent for senior human resources staff, and 31 percent for senior information technology staff.
9. Poister & Streib, *Elements*.
10. *Id.*
11. *Id.*
12. *Id.*

Who Will Be There to Serve? Workforce Planning

Willow S. Jacobson

mentoring succession planning knowledge management demographics

The impending exodus of baby boomers from the nation's workforce, coupled with the increasing competencies and skills required of public-sector employees to provide quality services, sets the stage for a key challenge that governments will face in the coming years. They will compete with private and nonprofit organizations, as well as one another, for talented workers.

In short, the nation is poised for a workforce crisis, and governments are likely to feel the crisis first because of their high proportion of older employees and their high demand for knowledge workers. People with the required skills and knowledge will become harder to recruit and retain, especially if governments are not clear about the skills that they seek. Workforce planning can help governments perform strategically in the face of increasingly complex governmental demands made even more challenging by the impending changes in and demands for human capital.

Governments must have the resources to achieve the goals and objectives out-

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Numbers don't lie: aging baby boomers dominate the workforce. This sets the stage for a crisis.

performance preparation outcomes transition **workforce planning** evaluation

lined in their strategic plans. Moreover, simply continuing basic service provision requires resource planning that incorporates and addresses changing demographic and social demands. Techniques such as performance budgeting help governments plan for and track the level at which they are accomplishing their goals.[1] Just as organizations need to determine if the appropriate financial and capital components are in place for achieving organizational objectives, they need to consider whether the appropriate human capital is in place. Identifying a funding source for a position is not enough. Workforce planning enables local governments to determine their need for human resources to meet their objectives, and the availability of those resources.

"Workforce planning" is a process designed to ensure that an organization prepares for its present and future needs by having the right people in the right places at the right times. This article examines the importance of workforce planning for governments. It addresses how national demographic trends are creating a workforce crisis and highlights the particular challenges that this crisis will create in the public sector. Further, the article discusses national workforce-planning trends and describes practices of North Carolina local governments.

Importance of Workforce Planning

Strategic planning at the local level is becoming more common. A recent study of medium- and large-sized North Carolina municipalities found that 100 percent of respondents were conducting strategic planning in some form (see the article on page 4).[2] Commonly these plans involve the creation of an organizational or governmental mission statement, identification of core values, and specification of organizational goals by the organization's stakeholders.[3] To accomplish these goals and directions, governments must properly align their financial and human resources. Workforce planning aims at creating a systematic assessment of the content and composition of a government's workforce to determine what actions the government needs to take to respond to current and future demands to achieve organizational goals and objectives.[4]

In much the same way that financial issues are not the sole responsibility of the finance office, workforce planning is not the lone responsibility of the human resource department. Human resource staffs are key players in supporting and assisting the development of a workforce plan, but the ownership of workforce planning belongs to all managers, top administrators, and governing boards.[5]

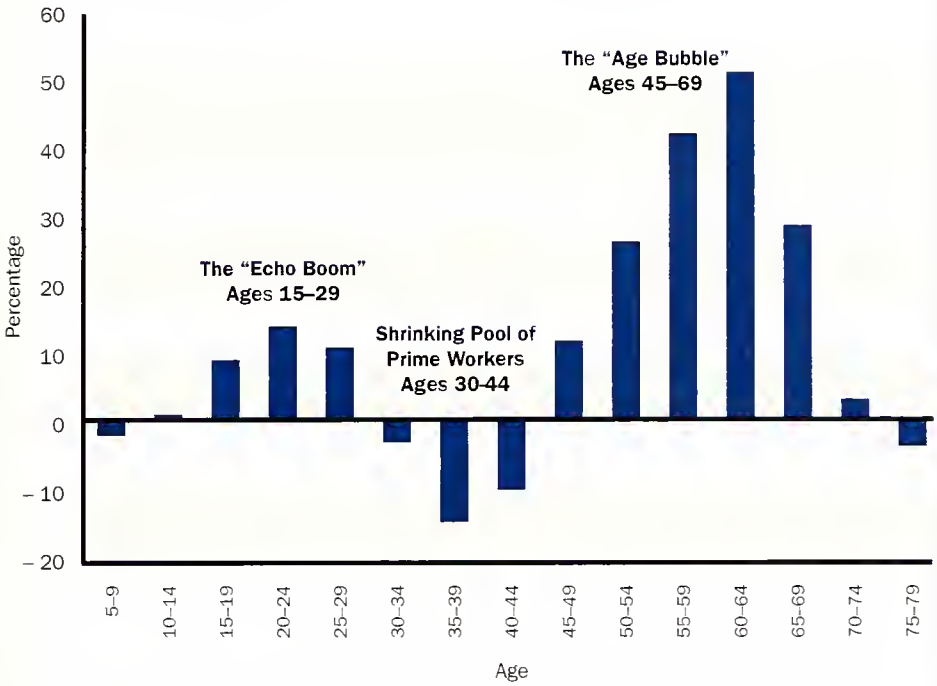
Workforce planning is important because, simply put, the numbers do not lie. The large number of aging baby boomers in the workforce considered in relation to the much smaller number of younger workers available to replace them sets the stage for a crisis.[6] A recent *Harvard Business Review* article notes, "The most dramatic shortage of workers will hit the age group associated with leadership and key customer-facing positions."[7] Many governments expect retirements of 50 percent or more among their senior managers in the next 5–7 years.[8] Turnover without planning can lead to increased costs, lack of continuity, and immediate negative effects on organizations.

Given the current demographics of the national workforce, the potential for turnover is great. Baby boomers (people born between 1946 and 1964) now make up 45 percent of the workforce, and "matures" (people born before 1946), 10 percent. The proportion of older workers (defined as those fifty-five years old and up) is projected to increase an average of 4 percent per year through 2015.[9] The rapid increase of people in the workforce who are ages 45–69 has been referred to as the "age bubble" (see Figure 1).[10] As the population ages, employers will have to determine how best to replace the growing number of retiring workers from a much smaller pool of rising workers.

High Stakes and Pressing Demands for the Public Sector

Stakeholders at all levels of local government may find it more difficult to lead and govern their communities and serve their citizens as they face the added challenge of large retirement numbers in the next decade.[11] The demographic transitions that are occurring nationwide pose particular challenges for the public sector. The average age of public workers is higher; the levels of specialization of knowledge, skills, and training are greater; and access to available resources, such as training funds, recruitment bonuses, and financial incentives, often is more constrained.

Figure 1. **Percentage Change in Population by Age Group, 2000–2010 (Estimated)**



Source: From Mary B. Young, The Aging-and-Retiring Government Workforce: How Serious Is the Challenge? What Are Jurisdictions Doing about It? 31. Report sponsored by CPS Human Resource Serv. (Burlington, Mass.: Ctr. for Org. Research/A Div. of Linkage, Inc., 2003), available at www.cps.ca.gov/AboutUs/documents/CPS_AgeBubble_FullReport.pdf (last visited Oct. 31, 2006). Reprinted by permission.

Regarding relative ages, on average, 46.3 percent of government workers are forty-five years old or older, whereas in the private sector, just 31.2 percent fall in this age range.[12] Federal, state, and local governments will face a great challenge in the next decade as they strive to replace these retiring workers.

The percentage of older workers in the government workforce increased more than the percentage of older workers in the private sector did between 1994 and 2001. Although the local government numbers are slightly less dramatic than the federal government ones, they still signal that local governments will likely face workforce retirement issues sooner than their private-sector counterparts.[13]

The differential between older and younger workers in the federal government is the largest, with four out of five employees more than thirty-five years old. The pattern holds for other levels of government, though the differentials are smaller (see Figure 2).

Regarding greater levels of specialization, as a large percentage of the workforce prepares for retirement, federal, state, and local governments will have to replace a greater percentage of knowledge workers than the private sector will. These knowledge workers require specialized training and education that enable them to fill roles such as health care worker, legal professional, natural scientist, engineer, educator, and manager.[14] More than 50 percent of all government jobs are in occupations that require specialized training, education, or job skills, compared with 29 percent in the private sector.[15] Occupations that require specialized education, training, or skills are dominated by older workers in the public sector. Therefore, finding skilled replacements for government employees will be made difficult not just by the demographic challenges of aging workers but also by the nature of the work performed by these workers, and by competition for younger workers from other sectors.

Training budgets have faced many cuts and freezes that have hampered government's ability to prepare future leaders for advancement.[16] "Recession[s] in the 1980s and then the early 1990s were textbook examples of how state and local organizations drastically cut training in order to meet emergency budget cutback targets . . . Consequently, training was hard-pressed to maintain any continuity, much less identity." Despite this traditional and lasting challenge, "public sector organizations have increasingly placed more emphasis on training and development. Surface acceptance has progressed to increasing commitment to training and development programs by many private and public sector organizations." Nonetheless, the public sector lags. "As an industrywide survey taken in the late 1990s reveals about plans for training budgets, the public sector is still 'trailing edge' compared to the private sector, but at least 85% of the agencies surveyed were planning on maintaining or increasing funds."[17]

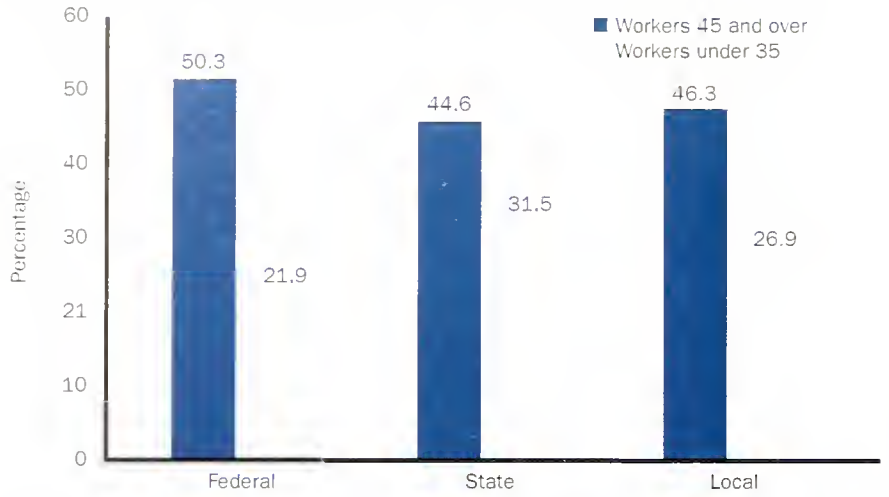
Factors that exacerbate the situation are past trends and employment practices, such as periods of rapid growth, downsizing, imposition of hiring freezes, and offering of early retirement incentives. Public employers also are hampered by the declining appeal of public service and continued competition for talent.

On the bright side, many experts believe that a few moderating variables will soften the blow of an aging public-sector workforce. First, the declining value of retirement investments and the rising cost of retiree health benefits may influence retirement-eligible employees to continue working.[18] Second, the recent economic downturn actually increased the appeal of government employment because of its relative job security. Finally, although it is too early to measure the full impact of large-scale disasters such as 9/11 and Hurricane Katrina, they have highlighted the vital role that government plays in serving and protecting citizens and thus may have made public service careers more attractive.

Workforce Planning: A Crucial Tool

Workforce planning is not a panacea for the demographic changes that governments will face, but this crucial tool allows governments to be better prepared and more responsive. Also, it helps align current and future workforce needs with the organization's strategic objectives,

Figure 2. **Older and Younger Workers, by Level of Government, 2001**



Source: From Craig W. Abbey & Donald J. Boyd, The Aging Government Workforce 4 (Albany, N.Y.: Nelson A. Rockefeller Inst. of Gov't, 2002), available at http://rfs.rockinst.org/exhibit/9006/Full%20Text/AgingGovernmentWorkforce.pdf (last visited Oct. 31, 2006). Reprinted by permission.

helps leverage human resource practices to affect performance and retention, and increases opportunities for current and future workers.

Aligning needs with objectives. By gaining a more complete picture of the skills and competencies of their current workforce, organizations can fill vacant positions more efficiently as well as maintain service proficiency in the face of increased turnover, labor market shortages, and limited compensation levels. At the same time they can inform future needs. Having the appropriate workforce in place contributes to implementing a strategic plan and determining the skills needed to achieve long-term goals and objectives.[19] Also, it helps improve employees' ability to respond to changing environmental demands by clarifying what skills the organization has in place, to be tapped when needed.

Leveraging practices. Workforce planning helps focus a government's workforce investment on employee training, retraining, career counseling, and productivity enhancement, while ensuring that staff development efforts fit within the available budget. It also can help maintain and improve diversity, cope with effects of downsizing, and mitigate effects of employees leaving the organization.[21]

Increasing opportunities. Two major benefits of workforce planning are increased opportunities for high-potential workers and enlargement of the talent pool of promotable employees. Workforce planning can provide clear avenues for employees to pursue their career plans. Such avenues will help attract and keep valued employees, and that in turn will ensure a continuing supply of capable successors for key positions.

Summary. A well-developed workforce plan integrates training and development activities to provide a continuing supply of well-trained, broadly experienced, well-motivated people who are ready and able to step into key positions as needed. Also, it determines the key skills and characteristics needed for recruitment and selection. Having a plan can increase staff retention, tailor training goals and needs, provide leadership opportunities, clarify hiring priorities, increase employees' satisfaction, enhance employees' commitment to work and the workplace, and improve the organization's image.[23]

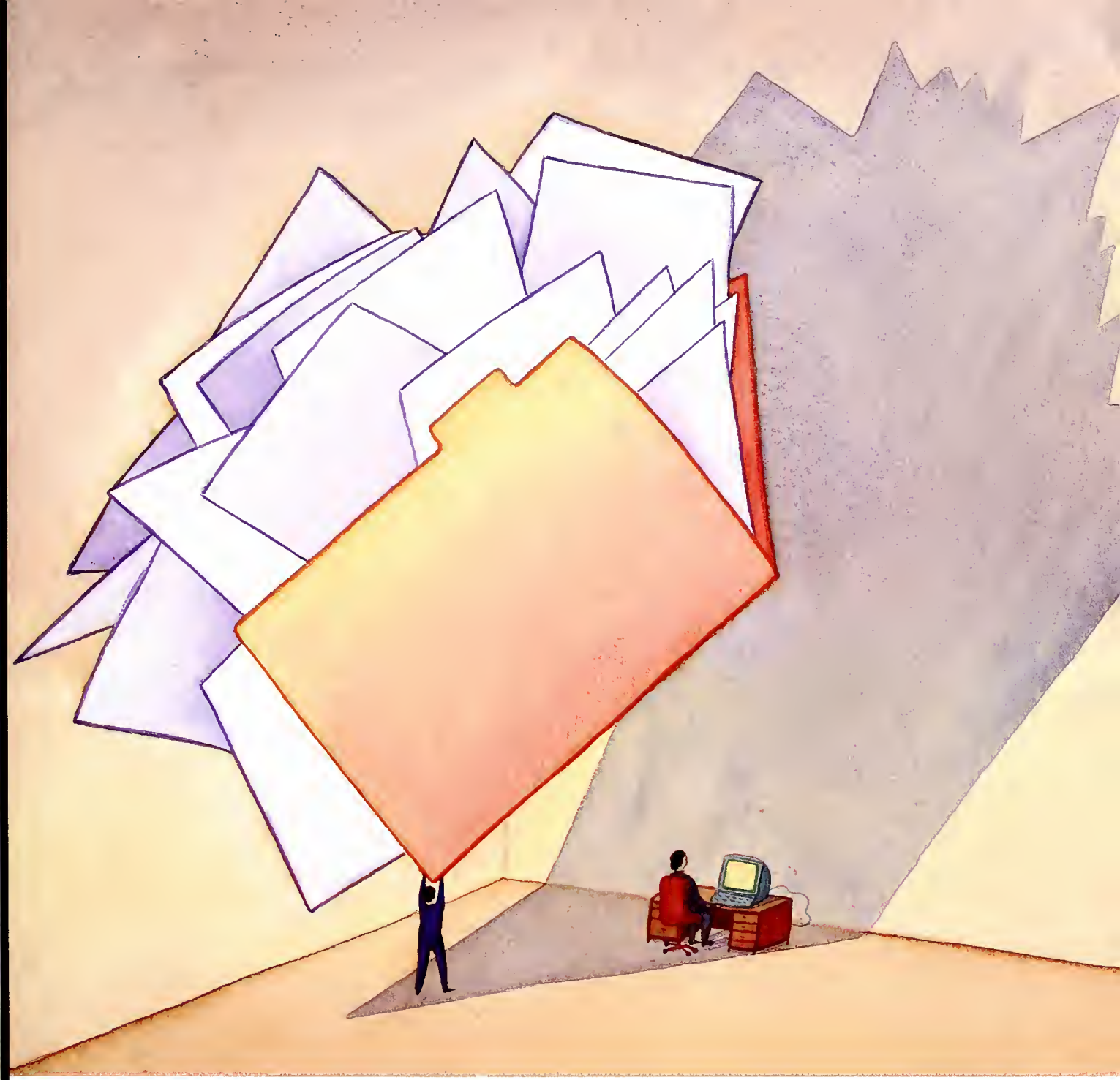
Status of Government Workforce Planning at Federal, State, and Local Levels

Although increased attention and dialogue have been focused on workforce planning, a proportional increase in action and implementation has not occurred. The following summarizes what is happening in federal, state, and local governments.

At the federal level, the Government Accountability Office has drawn attention to the risk faced by the nation's government because of its lack of strategic human-capital planning.[22] Federal agencies have been required to undertake some human-capital planning as part of the Government Performance and Results Act, but meeting this requirement often falls far short of the detail and the focus needed in a full workforce plan. The level of sophistication and the comprehensiveness of workforce planning efforts vary across federal agencies.[23] Agencies such as the Department of Energy, the Department of Labor, the Office of Personnel Management, the Social Security Administration, the Department of Transportation, and the Department of Veterans Affairs have been identified as having promising practices in place.[24]

Workforce planning activities have been increasing on the state level, though not on a scale appropriate to address the looming changes. In 1998 the majority of the states did no workforce planning, and only five had implemented a comprehensive, formal plan. By 2005 more than half of the states had workforce plans in place.[25] A 2005 analysis of state management systems gave North Carolina a C+ in the area of human resources, highlighting strategic workforce planning and hiring as weaknesses.[26] Nonetheless, the study noted, the North Carolina State Personnel Office was creating a strategy to incorporate the concept of workforce planning, with the intention of establishing a system that would allow it to provide workforce planning services and support to state agencies. At the time of the study, the office was collecting statistics on its workforce but had made no projections.[27]

Among local governments, many cities and counties have not invested in formal workforce planning.[28] Only about 20 percent of the cities in 1999 and 19 percent of the counties in 2001 reported that they conducted governmentwide formal workforce planning.[29] A 2004 survey by the International Public Management Association for Human Resources (IPMA–HR) found that only 37 percent of the responding members had a workforce plan. More than 50 percent of the respondents represented local governments. Among those indicating that they were develop-



ing a workforce plan, there was substantial variation in where they were in the planning process. Only 6 percent reported that they had had a plan in place for more than five years.[30] This finding of a low number of local governments performing workforce planning is consistent with the findings of other studies.[31]

Although few local governments have formal workforce plans, the research reported in this article found that, as part of their human resource activity, many are undertaking practices or strategies that are components of workforce planning and provide a starting point. This is similar to Drennan's finding that municipalities were undertaking elements of strategic planning without identifying them as such (see the article on page 4).

Considerations and Actions in Workforce Planning

A local government might approach workforce planning by first attending to some preliminary considerations and then initiating the planning itself, following a model that draws on the literature.

Preliminary Considerations

Before undertaking workforce planning, governments should review the following list and consider attending to the tasks identified in it:[32]

- Gain the support of top leadership. It is necessary to obtain resources and continued commitment for the planning process. In local govern-

ments this means gaining the support of elected officials, managers, and department heads.

- Assess what you have already accomplished in workforce planning. Many governments have processes or practices in place that are key elements of a workforce plan but have not been strategically aligned.
- Develop communication strategies. How will communication with organizational heads, human resource staff, program managers, and supervisors work?[33]
- Learn from others. There is no need to reinvent the wheel.

A Workforce Planning Model

Organizational success depends on identifying and developing the best people for key organizational roles.[34] Although there are different models of workforce planning, most include similar basic steps and issues. Following are four phases consistently identified as needed to develop a plan:[35]

1. Review organizational objectives.
2. Analyze present and future workforce needs to identify gaps or surpluses.
3. Develop and implement a plan, including appropriate human resource strategies.
4. Evaluate, monitor, and adjust the plan.

These phases inform and draw on one another and lack rigid delineations. Workforce planning is a fluid and cyclical process (see Figure 3).

1. Review organizational objectives.
An important first step in workforce planning is to coordinate strategy. Most organizations have an annual strategic plan, which can be the foundation for workforce planning strategies.[36] There should be a clear understanding of organizational objectives and the link between workforce planning and other strategic objectives. Leaders will want to consider questions like the following:

- What are our strategic goals and objectives? Does this plan address the future that we have identified?[37]
- Do we have the skills and the people to achieve our objectives over the next two years? The next five years?
- Do our current and future organizational needs take into account workforce demographics, mission, goals, position allocations, and workloads?[38]
- Are the skills and the people truly aligned with the needs of our organization?
- Are alternative workforce strategies available to accomplish the goals and objectives?

Identification of the Problem

Addressing some key questions will help the city identify its own unique situation and the challenges associated with the changing demographics of the city and its workforce. While the questions may vary somewhat by city, there are a number of common questions that consistently apply.

Which employees are likely to retire in the next five years?

- How many of these individuals are key leaders/managers?
- How many of these individuals have specialized technical knowledge?
- How many of these individuals are in the same job class and/or same department?
- What does our recent history say about our ability to recruit for these jobs?

How will our workforce be different in five years?

- Which generations will still be working? Which will be retiring? Which will be coming into the workforce? What are the characteristics of each of these generations?
- How will the racial and ethnic backgrounds differ from today?
- How will the gender balance differ?
- How will educational backgrounds be different?

How will our human resources needs be different in five years?

- What role will technology play? Will it be able to replace some workers? Will we need a higher level of training in technology? Will we need to replace our technology in order to attract and retain new workers?
- How do the city's growth and development patterns play a role in human resources needs?
- How will the city's demographics play a role in human resources needs? (e.g., older populations requiring different city services and housing?)

What should we be doing now to prepare for our changing needs and changing workforce?

- What strategies should we employ? What are some possible solutions to workforce shortages and changes? Do the solutions require outside assistance or legal authority?
- What are the constraints against implementing strategies? What are some possible solutions to those constraints?

Source: From League of Minnesota Cities, City Employees & Workforce Planning: Getting Started 1 (working draft, St. Paul: the League, n.d.). Reprinted by permission.

2. Analyze present and future workforce needs to identify gaps or surpluses.
The next phase of workforce planning is to analyze current and projected workforce needs and then identify gaps between them. Governments must gain a strong understanding of the compo-

sition and characteristics of their present workforce to aid them in determining current conditions and highlighting areas that may need additional planning to meet future needs. The analysis phase can be broken into three steps: (a) analyze the current workforce profile; (b) analyze the future workforce profile; and (c) determine gaps or surpluses.

