

Today is the Tomorrow You Worried About Yesterday: Meeting the Challenges of a Changing Workforce

Nancy B. Kiyonaga, Special Editor

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By now it is likely that you have heard the statistics, the predictions and the dire warnings. The aging of the largest generation the United States has ever known will affect every social institution from employment to health care. Precisely what the impact will be is, like all future events, still a matter of prediction. That there will be a major impact is not.

In the first 58 years of its existence, the baby boom generation has changed every major social institution from education to health care to employment. The “aging workforce,” a very common phrase lately, is but the latest phase in the progression of this generation.

The aging of the baby boom generation has been a topic of both speculation and serious research for some time now. The “brain drain,” “the pipeline problem,” even the terms “workforce planning” and “succession planning” have become topics not just for academics and human resources practitioners but also are readily found in the popular media. Many are the predictions about the impact that the “mass exodus” of this generation from the workplace will have. But events yet unknown may change today’s predictions. Certainly, the impact of the “aging-out” of the baby boom workforce may be affected by economic, social and political events.

One of the larger questions is how this generation will treat retirement. The rocking chair concept was set aside long ago but it still remains unclear how and when the baby boomers will choose to retire. It is commonly assumed that baby boom retirees will be more “actively” retired, but what form will this take? If it is true that “50 is the new 30,” can we assume that people will want to work longer than the traditional retirement age? Or will they work longer only if it is economically necessary? If they retire and then return to work, will they stay in the same line of work or choose a “retirement career” different from their previous career? If they choose to work will they do so full-time or part-time?

The yet-unanswered question for the employer affected by these trends is, “What can we do about this?” This question is especially relevant for public sector organizations. With a history of fiscal constraints and downsizing, the public sector has become particularly vulnerable to the affects of the aging workforce. Many government jurisdictions are facing the potential loss of 40 to 50 percent of their workforce in the next few years. At the same time, there are too few people at younger ages to replace the baby boomers. Some organizations are missing two generations of employees because they were unable to hire for such a long period of time. And, regardless of

whether boomers retire at 55, 65 or even 70 and even if the “mass exodus” does not happen in the next year or two, it is unavoidable that it will happen sometime in the near future.

The Argument for Workforce and Succession Planning

Awareness of the problem has been the proverbial first step. Some organizations began looking at these issues in the early 1990s but, human and organizational nature being what it is, the issues seemed too far in the future and more pressing issues gained our immediate attention. However, in the past three to five years, a sense of urgency has developed around workforce demographics as academics and practitioners alike have raised the alert and the media has raised awareness. Economic issues such as globalization, worker productivity and outsourcing are closely tied to the availability of a “ready, willing and able” workforce. Similarly, social issues such as the rising demand for and cost of healthcare for an aging population are tied to a productive workforce capable of providing these services and, in many cases, paying for them. And all of these issues are tied to the demographic fact that the succeeding generation of workers is smaller than the baby boom generation.

But this is not a story of numbers alone. Rather, it is a story of the loss of experience and judgment gained from those experiences, which add up to a knowledgeable workforce. Organizations with a shrinking workforce can find themselves in the situation where only one person knows key information about processes, procedures and the history of decision making in the organization. In such a case, the loss of one person adversely affects the operation of the entire organization. Many government organizations have fallen into this pattern over the past 30 years. Rapid growth in employees followed by a long period of retrenchment altered the heretofore-common pattern of a wide diversity of ages in the workforce. Clearly, knowledge vested in one person would be a problem for any organization whether it is related to the retirement of the baby boom generation or not. But it is certainly compounded by the current demographic situation.

So, we return to the very practical question – what can be done about all of this? At the level of an individual employer or manager faced with the loss of a large portion of their experienced, trained workforce, the larger global issues may seem related but not necessarily relevant to the solution they need. Instead, they need a practical approach to both the short-term and long-term implications for their organization.

Workforce and succession planning, as discussed by the authors in this special issue of *Public Personnel Management*, are the tools that provide solutions to these problems. Now, granted, planning alone will not accomplish the retention of experienced workers or the recruitment of new ones. But, the full spectrum of workforce and succession planning tools does provide a variety of practical tools. Which tools an organization should choose depends on its own particular culture, organizational structure and demographics.