A. Analyze the current workforce profile. The first step is to establish a "snapshot," or baseline, of where the organization is now. This process is crucial for the entire organization, various departments, and even specific organizational functions or classifications to undertake. Leaders might consider the following as they go through this phase:

- Demographic data on the workforce: age, gender, race, tenure, and education levels
- Retirement eligibility statistics and patterns
- Employees' skills, knowledge, and competencies
- Salary data and contract/temporary costs[39]
- Supervisory ratios and management/employee ratios, including projected retirement of people in leadership positions
- The extent to which functional requirements are linked to meeting the objectives identified in phase 1
- The extent to which turnover has reduced the skill set of certain occupational groups

(For more detailed questions to consider, see the sidebar on page 14.)

B. Analyze the future workforce profile. Leaders must next identify future workforce needs, composition, changes, and skills in order to outline job requirements. They might consider the following:

- What new skills will we need to accomplish our goals and mission?
- How many employees will be needed to meet future service needs?
- What factors affect the demand for our services?
- How might new technologies change how the service is provided?
- Which are critical positions?
- Which critical positions are essential to the achievement of the mission and goals of the agency?
- What skills or positions are needed in emergency situations?
- How is the workforce going to change?

Figure 3. **Basic Workforce Planning Model**

Commonly Employed Strategies of Workforce Planning

Recruitment and Selection Strategies

- Recruitment plans
- Specialized or targeted recruitment and selection
- Internship programs and volunteers

Training and Development Strategies

- Career development programs
- Personal development consultation
- Identification of critical skills
- Employee training
- Staff training and retraining
- Leadership development
- Mentoring
- Provision of training and learning opportunities and resources
- Provision of opportunities to develop career paths
- Cross-training
- Interagency transfers
- Special projects/job rotations

Retention and Work Design Strategies

- Retention programs
- Flexplace or telecommuting
- Alternative work schedules
- Work-life balance
- Employee recognition
- Employee performance incentives[1]

Organizational Design Strategies

- Organizational structure
- Job design
- Classification flexibility
- Process changes and streamlined work

Note

1. For more information, *see* David N. Ammons & William C. Rivenbark, *Gainsharing in Local Government*, POPULAR GOVERNMENT, Spring/Summer 2006, at 31.

- What external workforce trends, such as skill availability in the labor market, will affect us?
- What are the potential impacts of legislative changes?
- What are the impacts of social and economic trends?
- What will be the competition for future skills?

C. Determine gaps or surpluses.
The materials gathered in steps 2A and 2B provide the data necessary to analyze resulting gaps or surpluses. "Gap analysis" is the process of comparing information discovered through the "current workforce profile and the future workforce profile to identify 'gaps' or surpluses in the current staffing levels and organizational skills, and the staffing levels and skills that are anticipated for the future workforce needs."[40] Gap analysis helps provide the information necessary to develop strategies and solutions for current as well as future needs.

In determining gaps or surpluses, the most important question is, What is the gap between the projected need and the projected supply? Additionally it is useful to consider these questions:

- Do we currently have the skills that we anticipate needing?
- Are there areas in which future needs exceed current resources and projections?
- What skill gaps are critical for future goal accomplishment?
- Are there areas in which the current workforce exceeds the projected needs of the future?
- Are there areas in which the current supply will meet the future needs, resulting in a gap of zero?
- Are there existing employee skills, qualifications, or short- and long-term competencies required for the proposed organizational objectives?

Once gaps are identified, management and leadership should consult to prioritize the gaps that will have the most impact on organizational goal attainment.[41]

3. Develop and implement a plan, including appropriate human resource strategies.
When the organization clearly understands present and future needs, including the gap between them, it can develop and implement strategies and responses to give it a cohesive strategic workforce plan for effective service delivery. Workforce planning strategies

Examples of Strategies: Reinvention/Retooling

After identifying the job classes, departments, and key leadership positions that are likely to be vacant in the near future, the city can start analyzing how best to address the vacancy. Probably the first question to ask is, "Is it possible that the city could decide to discontinue this service?"

Example. The city is currently providing a fall leaf-removal service for residents, and the primary person in charge of it is getting ready to retire. The city may want to ask itself, "Is this a core service?" "Is this service of high importance to our residents?" "Are there other entities—public or private—that already provide this service?" "What would happen if we discontinued this service as far as liability, public relations, legal compliance, etc?"

If the service is determined to be essential, then the next question that the city may want to ask is, "Are there any other ways to accomplish this service for our residents?"

Example. The city employs its own City Assessor, and she is retiring in three years. Assessments can't be discontinued entirely; they are needed to determine property taxes. However, is there another way to accomplish this service for city residents? Will the County be willing to handle assessments for the city and, if so, how much would they charge? Could the city hire an outside consultant to do the assessments? Should the city consider a joint powers arrangement or consider sharing an employee with another city?

If contracting out doesn't seem to be a good option, another option might be to consider some non-traditional approaches such as:

- Splitting up jobs

  Example. The City Engineer retires and is hired back on a part-time basis with no supervisory duties; all supervision is assigned to a different department director or to a lower level supervisor.

- Teamwork (several different departments join together to accomplish various aspects of a job)

  Example. The Fire Marshall retires and the various duties are re-assigned to the Fire Chief and the Building Inspection Department.

- Using volunteers

  Example. The city is unable to recruit a sufficient number of parks maintenance workers to maintain the city's parks. The city establishes a volunteer program in which the city's garden club takes over flower planting and other duties for all city parks.

- Working outside of job class

  Example. The city is unable to recruit a utility billing clerk with an appropriate level of computer skills. However, there is a part-time public works employee who is very good with computers. The city hires and trains the public works employee to handle utility billing duties on a part-time basis and public works duties on a part-time basis.

Source: From League of Minnesota Cities, City Employees & Workforce Planning: Getting Started 4 (working draft, St. Paul: the League, n.d.). Reprinted by permission.

aim to affect the entire life cycle of employees, from selection to training to turnover. Governments will need to determine the components to be included in the workforce plan; these are likely to involve changes in recruitment, development, and retention methods, and outsourcing strategies. Strategies might include addressing the organization's position on specific skill groups, such as information technology professionals or engineers, including what work model the organization would like to employ relative to these groups (retention, new hires, retraining, or outsourcing).

In selecting and implementing strategies, it is important to consider issues such as the following:

• *Time*

Is there time to develop staff internally for upcoming vacancies and skill shortages, or is specialized recruitment the best option?[42]

• *Resources*

What resources (staff, money, technology, etc.) are currently available to provide assistance in developing and implementing the selected strategies?

Does the cost of providing the resources justify the result?

Are adequate resources available for implementing the selected strategies?

• *Internal Depth*

Do current staff demonstrate the potential and interest to develop the skills necessary to be promoted to new or modified positions, or will external recruitment be needed?[43]

How will people be identified for future training and development?[44]

• *Alignment with Goals*

Are selected strategies aligned with the organization's mission and goals?

Are there clear objectives for the strategies selected?

Table 1. **Workforce Data Collection**

		No			
	Yes	Identified as a Need	Not Identified as a Need	Developing	Municipalities Responding
Demographics (e.g., gender, race, ethnicity)	83.3%	6.7%	6.7%	3.3%	30
Age distribution of current workforce	71.4	14.3	7.1	7.1	28
Skills of current workforce	20.7	51.7	20.7	6.9	29
Competencies of current workforce	13.8	44.8	24.1	17.2	29
Average years of service of current workforce	86.7	6.7	3.3	3.3	30
Time to fill vacant positions	65.5	17.2	10.3	6.9	29
Employee performance levels	72.4	17.2	6.9	3.4	29
Turnover rates	90.0	3.3	3.3	3.3	30
Labor market skill availability	33.3	51.9	14.8	0.0	27

Source: From Christina E. Ritchie, Who Will Lead Tomorrow's Workforce? The Status of Succession Planning in North Carolina Municipalities, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005) (on file with author). Reprinted by permission.

Table 2. **Planning and Analysis Activities**

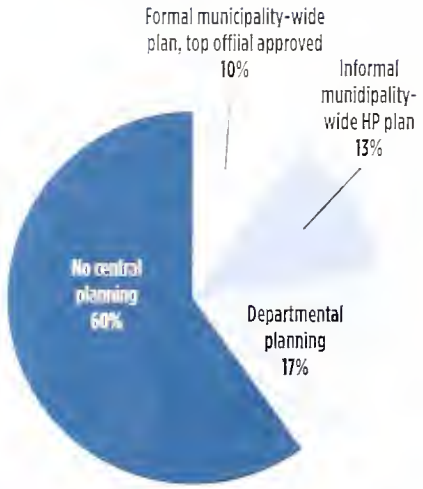
		No			
	Yes	Identified as a Need	Not Identified as a Need	Developing	Municipalities Responding
Retirement projections	66.7%	13.3%	10.0%	10.0%	30
Competitiveness of compensation strategies	79.3	17.2	3.4	0.0	29
Inclusion of human resources section in municipality strategic plan	41.4	37.9	17.2	3.4	29
Short-term staffing needs (1 year or less)	53.3	16.7	23.3	6.7	30
Long-term staffing needs (more than 1 year)	39.3	32.1	21.4	7.1	28
Recruiting plans	64.3	17.9	7.1	10.7	28
Identification of high-potential employees	31.0	31.0	27.6	10.3	29
Identification of critical hiring areas	46.4	25.0	14.3	14.3	28
Identification of key positions within municipality	60.7	10.7	14.3	14.3	28
Succession plans	14.8	51.9	22.2	11.1	27
Training plans	46.7	30.0	6.7	16.7	30
Workforce gap analysis	7.1	42.9	35.7	14.3	28

Source: From Christina E. Ritchie, Who Will Lead Tomorrow's Workforce? The Status of Succession Planning in North Carolina Municipalities, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005) (on file with author). Reprinted by permission.

How do different workforce strategies affect outcomes?

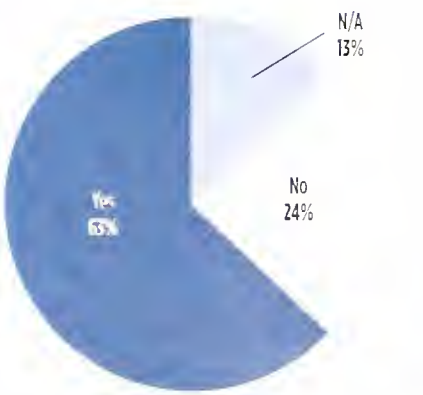
Although an organization may not have a formal workforce plan in place, it already may be undertaking some commonly employed strategies through its human resource services (see the sidebar on page 15).[45] (For examples of strategies that a government might consider in selected situations, see the sidebar on page 16.)

Figure 4. **The Nature of Workforce Planning Efforts in N.C. Municipalities (*n* = 30)**



Source: From Christina E. Ritchie, Who Will Lead Tomorrow's Workforce? The Status of Succession Planning in North Carolina Municipalities, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005) (on file with author). Reprinted by permission.

Figure 5. **Identification of Workforce Planning as a Need (*n* = 29)**



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4. Evaluate, monitor, and adjust the plan.

Just as strategic plans undergo an annual review, workforce plans need regular evaluation and adjustment. By reviewing the workforce plan, an organization has the opportunity to assess what is working and what is not, and make necessary adjustments. Doing so will ensure that the plan and related strategies are in line with the agency's mission, goals, initiatives, strategic plan, and vision, and that they address new workforce and organizational issues and developments.[46]

Some important dimensions to consider in this area are as follows:

- What goals or objectives have we met?
- Have our strategies achieved the intended results?
- Have our projections been on target?
- Are we getting the necessary feedback from program managers and supervisors?
- What is the budgeting impact of the planning process, and what resources are available?
- Have there been indicators of change and a need to realign workforce planning efforts?

Status of Government Workforce Planning in North Carolina

In 2004 the School of Government surveyed the fifty North Carolina municipalities with populations of more than 15,000 to learn about their use of workforce planning, succession planning, and related efforts.[47] Only 10 percent of survey respondents reported conducting formal workforce planning, but 30 percent reported doing informal or department-based planning. A majority of respondents (60 percent) reported that they were not engaged in any type of central workforce planning (see Figure 4). These proportions are consistent with national results.[48] (For the survey's findings about succession planning, see the article on page 26.)

In a 2005 analysis, North Carolina received a C+ in human resources. Strategic workforce planning and hiring were weaknesses.

A forthcoming publication argues that many cities do not engage in formal workforce planning because they do not perceive a need to invest in it.[49] This contention is not true in North Carolina, where, although only a small percentage of municipalities conduct workforce and succession planning, most identify it as a need (see Figure 5).

Identification of a need for planning is a positive sign. However, there is no guarantee that those who highlight this necessity will in fact create and implement a workforce plan. The majority of respondents to the School of Government survey reported that they anticipated developing both a workforce plan and a succession plan in the next three years. Despite this encouraging indicator, about 25 percent of survey respondents indicated that they did not intend to develop a workforce or succession plan.

As noted earlier, only a handful of North Carolina municipalities have undertaken formal workforce planning programs. Yet an examination of efforts associated with the different phases of planning indicates that a variety of processes and activities already are being employed. Examining what is happening in these communities is a helpful way to consider the four dimensions outlined earlier.

Review of Organizational Objectives

Strategic planning at the local level is becoming more common and involves the creation of an overall mission statement, identification of core values, and specification of organizational goals by the organization's stakeholders.[50] Despite larger municipalities' high level of strategic planning, only 41.4 percent of them incorporate a human resource section into their strategic plans.[51] (For more on strategic planning, see the article on page 4.)

The field of human resource management has seen many changes in the last decade. One of the most pronounced is the shift from a focus on tactical and day-to-day management to strategic management.[52] Although the role of human resource directors is clearly

North Carolina County Examples

To provide a more complete understanding of practices in North Carolina local governments, the School of Government is collecting information on county efforts. Early evidence indicates that counties, like municipalities, fall along a continuum of activities. Some counties are just beginning to consider how to approach planning. Others are undertaking creative and needed practices. Following are some examples of county efforts. As more information is gathered, additional insights will become available.

Moore County

Moore County has undertaken a countywide effort to analyze its current workforce. The results include a comprehensive compensation and classification study, with all position descriptions revised and updated. The workforce planning analysis resulted in the creation of a dual-career track process whereby employees now have the opportunity to advance with or without additional supervisory responsibilities. This process has made advancement possibilities clearer and has linked the individual's contributions to departmental outcomes. These new promotion paths will help employees identify development opportunities. The promotion paths also provide both supervisors and staff with an understanding of individual developmental needs. With these efforts in place, Moore County has begun to consider more-focused succession-planning needs and strategies by initiating conversations with department heads and the management team about future workforce needs.

Wayne County

Wayne County has had a succession planning effort in place for the last two years and is now beginning to develop a full workforce plan. Sue Guy, Wayne County human resource director, acknowledges that their program is "homegrown." The plan identifies a range of positions characterized as "difficult-to-place"—not just key department heads but other jobs across the organization. County officials meet with internal candidates who have expressed an interest in continuing employment with the county and might step up into new responsibilities.

Commitment and working with the employee are important elements in the planning efforts. County supervisors work with staff to identify what the employees need to move beyond their current position and be competitive for promotion (although promotion is never guaranteed). Working with staff, supervisors create a plan for what staff can accomplish in the coming year in terms of their own development. These activities become part of the employees' annual performance-planning and goal-setting process. The county is committed to helping its employees grow but recognizes that at times no internal candidate will be available. For these situations it has created networks with others to remain at the forefront for recruitment.

Davidson County

Although Davidson County does not have a countywide workforce plan in place, dialogue has begun between department heads and management about the importance of planning for the future. Working with the county management team, the county manager is establishing workforce planning as a goal and a responsibility of all department heads in the coming year. Some boards and departments already have begun their work and are more advanced in terms of their planning and practices. Top-level county leadership has recognized the importance of workforce and succession planning and is focusing greater attention on these issues.

changing, many communities, including several in North Carolina, may not yet consider human resource directors to be strategic players in the planning process. "A strategic perspective suggests that an organization is forward-thinking and conceives of human capital as a valuable asset to the government. Moreover, it suggests that human resource management department staff are integral members of the strategic planning community."[53]

Analysis of Present and Future Workforce Needs

Having data about employees is crucial in conducting workforce planning. It allows human resource managers to allocate human capital in the best possible way. North Carolina municipalities were asked to identify what types of workforce data they collect, from basic data such as demographics, to more sophisticated data such as competencies of the current workforce.[54] A significant number of the responding municipalities collected workforce data, particularly basic workforce data, many elements of which are required for other human resource reporting. For example, 83 percent collected information on basic demographics, and 71 percent, on age distribution (see Table 1, page 17).

Although most responding municipalities collected basic data, less than 25 percent collected data on skills or competencies of the current workforce. Competencies are more complicated measures, but most identified these types of data as still needed, or were developing means to collect them. Given a lack of data in this area, municipalities may have difficulty moving into steps 2B and 2C, identifying future workforce needs and projecting skill gaps, respectively.

Survey respondents were asked to what extent they undertake particular planning and analysis activities. Of the 12 possible activities identified in the survey, only 5 were conducted by more than half of the municipalities: retirement projections, analysis of the competitiveness of compensation strategies, analysis of short-term staffing needs, development of recruiting plans, and identification of key positions in the municipality. Not only were these activities less likely

to be undertaken than basic data collection, but they also were much less likely to be identified as a need.

Only 7.1 percent of respondents undertook workforce gap analysis; 35.7 percent reported that it had not been identified as a need (see Table 2, page 17). The latter finding is understandable, given the low percentage of municipalities collecting data on their workforce skills and competencies. Analysis of current and future workforce needs requires further emphasis in most municipalities.

Development and Implementation of a Human Resource Plan and Strategies

The survey revealed that workforce training and employee development activities lack uniformity across municipalities. Although almost all respondents conducted supervisory training and allocated money for external training, 50 percent or less conducted additional strategies, such as leadership development programs and cross-training. Activities such as mentoring were performed by less than 10 percent of respondents. (See Table 3, page 22.)

Given that few municipalities conduct workforce and succession planning, it is not surprising that few conduct advanced training and development activities. (For more information on succession plan-

Other Issues to Consider in Developing Plans and Strategies

- Workers' compensation insurance: this kind of issue arises when employees are telecommuting or sharing a job.
- Equal Pay Act and pay equity: the more jobs and duties are shared, the more complicated addressing the issue of equal and equitable pay becomes.
- Liability issues: experimenting with new job duties or hiring less experienced workers can mean increased training requirements and safety concerns.
- Unemployment insurance: whenever jobs are eliminated or hours reduced, this kind of insurance can become an issue.
- Age Discrimination in Employment Act: the more a city uses older workers, the more likely it is that age discrimination issues can arise.

Resources *Additional resources may be found at www.nchr.unc.edu.*

Websites

Commonwealth of Pennsylvania, Governor's Office of Administration
www.workforceplanning.state.pa.us

Idaho Division of Human Resources
www.dhr.idaho.gov/hrinfo/workforceplanningguide.pdf

International City/County Management Association
www.icma.org

Texas State Auditor
www.hr.state.tx.us/workforce/wfplans.html

University of North Carolina at Chapel Hill, School of Government
www.nchr.unc.edu

U.S. Office of Personnel Management
www.opm.gov/hcaaf_resource_center/3-4.asp

Washington State
hr.dop.wa.gov/workforceplanning/wfpguide.htm

Articles and Books

Anderson, Martin W. *The Metrics of Workforce Planning.* 33 Public Personnel Management 363 (2004).

Employment Policy Foundation. The American Workplace Report 2001: Building America's Workforce for the 21st Century. Washington, D.C.: the Foundation, 2001.

Fulmer, Robert M., & Jay A. Conger. Growing Your Company's Leaders: How Great Organizations Use Succession Management to Sustain Competitive Advantage. New York: American Management Association, 2004.

Helton, Kimberly A., & John A. Soubik. *Case Study. Pennsylvania's Changing Workforce: Planning Today with Tomorrow's Vision.* 33 Public Personnel Management 459 (2004).

Ibarra, Patrick. *Succession Planning: An Idea Whose Time Has Come.* Public Management, Jan./Feb. 2005, at 18.

International City/County Management Association. *Workforce Planning and Development.* 32 Service Report no. 3 (2000).

Lancaster, Lynne C., & David Stillman. *If I Pass the Baton, Who Will Grab it? Creating Bench Strength in Public Management.* 87 Public Management 8 (2005).

Rothwell, William J. Effective Succession Planning: Ensuring Leadership Continuity and Building Talent from Within. 2d ed. New York: American Management Association, 2000.

U.S. General Accounting Office. Human Capital: Key Principles for Effective Strategic Workforce Planning. GAO-04-39. Washington, D.C.: GAO, 2003. Available at www.gao.gov/new.items/d0439.pdf.

U.S. General Accounting Office. Older Workers: Demographic Trends Pose Challenges for Employers and Workers. GAO-02-85. Washington, D.C.: GAO, 2001. Available at www.gao.gov/new.items/d0285.pdf.

ning in North Carolina, see the article on page 26.) Still, the high percentage that do not identify such activities as needed is alarming. Additional training and education for municipalities may be an important next step.

(For other issues to consider in developing plans and strategies, see the sidebar on page 20.)

Barriers Faced

Few municipalities undertake a formal central workforce planning process, so respondents were not asked about evaluation of their programs. Instead, they were asked what barriers they faced in considering workforce planning.

Results from the IPMA–HR national survey provide a starting point for a better understanding of common barriers. In that survey the most common barriers to creating timely and complete workforce plans included preoccupation with short-term activities, insufficient staffing, lack of funding, and lack of executive support (see Table 4, page 22).

Survey respondents identified several other barriers, including agency uncertainty, given no mandate for workforce planning. Changes in administration and fiscal constraints on supporting new initiatives also can act as barriers.[55] Additionally, "many jurisdictions feel pulled in two directions: Their workforce-planning process shows them there are serious challenges ahead due to an aging workforce and retirements, but their budgets are severely cut. There's pressure to choose a short-term fix, such as early retirements, layoffs, and reduced training."[56]

Three-fifths of North Carolina's medium-sized and large cities do not do any type of central workforce planning.

Anecdotal evidence indicates that North Carolina municipalities face barriers similar to those faced by their counterparts in other states. Reporting on barriers to succession planning, Ritchie found that lack of personnel to manage the program and lack of time to participate were most commonly identified. Organizational culture, low priority given by senior management, and insufficient financial resources also were identified. (For more information, see the article on page 26.) Barriers to workforce planning are likely to be similar to those for succession planning.

The barriers identified for North Carolina municipalities might indicate that municipalities do not view their human resource departments as crucial strategic players. Specifically the 40 percent indicating lack of priority given by senior management is a concern, for executive support has been found to be a crucial component of successful planning. If human resources generally do not receive management support, human resource–led initiatives will find it difficult to succeed.

Recommendations and Conclusion

The message that workforce changes are coming is not new. Neither is concern about government's readiness to address them successfully. In the early twentieth century, Henri Fayol, a management scholar, wrote about the fourteen points of management, among them, that management has a responsibility to ensure the "stability of tenure of personnel."[57] If that need was ignored, Fayol believed, key positions would be filled by ill-prepared people.

As noted earlier, it is important when undertaking workforce planning that top management set overall direction and goals. Obtaining managerial and supervisory input and commitment is important in development and implementation of workforce planning strategies. Also essential is establishment of a communication strategy to create shared expectations, promote transparency, and report progress. During workforce planning, communicating with and involving managers is necessary, for they will be crucial in many

Table 3. **Training and Development Activities**

		No			
	Yes	Identified as a Need	Not Identified as a Need	Developing	Municipalities Responding
Formal cross-training programs	40.0%	36.7%	23.3%	0.0%	30
Formal mentoring	7.1	57.1	32.1	3.6	28
Leadership development programs	50.0	36.7	10.0	3.3	30
Management development programs	46.7	40.0	13.3	0.0	30
Individual development plans	46.7	30.0	16.7	6.7	30
Individual development gap analysis	13.8	37.9	41.4	6.9	29
Rotational work assignments	34.5	17.2	48.3	0.0	29
Identification of organizational competencies	36.7	33.3	26.7	3.3	30
360-degree evaluations	15.4	23.1	50.0	11.5	26
Provide money for external training (e.g. to cover conference fees, course registration, etc.)	100.0	0.0	0.0	0.0	30
Supervisory training	93.3	3.3	0.0	3.3	30
Formal coaching	41.4	37.9	13.8	6.9	29

Source: From Christina E. Ritchie, Who Will Lead Tomorrow's Workforce? The Status of Succession Planning in North Carolina Municipalities, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005). Reprinted by permission.

Table 4. **Barriers to Planning for Participants in the 2004 Study by the International Public Management Association for Human Resources**

Barriers	Percentage*
Preoccupation with short-term activities	39.2
Insufficient staffing	34.0
Lack of funding	25.8
Lack of executive support	18.0
Restrictive merit system rules on hiring	13.4
Insufficient marketing effort	6.2
Lack of confidence in planning technique	6.2
Resistance to change	1.0

Source: From Gilbert L. Johnson & Judith Brown, *Workforce Planning Not a Common Practice, IPMA–HR Study Finds*, 33 Public Personnel Management 379, 386 (2004), text available as a PDF at http://unpan1.un.org/intradoc/groups/public/documents/IPMA-HR/UNPAN017926.pdf. Reprinted by permission.

*Percentages total more than 100 because respondents could select more than one item.

steps of the process, including data acquisition and analysis, selection of strategies for change, implementation of strategies, and evaluation of the plan's impacts.[58] Additionally, communicating succession needs and opportunities to staff is crucial. However, staff should recognize that succession plans are not guarantees of long-term employment or advancement.

Despite the obstacles to and the complexity of good planning, governments should begin to consider how they might use workforce planning. A wise and manageable first step is to gather relevant information in order to understand the current workforce better, and to begin a dialogue on the matter within the organization. Another helpful step is to consider the connection between workforce planning and the organization's larger strategic planning initiatives as leaders think about what they will need from the workforce in the coming years.

The most common barriers to creating timely and complete workforce plans are preoccupation with short-term activities, insufficient staffing, lack of funding, and lack of executive support.

Like all major changes and initiatives, workforce planning requires long-term and significant commitment throughout an organization. It is not easy and will not occur overnight. The plan should have a 5- to 10-year time horizon and commitment from those who lead the organization and those who implement the plan. There are many aspects and dimensions to consider in undertaking this process, including time, resources, internal depth, "in-demand" competencies, workplace and workforce dynamics, and job classifications. Formulating all aspects of a good plan might take several years and involve long-term culture change by the organization.[59]

Leadership has consistently been found to be a crucial element in successful organizational change. A guiding coalition of "change champions" must

help lead major changes.[60] Managers, elected officials, and representatives from throughout the organization need to be involved and committed to workforce planning. Through planning and better understanding of current and future workforce needs, an organization not only becomes more effective in the present but also positions itself for the future. The leaders of local governments, who are stewards of the public trust, provide a great gift when they think beyond their tenure and leave their organizations readier to face the future.

Workforce planning must start somewhere—possibly with conversations between leaders and department heads or with gathering of relevant data and indicators. The main message is to start somewhere and keep it simple. If the organization wants line managers to do regular workforce planning, it must make such planning uncomplicated for them and integrate it into other processes, such as strategic planning or budgeting.[61]

"Forewarned is forearmed. And forearmed is *confident*. One of the most striking benefits of thorough, ongoing workforce planning is the level of calm it provides—even in jurisdictions facing significant numbers of retirements."[62]

Notes

1. William C. Rivenbark, *Defining Performance Budgeting for Local Government*, POPULAR GOVERNMENT, Winter 2004, at 27.

2. Heather Drennan, Effectiveness of Strategic Planning in North Carolina Municipal Government, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005); Rivenbark, *Defining Performance Budgeting*.

3. Rivenbark, *Defining Performance Budgeting*.

4. Government Performance Project Survey, 2001. For a report on the results of this survey, *see* Sally Selden & Willow Jacobson, *Government's Largest Investment—Human Resource Management in States, Cities, and Counties*, in IN PURSUIT OF PERFORMANCE: MANAGEMENT SYSTEMS IN STATE AND LOCAL GOVERNMENT (Patricia Ingraham ed., Baltimore: Johns Hopkins Press, forthcoming).

5. IDAHO DIVISION OF HUMAN RESOURCES, WORKFORCE PLANNING GUIDE (Boise: IDHR, n.d.), available at www.dhr.idaho.gov/hrinfo/workforceplanningguide.pdf (last visited Oct. 31, 2006).

6. MARY B. YOUNG, THE AGING-AND-RETIRING GOVERNMENT WORKFORCE: HOW SERIOUS IS THE CHALLENGE? WHAT ARE JURISDICTIONS DOING ABOUT IT? Report sponsored by CPS Human Resource Serv. (Burlington, Mass.: Ctr. for Org. Research/A Div. of Linkage, Inc., 2003), available at www.cps.ca.gov/AboutUs/documents/CPS_AgeBubble_FullReport.pdf (last visited Oct. 31, 2006).

7. Ken Dychtwald et al., *It's Time to Retire Retirement*, HARVARD BUSINESS REVIEW, Mar. 2004, at 48, 50. Also, leadership talent often is in short supply. In a study by McKinsey, 75 percent of respondents said that their organizations were continually short of leadership talent. As cited in William C. Byham, *Grooming Next Millennium Leaders: Start Now to Identify and Develop the Next Generation of Leaders*, HR MAGAZINE, Feb. 1999, at 48.

8. U.S. GENERAL ACCOUNTING OFFICE, GAO-01-509, FEDERAL EMPLOYEE RETIREMENTS: EXPECTED INCREASE OVER THE NEXT 5 YEARS ILLUSTRATES NEED FOR WORKFORCE PLANNING (Washington, D.C.: USGAO, 2001; Jay Liebowitz, *Bridging the Knowledge and Skills Gap: Tapping Federal Retirees*, PUBLIC MANAGEMENT Jan./Feb. 2004, at 18; YOUNG, THE AGING-AND-RETIRING GOVERNMENT WORK FORCE.

9. Liebowitz, *Bridging the Knowledge and Skills Gap*.

10. "The Age Bubble is the balloon effect created by the baby boom generation (people born between 1946 and 1964) whenever it does anything en masse—whether it's starting school (which led to overcrowded classrooms and double-sessions, followed by a building boom in new schools), becoming teenagers, going to college (another spate of professor-hirings and expanded campuses), becoming parents, turning 50 (the AARP reinvented itself to become more attractive to 'young elders'), or retiring (the focus of this report). The sheer number of baby boomers who will become eligible for retirement between now and 2015, coupled with the much smaller pool of younger workers who can take their place, make[s] the Age Bubble a critical human resource challenge for employers." YOUNG, THE AGING-AND-RETIRING GOVERNMENT WORK FORCE, at 32. "According to the Bureau of Labor Statistics (BLS), workers age 25–44 will decline by 3 million, dropping from 51 percent of the labor force in 1998 to 44 percent in 2008, while, over the same period, workers age 45+ will increase from 33 percent to 40 percent of the workforce, an additional 17 million workers." Dohm as cited in YOUNG, THE AGING-AND-RETIRING GOVERNMENT WORKFORCE, at 32.

11. YOUNG, THE AGING-AND-RETIRING GOVERNMENT WORKFORCE.

12. CRAIG W. ABBEY & DONALD J. BOYD, THE AGING GOVERNMENT WORKFORCE (Albany, N.Y.: Nelson A. Rockefeller Inst. of Gov't, 2002), available at http://rfs.rockinst.org/exhibit/9006/Full%20Text/AgingGovernmentWorkforce.pdf (last visited Oct. 31, 2006).

13. *Id.* at 5. "Only about 1 in 5 federal government workers is below 35 years of age. The gap between older and younger federal government workers is 28.4 percentage points. While slightly less pronounced, a similar pattern holds for local government workers[,] with a difference of 19.5 percentage points . . . The state government workforce has a more even distribution of workers than the other two levels of government. Only 13.1 percentage points separate older state government workers (43.6 percent) from younger state government workers (31.5 percent)." *Id.*

14. There has been increased attention to the issue of preparing the next generation of local government managers. The International City/County Management Association has begun to tackle this issue actively. For example, *see* FRANK BENEST, PREPARING THE NEXT GENERATION: A GUIDE FOR CURRENT AND FUTURE LOCAL GOVERNMENT MANAGERS (Washington, D.C.: Int'l City/County Mgmt. Ass'n, 2003), available at jobs.icma.org/documents/next_generation.cfm?cfid=28300?&cftoken=25103158 (last visited Oct. 31, 2006).

15. ABBEY & BOYD, THE AGING GOVERNMENT WORKFORCE.

16. YOUNG, THE AGING-AND-RETIRING GOVERNMENT WORKFORCE.

17. JAY M. SHAFRITZ ET AL., PERSONNEL MANAGEMENT IN GOVERNMENT: POLITICS AND PROCESS 304–06 (5th ed. New York: Marcel Dekker, 2001).

18. YOUNG, THE AGING-AND-RETIRING GOVERNMENT WORKFORCE.

19. U.S. OFFICE OF PERS. MGMT., STRATEGIC ALIGNMENT SYSTEM (Washington, D.C.: USOPM, 2005), available at www.opm.gov/hcaaf_resource_center/assets/sa_wp_kepi.pdf (last visited Nov. 22, 2006).

20. Joan Pynes, *The Implementation of Workforce and Succession Planning in the Public Sector*, 33 PUBLIC PERSONNEL MANAGEMENT 289 (2004); U.S. OFFICE OF PERS. MGMT., SUCCESSION PLANNING PROCESS (Washington, D.C.: USOPM, 2005), available at www.opm.gov/hcaaf_resource_center/assets/Lead_tool1.pdf (last visited Nov. 22, 2006).

21. U.S. OFFICE OF PERS. MGMT., SUCCESSION PLANNING PROCESS.

22. U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-05-207, HIGH-RISK SERIES: AN UPDATE (Washington, D.C.: GAO, Jan. 2003), available at www.gao.gov/new.items/d05207.pdf (last visited Oct. 31, 2006). In a 2002 Federal Human Capital Survey, more than 1 out of every 3 federal employees said that they were considering leaving their jobs. Research by the Partnership for Public Service found that by 2004, 53 percent of federal civil servants and 71 percent of federal senior executives had achieved retirement eligibility.

Further, about half of the federal government's information technology workforce will be eligible for retirement in the year 2010. As cited in Liebowitz, *Bridging the Knowledge and Skills Gap*.

23. Scores for human capital on the President's Management Agenda: Scorecard demonstrate this variation. *See* www.whitehouse.gov/results/agenda/scorecard.html (follow "The Scorecard—September 30, 2006" hyperlink) (last visited Nov. 22, 2006).

24. The President's Management Agenda, The Five Initiatives, Winning the Game with Succession Planning, available at www.whitehouse.gov/results/agenda/humancapital 11-03.html (last visited Nov. 22, 2006).

25. Selden & Jacobson, *Government's Largest Investment*; Government Performance Project (GPP), at http://results.gpponline.org (last visited Nov. 7, 2006).

26. Governing.com, Government Performance Project: Grading the States '05: North Carolina, available at www.governing.com/gpp/2005/nc.htm (last visited Nov. 1, 2006).

27. GPP: North Carolina, at http://results.gpponline.org/StateCategoryCriteria.aspx?id=125&relatedid=3#5 (last visited Nov. 7, 2006).

28. This conclusion is supported by data and findings from the Government Performance Project and the International Public Management Association for Human Resources. Selden & Jacobson, *Government's Largest Investment;* Gilbert L. Johnson & Judith Brown, *Workforce Planning Not a Common Practice, IPMA–HR Study Finds,* 33 PUBLIC PERSONNEL MANAGEMENT 379, text available as a PDF at http://unpan1.un.org/intradoc/groups/public/documents/IPMA-HR/UNPAN017926.pdf (last visited Oct. 31, 2006).

29. Selden & Jacobson, *Government's Largest Investment.* The data were based on a sample of the nation's 35 largest cities and 40 large counties.

30. These may well be inflated percentages. Probably a much lower percentage of participants actually had a workforce plan. Johnson & Brown, *Workforce Planning Not a Common Practice.* In 2004, IPMA–HR issued a survey to its 5,700 members designed to measure the extent to which public agencies use workforce plans and have a formalized workforce-planning process in place. The response rate to the workforce planning section of the survey was low (only 97 responses were received). The authors of the survey report conducted a follow-up telephone survey using a random sample of nonrespondents. It found that these people did not have workforce plans and thus did not return the survey. Thirty-nine percent of the 2004 IPMA–HR survey respondents indicated that they were actively involved in succession planning, and 51 percent identified themselves as city, town, or village governments. *Id.*

31. For example, a 1996 survey conducted by the National Academy of Public Administration's Center for Human Resources Management revealed that only 28 percent of government respondents had, or planned to have, a succession management program. NAT'L ACADEMY OF PUBLIC ADMIN., CTR. FOR HUMAN RESOURCES MGMT., MANAGING SUCCESSION AND DEVELOPING LEADERSHIP: GROWING THE NEXT GENERATION OF PUBLIC SERVICE LEADERS (Washington, D.C.: the Academy, 1997).

32. U.S. Office of Pers. Mgmt., OPM Workforce Planning: 5-Step Workforce Planning Model, available at www.opm.gov/workforceplanning/wfmodel.htm (last visited July 22, 2004).

33. COMMONWEALTH OF PA., GOVERNOR'S OFFICE OF ADMIN., WORKFORCE AND SUCCESSION PLANNING: WORKFORCE PLANNING MODEL DETAIL (last modified Nov. 1, 2005), available at www.hrm.state.pa.us/oahrm/cwp/view.asp?a=132&q=181002.

34. Patrick Ibarra, The Mejorando Group Presentation, City of Wilmington Regional Workshop (June 15, 2005).

35. The U.S. Office of Personnel Management suggests the following five steps as part of its Workforce Planning Model: Step 1: Set strategic direction; Step 2: Analyze workforce, identify skill gaps, and conduct workforce analysis; Step 3: Develop action plan; Step 4: Implement action plan; and Step 5: Monitor, evaluate, and revise. OPM's WORKFORCE PLANNING MODEL (Washington, D.C.: OPM, Sept. 2005), available at www.opm.gov/hcaaf_resource_center/assets/Sa_tool4.pdf (last visited Nov. 22, 2006).

36. IDAHO DIV. OF HUMAN RESOURCES, WORKFORCE PLANNING GUIDE.

37. *Id.*

38. *Id.*

39. *Id.*

40. *Id.* at 6.

41. COMMONWEALTH OF PA., WORKFORCE AND SUCCESSION PLANNING.

42. IDAHO DIV. OF HUMAN RESOURCES, WORKFORCE PLANNING GUIDE.

43. *Id.*

44. COMMONWEALTH OF PA., WORKFORCE AND SUCCESSION PLANNING.

45. IDAHO DIV. OF HUMAN RESOURCES, WORKFORCE PLANNING GUIDE.

46. COMMONWEALTH OF PA., WORKFORCE AND SUCCESSION PLANNING.

47. Christina E. Ritchie, a graduate student at UNC at Chapel Hill, conducted the survey as part of her unpublished MPA capstone paper, Who Will Lead Tomorrow's Workforce? The Status of Succession Planning in North Carolina Municipalities (2005) (on file with author). Special thanks to her for all her contributions to this research effort. Following is her description of the survey's purpose and methodology: "To determine the extent to which North Carolina municipalities are employing the components of succession planning, a survey . . . was distributed to medium- and large-size municipalities in North Carolina with populations over 15,000 . . . Of the 50 North Carolina municipalities surveyed, 30 responded, resulting in an overall response rate of 60 percent." *Id.* at 2.

48. They are consistent with the 2004 IPMA–HR survey results as well as with the GPP results. Johnson & Brown, *Workforce Planning Not a Common Practice;* Selden & Jacobson, *Government's Largest Investment.*

49. Selden & Jacobson, *Government's Largest Investment.*

50. Rivenbark, *Defining Performance Budgeting.*

51. Ritchie, Who Will Lead Tomorrow's Workforce?

52. Selden & Jacobson, *Government's Largest Investment.*

53. *Id.*

54. Data were collected on demographics (gender, race, ethnicity, etc.); age distribution, skills, competencies, and average years of service of current workforce; time to fill vacant positions; employee performance levels; turnover rates; labor market skill availability; retirement projections; competitiveness of compensation strategies; inclusion of a human resource section in the municipal strategic plan; short-term staffing needs (one year or less); long-term staffing needs (more than one year); recruiting plans; identification of high-potential employees; identification of critical hiring areas; identification of key positions in the municipality; succession plans; training plans; and workforce gap analysis.

55. Johnson & Brown, *Workforce Planning Not a Common Practice.*

56. YOUNG, THE AGING-AND-RETIRING GOVERNMENT WORKFORCE, at 6–7.

57. HENRI FAYOL, GENERAL AND INDUSTRIAL MANAGEMENT 62 (Irwin Gray rev., New York: Inst. of Electrical and Electronics Engineers, 1984).

58. This point is drawn from the GAO report, which identified numerous lessons and strategies that can help agencies successfully implement strategic workforce plans based on the human capital experiences of leading organizations. As cited in Johnson & Brown, *Workforce Planning Not a Common Practice.*

59. Dave Fountaine, *Human Resources: What's Your Plan?* PUBLIC MANAGEMENT, Jan./Feb. 2005, at 25.

60. Willow Jacobson, Receptivity to Change in the Public Sector: Two Federal Case Studies (2003) (unpublished doctoral dissertation, Syracuse Univ.) (on file with author).

61. YOUNG, THE AGING-AND-RETIRING GOVERNMENT WORKFORCE.

62. *Id.* at 6-7.

Has Anyone Heard the Alarm? Succession Planning

Christina E. Ritchie

succession planning knowledge management mentorin

In recent years, headlines and articles have declared that the American workforce is rapidly approaching a crisis. Changing demographics are producing an increasing percentage of employees who are eligible for retirement and a shortage of younger workers who can take their place.[1] This crisis is of particular concern to local governments, with 46 percent of their workforces composed of employees aged 45–64. In the private sector, the proportion is only 31 percent.[2]

The anticipated workforce crisis is just one of numerous reasons that succession planning has become so essential. Leadership talent always has been considered to be in short supply. For example, in a 1998 study conducted by McKinsey, 75 percent of executives who were surveyed said that their companies were continually short of leadership talent.[3]

Contributing to this leadership crisis is a decline in employee loyalty, which was exacerbated by the private- and public-sector downsizing of the late 1980s and the 1990s. This decline happened when employees were experiencing much greater mobility than they had in the past.

For these reasons and many more, organizations began realizing that they needed to develop leadership talent from within, and find a way to retain it. Succession planning is a way for organizations to respond to leadership challenges.

Succession planning is a systematic effort to project future leadership requirements, identify leadership candidates, and develop those candidates through deliberate learning experiences.

Yet despite the apparent need for succession planning, a 1996 survey of federal human resource executives conducted by the National Academy of Public Administration's (NAPA) Center for Human Resources Management revealed that only 28 percent of respondents had, or planned to have, a succession management program.[4] Recent studies yield similar results. In January 2004 the International Public Management Association for Human Resources (IPMA–HR) surveyed its members regarding their workforce planning efforts. Only 39 percent of respondents reported being actively involved in succession planning.[5]

Research concerning local government succession planning is limited, making the full extent of succession planning unknown. However, a recent survey of fifty North Carolina municipalities revealed that few were conducting succession planning.[6] This article presents the findings of that survey, describes succession planning, and recommends ways in which North Carolina local government leaders can start or strengthen succession planning efforts.

Definition of Succession Planning

Simply defined, "succession planning" is a systematic effort to project future leadership requirements, identify leadership candidates, and develop those candidates through deliberate learning experiences. It is part of the broader concept of "workforce planning," which provides a "framework for making staffing decisions and related investments based on an organization's mission, strategic plan, budgetary resources, and desired workforce competencies."[7] Succession planning is the leadership planning piece of that framework, focusing on leadership positions at every level of the organization.[8]

It is not a promise of job security or a guarantee of a promotion, however. Organizations engaged in succession planning still advertise vacancies and consider applicants from many sources, and they continue to make offers to the most qualified candidates. Also, some of the leadership candidates identified through succession planning may leave the organization. Still, one of the goals of succession planning is to retain more of the organization's top candidates by offering them training, coaching, and developmental opportunities that help them feel valued by and invested in the organization.

Components of Succession Planning

Although modern succession planning varies by organization, a comprehensive

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ervice **preparation** **transition** outcomes demographics objectives

review of public- and private-sector research suggests that planning efforts have certain common components, as follows.

Inclusion and support of senior management. A persistent theme in the research is the importance of including senior management in the development of a succession plan. Robert Fulmer and Jay Conger, who studied organizations with the best practices in succession management, report that all the organizations "felt fortunate to have the enthusiastic support of top management. But this support was not gratuitous; instead, it was earned by providing an essential service to the executives."[9] Senior management also must be advocates of succession planning, making it an organizational priority and helping lower-level managers and employees see its importance and value. With such a mindset, for example, one department might give up a top performer temporarily to another department for a developmental experience in the best interest of the organization as a whole.[10]

Assessment of current and future workforce needs. Like workforce planning, succession planning begins with an organization having a clear view of the current and future needs of its workforce. A key part of obtaining this view is collection and analysis of workforce data, such as age distribution, turnover rates, projected retirements, and skills. Once collected, these data must be compared with future workforce needs, as detailed through business plans and organizational strategic planning. Gov-

ernmental succession-planning consultant Patrick Ibarra stresses the importance of building a succession plan from the current and future priorities identified in an organization's strategic plan. He notes that, too often, employees' developmental needs are left out of the strategic planning process.[11]

Identification of key positions. Key positions are those that exert "critical influence on organizational activities—operationally, strategically, or both."[12] When they are left vacant, difficulties arise in meeting or exceeding public expectations or in following through on projects of crucial significance.[13] Traditional succession planning focused only on senior management positions. Today, experts recommend that succession planning apply to key positions at any level of the organization. For example, certain information technology or health care jobs that require a high degree of technical or subject-area knowledge may not traditionally be considered leadership positions but may be of critical importance in an organization.