The Role of Human Resources Management in Workforce and Succession Planning

The need for workforce and succession planning is having a significant impact on the human resources management function, especially in the public sector. For those of us in the public sector who for so many years have relied on a standard schedule of exams and eligible lists from which to fill vacancies, the future may be very different.

Our organizations and managers will need more from us than the standard approach to recruitment and retention. While the tools may not change, the way we use them will have to. And what will be the role of HR as compared to that of the line manager in the whole workforce and succession planning process? A key question is whether workforce and succession planning is solely an HR job, a manager's job or one that must be shared between HR and managers. Workforce and succession planning demand a level of strategic planning that is still new to many public sector organizations. This requirement for a strategic approach to the workforce coupled with the need to address global issues affecting workforce supply will require human resources practitioners to act as internal consultants in their agencies. And strategic workforce planning skills and the ability to predict and meet the needs of the agency for a capable and trained workforce will expand the role of HR and its usefulness to line managers.

It bears repeating that effective workforce and succession planning goes well beyond the analysis of internal demographics. Effective workforce planning requires the evaluation of the functions of the organization (what work needs to be done); the competencies required for completing that work; and the gap between the number of employees who possess these competencies and those without them. In addition, effective workforce planning requires coordination between the fiscal and human resources offices of an organization. For many public sector organizations, a "lose one – fill one" approach to employee turnover became a common pattern. But tough fiscal times have led to the need to carefully justify the need for each position. Workforce and succession planning tools address these fiscal questions and provide answers about the priority of a position and its place in the organizational line-up.

Employee development is another function directly impacted by workforce and succession planning. In many ways, it may be the function most impacted by a workforce and succession planning effort. The loss of so many experienced workers will require both the re-training of existing staff and the training of new employees. Identifying the competencies required by the work of the organization and comparing them to the actual competencies of the workforce facilitates the process of prioritizing training and development needs.

Status of Workforce and Succession Planning Efforts Today

So where are we today in this "new" effort at workforce planning? At a variety of stages, it would seem — from slowly increasing awareness of the problem to comprehensive programs designed to meet distinct organizational needs. But, in many ways, we are all still at the experimentation stage. Workforce and succession planning tools and techniques are still evolving. Research continues as organizations search for the right approach for them.

An interesting development in this search for information and tools is the use of the Internet. One of the first responses to the pending workforce planning crisis by the federal government as well as many states and localities was to develop Web sites containing workforce planning information, tools and resources. These sites have become valuable tools. They are also serving to place practical information in the hands of every manager.

Developing new tools and applying old ones to meet the needs of a changing workforce presents a challenge for the human resources profession. Working with agency managers to re-build the workforce will require new skills and approaches. But, with these challenges come opportunities. Opportunities to contribute in ways

unique to the human resources profession – in ways we have yet to foresee.

In this issue you will find statistics and analysis as well as meaningful commentary and detailed case studies from several jurisdictions. We sincerely hope that the articles contained in this special issue of *Public Personnel Management* will be both useful and practical to readers as you contemplate and implement your own workforce and succession planning modules.

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Author

Nancy B. Kiyonaga

Director of Workforce and Occupational Planning
New York State Department of Civil Service
Building 1, Harriman Campus
Albany, NY 12239
Phone: (518) 485-9274
E-mail: nbk@cs.state.ny.us

Nancy Kiyonaga served as special editor of this issue of *Public Personnel Management*. She is the director of Workforce and Occupational Planning in the New York State Department of Civil Service. In this capacity, she directs the department's statewide workforce and succession planning initiatives. In more than 20 years with the Department of Civil Service, she has served in several capacities including director of classification and compensation, assistant director of the Public Management Intern Program and staff analyst for the Civil Service Commission. She holds both a Bachelor's degree and a Master's degree in History and a Master's degree in Public Administration. For several years, Nancy was an adjunct professor of public administration for Cornell University and Russell Sage College.