Identification of organizational leadership competencies. "Competencies" are the actions and skills necessary for success in a particular role. Experts recommend development of common organizational-leadership competencies for reasons such as conveying clear expectations and standards, linking developmental activities to organizational goals, and providing a common organizational language and framework for evaluating personnel and setting leadership development strategies.[14] The National Academy of Public Administration strongly recommends that public organizations develop their own list of leadership competencies from a set developed by the Office of Personnel Management (see Table 1), adapting it to their organizational culture as necessary.[15]

Creation of talent pools. Modern succession plans create talent pools rather than identifying a few employees as potential successors for specific positions. One of the reasons for using this approach is the suggestion that succession planning not focus on linear career paths but identify talent across departments. Human resource consultant William Byham recommends using the term "acceleration pools" instead of "talent pools" or "high-potential pools." He reports that companies prefer this term to "high-potential pools" because the latter implies that people not in the pool do not have high potential.[16] Succession planning expert William Rothwell recommends that talent pools be coordinated with competency models, performance management, evaluation strategies, and developmental opportunities.[17]

Table 1. **Office of Personnel Management Leadership Competencies**

Leading Change
- Continual learning
- Creativity and innovation
- External awareness
- Flexibility
- Resilience
- Service motivation
- Strategic thinking
- Vision

Leading People
- Conflict management
- Integrity/honesty
- Leveraging diversity
- Team building

Results Driven
- Accountability
- Customer service
- Decisiveness
- Entrepreneurship
- Problem solving
- Technical credibility

Business Acumen
- Financial management
- Human resources management
- Technology management

Building Coalitions
- Influencing/negotiating
- Interpersonal skills
- Oral communication
- Partnering
- Political savvy
- Written communication

Source: U.S. Office of Personnel Management, Guide [to the Senior Executive Service]: Appendix A, Leadership Competency Definitions (n.d.), available at www.opm.gov/ses/define.asp (last visited Dec. 14, 2006).

Linkage with development. A crucial part of succession planning is identification or creation of developmental opportunities that prepare employees for key positions. Typically a wide range of developmental activities is needed, including mentoring, coaching, action learning, and educational programs related to specific jobs.[18] In many succession planning systems, high-potential employees are evaluated using "360-degree feedback," which provides them with feedback about their competency gaps, not only from immediate supervisors but also from peers, subordinates, and possibly clients.

Another popular tool is the individual development plan, which serves as a kind of learning contract between the employee, his or her supervisor, and the organization. It details what the employee will do to close any competency gaps or to become better qualified for advancement.

Monitoring and evaluation of the initiative. Monitoring and evaluation are necessary to ensure that the program is meeting workforce needs, that organizational competencies have not changed, and that program goals are being achieved. Assessing employees' development is one part of this process. For example, annual evaluations of employees' progress toward meeting developmental goals can help an organization determine the effectiveness of its developmental activities and show whether or not progress has been made in preparing the employees to assume new leadership roles when necessary.

Performance measures also should be put in place to determine the effectiveness of succession planning efforts. Examples of performance measures to be used in the evaluation of succession planning initiatives are the number of vacancies filled internally versus externally, the number of high-potential employees who leave the organization, and the length of time that key positions stay vacant.

North Carolina Research Findings

To determine the extent to which North Carolina municipalities were employing the components of succession planning, the School of Government administered a survey in 2004. The survey was distributed to the fifty medium-sized and large municipalities in North Carolina

with populations of more than 15,000.[19] Thirty responded. Survey content covered the nature of succession planning efforts, the identification of succession planning as a need, timeframes for developing plans, workforce data collected, planning and analysis activities conducted, training and development activities conducted, and barriers to implementation of succession planning initiatives. Although only medium-sized and large municipalities were surveyed, lessons and recommendations also may have value for small municipalities. Survey findings can be categorized into five areas: the nature of planning, the need for planning, intention to develop plans, current efforts and activities, and barriers to succession planning.

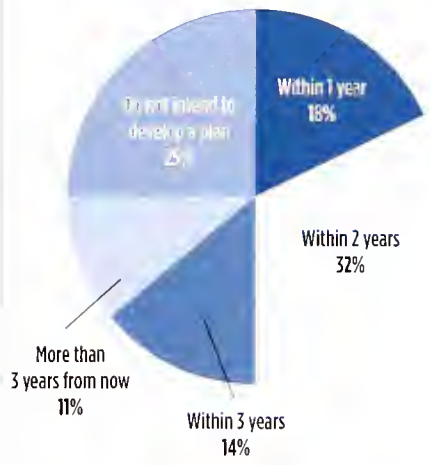
The nature of planning. Survey respondents were first asked to identify the nature of their efforts in succession planning. The great majority (83 percent) indicated that they did not conduct succession planning, and no one reported having "formal" succession planning. Few (17 percent) indicated that their municipality had informal or departmentally based plans.

Data from the 2004 IPMA–HR survey suggest that North Carolina municipalities may be considerably behind other public-sector organizations. In the IPMA–HR survey, 39 percent of the respondents reported that they were actively involved in succession planning. Overall, 51 percent of the respondents identified themselves as city or town/village governments.

The need for planning. Although only a small number of respondents conducted succession planning, a majority —65 percent—reported that their municipality had identified such planning as a need. Jurisdictions' identifying succession planning as a need is no guarantee that they will implement it, but it is an indicator that they recognize its importance.

Intention to develop plans. A majority of survey respondents (64 percent) reported that they intended to develop a succession plan within three years (see Figure 1). About 25 percent indicated that they did not intend to develop a plan. This figure is noteworthy, considering the plethora of literature that indicates the need for this type of strategic planning. Potential reasons that these municipalities do not intend to develop plans are explored later.

Figure 1. **Intention to Develop a Succession Plan (*n* = 28)**



Source: Christina E. Ritchie, Who Will Lead Tomorrow's Workforce? The Status of Succession Planning in North Carolina Municipalities. Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005 (on file with author)).

Current efforts and activities. To determine the scope of activities related to succession planning that already had been undertaken by North Carolina municipalities, the survey identified such activities and grouped them into one of three categories: workforce data collection, analysis and planning, and training and development (see Table 2). These categories were considered to be sequential: Data must be collected before they can be analyzed and plans can be developed. After the data have been analyzed and plans have been developed, the resulting concepts can be put into action through training and development. Given this sequential nature, it is not surprising that a majority of survey respondents had collected workforce data, whereas a much smaller proportion had

Table 2. **Activities Related to Workforce and Succession Planning**

Workforce Data Collection	Analysis & Planning Activities	Training & Development Activities
Demographics (e.g., gender, race, and ethnicity)	Retirement projections	Formal cross-training programs
Age distribution	Competitiveness of compensation strategies	Formal mentoring
Skills	Inclusion of human resource section in municipality strategic plan	Leadership development programs
Competencies	Short-term staffing needs (1 year or less)	Management development programs
Average years of service	Long-term staffing needs (more than 1 year)	Individual development plans
Time to fill vacant positions	Recruiting plans	Individual-development gap analysis
Employee performance levels	Identification of high-potential employees	Rotational work assignments
Turnover rates	Identification of critical hiring areas	Identification of organizational competencies
Labor-market skill availability	Identification of key positions in the municipality	360-degree evaluations
	Succession plans	Provision of money for external training (e.g., to cover conference fees and course registrations)
	Training plans	Supervisory training
	Workforce gap analysis	Formal coaching

Source: Christina E. Ritchie, Who Will Lead Tomorrow's Workforce? The Status of Succession Planning in North Carolina Municipalities, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005) (on file with author).

conducted training and development activities. (See the article on page 9 for detailed tables of municipalities' survey responses.)

A majority of municipalities indicated that they collected most of the workforce data identified by the survey, such as demographics, turnover rates, and age distribution. However, less than 25 percent reported that they collected data about the skills or competencies of the current workforce. Although most municipalities indicated that they had identified such data as a need or were developing a system to collect them, 20–24 percent indicated that data on the skills and competencies of their workforce had not been identified as a need.

Of the 12 analysis and planning activities identified in the survey, only 5 were selected by more than 50 percent of municipalities. Also, municipalities were more likely to indicate that they had not identified these analysis and planning activities as a need than they were to indicate that they had not identified workforce data collection as a need. For example, only 31 percent of respondents reported that their municipality identified high-potential employees, and 28 percent of those who did not conduct this activity reported that identifying high-potential employees had not been identified as a need.

In the training and development category, there was even less uniformity among municipalities. Ten of the 12 activities identified for survey respondents were conducted by 50 percent or fewer municipalities. Basic components of succession planning such as mentoring and individual-development gap analysis (analysis of the gap between an individual's current competencies and the desired competencies for his or her position) were performed by less than 15 percent of respondents. Additionally, 40–50 percent of respondents did not identify advanced developmental activities such as rotational work assignments and 360-degree evaluations as a need. This finding suggests that municipalities may require a better understanding of why these activities are important to their organizational success.

Barriers to succession planning. Finally, survey recipients were presented with a list of ten obstacles to succession planning and asked which, if any, they considered to be barriers to implementation of succession planning initiatives in their municipality. The most frequently cited obstacles were a lack of personnel to manage the program, a lack of time to participate, organizational culture, low priority given by senior management, and insufficient financial resources (see Table 3).

Table 3. **Barriers to Succession Planning (*n* = 30)**

Rank	Barrier	Percentage Citing
1	Insufficient human resources to manage program	60.0
2	Insufficient time to participate	46.7
3	Organizational culture	43.3
4	Low priority given by senior management	40.0
5	Insufficient financial resources	40.0
6	Low priority given by elected officials	26.7
7	Lack of mobility of employees	23.3
8	Lack of role models	10.0
9	Inadequate rewards for initiative/risk	6.7

Source: Christina E. Ritchie, Who Will Lead Tomorrow's Workforce? The Status of Succession Planning in North Carolina Municipalities, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005) (on file with author).

Overall, these obstacles suggest that human resources is not seen as a strategic player in the responding municipalities. This observation is supported by the finding that only 41 percent of respondents had a human resource section in their municipality's strategic plan. If management does not generally support human resources in the organization, initiatives led by human resource departments will encounter difficulties. Although recent research suggests that all medium-sized and large North Carolina municipalities are conducting strategic planning (see the article on page 4), clearly a better case needs to be made for the inclusion of human resources as a key player in strategic planning.[20]

Conclusions about North Carolina's Preparedess

Although formal succession planning was not occurring in a majority of North Carolina municipalities responding, a majority identified such planning as a need, and most intended to develop plans within the next three years. Overall, the survey findings revealed three tiers of succession planning preparedness in the state's municipalities (see Table 4). Tier 1 municipalities were the least prepared, conducting about one-third of the activities related to workforce and succession planning identified in the literature. Before they attempt development of a succession planning and management program, these municipalities should strengthen their data collection and analysis and planning activities.

The municipalities in Tier 2 were better prepared to implement succession planning, for they conducted about one-half to two-thirds of the identified activities. Tier 2 municipalities may need to focus on expanding their training and development opportunities, developing a mentoring network, and conducting evaluative measures such as analysis of gaps in individual development.

Tier 3 municipalities already were conducting many of the essential components of succession planning, even if they did not have a formal plan. The next steps for these municipalities may be to garner organizational support for a formal succession plan, identify high-potential employees, and take a more organized, centralized approach to planning for the future leadership of their workforce.

About 29 percent of the North Carolina municipalities surveyed fell into Tier 1; about 52 percent, into Tier 2; and about 19 percent, into Tier 3 (see Table 4). Although this suggests that most municipalities were not ready to implement formal succession planning,

Table 4. **Succession Planning Preparedness (n = 21)**

	Number of Workforce & Succession Planning Activities Conducted (Out of Possible 33)	Percentage of Organizations
Tier 1 Least Prepared	8–12	28.7
Tier 2 Moderately Prepared	14–21	52.4
Tier 3 Most Prepared	23–29	19.2

Source: Christina E. Ritchie, Who Will Lead Tomorrow's Workforce? The Status of Succession Planning in North Carolina Municipalities, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005) (on file with author).

Note: Percentages do not add up to 100 because of rounding.

Tier 2 municipalities already were conducting roughly one-half to two-thirds of the identified workforce and succession planning activities. If these municipalities can find the time, personnel, money, and support to expand their current efforts, they should be able to move to Tier 3 and implement succession planning fully. Open-ended survey responses indicated a desire among some respondents for training in succession planning or for collaboration with other organizations on succession planning. Training, including programs such as those offered through the ICMA Next Generation Initiative, can assist municipalities in moving to greater preparedness.[21] These municipalities also can look to other local governments for examples of what succession planning looks like in practice.

Local Government Succession Planning in Practice

Case studies or illustrations of succession planning in practice in local government are hard to find. Furthermore, even the organizations that have implemented some form of succession planning have been doing so for such a short period that evaluating their initiatives is difficult. Nevertheless, local governments all across the country are taking steps to implement forms of succession planning in their jurisdictions. The following three examples show some of the variety among initiatives, from a relatively simple city-manager internship program to a fully developed succession-management program. These examples demonstrate that, regardless of organizational size or resources, all local governments can take some steps to improve their leadership development efforts and succession preparedness.

Three Florida Cities: A City-Manager Internship Program

Concerned about the availability of high-potential candidates to fill future vacancies in city management, three Florida cities — Daytona Beach Shores, Port Orange, and South Daytona Beach—partnered to create a two-year city-manager internship program.[22] The program was designed to attract young talent to city government, specifically recent master's degree graduates. Interns serve eight-month rotations in each city, giving them exposure to cities varying in population from 4,300 to 50,000. Across the internship, participants work with three city managers and city councils, gaining exposure to a wide variety of local government issues and challenges. They also gain exposure to a network of managers and cities throughout Florida.

The program is cost-efficient for the cities involved, for they split the interns' salary ($25,000) and benefit costs. In terms of the resources demanded of the participating cities, besides the financial commitment, the program requires a time commitment from existing city managers and a willingness on the part of the managers and city councils to focus on the long-term organizational benefit of the program. On completion of the program, interns are considered prepared for a job as a city manager of a small community or as an assistant city manager of a medium-sized one.

Roseville, California: A Management-Development Assessment Center

In 1997, succession planning became a priority in Roseville, California, population 100,000, when city leaders realized that 11 of 15 department heads would be eligible for retirement by 2003.[23] Roseville has since developed an integrated leadership-development strategy, including a competency model for senior managers, a succession plan, a mentoring program, and individual development plans.

A unique component of Roseville's strategy is a management-development assessment center, which helps managers develop the core competencies critical to the city's success. The city hired a consultant to identify the competencies through interviews with its managers. The interviews produced eight well-defined "management dimensions" that all department heads must master to be effective—communication, decision making, interpersonal effectiveness, leadership style, administrative effectiveness, flexibility, planning/organization skills, and a developmental orientation. Department directors also described what each dimension "looked like" in action and gave examples of actual situations that required exercising one or more of the eight dimensions.

Following the identification of the dimensions, the city put in place an integrated assessment-center process to develop the competencies. The assessment center has six elements: (1) a background questionnaire, in which participants assess themselves on the eight dimensions and describe a work experience that illustrates a strength in one dimension and a need to develop in another; (2) a personal interview, which focuses on the eight dimensions; (3) an in-basket exercise that enables participants to demonstrate skills in six of the management dimensions; (4) a group-interaction activity to analyze a citywide issue and make recommendations, while assessors observe; (5) a team activity in which participants develop implementation plans for their recommendations

and prepare formal presentations to the city manager, again while assessors observe; and (6) completion of the Myers-Briggs Type Indicator (a widely used instrument for assessing personality type and showing how personality type influences interactions with others).

Following completion of the assessment center, participants receive formal feedback via a written report and through an in-person meeting with an assessment center consultant. Participants are expected to use the feedback in constructing their individual development plans. Roseville also uses the assessment center data to develop citywide training and development programs.

The cost to the city for the program has been about $850 per participant. In 2000 the city won an award from the California League of Cities for its use of assessment centers to promote employee development.

Henrico County, Virginia: A Succession Management Program

The succession management program of Henrico County, Virginia, population 262,300, has been recognized by the National Association of Counties and the Richmond Human Resources Management Association.[24] The program began following a review of county workforce data in 2003, which revealed that 44 percent of upper-level managers would be eligible for full retirement by 2008. The program was implemented to address two concerns: (1) the loss of intellectual capital in key positions as upper-level managers became eligible to retire in record numbers and (2) the decreasing number of younger adults in the workforce available to develop the skills necessary to move into higher-level positions. Five steps for an effective succession-management program were described to upper-level managers, including identifying key positions, identifying competencies of key positions, developing employees, assessing the results of development, and evaluating the program. The program consisted of two phases: (1) teaching supervisors how to guide employees through a professional development process using individualized learning plans; and (2) providing information to upper-level managers on strategies for developing subordinate managers to plan for succession.

In the two years before implementation of the initiative, only 2 of 7 upper-level manager positions were filled with internal candidates. In the years since the initiative was introduced, internal candidates have filled 16 of 18 such positions.

The county later widened the initiative by also identifying middle managers as key position holders. According to George H. Cauble Jr., Henrico's director of human resources, "'Henrico County is working hard to maintain leadership continuity both now and in the future so as to ensure the knowledge acquired by those in key positions in the County will not leave when these individuals do.'"[25]

Recommendations for Starting or Strengthening Succession Planning

Based on the School of Government survey findings and the review of the succession planning research, the following recommendations are provided for organizations that want to begin succession planning or strengthen their existing planning efforts.

1. Advocate for the importance of human resources as a strategic partner in the organization.

For the workforce to be responsive to changing environments, human resources must be integrated into the organization's general strategic planning.[26] Organizational leaders must make the case to both elected and appointed officials that human resource employees are more than just enforcers of regulations and should be involved in strategic planning as a key part of the management team.[27] With regard to succession planning specifically, those spearheading the initiative must provide the management team with evidence of the importance of long-term leadership planning to the organization's future success. If an organization generally lacks an overall long-term vision, leadership needs to make a broader case that long-term planning is essential for organizational effectiveness. Acquiring senior management support will help ensure allocation of time to planning, and dedication of monetary and human resources to it.

2. Evaluate organizational readiness for succession planning.

An organization seeking to evaluate how well equipped it is to implement succession planning may want first to determine in which tier of preparedness it is located. It can do this by examining how many of the activities related to workforce and succession planning it currently conducts (see Table 2). Evaluating current preparedness also will help the organization determine what needs to be done next for succession planning to be effective.

Tier 1 organizations might begin by strengthening their overall data collection and workforce planning efforts. Tier 2 organizations might focus on bolstering their training and development activities. Tier 3 organizations might look to other local government examples such as Henrico County, Virginia, for assistance in implementing formal succession planning.

3. Strengthen employee evaluation and development activities.

To ensure that current employees will be capable of filling future leadership vacancies, organizations need to evaluate employee readiness better and offer training and development opportunities to fill in individual gaps. Development of organizational leadership competencies is one way to give leadership candidates a clear guide to the traits and skills that they should cultivate to be successful. Individual development plans are a tool that organizations and employees can use to hold each other accountable for the employees' development. Opportunities such as rotational work assignments may strengthen organizational knowledge and are another way to create a cadre of well-rounded leaders. Further, employee development programs can be a recruitment tool and a way to be seen as an employer of choice in a market in which high-potential young workers often are choosing the private sector over the public sector.[28]

4. Commit to improving planning efforts, regardless of organizational size or resources.

Approaches such as talent pools or assessment centers may not be possible in municipalities with few employees,

but this should not deter succession planning altogether.[29] Even small organizations can take such steps as identifying organizational competencies, developing mentoring programs, and creating employee development plans. Small organizations might consider following the example of the three Florida cities and partnering with neighboring local governments to share the costs of succession planning initiatives. Because succession planning does require some organizational investment regardless of the scope of the program, it also is important for organizations to establish some program performance measures or evaluative tools.

Conclusion

Although the 2004 School of Government survey revealed that few North Carolina municipalities were conducting succession planning efforts, it was encouraging to learn that most municipalities had identified it as a need. The next 5–10 years will be of crucial importance for local governments as they attempt to develop their leadership talent pool and prevent the loss of organizational knowledge when the baby boomers retire. The examples and recommendations provided in this article offer organizations ways to begin or improve planning efforts. Although many organizations have heard the succession planning alarm, they may have been hitting the snooze button. It now is time to wake up: organizations should wait no longer to begin implementing succession planning efforts.

Notes

This article is based on original research reported in Christina E. Ritchie, Who Will Lead Tomorrow's Workforce? The Status of Succession Planning in North Carolina Municipalities, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 8, 2005) (on file with author).

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15. Nat'l Academy of Public Admin., Managing Succession and Developing Leadership.

16. As cited in Susan J. Wells, *Who's Next?* HR Magazine, Nov. 2003, at 44, available online at: http://www.shrm.org/hrmagazine/articles/1103/1103covstory.asp (last visited Nov. 14, 2006).

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18. Fulmer & Conger, Growing Your Company's Leaders.

19. Because succession planning presents difficulties for small municipalities with few employees, this study chose to focus on North Carolina municipalities with populations of more than 15,000, which were more likely to have a workforce of significant size. The North Carolina League of Municipalities provided a list of these municipalities. It also provided contact information for the designated human resource contact in each municipality.

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21. ICMA Next Generation Initiative, www.icma.org/nextgen/.

22. Mary B. Young, Building the Leadership Pipeline in Local, State, and Federal Government 23–24 (Sacramento, Cal.: CPS Human Resource Serv. 2005), available at www.ipma-hr.org/files/leadership_pipeline_research_study.pdf (last visited Nov. 10, 2006).

23. *Id.* at 28–34.

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25. Henrico County, Virginia, Succession Management (2005), available at www.co.henrico.va.us/hr/edt/sucsnmgmt.pdf (last visited Nov. 10, 2006).

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29. Tier 3 municipalities were likely to be large (populations 66,355–276,094); Tier 1 and 2 municipalities, small or medium-sized (populations 16,774–46,019 and 13,827–540,167, respectively). In fact, Tier 1 had a higher median population than Tier 2.

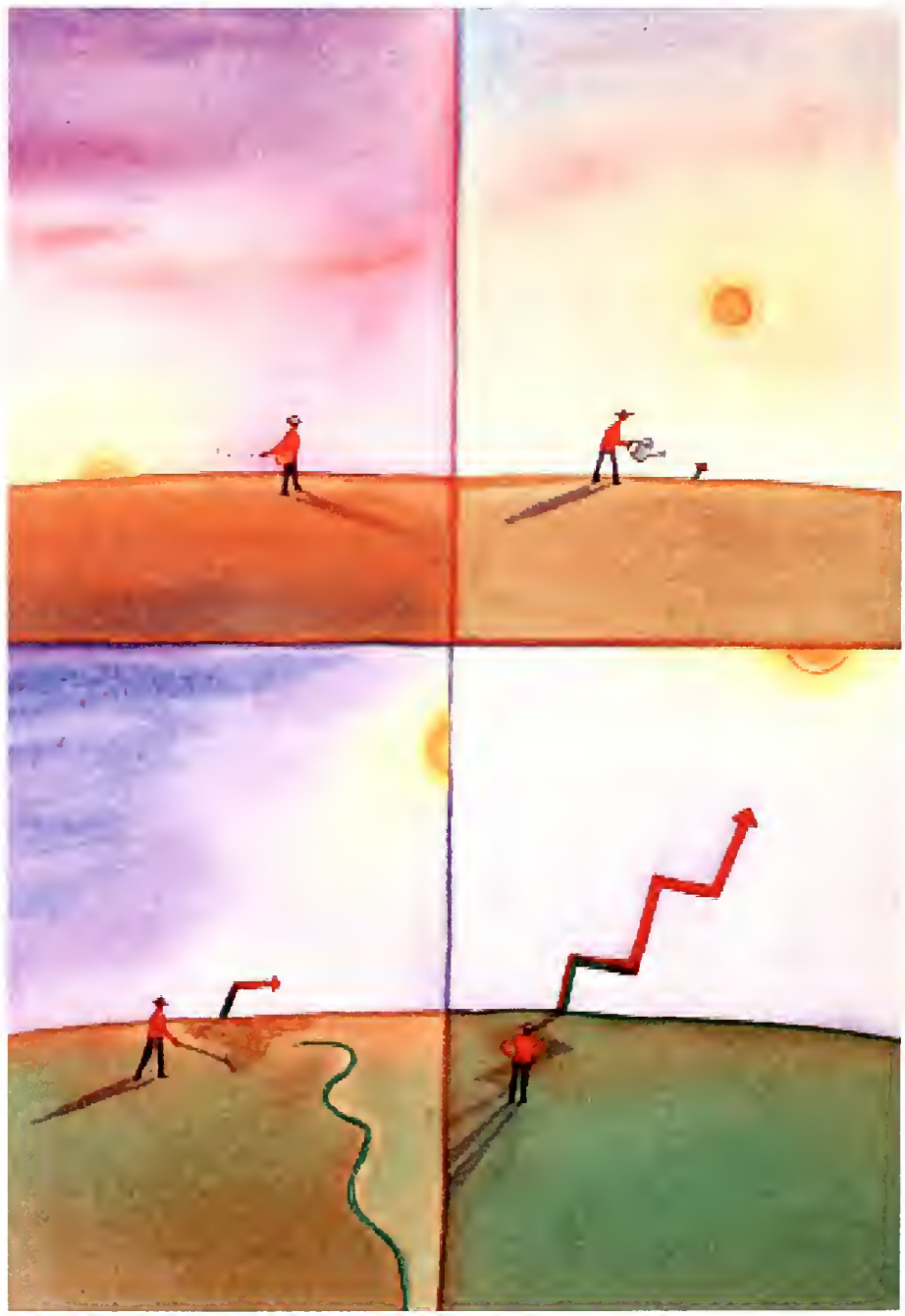
succession planning knowledge management performance preparatio

Who Will Fill the New Boots?
Examining the Use of Succession Planning in Farm Businesses

Brittany F. Whitmire

As baby boomers prepare to exit the workforce in unprecedented numbers over the next decade, the effects of knowledge loss and insufficient quantities of replacement workers are top concerns for all employment sectors.[1] According to the American Family Business Survey, more than half of the family firms in North America expect their chief executive officers to retire within the next ten years.[2] As vacancies arise, organizations will seek to fill empty positions. Organizations that systematically plan for succession will be better able to maintain their competitiveness and stability during transitional periods because they will have primed successors to provide continuity in leadership and a strong sense of organizational needs and future direction.[3]

Local governments, nonprofits, private companies, and other organizations all contend with the demands of succession. In the agricultural sector of the North Carolina economy, systematic succession planning has been rare or nonexistent. However, the agriculture industry, including production farming and agribusiness, is a key component of the state economy, affecting hundreds of communities and local governments. An earlier article in this issue (see page 26) describes the need for succession planning and the extent to which it occurs in



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emographics **service** *mentoring* ***transition*** *evaluation objectives*

North Carolina municipalities. This article introduces a customized application of succession planning that meets the unique needs of the state's farm businesses. The article identifies some of the challenges that North Carolina farm business managers face and provides an overview of succession planning. It also presents a comparative case study of three farms in one county to illustrate different stages of involvement in planning for intergenerational succession.

In 1890, ninety-eight percent of the U.S. population lived on farms, whereas by 1990, farm residents constituted less than 2 percent of the total population.

Succession Planning

Human resource management expert William J. Rothwell defines succession planning as "the process that helps ensure the stability of tenure of personnel" and "any effort designed to ensure the continued effective performance of an organization . . . by making provision for the development and replacement of key people over time."[4] The Governor's Office of Administration in Pennsylvania has developed a succession planning model that neatly captures the main steps used throughout the workforce and succession planning literature:[5]

- Determine what functions are required for a position and when it will be available
- Identify the initial competencies needed for the position and create a competency model for it
- Perform a "competency gap analysis"
- Design developmental opportunities for the competency model
- "Develop and maintain a talent pool"
- "Reassess and track overall progress and maintain [a] skills inventory"

North Carolina Agriculture

The U.S. Census definition of "farm" is any place from which $1,000 or more of agricultural products was produced and sold, or normally would have been sold, during the census year.[6] In 1890, ninety-eight percent of the U.S. population lived on farms, whereas by 1990, farm residents constituted less than 2 percent of the total population.[7] For North Carolina this shift in demographics across a century, along with recent changes in tobacco policy, has created an increasingly difficult operating environment in which to position a successor. However, continuity of leadership in North Carolina's agricultural sector is critical for the economic health of the state. The agricultural sector, consisting of food, fiber, and forestry, contributes nearly $63 billion annually to the economy, is credited for 1 of every 5 jobs in the state, and affects all 100 counties.[8] Eighty-five counties are classified as rural, and nearly 30 percent of the total land area in the state is classified as farmland.[9] Sustained performance of farm businesses in the state's economy therefore depends on current managers' willingness to strategically identify, select, train, and evaluate potential successors who can be groomed to manage in the next generation.

North Carolina farm facts. Farm businesses vary in size, scope, and workforce. From hogs to honey to turkeys to trout, North Carolina is one of the most agriculturally diverse states in the nation.[10] The 2002 Census of Agriculture reports the following North Carolina farm facts:[11]

- Individuals or families operate more than 90 percent of farm businesses as proprietorships, partnerships, and corporations.
- The average farm operator is about fifty-four years of age.
- Individually owned farm businesses average 136 acres, whereas partnerships and corporations average more than 500 acres.
- Sixty-seven percent of farms are less than 100 acres per unit. However, these small farms account for more than half of the farmland in the state.
- About 11 percent of principal farm operators are female.
- Estimated market values of land and buildings are $518,719 per average farm (168 acres) or $3,088 per acre.

A new era. Family-business industries undergoing significant changes need to select successors who can restructure the businesses or establish new ones in response to extant environmental conditions.[12] North Carolina farmers face this scenario today with respect to the state's historically top cash crop, tobacco.[13] Declining demand for cigarettes and increasing competition from foreign

tobacco producers have resulted in reduced federal quotas and price supports in recent years, and tobacco has been surpassed by three other commodities.[14] Despite these changes, the state is home to 7,836 tobacco farms, which produce more than $630 million worth of the "golden leaf."[15]

In 2004 another drastic change in agricultural policy arrived with the passage of Public Law 108-357, also referred to as the American Jobs Creation Act of 2004.[16] This legislation included $9.6 billion in compensation to tobacco quota owners and growers to terminate the support system that had been in place since 1946.[17] Since the beginning of the 2005 crop year, no federal restrictions (quotas) on the production of tobacco have existed. Prices are expected to fall because of market pressure in the absence of federal support.[18] Quota owners who receive payments through the buyout will use the funds for income replacement and will likely pursue one of the following strategic options for their farm businesses: make the transition to a new era of tobacco production, change from tobacco production to another agricultural enterprise, move from tobacco production to a nonfarming occupation, or retire.[19]

Given the uncertain effects of the new market environment for North Carolina producers following the tobacco quota buyout, every practical effort to assist in the stability and continuity of leadership in farm businesses should be taken. A recent survey revealed that less than one-fourth of the state's farm operators have identified a potential successor to take over farm management, but just under one-third have discussed future plans with other family members or professional advisers.[20] Family businesses tend to have a high degree of commitment to achievement and perseverance derived from individual and family pride, as well as from tradition. Farm operators in family businesses may be an audience ready to embrace succession planning practices if the practices are communicated in a manner that is meaningful to the operators and appropriate to their unique needs.

A new leader. Historically, selecting a successor often related to family values and traditions rather than to business issues. For example, the eldest male heir in a farm family was often the default successor. Today, however, the selection criteria include education and technological, managerial, and financial management skills, and successors are not necessarily natural heirs.[21] Gaining experience outside the family business also has been recommended in order to increase the breadth of the successor's perspective and the diversity of his or her work history.[22] Other historical factors for selection have included age, sex, and birth order. However, integrity and commitment to the business have been acknowledged as superior indicators in successor selection. Farm businesses must begin to incorporate selection characteristics into succession plans that assess successors' potential to assume a management role with increased complexity and accountability.[23]

Succession Planning Applied to Family Farm Businesses

The application of succession planning to North Carolina farm businesses provides a timely demonstration of the benefits of human resource management theory in practice. Consider the example of Jimmy, whose story I present in seven parts.

Jimmy, Part 1

At fifty-five years, Jimmy is about the age of the average U.S. farmer and is slightly older than the average North Carolina farmer.[24] He is a fourth-generation operator, having taken over farm management from his father, who took over from his father, and so on. The historic father-son replacement pattern has been evident in this farm business for more than a hundred years.

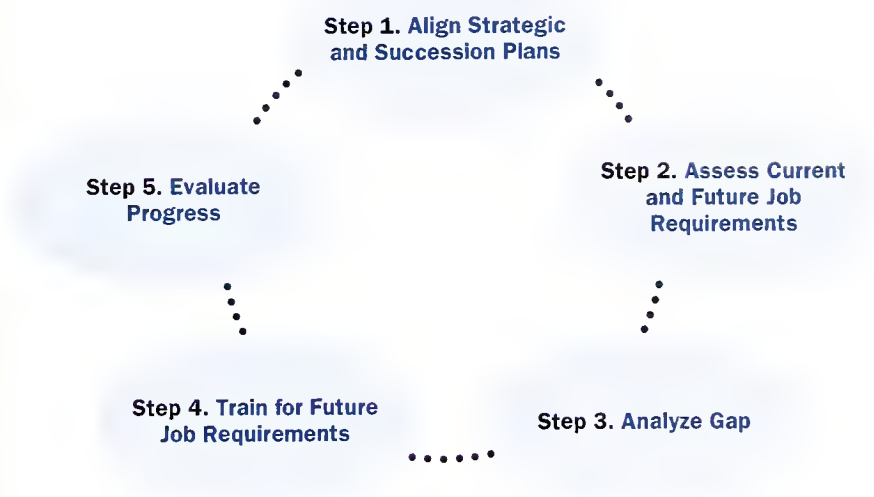
Relying on traditional practices for succession is not an option for Jimmy, however, because his only son is a pilot with no plans to succeed Jimmy. Thus the historical practice of replacement by a natural male heir is unlikely. How, then, will Jimmy ensure that the farm business successfully makes the transition to another generation and that the future manager will be adequately prepared?

According to 2002 Census data, succession most often occurs gradually through joint farm ownership by older and younger generations. Intergenerational activity is denoted by multiple owners of a single farm who differ in age by at least twenty years, and this multiple-owner structure describes nearly one-third of North Carolina's farm businesses.[25] Achieving continuity of leadership through an intergenerational transition is a key advantage of succession planning strategies.[26]

Before engaging in an intergenerational transfer, participants should consider several factors, including financial, emotional, and organizational stabilities: How willing is the older-generation incumbent to transfer management skills and decision-making responsibilities to a younger operator? Has the younger-generation successor acquired the necessary knowledge, skills, abilities, and other competencies to move successfully into a management position? The agricultural literature addresses these general considerations, but more detail is needed for meaningful assessment of the specific activities and practices currently being employed.

Developing good communication strategies, implementing a trial period, farming together but maintaining separate entities, conducting family business meetings, and creating the appropriate business structure are important considerations during transition periods.[27] Although these broad transition techniques have been identified and employed, they can be strengthened by drawing on the systematic manner of formalized succession planning as it is outlined in the literature of human resource management.[28] Establishing parallels between the planning practices in the agricultural literature and the steps in generally accepted succession-planning models found in the litertature of human resource management will facilitate the goal of producing constructive strategies for current and future operators to use in preparation for a leadership transition. A well-fitted succession-planning strategy will foster a relationship that will capture the enthusiasm and the interest of the successor, which typically complement the experience and the wisdom of the incumbent.[29]

Figure 1. **Farm Business Succession-Planning Model**



Source: From Brittany F. Whitmire, Who Will Fill the New Boots? Examining the Use of Succession Planning in Farm Businesses, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 21, 2006) (on file with author).

Three Case Examples

To assess the response of North Carolina farm businesses to the pending crisis in human capital, I conducted exploratory research on the extent to which Greene County farm businesses are employing succession planning practices and strategies.[30] I identified candidates for the study by using the following criteria: (1) a farm business located in Greene County and (2) an incumbent expressing a desire to transfer his or her farming operation to a successor.[31]

The research reported in this article provided me with an opportunity to formulate the Farm Business Succession-Planning Model, a model specific to farm business management (see Figure 1). I analyzed the three cases in the study according to the engagement of the incumbent and, as appropriate, the successor, in the five steps of the model. The model customizes the key succession-planning elements in the Pennsylvania model described earlier, to the farm business context. It includes the following five components:

- Align strategic farm business and succession plans.
- Assess the current and future requirements in knowledge, skills, abilities, and other competencies for a future farm business operator.
- Analyze the gap between current and future requirements for a successor.
- Create training and development activities for the successor based on the gap analysis.
- Evaluate the progress of the transition between current and future operators.

Case Analyses

Overall, I found significant variation in the succession planning practices of the three farms in the study. The incumbent in the first case, which will be referred to as the novice case, was minimally involved in the first step of the model. The incumbent expressed a desire to pass the farm business along to a successor but had not specifically identified a potential candidate. Thus there were no explicit plans for a transition.

The incumbent in the second, or intermediate, case expressed a desire to consider management needs in the strategic plan for the farm business, which incorporated the knowledge, skills, abilities, and other competencies required of a future manager. However, this incumbent too had not specifically identified a potential successor and did not feel that planning for a future manager was a necessary part of daily farm activities.

The incumbent in the third case, referred to as advanced, undertook four of the five model steps, and the case itself surfaced as a well-developed example of succession planning for a farm business.

The ideal scenario, involvement in all five steps of the model, was not observed in the sample. The three farm businesses in the sample were placed on a continuum of involvement that ranged from no succession planning to full engagement in all five steps of the model (see Table 1 and Figure 2).

In all three cases, retention of farmland in family ownership served as the central motivating factor for considering succession planning. However, when incumbents were asked to describe the necessity of planning for a future successor, their responses varied from the novice case, "Not as critical as planning for other needs," to the advanced case, "Really important." These progressive responses

Table 1. **Four Stages of Model Involvement and Degree of Succession Planning**

Three Example Cases	Description of Model Involvement and Degree of Succession Planning
Novice	Minimal to no involvement in model steps
	Minimal to no necessity placed on succession planning
	Short-term future outlook (less than 1 year)
	Assumption of total management responsibility and risk by incumbent
	Insulation of successor from management responsibility and risk
Intermediate	Involvement in at least 1 step of model, usually training successor
	Some necessity placed on succession planning
	Short- to mid-term future outlook (1–3 years)
	Assumption of majority of management responsibility and risk by incumbent
	Introduction of successor to limited degree of management responsibility and risk
Advanced	Involvement in at least 4 steps of model
	Succession planning considered very necessary for farm business future
	Mid- to long-term future outlook (up to 10 years)
	Identification of successor and active engagement of him or her in farm business management
	Sharing of significant management responsibility and risk by incumbent with successor
Ideal (Not Observed)	Involvement in all 5 steps of model
	Comprehensive future outlook (up to 10 years)
	Equal sharing of management responsibility and risk by incumbent and successor
	Use of external resources by incumbent and successor for alignment, analysis, training, and evaluation
	Formal communication of model between incumbent and successor

directly related to the degree to which the incumbents not only engaged in the model components but also recognized the importance of such planning practices. An exploration of each of the five steps of the model, plus barriers to incumbent involvement, follows.

Step 1: Align strategic and succession plans.

Jimmy, Part 2

If Jimmy transfers his farm business to a fifth-generation manager, what will it look like in ten years? When does Jimmy plan to retire, and in what direction does the successor wish to steer the farm business? If the successor changes the farm's production focus from livestock to crops, then he or she will require a different set of knowledge, skills, abilities, and other competencies than Jimmy has.

The first step in succession planning involves two components: determining whether a farm business will remain in existence via an intergenerational transfer and assessing when the incumbent will begin to phase out of management, or retire. This requires learning whether the manager intends to continue the farm business and, if so, in what form or strategic direction he or she plans to take it. For example, a farm business may currently focus on commercial livestock production, but the successor may hope to shift to grass-fed beef and organic strawberry production. In this case the succession plan would need to incorporate the shift in production to identify, analyze, and train a successor properly. In all the sample cases, the intent was for the successsors to continue the current production foci.

All three incumbents in the present cases expressed the desire to maintain the farm business through an intergenerational transition to a successor. However, the cases differed in the degree to which a successor had been identified and secured. For example, in the novice case, a potential successor was currently employed off the farm and had not expressed commitment to managing the farm business in the future. In the intermediate case, the potential candidates for successor were too young for the incumbent to identify either of them positively as future managers or to establish a timeline for transition. The incumbent in the advanced case, however, indicated that he would be phasing out of physical labor over the next two years and his successor already was actively involved in planning for the future management of the farm business.

Selection criteria for potential successors varied across the cases, but historically significant characteristics did not dominate the plans of the incumbents. Instead, the incumbents suggested that to be selected as a management successor, candidates should show

Figure 2. **The Continuum of Involvement in the Farm Business Succession-Planning Model**

Necessary Development Processes for Advancement on the Continuum

From Novice to Intermediate

- General training to define succession planning and its benefits
- Shift in future outlook to longer term
- Assessment of farm business plan and future leadership

From Intermediate to Advanced

- General training in finding and using planning resources
- Introduction into a network of peers engaged in planning, to share experiences
- Expansion of future outlook to three years and beyond

From Advanced to Ideal

- Specific training, based on critical success factors, in engaging fully in the model
- Increased communication among operators, families, and advisers
- Service as mentors to novice, intermediate, and advanced operators

Source: From Brittany F. Whitmire, Who Will Fill the New Boots? Examining the Use of Succession Planning in Farm Businesses, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 21, 2006) (on file with author).

initiative, a good work ethic, love of the land, and appreciation for hard work.

Jimmy, Part 3

Jimmy might consider preparing his youngest daughter to succeed him because she has expressed interest in maintaining the operation and has demonstrated initiative in finding new ways to make the farm business profitable.

Step 2: Assess current and future job requirements.

Jimmy, Part 4

Jimmy's daughter will need to be familiar with animal husbandry, given current production. She also will need to understand horticultural science if the farm expands into crop production.

To ensure continuity of leadership and successors' possession of necessary competencies, incumbents must plan for the future needs of their farm businesses. In all the cases, future competency requirements included computer literacy and familiarity with technological applications, both in the office and in the field. For example, the incumbent in the advanced case insisted that his successor be familiar with the global positioning system technologies used to map crop fields digitally in the office before applying chemicals, such as fertilizers or pesticides, with the tractor. Other future requirements included increased knowledge of global issues, international markets, and trade policies.

Step 3: Analyze the gap.

Jimmy, Part 5

Jimmy needs to be aware of his successor's current competencies so that he can help her learn the skills she is lacking. Working together regularly, creating a skills inventory, and researching the requirements of future agricultural trends will help Jimmy and his daughter assess her gap in knowledge, skills, abilities, and other competencies.

This step requires that current operators look beyond today's practices to guide their plans. Incumbents in the present cases varied from a wait-and-see attitude in the novice case to one that emphasized carefully considered future needs, in the advanced case. The latter incumbent also expressed familiarity with his successor's current skill set. He indicated that the current arrangement of sharing responsibility for numerous farm activities allowed him to assess the successor's competencies on a regular basis.

Further investigation into the novice case revealed a short-term horizon centered on annual production schedules, whereas the long-term outlook in the advanced case reflected decision-making patterns ranging from 1 to 10 years.

Step 4: Train for future job requirements.

Jimmy, Part 6

Training for Jimmy's daughter might include on-the-job preparation, as well as enrollment in a local community college for a course in small business administration or marketing, to address skills necessary for future farm management.

Overall, the most common model activity in the sample cases involved training (or planning to train) successors. On-the-job training served as the most frequently reported form of conveying knowledge, skills, abilities, and other competencies to successors. Each of the incumbents identified experience as the best way for successors to learn management competencies, but only one equated such experi-

ence with formal, on-the-job training methods before the parallel was suggested.

Further probing revealed informal systems of training, including coaching, rotational assignments in different aspects of the farm business, and external education. The incumbent in the advanced case reported using at least five training methods to address his successor's competency gaps, including on-the-job training, mentoring, college enrollment, external training opportunities, and leadership development programs.

Step 5: Evaluate progress.

Jimmy, Part 7

Like the incumbent in the advanced case, Jimmy will want to meet regularly with his successor to discuss the transition and talk about their changing leadership roles.

The step reported least frequently in the sample was evaluation of the transition in management from incumbent to successor. The novice and intermediate case incumbents reported that they would initiate an evaluation of the planned succession when they perceived performance inadequacies in the successor. Such problems could be an indication of design failures in the specific succession plan, including inadequate identification of skills, selection of an inappropriate successor, and incomplete training strategies. In the advanced case, however, the incumbent and the successor held regular discussions regarding farm management activities without the impetus of disagreement over performance. The incumbent referred to them as "our planning sessions." He commented that waiting to provide constructive feedback until a mishap occurs "is the wrong time to talk . . . Everybody gets emotional then, when something's wrong."

Barriers to Planning

All three incumbents reported concern about the barriers that they faced in planning for their successors. Those barriers included limited availability of capital and financial resources, insufficient time, and high emotional stakes in changing leadership roles. In the novice case, a perceived lack of necessity also served as a reason not to engage in succession planning. Although each of the incumbents indicated that farmers "never really retire," all did admit that gradually "slowing down a little" was becoming an attractive option as they aged. Phased retirement could lessen the emotional reservations of the incumbents while allowing the successors to assume more of the responsibility and risk associated with management.

The younger incumbents reported engaging in succession planning less frequently than the older incumbents. Perhaps youth also is a barrier to succession planning, for the impetus of retirement is distant for young incumbents.

Recommendations

The extent to which the incumbents in the sample were engaged in succession planning varied significantly. This finding likely represents common variation across Greene County and North Carolina. The significance that the incumbents placed on planning for a successor correlated with both their use of multiple training activities and the degree to which they practiced succession planning components.

Resources for Farm Businesses in Transition

North Carolina Farm Transition Network
www.ncftn.org/

The North Carolina Farm Transition Network provides educational resources to farm families and professional advisers. Its mission is "to ensure that working farms remain in agricultural production by assisting retiring and aspiring farmers in the effective transition of farm businesses."[1] The network serves as a knowledge bank for broad, "definitional resources" (resources that explain succession planning concepts in ways that are easily applied to the farm business context) on transition and estate planning issues that novice and intermediate-stage managers may find helpful.

Beyond Tobacco
www.co.greene.nc.us/beyondtobacco.aspx/

In Greene County the Beyond Tobacco initiative facilitates development of a rural broadband wireless network and online resources for on-farm entrepreneurial opportunities. Educational opportunities, such as online instruction for computer software applications, enhance succession planning efforts for farm businesses by increasing computer literacy, which the incumbents in the three sample cases reported as a required competency for future farm business operators. Despite the initiative's offerings, only one of the incumbents expressed a limited familiarity with it.

Other Resources

National Farm Transition Network
www.farmtransition.org

North Carolina Cooperative Extension Service
www.ces.ncsu.edu

North Carolina Farm Bureau
www.ncfb.org

North Carolina Farm Service Agency
www.fsa.usda.gov/nc/

North Carolina State University, Agricultural and Resource Economics
www.ag-econ.ncsu.edu/extension.htm

Note

1. North Carolina Farm Transition Network, www.ncftn.org/ (last updated Nov. 8, 2006).

Despite the variation in the sample, each case illustrated the applicability of generally accepted succession-planning steps when they are tailored to meet the specific needs of the individual farm business. Although his succession planning was somewhat informal, the incumbent in the advanced case recognized both the necessity and the benefits of planning for leadership transitions. In this case the incumbent and the successor regularly engaged in evaluation sessions to assess progress and were open to considering their informal practices as formalized components of the model.

Succession planning—so what? None of the incumbents reported that planning for future successors was a common practice in the agricultural sector. One commented, "I don't think many people do think about planning for someone to take over . . . Folks I've noticed around here, most of them [assumed the management position] . . . when somebody died or got sick." Education on what succession planning is, what benefits it can offer farm businesses, and how it can be implemented is a critical first step. Perhaps an increasing familiarity with managing human capital and a growing awareness of succession planning will encourage current operators to incorporate a succession plan into the operation of their farm businesses. One way in which this education could be facilitated is through the cooperation of both public and private agricultural organizations, grower associations, and government agencies that serve the agricultural sector.

Resources and support. The variation in succession planning activities in the three cases provides a basic outline for development of resources (see Figure 2). Farm businesses that are engaged in minimal succession-planning practices, similar to the situation in the novice case, would benefit from broad resources that explain succession planning concepts in ways that are easily applied to the farm business context. These operators need information and resources that are readily available through networks in which they already participate. Farm businesses engaged in higher levels of succession planning, like those in the intermediate and advanced cases, need tools that provide more specific guidance on management and maintenance of a dynamic strategic plan that assesses and accounts for future human resource needs.

Based on the research reported in this article, developmental opportunities offered by the North Carolina Cooperative Extension Service, grower associations, and other agricultural organizations can contribute to decreasing gaps in successors' knowledge, skills, abilities, and other competencies. The incumbents in all three cases reported their county cooperative extension office as a valuable information resource. The incumbent in the advanced case specifically mentioned developmental opportunities offered through cooperative extension and the North Carolina Farm Bureau Federation as helpful training tools for potential successors. (For more information about these and other resources, see the sidebar on page 40.)

Where to next? Particularly important in the coming years are farm operators' concerns about the direction of agriculture in Greene County and across the state, especially regarding tobacco production. For farm businesses to remain viable in the next decade, future operators must be knowledgeable, skilled, and well prepared for future tasks. In every county in North Carolina, farmers like Jimmy in the example face challenges in positioning successors to lead their organizations into the future. Likewise, city and county governments, nonprofits, private companies, and other organizations of all sizes will feel the effects of baby boomers' retirements for the coming decade.[32] The lessons of this study demonstrate that general succession-planning models are adaptable to the specific needs of most organizations or departments, particularly those that employ fewer than ten people.

To create more rigorous succession-planning tools for farm businesses already engaged in some planning activities, further research must identify the critical factors in farm businesses that have effectively completed an intergenerational transition. Organizations will benefit from practical planning resources and user-friendly tools that are developed specifically for their needs and operational contexts (see the sidebar on page 40). Support organizations, including government units, nonprofit organizations, university projects, and private businesses, must engage in a dialogue on the common goal of maintaining and ensuring the viability of farm businesses and other organizations throughout the state.

Notes

This article is based on original research reported in Brittany F. Whitmire, Who Will Fill the New Boots? Examining the Use of Succession Planning in Farm Businesses, Paper Presented at the Capstone Conference, Univ. of N.C. at Chapel Hill (Apr. 21, 2006) (on file with author).

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30. I chose Greene County because it has been identified as the most tobacco-dependent county in North Carolina. Barry Smith, *Senate Unites behind Tobacco Buyout,* NEW BERN SUN JOURNAL, Feb. 28, 2003, available at www.newbernsunjournal.com/SiteProcessor.cfm?Template=/GlobalTemplates/Details.cfm&StoryID=7508&Section=Local (last visited Nov. 13, 2006).

31. To increase the validity of the study and to control for the diversity in farm businesses across North Carolina, these criteria limited contextual factors to the specific environment of Greene County.

32. Beth McConnell, *"Lost Knowledge" Threatens Business Growth, Safety,* HR NEWS HEADLINES, Apr. 10, 2006, available at www.shrm.org/hrnews_published/archives/CMS_016538.asp#P-8_0 (last visited Nov. 13, 2006).

The Last Contested Election in America

Robert P. Joyce

In the most recent statewide election for North Carolina superintendent of public instruction, Democrat June Atkinson defeated Republican Bill Fletcher by a vote of 93 to 21.

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That 72-vote margin was actually the second round of voting on the two candidates. In the first round, in the general election of 2004, the voters of the state cast 1,655,719 votes for Atkinson and 1,647,184 for Fletcher, a margin of about 8,500 votes.

How a margin of 8,500 votes out of 3,300,000 became a margin of 72 out of 114 is an unprecedented story of North Carolina constitutional law. Seldom do citizens participate in such a moment of constitutional history. This article looks at its lessons and explores what they tell North Carolinians about their electoral future.

A Vote of 93 to 21

On ceremonial occasions, extra chairs are brought into the chamber of the state House of Representatives so that the 50 members of the Senate may join the 120 members of the House for a joint session.

How Does the General Assembly Determine Contested Elections?

The North Carolina Constitution says that the General Assembly is to decide contested Council of State elections "in the manner prescribed by law." Prodded by the state supreme court's February 2005 ruling that the statutes contained no "manner" that would apply to the contested 2004 election of the superintendent of public instruction, the General Assembly put a new procedure in place in March 2005.[1]

Initiation of the Contest

The new procedure applies to the ten Council of State offices: governor, lieutenant governor, secretary of state, auditor, treasurer, superintendent of public instruction, attorney general, commissioner of agriculture, commissioner of insurance, and commissioner of labor. Under the procedure a candidate for one of these offices who wants to contest an election may appeal the final decision of the North Carolina State Board of Elections directly to the General Assembly. He or she begins by filing with the clerk of the House of Representatives a notice of intent to contest the election. The notice may be based on either of two grounds: (1) that the opponent is ineligible or unqualified or (2) that there was error in the conduct or results of the election. The opponent may, if he or she chooses, file an answer to the notice of intent. During a period specified in the statute, the parties may take depositions and prepare for proceedings before a special committee. If the contesting candidate wishes to continue with the contest, he or she may then file a petition, and the opponent may file a reply.

Appointment and Work of the Special Committee

The speaker of the House and the president pro tempore of the Senate then each appoint five members of their respective chambers to the special committee, with no more than three of the five being of the same political party. The committee is authorized to adopt rules, oversee investigations of fact, conduct hearings, compel the testimony of witnesses, and, if appropriate, order the recounting of ballots. At the conclusion of its efforts, the committee reports its findings regarding the law and the facts and makes recommendations to the General Assembly for action.

Determination by the General Assembly

With the report of the special committee in hand, the two chambers of the General Assembly meet in joint session, with the speaker of the House presiding. Each of the 170 members (120 representatives and 50 senators) has one vote. A majority of those actually voting is needed for the General Assembly to declare one of the candidates elected. If the issue is the eligibility or the qualifications of the candidate who is the subject of the contest, the General Assembly determines whether that candidate is ineligible or unqualified. If he or she is, then the General Assembly orders a new election. If the issue is alleged error in the conduct or the results of the election, the General Assembly determines which candidate received the most votes. If it can make that determination, then that candidate is declared elected. If it cannot, then the General Assembly may order a new election or other appropriate relief.

Abatement of Judicial Proceedings and Prohibition of Judicial Review

On initiation of a contest in the General Assembly, any judicial proceedings regarding the election abate. The decision of the General Assembly is not reviewable in the courts.

Note

1. Found in new N.C. Gen. Stat. §§ 120-10.1 through -10.14 (hereinafter G.S.), new G.S. 163-182.13A, and amended G.S. 163-182.14 and -182.15.

Perhaps the governor is about to deliver the State of the State address. Perhaps the Wolfpack, the Tar Heels, or the Blue Devils are being honored for yet another national championship in basketball.

On August 23, 2005, the extra chairs were brought in, but the occasion was constitutional, not ceremonial. After a brief debate, paper ballots were distributed to all the senators and the representatives. Three choices appeared on the ballot: in the general election, Atkinson had received the most votes; in the general election, Fletcher had received the most votes; or it was not possible to tell. The galleries were full. Both candidates were present. The clerk of the House announced the result: 93 "Atkinson," 21 "Fletcher," 27 "can't tell," and

Table 1. **Elective Offices in North Carolina**

Offices Chosen in Partisan Elections	
President and vice-president	Commissioner of agriculture
U.S. senators	Commissioner of labor
U.S. representatives	Commissioner of insurance
Governor	State senators
Lieutenant governor	State representatives
Secretary of state	District attorneys
State auditor	County commissioners
State treasurer	Clerks of superior court
Superintendent of public instruction	Registers of deeds
Attorney general	Sheriffs
Offices Chosen in Nonpartisan Elections	
Supreme court justices	Most mayors
Court of appeals judges	Most city council members
Superior court judges	Most school board members
District court judges	Soil/water conservation board members

24 with none of those choices marked, in apparent protest.

Few would have envisioned this moment back in November, when candidate Fletcher challenged candidate Atkinson's 8,500-vote margin by questioning the legality of 11,000 out-of-precinct provisional ballots cast in the election, enough ballots to draw into question the outcome of the election and perhaps justify a court order for a new election.

The procedure followed by the General Assembly on August 23 was specially designed to fulfill the requirements of a provision of the state constitution that until then had escaped almost everyone's notice: Article VI, Section 5. It says that a contested election for any of the ten Council of State offices (for the offices involved, see the sidebar on page 44) "shall be determined by joint ballot of both houses of the General Assembly in the manner prescribed by law."

The Initial Challenge

North Carolinians elect people to many offices (see Table 1). Sometimes elections are close, and the trailing candidate believes that something was wrong about the way in which the election was conducted or the way in which the votes were counted. The elections statutes permit the trailing candidate (or any other eligible voter) to file a protest with the county board of elections. After a hearing, the board may determine that (1) nothing was wrong with the way in which the election was conducted, (2) there was a problem but the problem did not "cast doubt on the results of the election," or (3) there was a problem and "it was sufficiently serious to cast doubt on the apparent results of the election."[1]

A candidate for sheriff may believe, for instance, that elections officials at Beaver Dam precinct accidentally threw away 100 ballots on election night. He may file an election protest. If the candidate trailed the apparent winner by fewer than 100 votes, and he can demonstrate that in fact the ballots were discarded, he may prevail in his protest. In that event the North Carolina State Board of Elections (SBOE) may order a new election on the grounds that "irregularities affected a sufficient number of votes to change the outcome of the election."[2]

What Is Out-of-Precinct Provisional Voting?

In resolving a contested statewide election, what is the authority of the courts, and what is the authority of the General Assembly? Those big constitutional questions were the focus of action in the courts and the legislature following the 2004 race for superintendent of public instruction. But the underlying substantive question that got the litigation off the ground concerned provisional voting—more specifically, out-of-precinct provisional voting.

Throughout North Carolina history until very recently, elections officials had full control over voter registration. The law required a person wanting to register to vote, to come in person before an elections official, typically an elections board member or an employee of that board. The elections official questioned the applicant to determine his or her eligibility to vote (establishing whether the person was eighteen years of age, a citizen of the United States, and a North Carolina resident). The elections official then administered an oath to the applicant, the applicant swearing that he or she would support the constitutions of the United States and North Carolina. Those actions fulfilled the eligibility requirements.

The procedure put the registration application automatically in the hands of an elections official. The county board of elections then directly reviewed the application, approved it, and entered the applicant on the voter rolls.

The Rise of the Need for Provisional Voting

Beginning in the 1990s, that direct control over voter registration slipped away from elections officials. In May 1993, Congress passed the National Voter Registration Act (NVRA), a goal of which was to make registering to vote easier.[1] The NVRA required states to permit voter registration by mail and at drivers' license offices, public assistance offices, and certain other public offices. In 1994 the North Carolina General Assembly passed the appropriate legislation to comply with this new federal law.[2]

With the new rules, elections officials were faced with applications for voter registration that had been filled out in many different kinds of places, totally without the supervision of elections officials. Three problems immediately resulted.

First, the error rate on the applications went up. People filled out the forms improperly more often.

Second, delays developed in transmittal of the application forms. In the past, elections officials had had custody of the applications from the moment they were filled out. With the change, elections officials were receiving applications from drivers' license offices, employment security offices, and others—applications they did not even know had been filled out until the applications were received, on whatever schedule they made their way to the elections office.

Third, people who filled out the forms were not always savvy about the difference between applying to register to vote, and actually being registered after the application was approved. They frequently thought of themselves as having registered to vote when they filled out the form at the division of motor vehicles, for example, unaware that the registration was not complete until the elections board reviewed and approved the application.

As a result, in increased numbers, people showed up at the polls on election day believing that they were registered to vote, only to find out that their names were not on the precinct registration books. Perhaps the applications had not found their way from the drivers' license office to the elections office in time. Perhaps the elections board, in reviewing the applications, had found mistakes and omissions and sent them back for revision.

Introduction of Provisional Voting

So what happens when a voter comes to a precinct to vote but is not in the poll book?

In years past, that potential voter would simply have been turned away: he or she could not vote. However, the North Carolina State Board of Elections (SBOE) responded to the difficulties created by the new voter registration rules by

continued on page 46

continued from page 45

introducing provisional voting.[3] Under provisional voting, a person who believes that he or she should be on the voter rolls but is not, or who for some other reason appears to be ineligible, may vote a ballot that will be held separately and counted later only if the voter's eligibility can be subsequently established.

For years the regulations adopted by the SBOE identified particular categories of people eligible to vote by provisional ballot. The largest category was people who claimed to have registered to vote (perhaps by submitting an application for registration when they got their drivers' license or filed for unemployment compensation) but whose names did not appear on the registration books. A person who claimed to be in one of the categories was allowed to fill out a provisional-ballot application and cast a provisional ballot at his or her precinct polling place. The county board of elections then reviewed all the applications, determined which provisional voters properly fit one of the eligible categories, and counted their votes. All other provisional ballots were not counted.

Still, even if people were casting provisional ballots, they were expected to vote in their precinct of residence.

Introduction of Out-of-Precinct Provisional Voting

That was the status of North Carolina provisional voting at the time of the presidential election fiasco in Florida in 2000. Florida's virtual tie-vote between candidates George Bush and Al Gore was characterized by many problems. The most famous involved punch ballots and "pregnant chads." Another serious and highly publicized problem was the turning away of apparently eligible voters at the polls for the sole reason that the registration poll books did not contain their names. Florida had not followed North Carolina's lead and did not have in place any procedures for provisional voting. Tens of thousands of votes were simply not cast.

Congress responded to the Florida election by passing the Help America Vote Act of 2002.[4] Among its many provisions, the act mandated provisional voting.[5] If a person went to a voting precinct and was not on the list of eligible voters, the person could provide a written affirmation stating that he or she was "a registered voter in the jurisdiction" and eligible to vote in that election.[6] Then the person could cast a provisional ballot. In 2003 the North Carolina General Assembly codified similar language.[7]

For the 2004 elections, the SBOE interpreted these two enactments to require that elections officials allow a registered voter of the county to vote a provisional ballot at any voting place in the county—interpreting the term "jurisdiction" to mean "county." That is, an eligible voter of a county was permitted to vote not only at his or her precinct of registration (where the voter would cast a regular ballot) but alternatively at any other precinct in the county (where the voter would cast a provisional ballot). Such out-of-precinct provisional ballots would be counted for all the races in which the voter would have been eligible to vote if he or she had voted in his or her home precinct.

These out-of-precinct provisional ballots became the subject matter of the challenge in the race for superintendent of public instruction.

Notes

1. 42 U.S.C. §§ 1973gg through 1973gg-10.
2. In fact, the requirement applied only to elections for federal offices—president, vice-president, U.S. senator, and U.S. representative—but having one set of rules for registering for federal elections and another for state and local elections was impractical, so the rules for all elections were changed. The 1994 legislation enacted a new Article 7A of North Carolina General Statutes Chapter 163 (hereinafter G.S.).
3. Provisional voting is sometimes referred to as "fail-safe voting." The terms are equivalent, but the latter term is not used as frequently.
4. 42 U.S.C. §§ 15303–15545.
5. As with the NVRA, the requirement of provisional voting applied as a matter of law only to federal elections, but in practical reality it was applied to all elections.
6. 42 U.S.C.S. § 15482(a) (emphasis added).
7. G.S. 163-166.11(5).

Candidate Fletcher followed this very procedure in the immediate aftermath of the 2004 election for superintendent of public instruction, filing election protests in all 100 counties.[3] He noted that at least 11,000 out-of-precinct provisional ballots had been cast statewide in the general election, more than the 8,500-vote margin by which he trailed. He argued that the SBOE had acted unconstitutionally when it adopted rules permitting people to cast provisional ballots in precincts other than their precincts of residence. (For a discussion of out-of-precinct provisional voting, see the sidebar on page 45. For an explanation of the distinction between provisional voting and early voting, see the sidebar on page 47.) Those 11,000 ballots were therefore illegally cast. That problem was "sufficiently serious to cast doubt on the apparent results of the election," he argued, and Atkinson should not be declared the winner. Either the votes should be recounted with out-of-precinct provisional ballots removed, or the SBOE should order a new election.[4]

The SBOE assumed jurisdiction over the protests filed in the 100 counties (since, after all, the issue was exactly the same in all of them) and denied them. In effect, it held that the out-of-precinct provisional ballots were lawfully cast and counted. Following the statutory protest procedure, Fletcher appealed the matter to the courts. The matter was under appeal, so the SBOE did not issue a certificateion of election to Atkinson. No winner was yet certified. Neither candidate took office.

The Supreme Court's Surprising Decision

Fletcher's election protest made its way quickly through the courts, and in February 2005, just three months after the election, the North Carolina Supreme Court issued an opinion that caught most observers by surprise.

Could the Supreme Court Even Hear the Case?

The first issue before the supreme court was whether it had the power to hear the case at all. Atkinson pointed to the special provision of the state constitution stipulating that contested Council of

State elections "be determined by joint ballot of both houses of the General Assembly in the manner prescribed by law." Didn't that mean that the supreme court—all the courts, really—had no jurisdiction, she asked?[5]

The court held that it did have jurisdiction. It reached that conclusion on two grounds.

First, the constitution provides that the General Assembly is to determine contested elections in the manner prescribed by law. But no statute provided for a candidate in a Council of State race to take his or her protest directly to the General Assembly. Therefore, the court reasoned, there was "no manner prescribed by law."[6]

This odd statutory silence was the result of a puzzling action of the General Assembly in 1971. Before that year the election law did provide that in a contested Council of State election, the SBOE "shall certify to the Speaker of the House of Representatives a statement of whatever facts the Board has relative thereto, and the contest shall be determined by joint vote of both houses."[7] In 1971 that provision was repealed, and nothing replaced it. No current-day memory exists to explain the repeal.

Fletcher had followed the regular contest procedures set out in the statutes, the court noted, and in the absence of any other "manner prescribed by law," he properly brought the matter to the court, not to the General Assembly.[8]

Second, and more important, the court reasoned, the state constitution gives to the supreme court jurisdiction "to review upon appeal any decision of the courts below, upon any matter of law or legal inference." This matter had come to the supreme court on appeal from the superior court, so it had jurisdiction.[9]

Could the 11,000 Votes Be Counted?

Fletcher's substantive argument was that out-of-precinct provisional ballots violated the North Carolina Constitution. In his brief before the supreme court, he said, "This case concerns whether out-of-precinct provisional voting is allowed by our constitution for state offices."[10] The court did not rule on this constitutional question, however. It ruled instead that the statutes on which the SBOE relied in mandating out-of-precinct provisional voting did not in fact authorize such voting. The SBOE's interpretation of the statutes was in error. Its action in permitting out-of-precinct provisional balloting was "statutorily unauthorized." Those ballots could not be counted. The court expressed its regret at this outcome:

> *It is indeed unfortunate that the statutorily unauthorized actions of the State Board of Elections denied thousands of citizens the right to vote on election day . . . [But] [t]his Court is without power to rectify the Board's unilateral decision to instruct voters to cast provisional ballots in a manner not authorized by State law.*[11]

This ruling surprised most court watchers and elections officials. When the supreme court sent the matter back to the superior court for further action, a large question remained: What happens next?

Response of the General Assembly

In early March, just a month after the supreme court decision, the General Assembly responded with two pieces of legislation. The first reasserted its intent to permit out-of-precinct provisional voting, and the second established a new procedure for resolving contested Council of State and legislative races.

Did the General Assembly Really Mean to Authorize Out-of-Precinct Provisional Voting?

The first of the two pieces of legislation took direct aim at the supreme court's statutory ruling: "The State Board of Elections and all county boards of elections were following the intent of the General Assembly when they administered [relevant portions of the elections laws] to count in whole or in part ballots cast by registered voters in the county who voted outside their resident precincts" in the 2004 elections.[12]

The new law amended several provisions of the elections law to make clear that out-of-precinct provisional voting was permitted and had been permitted.[13]

The new law contained a big kicker: its provisions were applicable to the 2004 elections, bringing the content of

Early Voting vs. Provisional Voting

In recent years, many North Carolinians have become accustomed to voting in the weeks ahead of an election at any of several sites in their county. One or more of the sites might well be elsewhere than their precinct residence. This kind of out-of-precinct voting is different from the out-of-precinct *provisional* voting that was at issue in the 2004 election of the superintendent of public instruction.

Early voting is not provisional voting at all. It is a form of absentee voting.

Until the early days of the twentieth century, voting in person on election day was the only option. Then the introduction of absentee voting made it possible for people who were ill, would be away on election day, or had one of a few other excuses, to cast a vote.

For many years, voters could request and submit absentee ballots only by mail. In 1977 the General Assembly amended the absentee ballot laws to permit a person to go to the county board of elections office and, in one procedure, apply for an absentee ballot and mark it. This one-stop absentee voting, like all absentee voting, applied only to people who were eligible under the law to vote by absentee ballot.

In 1999 the General Assembly began a series of steps that have resulted in no-excuse absentee voting. That is, anyone now may vote by absentee ballot for any reason.

Early in the twenty-first century, the General Assembly began to permit boards of elections to set up one-stop absentee voting sites at locations around the county, not just at the board of elections office. The transition to early voting was complete.

the new statute into direct conflict with the ruling of the supreme court.

So How Does a Candidate Appeal to the General Assembly?

The second piece of legislation addressed the concern of the supreme court that the statutes contained no procedure for a candidate to take his or her protest of a Council of State election to the General Assembly for determination. The new statute put such a procedure in place (see the sidebar on page 44). It called for a committee of the General Assembly to look into a contested election and make a recommendation to the full legislature, which would then meet in joint session to "determine" the election.

This new law contained two big kickers: it too would be applicable to the 2004 elections, and all judicial proceedings already begun were to cease. The General Assembly had asserted its jurisdiction, and the courts were to stop.

The stage was set for a constitutional showdown between two coequal branches of government: the legislature and the judiciary.

Avoidance of a Showdown

The supreme court ruling came on February 4, 2005, and the General Assembly's response came with the governor's signatures on the two new statutes a month later. In the meantime the court matter had been remanded to the superior court "for further proceedings consistent with this opinion." The superior court found that the new statutes, passed in 2005 but made applicable to the 2004 elections, controlled, and that, because Atkinson had filed her notice of intent to contest the election in the General Assembly under the new statute, Fletcher's election protest abated. The superior court dismissed it.[14]

Application of the New Procedures in the General Assembly

When candidate Atkinson, following the steps set out in the new legislation, filed a notice of intent to contest the election, the General Assembly invoked the new procedure. First, it notified the courts that the procedure had begun in the General Assembly, so the abatement provision could be applied. The speaker and the president pro tempore appointed members to a Joint Select Committee on Council of State Contested Elections.

What Procedure Did the Joint Select Committee Follow?

An initial issue for the chairs of the Joint Select Committee—Sen. Dan Clodfelter and Rep. Deborah Ross—was the procedure that the committee should follow. The new statutes provided the backbone for a procedure, but they also permitted the committee to "adopt supplemental rules as necessary to govern its proceedings."[15] The chairs decided to follow a procedure much like a Congressional hearing. That is, at the hearing itself, counsel for the committee would question witnesses, and members of the committee would question witnesses.

What Did the Committee Do?

The statute directed the Joint Select Committee to "report its findings as to the law and the facts and make recommendations to the General Assembly for its action."[16] In so doing, the committee focused on the ultimate question to be answered by the full General Assembly in joint session: "which candidate received the highest number of votes" in the 2004 general election?[17]

In formulating its recommendations, the committee faced a fascinating legal issue: (1) was it bound by the 2005 statute, which provided that out-of-precinct provisional ballots were to be counted, even in the 2004 election, or (2) was it bound by the supreme court's decision that the counting of out-of-precinct provisional ballots in the 2004 election was unlawful? The parties, Atkinson and Fletcher, fully briefed the committee on this issue.

How Did the Committee Resolve the Issue?

The report adopted by the Joint Select Committee resolved the issue of controlling law—and took a big step toward avoiding a constitutional crisis between the legislature and the court—by acknowledging the supreme court's decision but deciding that it should not be applied to an election that already had been concluded by the time the supreme court had made its ruling. The report said,

> *The retroactive application would result in the disenfranchisement of at least 11,310 innocent voters who exercised their franchise in accordance with the good-faith instructions of elections officials . . . [The Supreme Court's decision] does not compel the ordering of a recount or a new election. Its ruling should be given prospective-only effect.*[18]

In effect, the report finessed the constitutional showdown. It applied neither the supreme court decision nor the new statute retroactively to the 2004 election. It allowed the election to stand as conducted—in good faith by the elections officials of the state and the voters.

Timeline of the Last Contested Election in America

November 2, 2004
In the general election for superintendent of public instruction, June Atkinson appears to receive about 8,500 votes more than Bill Fletcher. Fletcher files protests and a court action in the following days, on the grounds that at least 11,000 out-of-precinct provisional ballots counted in the election should not have been counted.

November 30, 2004
The State Board of Elections denies Fletcher's protests. Fletcher appeals. Because of the ongoing appeal, the State Board of Elections does not issue a certificate of election to Atkinson.

December 17, 2004
The superior court affirms the State Board of Elections' holding. Fletcher appeals.

February 4, 2005
The North Carolina Supreme Court holds that the out-of-precinct provisional ballots were unlawful, bringing the outcome of the election into question. It remands the case to the superior court.

What Did the General Assembly Decide?

So on August 23, 2005, in an unprecedented procedure, the House and the Senate met in joint session and, after brief debate, voted. Atkinson received a majority of the votes cast and was declared elected. She took the oath of office shortly thereafter.

The last undecided statewide election from the 2004 election in the entire country was finally decided.[19] (For a timeline of the events leading up to this action, see page 48.)

The Nature of the Role of the General Assembly

In its joint-session vote, the General Assembly undertook a role that it had not exercised in a century and a half. It acted not as a court in resolving a controversy, not as a legislature in passing a law, but as a part of the electorate—as a direct participant in the "election" of a statewide elected official.

At one time in North Carolina's history, such a role for the General Assembly was not unusual. Before 1835 it elected the governor. There was no popular vote at all. Until 1868 it elected the Council of State officers other than governor.

The constitutional provision at issue in the Fletcher-versus-Atkinson election—that contested Council of State elections "shall be determined by joint ballot of both houses of the General Assembly in the manner prescribed by law"—is the remaining vestige of that role of the General Assembly as the electorate. The heading of the constitutional provision is "Elections by people and General Assembly." By its very words, the constitution speaks of this determination of a contested race as an "election" by the General Assembly.

The report of the Joint Select Committee summarized the General Assembly's role this way:

> *The General Assembly's constitutional responsibility is to determine the will of the people in the election. The Constitution settles this responsibility on the legislature as the body closest to the people and most directly accountable to the people for actions on their behalf . . . In a case where there is disagreement about what the electorate has decided, the General Assembly acts constitutionally as the direct representative of the electorate itself.*[20]

Now that the General Assembly has resolved a contested Council of State race once, is the door open for many more such challenges, especially in general elections for legislative seats?

Establishment of a New Procedure for Contested Legislative Elections

In the new legislation, the General Assembly took a further step, defining the role of the General Assembly in an area that has many more elections and therefore many more opportunities for protests. It made the new legislation applicable to contested races for seats in the General Assembly itself, in addition to Council of State races.

The new legislation does so in light of another part of the state constitution providing that each house of the General Assembly—the House of Representatives and the Senate—"shall be judge of the qualifications and elections of its own members."[21] There are a few differences in the procedure when the contest concerns a legislative seat as opposed to a Council of State office. The most significant one is that the contest is determined by the chamber at issue: if the contest is for a House seat, the House determines the winner; if for a Senate seat, the Senate determines the winner. In other principal aspects, the procedures are the same.

Meaning for the Future

Now that the General Assembly has resolved a contested Council of State race once, is the door open for many more such challenges, especially in general elections for legislative seats? For the Council of State, there are 10 elections every four years. For the General Assembly, there are 170 elections every two years.

In the Fletcher-versus-Atkinson matter, the apparent winner of the general election (Atkinson) was a Democrat. When the General Assembly took its historic vote, a clear majority of the 170 members was Democratic. Despite the care with which the procedures were devised and followed, a number of Republicans apparently felt that something was wrong—evidenced by twenty-four ballots being cast as blanks.

Will Election Protest Become a Partisan Affair?

Imagine now a Senate race somewhere in the state, in which the vote is close. The apparent winner is of the Ocean Party, and the trailing candidate is of the Mountain Party. A majority on the local board of elections that hears the initial protest is of the Ocean Party and rules

March 2 and 10, 2005	March 10, 2005	March 17, 2005	July 14, 2005	August 9, 2005	August 23, 2005
The governor signs bills passed by the General Assembly that ratify the use of out-of-precinct provisional ballots, stop the court action, and set up a procedure for election contests to be determined by the General Assembly.	Atkinson files with the General Assembly a notice of her intent to contest the election in the General Assembly.	Citing the new legislation, the superior court dismisses Fletcher's lawsuit protesting the election. Fletcher appeals that action to the court of appeals.	The General Assembly's Joint Select Committee on Council of State Contested Elections conducts a hearing on the election contest.	The Joint Select Committee recommends that the General Assembly find Atkinson to have been elected in the general election in November 2004, reasoning that the supreme court's February 2005 decision did not compel a recount of the ballots or a new election.	In a joint session of the House and the Senate, the General Assembly determines that Atkinson won the 2004 election. She is issued a certificate of election and sworn into office the same day.

for the Ocean Party candidate. So does the SBOE, also with an Ocean Party majority. A majority of the Senate is of the Mountain Party, and when the matter comes to the General Assembly, the Senate votes in favor of the Mountain Party challenger. The cries of partisanship in the process, both before it reached the General Assembly and once it arrived there, are loud.

The 2005 experience of the courts and the General Assembly following the 2004 election of superintendent of public instruction was a fascinating exercise in constitutional law. North Carolinians should hope that future elections do not routinely turn into partisan fights or manipulations that undermine the vote of the people in the general election.

What Questions Remain Open?

The course of Fletcher's protests leaves two open legal questions. First, Fletcher premised his protests on the argument that provisions of the North Carolina Constitution, read together, prohibit out-of-precinct provisional voting. The supreme court avoided ruling on that matter when it determined that out-of-precinct provisional voting was unauthorized by the statutes and therefore unlawful. One week after the governor signed the new legislation reaffirming out-of-precinct provisional voting, Fletcher asked the supreme court to reconsider the constitutional issue, but in May 2005 the supreme court denied the motion for reconsideration.[22] Where does that leave the constitutional argument—waiting for a new lawsuit? Dead?

The new statutes provide that the actions by the General Assembly in determining contested Council of State races or contested races for the North Carolina Senate or House of Representatives "may not be reviewed by the General Court of Justice."[23] Might there someday be a challenge to that provision? Is it consistent with North Carolina jurisprudence and the separation of powers? Is the grant of power to the General Assembly under the North Carolina Constitution, to "determine" contested elections, sufficient to support the provision?

Is the grant of power to the General Assembly under the North Carolina Constitution, to "determine" contested elections, sufficient to support the provision?

Only time will tell whether answers will emerge.

Notes

1. N.C. GEN. STAT. § 163-182.10 (hereinafter G.S.).
2. G.S. 163-182.13(a)(3).
3. Fletcher simultaneously filed a lawsuit, called a "declaratory judgment action." The issue was the same as the issue in the election protests.
4. Brief of Appellant on Atkinson Motion to Dismiss, James v. Bartlett, 359 N.C. 262 (2005) (No. 602PA04-2).
5. Atkinson Motion to Dismiss, James v. Bartlett, 359 N.C. 262 (2005) (No. 602PA04-2), citing N.C. CONST. art. VI, § 5.
6. James v. Bartlett, 359 N.C. 262, 264 (2005), *reconsideration denied*, 359 N.C. 633 (2005), *appeal after remand dismissed as moot*, ___ N.C. App. ___ (2006).
7. A subsection of G.S. 163-191.
8. *James*, 359 N.C. at 264.
9. *Id.* at 264–265.
10. Brief of Appellant on Atkinson Motion to Dismiss, at 3, James v. Bartlett, 359 N.C. 262 (2005) (No. 602PA04-2).
11. *James*, 359 N.C. at 269–70.
12. S.L. 2005-2.
13. The act amended G.S. 163-55, -166.11, and -182.2.
14. Fletcher appealed that dismissal to the North Carolina Court of Appeals, which, after the election had been determined in the General Assembly, dismissed the appeal as moot. *In re* Election Protest of Bill Fletcher, ___ N.C. App. ___ (2006). Fletcher sought a ruling on the declaratory judgment action that accompanied his election protest (see note 3), but the superior court never issued one.
15. G.S. 163-182.13A(d).
16. *Id.*
17. G.S. 163-182.13A(f).
18. Joint Select Committee on Council of State Contested Elections, Report as to the Law and the Facts and Recommendations to the General Assembly for Its Act, at 10 (filed with the Clerk of the House of Representatives, N.C. General Assembly, Aug. 9, 2005).
19. *See* note 13. In fact, the last action came in 2006 from the court of appeals.
20. Joint Select Committee, Report as to the Law, at 6.
21. Article II, § 20.
22. James v. Bartlett, 359 N.C. 633 (2005).
23. G.S. 163-182.13A(k), 120-10.12.

Complicated IT Issues Laid Bare

Mary Maureen Brown

Review of

Public Information Technology and E-Governance: Managing the Virtual State

by G. David Garson

Although it is a bit dense for a casual read, *Public Information Technology and E-Governance: Managing the Virtual State*, by G. David Garson, offers meaty insight into a wide range of information technology (IT) topics that now dominate the public sector. IT has become a necessary component of service delivery in local governments, but adoption, implementation, and maintenance of IT initiatives can be a policy and managerial landmine. Garson attempts to lay bare many of the complicated issues that public managers often confront in their desire to leverage the benefits of IT.

Overall, the book is well written and has much to offer anyone who is either new to the field or steeped in its nuances. Probably recognizing that the average layperson usually has to resort to a dictionary to make sense out of IT's unnecessarily complex jargon, Garson offers some guidance on his subject by distinguishing among e-government, e-governance, digital government, IT, and information systems. The astute manager will quickly realize that in today's age the distinction is more academic than substantive. Call it what you like, the phenomenon is about employing IT to improve decision-making, streamline operations, and enhance services, all the while meeting demands for accountability, responsibility, and efficiency. A tall order indeed!

The author is an associate professor of public administration and government who specializes in information technology, information management, and electronic government. Contact her at brown@sog.unc.edu.

The book contains fifteen chapters, which are organized into five sections. Each chapter is accompanied by a glossary of terms and a case study illustrating the main themes of the chapter.

The first section, not labeled as such, consists of two chapters, which introduce IT. Chapter 1 describes the various and sometimes contrasting visions that have dominated the field. It also provides a timeline of the competing theories of IT and change.

Chapter 2 presents a history of public-sector policy on IT. Garson sees current government efforts as "building the virtual state."

The second section is the main part of the book. Entitled "Politics and Polity," it offers six chapters: e-democracy, information equality and the digital divide, information access and governmental transparency, privacy, security, and regulation and taxation. Probably the most vexing point of this section is that many of the issues discussed in it remain unsettled and open to debate in the judicial and legislative branches.

Chapter 3 focuses on six "layers of democracy": e-participation, e-civics, e-legislating, e-voting, e-campaigning, and e-activism. Garson provides insight into the activities that characterize each of these components.

The subsequent chapter, on the digital divide, calls attention to problems of access due to gender, race, age, and income. Garson claims that information inequalities continue to exist on a "massive scale" and that "public managers who ignore the digital divide in their pursuit of e-government may well wind up widening the divide, making matters worse" (p. 113).

Chapter 5, on governmental transparency, covers the Freedom of Information Act, commercial access rights, and disability access.

In the chapter on privacy, Garson discusses current privacy legislation and executive actions, data matching, privacy impact statements, and the controversy over a national identification system.

Chapter 7, on security, delves into legislative and executive branch actions, homeland security, infrastructure protection and cybercrime, encryption, authentication, federal ID cards, and agency-level security policies.

In the chapter on regulation and taxation, Garson opens with the claim that "taxation of the Internet may be the greatest U.S. fiscal issue of the coming decade as more and more commerce shifts to online stores . . ." (p. 225). He goes on to provide insight into many of the court actions that appear to shape discourse on Internet taxation and regulation. He discusses computer fraud and the protection of intellectual property. He also delves into the regulation of online pornography and gambling.

The third section, consisting of four chapters, addresses the management of e-government activities. It offers hands-on, practical advice for those pursuing e-government solutions. Chapter 9 explores the nuances of constructing an e-government business model. Chapter 10 delves into issues of partnering, outsourcing, contracting, and procurement. Chapter 11 provides guidance on planning. Chapter 12 discusses project management.

The fourth section, although titled "Implementation," is really more of a section on best practices and systems evaluation. Chapter 13 discusses the high failure rate that accompanies IT adoption and offers tried-and-true advice on avoiding the pitfalls that are often encountered. Chapter 14 presents tools for assessing and measuring the impacts of IT initiatives. It covers topics such as cost-benefit analysis, the Program Assessment Rating Tool, and the Performance Reference Model.

The fifth and last section has one chapter, on organization behavior and organization theory. It poses a number of questions regarding the effects of IT on organizational structure, behavior, and change. Specifically it attempts to shed light on whether IT

- *flattens organizational structures by shrinking middle management,*
- *reinforces or erodes organizational power structures,*
- *weakens organizational norms through de-individuation,*
- *intensifies social networking and builds social capital, and*
- *improves managerial decision-making. (p. 446)*

Clearly the book is comprehensive in its approach. Public management readers are likely to find important implementation advice in Sections 3 and 4. For those who are either in the midst of implementation or considering IT alternatives, these sections offer sage words on best practices.

In sum, Garson's book provides tremendous breadth and depth on the topic of IT by relying heavily on empirically based studies and reports. Hence Garson provides his readers with good, solid, thoughtful, and deliberative information without the hype that often accompanies books on this topic.

The School of Government's Center for Public Technology (CPT) helps North Carolina local government officials improve their skills, expand the capacity of local services, and strengthen their communities through the appropriate use of IT. For details, contact Shannon Schelin, CPT director, at 919.962.5438, or visit www.cpt.unc.edu/.

continued from page 3

The Drennan Fund for Judicial Education is a permanent endowment supporting the Institute of Government's education programs for judges, magistrates, clerks of court, and other officials associated with North Carolina's court system.

Vogt's thirty-three-year tenure at the Institute was celebrated at a retirement reception held at the School in September 2006. During his remarks, Dean Michael R. Smith surprised Vogt by announcing the naming of a classroom at the School in his honor. The naming was made possible by contributions from friends, local government units, and colleagues, and by special gifts from the North Carolina Government Finance Officers Association, the North Carolina Local Government Budget Association, the North Carolina County Finance Association, the North Carolina Local Government Investment Association, the North Carolina City and County Management Association, and the Alumni Association of the Municipal and County Administration Courses.

Randy Harrington, president of the budget association, echoed the sentiments of others in describing Vogt as "a true friend and valued teacher." Harrington also complimented Vogt on his "countless" contributions to the organization, saying, "We would not have the high level of budget professionalism in North Carolina without Jack." The fifty-seat Vogt Classroom will bear permanent signage and will hold special memorabilia and award plaques related to Vogt's career.

Dellinger Retires

Anne M. Dellinger recently retired from the School of Government, where, beginning in 1974, she served as assistant, associate, and then full professor of public law and government. Initially Dellinger specialized in

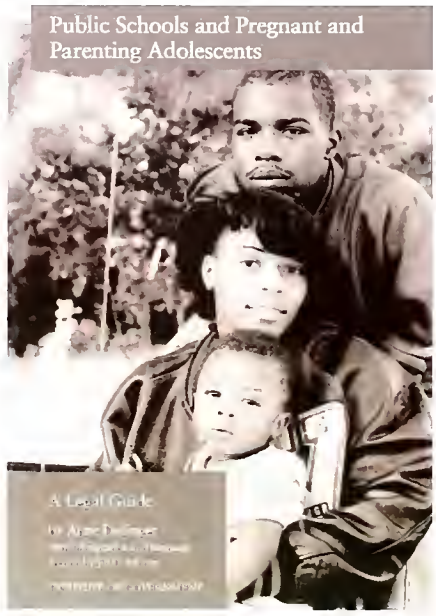
law affecting North Carolina's public schools. After a leave in 1980–81 to serve as a special assistant to William Webster, then director of the Federal Bureau of Investigation, she returned to work in public health law.

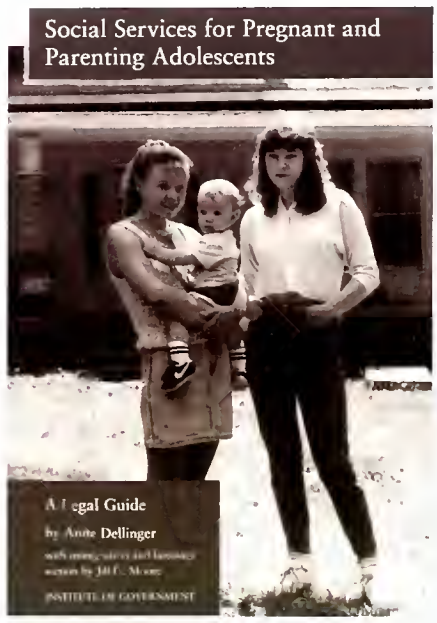
Although well versed in all aspects of public health law, Dellinger developed particular expertise in the issues surrounding medical records and confidentiality, and minors' health care. From 2000 on, she focused on completing a series of guidebooks on legal issues related to adolescent pregnancy. This widely praised series consists of four books for health providers, school officials, social services officials, pregnant and parenting adolescents, and their parents. More than 43,000 copies of the last publication, printed in English and Spanish versions, were distributed in North Carolina in 2006. Each of the publications also is available in a PDF version on the School's Adolescent Pregnancy Project website, at www.teen pregnancy.unc.edu/.

Private funding from the Z. Smith Reynolds Foundation, the Karl and Anna Ginter Foundation, and the Mary Norris Preyer Fund, as well as support from the School of Government, made it possible to offer the guidebooks free of charge.

Dellinger's research and writing covered a wide range of topics, from *North Carolina School Law: The Principal's Role*, which provided comprehensive information and instruction for public school principals on liability, student welfare, privacy issues, and school finance, to "How We Die in North Carolina," a 1999 *Popular Government* article in which she explored the delicate subject of North Carolinians' choices about how they die.

In addition to writing numerous publications for government officials, Dellinger wrote for the *Encyclopedia of Bioethics*, *Ethics in Hospice Care*, the *Journal of Health Politics, Policy and Law*, and the *Journal of Health and Hospital Law*, and she edited and wrote three chapters of a nationally distributed treatise, *Healthcare Facilities Law*. From 1995 to 1998, she served as editor of *Popular Government*.





"Anne's contributions as a faculty member have made a significant difference in the quality and breadth of health law education available in North Carolina," said Michael R. Smith, dean of the School. "She was a wonderful colleague, and we wish her all the best in her retirement."

Institute faculty member Jonathan Morgan teaches a group of Master of Public Administration students in the Knapp Room.

Michael Zirkle

Knapp's Influence Felt in Adopted Home

The gifts of Joseph Palmer Knapp keep on giving.

The father of the New York–born philanthropist founded Metropolitan Life Insurance Co., but Knapp made his own fortune in publishing before discovering North Carolina. He adopted the state, after first seeing it in 1916, spending much of his last 30 years at the hunting lodge he built on Mackey's Island in Currituck County.

After Knapp's death in 1951 at age 87, his wife donated the paneling from their River House, N.Y., living room, which frequenters of the Ackland Art Museum may remember seeing displayed there from the time the museum opened in 1958.

Now the warm pine walls, fireplace mantel and surround, including Waterford crystal sconces, create an inviting classroom for graduate students in the public administration program at UNC's School of Government.

"It's just beautiful," said Margaret Henderson, who teaches nonprofit management in the Knapp Room. "It creates an intimate atmosphere in the room. That's a room that encourages conversation and discussion" . . .

Knapp showed that he fully understood the work of the Institute of Government by the half-million dollar gift made by his foundation following his

The Gladys Coates Memorial Garden was landscaped and planted in fall 2006. Gifts to finish and maintain the garden may be made online at www.sog.unc.edu (click on Supporting the School).

death. The money helped construct the red brick building completed in 1956 on the eastern section of campus, which bore his name and housed the institute. Following a dramatic alteration and addition several years ago [also supported by the Knapp Foundation], two exterior walls of the original structure—one with his name still on it—provide reminders of history within the new building.

Details of having the Knapp living room installed fell to Jim Kirkpatrick of Kirkpatrick Woodworks, who performed the job with the help of Scott McSwain.

"It was a big puzzle, trying to take these panels and make them go into this room and create a similar feeling to what it had," Kirkpatrick said. The original room didn't have heating and air-conditioning vents, the same electrical outlets and same-sized windows. But they made it work.

The room, like the Knapp building, provides testimony, not only to Knapp's generosity, but to the process of improvement as taught at the institute.

"Like in our communities and in our state, they didn't raze this building and start over. They used what was in place; added to and adjusted and grew from there," said Henderson. "Which is how change really happens."

—Valarie Schwartz, from the Chapel Hill News, *December 10, 2006, page A3. Reprinted with permission from Valarie Schwartz.*

Spivey Honored for Many Years of Service

On June 20, 2006, Kay Spivey was honored by friends and colleagues for nearly thirty years of service to the School.

Spivey joined the Institute of Government in 1977 as administrative assistant to the director. After nineteen years in that role, she was named director of human resources.

Her career spanned three directors and one dean, and she was vital in keeping the Institute and the School operating smoothly and efficiently. Her expertise in human resources and

Behind the Scenes at the School of Government

Facility Services

Fred Crews (left), resource and materials coordinator, and Larry Anderson (right), messenger/mail clerk, are the Facilities Services team. They ensure that the mail is delivered, state vehicles are roadworthy, and office materials are in good supply. They also provide help with innumerable behind-the-scenes tasks that are vital to the daily operations of the School.

Human Resources

Maggie Ford (right), human resources director, joined the School in 2006, bringing with her more than twenty-five years of experience at the University. Veronica Bellamy (left), human resources assistant, often is the first contact that many new job applicants have with the School.

Business Operations

Karen Bullard (far left) joined the School's staff in 1982 and has expertly directed the Business Operations Division since 1990. The highly efficient and personable staff of the division includes (second left to right) Diane Riley, invoicing and inventory clerk; Kelly Medlin, assistant director of business operations and foundation accountant; Traci Forchette, contract and grants manager; Virginia Sellars, accounts receivable and cash management clerk; and Alicia Matthews, accounts manager.

Virginia Sellars

Michael Smith and Kay Spivey

personnel budget management made her a leader among the University's professional staff. In 2001 she was recognized with the UNC–Chapel Hill Human Resources Facilitator of the Year Award.

At the reception in June, Dean Michael R. Smith said, "Many people have contributed to the success of this organization over many years, but no one has contributed more than Kay Spivey. She cares deeply about the work we do here, and she cares deeply about the people who do it."

Smith followed his remarks by presenting Spivey with a certificate of appreciation. It read, in part,

> *Kay earned our respect over the course of a career through her unparalleled professional talents as well as her unwavering dependability and devotion to the institution and its people. She earned our admiration every day, day by day, through her demeanor of calm capability that both reflected her superb skills and inspired in us the faith that the work would be done well and on time. Kay provided a sympathetic ear and helping hand to colleagues with problems, quick and reliable answers to colleagues with questions, and a kind smile and a warm word for everyone.*

The School of Government and the North Carolina General Assembly

For more than seven decades, the faculty of the Institute of Government (now the School of Government) has worked with the North Carolina General Assembly in three special ways: legislative reporting, research and writing, and orientation and teaching.

Legislative Reporting

Three years after the Institute began, an article by Henry Brandis appeared in the Institute's monthly journal, *Popular Government*, summarizing statewide legislative actions taken by the 1933 General Assembly. Brandis, the first Institute staff member, also analyzed laws affecting local government and distributed summaries of the new legislation by mail to each city and county in the state.

In 1935, Brandis and Buck Grice began systematically to analyze and digest all bills as they were introduced in the General Assembly and to distribute the resulting information to

On Legislative Reporting Service duty in the 1950s: left to right, Philip Green, John Sanders, Durward Jones, Clyde Ball, and Joseph Hennessee

legislators, the governor, the cabinet, state department heads, and all affected government units. With this action the Institute's Legislative Reporting Service (LRS) was born. Over the years, virtually all the lawyers on the faculty have served as digesters for the service, and many have served as the LRS editor.

In 2007, under the direction of Martha Harris, the LRS continues to cover each daily session of the General Assembly and report legislative action and analysis by e-mail to the same audiences as in 1935 and later. Also, at the end of each legislative session, the LRS prepares a publication entitled *North Carolina Legislation*, which summarizes all government-related legislation adopted during the session. (For a full description of this valuable subscription service and its annual summary of legislation, visit the LRS website, at www.sog.unc.edu.)

Research and Writing

As the reputation of the Institute grew in the 1940s, the General Assembly called on Institute faculty with increasing frequency to research and draft legislation. Because faculty members worked closely with local government officials on a range of issues, from tax assessment to elections, they could help legislators identify problems and then devise solutions that met the needs of those administering state laws at the local level.

Institute faculty did not initiate studies or legislation, or advocate or oppose legislation, but until the General Assembly began to hire its own staff in 1969, they routinely staffed legislative study commissions and committees. During this time and on into the 1980s, faculty members were involved in developing some of the most significant laws enacted in North Carolina. Today, continuing the strong legacy established by their predecessors, School faculty members still help legislative staff, legislators, commission members, and others research and draft legislation.

Secretary of State Thad Eure administers the oath of office to the members of the House of Representatives in 19

(For some highlights of this important staff work, see the accompanying photos and captions. In-depth information is available from the School's Joseph Palmer Knapp Library.)

Orientation and Teaching

In 1966, under the direction of Milton Heath, the Institute began assisting the General Assembly's Legislative Services Office in providing a legislative orientation conference every two years for the assembly's newly elected members. The conference was frequently attended by veteran members as well. Legislative Services Office staff assumed sole responsibility for this training from 1971 until 1996, when the Institute's James Drennan began helping them expand the conference to include more topics. In January 2003 the conference was expanded further to offer additional training at the School, in Chapel Hill. The sessions offered at the School attracted 33 of the 36 new legislators in 2005, and 19 of the 23 in 2007.

Each conference is divided into a two-day session in Raleigh, a two-day session at the School, and a follow-up session at the School in the fall. The Raleigh session has focused on administrative matters. The School's sessions have covered North Carolina history and demographics, economic development and environmental regulation, the state constitution, intergovernmental relationships, decision making, ethics for public life, and the legislator's role, among others.

The links between state and local governments in North Carolina necessarily form a complex relationship, involving strong bonds, points of contention, and an enormous need for reliable, comprehensive information on which to base far-reaching decisions. The School, like the Institute before it, takes pride in its educative and facilitative role as a neutral, informed, and informing partner in the effective administration of North Carolina's government.

A Brief Selection of Faculty Work with the General Assembly, 1949–2007

Below and on the following pages are a few highlights of the many ways in which faculty have helped the N.C. General Assembly by conducting research and drafting legislation.

Donald Hayman's analysis of a modern personnel system for North Carolina's state government was used in drafting the 1949 State Personnel bill. Later Senator Joe Eagles used it in securing numerous amendments to the bill. The resulting compromise law served the state until 1965.

Donald Hayman

Jill Moore

Aimee Wall

Between 1955 and 1957, **Roddy Ligon** took part in a complete revision of the state's public health laws. The work continues to this day, as **Jill Moore** and **Aimee Wall** respond to frequent requests to draft amendments to the public health statutes, on such issues as bioterrorism, confidentiality of medical records, and smoking in public places.

John Sanders assisted the North Carolina Constitution Commission formed by the General Assembly in 1957. It drafted a complete revision of the state constitution. In 1968 the North Carolina State Constitution Study Commission was formed, with Sanders as staff director. A revised North Carolina Constitution resulted. It was approved by voters and became effective in 1971.

...

George Esser and **Philip Green** provided research and drafting services for the Municipal Government Study Commission of 1957–59. The commission's work resulted in the current annexation law, the first extended territorial jurisdiction for cities, and the current division of responsibility for urban roads between cities and the state Department of Transportation.

Above, left to right: John Sanders, Philip Green, and Charles Edwin Hinsdale; below: Philip Green

Clyde Ball

Clyde Ball directed the Legislative Reporting Service from 1959 to 1963. During the same four-year period, he coordinated much of the Institute's early work on court reform. He later became the head of the General Assembly's staff.

•••

Henry Lewis and **William Campbell** drafted the 1969 revision of the Machinery Act.

•••

Clyde Ball, **Charles Edwin Hinsdale**, and others staffed the North Carolina Bar Association's Court Study Committee of 1957–61. Although it was not an official agency of the state, this committee prepared the Court Amendment of 1961–62, which extensively reformed the state courts. From 1963 to 1974, Hinsdale was chief of research for the North Carolina Courts Commission and also was responsible for drafting the legislation that implemented the commission's recommendations. Laws passed during that time included the Judicial Department Act of 1965; the Court of Appeals Act of 1967; legislation resulting in revision of the jury selection and exemption laws and reorganization of the solicitorial system in 1967; and creation of the public defender system and the Judicial Standards Commission.

Left to right: George Esser, William Poe, Henry Lewis, and J. Shepard Bryan

James Drennan, Thomas Thornburg, Joan Brannon (until her recent retirement), Robert Farb, and others continue to work closely with a number of courts and justice-related commissions.

...

L. Poindexter Watts worked with the North Carolina Wildlife Resources Commission on a comprehensive revision and consolidation of the state's game and fish laws between 1964 and 1977. He and others, including Douglas Gill, Michael Crowell, and Robert Farb, provided research and drafting services for the Criminal Code Commission during the 1970s. The commission's work resulted in a completely new criminal procedure code in Chapter 15A of the North Carolina General Statutes, and in a revision of the laws regulating contempt of court. Farb has continued to help draft numerous criminal law and procedure statutes over the years.

Ben Loeb

L. Poindexter Watts, above left; Douglas Gill, above; Robert Farb, left

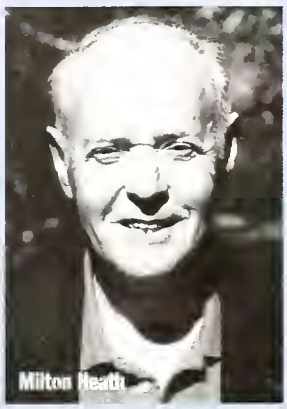
Governor Terry Sanford addresses the General Assembly in 1961.

Ben Loeb served for more than twenty years as the legal staff for legislative study committees and commissions that rewrote the state's alcoholic beverage control and motor vehicle laws. Loeb also drafted North Carolina's first seat-belt bill.

Mason Thomas provided substantial counsel, advice, and drafting assistance in the area of juvenile law to legislative committees, including the Juvenile Code Revision Committee that revised the code in 1979. When a major review and rewrite of that law was undertaken in 1997, **Janet Mason** served as a resource to the staff of the Governor's Commission on Juvenile Crime and Justice and as a facilitator of one of the four advisory committees that helped develop the commission's recommendations.

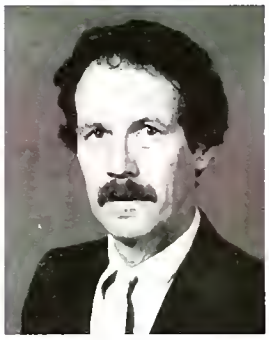

Janet Mason

Philip Green drafted more than one hundred bills enacted by the General Assembly, including the State Stream Sanitation Act and the state's planning and development control-enabling legislation, which was adopted for municipalities in 1971 and counties in 1973. This legislation authorized local governments to zone, enforce the State Building Code, adopt subdivision regulations, and engage in a wide range of planning and regulatory activities. Green and Milton Heath researched and drafted legislation that resulted in passage of the Surface Mining Act of 1971 and the Coastal Area Management Act of 1974, among others.


Milton Heath

Heath served as legal counsel to the House and Senate standing committees that generated most of North Carolina's environmental legislation from 1967 to 1983. At Governor Daniel K. Moore's request, he initiated the Institute's two-day legislative orientation conference in 1966, which was repeated under his direction in 1968 and in 1970. **Aimee Wall** currently directs the orientation conference.

Joseph Ferrell, David Lawrence, and others provided work for local government study commissions in 1969, 1971, and 1973 that led to statute revisions and consolidations of city and county laws and local finance laws. The study commissions revised basic laws for cities, counties, and local government finance (today G.S. Chapters 153A, 159, and 160A). Ferrell, Lawrence, and others also were involved in revisions of Article V of the state constitution in cooperation with the Constitutional Commission.


David Lawrence

In 1978 and 1979, consulting by David Lawrence for the Open Meetings Study Commission resulted in new legislation.

John Rubin was involved in the 1999 Legislative Study Commission, which resulted in passage of the Indigent Defense Services Act and creation of the Office of Indigent Defense Services (IDS) in 2000. He and **Alyson Grine** design and implement indigent defense education programs for the state of North Carolina.


John Rubin

George Hyndman Esser Jr.—North Carolina's Father of Community Development

It has been said that every man is trying either to live up to his father's expectations or to make up for his father's mistakes. Characteristically distinctive, George Hyndman Esser Jr. gave credit to his stepmother for his particular life "malady"—an unrelenting itch to improve the plight of others. That trait defined Esser's life choices and resulted in a remarkable legacy of physical, economic, and social development.

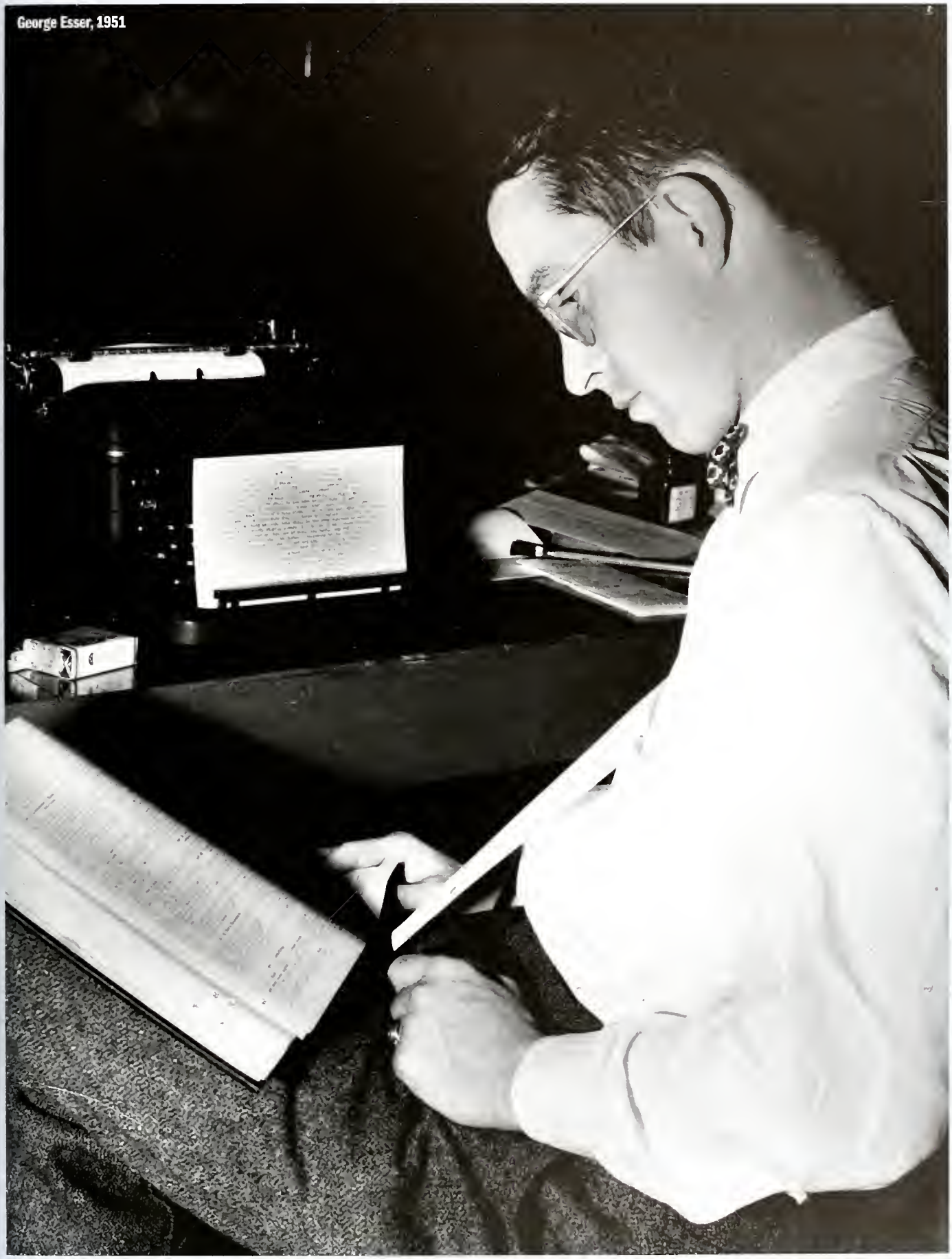
I first met Esser in 1995. I had recently joined the faculty of the Institute of Government and had begun to explore the fanciful notion of making community development one of my fields of work. Almost every person with whom I shared this idea encouraged me to talk to Esser. The reasons were varied, but the course of action suggested was consistent.

Notwithstanding the strength of the chorus, I can take no credit for coming to know Esser. I had neither the good judgment nor the nerve to call him.

Fortunately, Esser heard of my aspirations, and he called me. From that moment he became a quiet but consistent force of support for me. With each encounter, whether in person, by phone, or by way of an overly generous note for some minimal accomplishment, Esser offered kindness and wisdom. Of greater significance, with each encounter I had one more opportunity to know him: the man, the work, the legacy.

The Man

Esser's early years had a profound effect on the direction his life would take. Born in western Virginia on August 6, 1921, he was raised with an unusual perspective on the South: his family fought on both sides of the Civil



George Esser, 1951

War. This dual viewpoint later allowed him confidently to laud the potential of the region while comfortably and simultaneously lamenting its problems.

The son of George Hyndman Esser and Mary Cary Taylor Esser (who died when he was two years old), young George also experienced both sides of poverty. When his father and grandfather's coal mine went bankrupt in the 1920s, the Essers' relatively comfortable lifestyle became a hand-to-mouth existence for about five years. From this experience, and through the thoughtful guidance of his stepmother (Martha Taylor Esser), Esser came to appreciate the precariousness of life and the benefits of communal values.

Esser was valedictorian of his Norton, Virginia, high school class in 1938. On graduation, he attended Virginia Military Institute and majored in chemistry. He graduated with honors in 1942 and joined the army as a second lieutenant. After his release as a major in March 1946, Esser entered law school at Harvard University.

The Work

Sometimes hawkish in his rhetoric but almost always seeming to prefer the softer side of persuasion, Esser's most famous work is undoubtedly his service as executive director of the North Carolina Fund. However, his lasting contributions to the civic fabric of North Carolina began before and extended far beyond the Fund's five-year existence.

The founder and then the first director of the Institute, Albert Coates, recruited Esser to the Tar Heel State in 1948. According to Esser, it was an easy sell. The prospect of working in academia to improve governments' capacity to reach their potential was irresistible.

Esser's career at the Institute began with a focus on city governments, most of which he described as then being in their infancy. Esser relished the years he spent addressing the organizational development of cities. As he readily admitted to me, however, his interests were broad, and his fields of work expanded accordingly. By the end of his tenure at the Institute, Esser had developed significant expertise in municipal law, intergovernmental relations, and government organization and structure. He also had become known for his work in what was then called "urban growth and development." Today the field is referred to as "community development."

Esser's tremendous efforts at the Institute did not go unnoticed. He is given credit for establishing the Institute's hallmark Municipal Administration course. He also is given credit for supporting the development of the state's still-model annexation law, which was produced when Esser served as senior Institute staff member to a General Assembly Study Commission on Municipal Government in 1958–59. In the 1950s, Esser also undertook a major study of urban growth in the Greensboro region. This study and others became the basis for a series of articles collectively titled "Urban Growth and Municipal Services." First published in *Popular Government*, the articles won the inaugural Furin-Colnon Award from the National Municipal League. The award cited Esser's contribution, true to form, "to the solution of problems of urban and metropolitan areas."

At the request of Governor Terry Sanford, Esser left the Institute in 1963 to direct the North Carolina Fund. The Fund's ambitious goals, as stated in its articles of incorporation, were

> *(1) to study the problems involved in improving the education, economic opportunities, living environment and general welfare of North Carolinians;*
>
> *(2) to make and recommend grants for research, pilot, experimental and other projects toward the solution of such problems; to make available professional staff services to private and public agencies seeking solutions to such problems;*
>
> *(3) to encourage cooperative state and community action in devising such solutions; and*
>
> *(4) to encourage wise use of public and philanthropic funds devoted to any of these purposes.*

The Fund also aimed to improve race relations in North Carolina, though this goal was not mentioned in the articles of incorporation.

The Fund lasted for five years. Esser went on to work with several regional and national organizations. Through his affiliation with the Local Initiatives Support Corporation, he developed a process to train staff of community action agencies in eastern North Carolina to engage in housing development projects. This program marked the birth of North Carolina's community development corporations.

The Legacy

I recall watching Esser, ever spirited, wistfully give an account of his life's hopes, successes, and frustrations. It was an exceedingly powerful moment. He spoke fondly and proudly of the Fund's legacies, and he had reason to be proud. The Fund had ties to the leaders of several prominent community development organizations. Esser continued to work with some of these organizations well into the 1990s. Perhaps more important, the Fund undoubtedly created an environment in North Carolina that continues to foster a high number of successful nonprofits.

It is incredible, therefore, that Esser's confidence in North Carolina's current community development infrastructure was not isolated to the nonprofit sector. To the contrary, Esser spoke with great certainty about the function and the capacity of local governments in North Carolina to direct community development efforts. He believed that cities and counties were particularly poised to partner with nonprofits to transform economically distressed communities. Esser relished his role in laying the groundwork for this circumstance while at the Institute.

Esser died on November 5, 2006. For almost forty years, he embodied and inspired a community development agenda for North Carolina. We are indebted to him.

—Anita R. Brown-Graham

Off the Press

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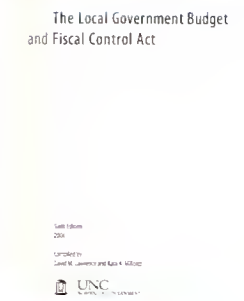

The text of the Local Government Budget and Fiscal Control Act is provided in this new edition. The book is updated with amendments made during the 2006 session of the General Assembly.

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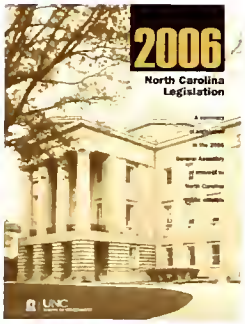

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