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Growing Your Own Talent Pool Through Projects

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An internet search on "aging workforce" returns a wide range of studies and opinions on the probable impact of baby boomer retirement. Will this be a "silver tsunami" threatening the foundation of organizations, an opportunity to breathe new life into old programs with fresh new talent, or the non-event that many perceive the Y2K phenomenon to have been? While the answer differs among organizations the statistics on public sector retirement indicate cause for concern. A briefing report from the General Accounting Office (GAO)[1] in January of 2014 notes that of the 1.96 million permanent career employees in the federal government, around 31 percent will be eligible to retire by September 2017, up from 14 percent in September 2012. The report indicates that, left unaddressed, such numbers could produce "mission critical skill gaps."

Magnitude of the Problem

An April 2014 survey conducted by QuantumMark, LLC collected data on retirement eligibility within the next ten years in state and territory vital records operations. Thirty of the 49 jurisdictions or 61% of those answering the question report eligible retirements within ten years at 30% or more. Sixteen percent report eligible retirements at 50% or more.

Figure 1

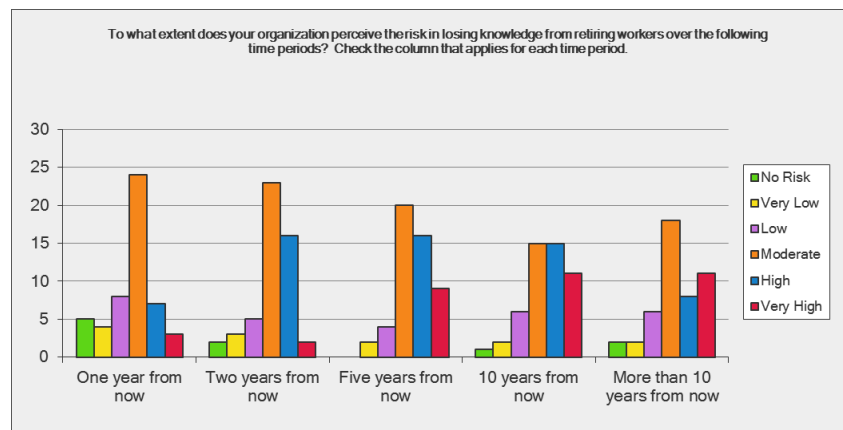Survey participants were asked to what extent the organization perceives that retirement of baby boomers is a risk to preserving institutional knowledge. Results show that perception of risk is imminent with 67% of respondents rating the risk as moderate or higher beginning in 2015. The perception of risk persists for each time interval with the highest perception of risk being five years from the survey or about 2020. These findings suggest that time is of the

Figure 2

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[1] Goldenkoff, Robert, *Federal Workforce: Recent Trends in Federal Civilian Employment and Compensation,* GAO-14-215, January 29, 2014.

essence for implementing a strategy to ensure that critical skills and knowledge are transferred to a new generation of leaders.

However, when asked about the organization's sense of urgency regarding knowledge retention just over 27% rate their organization's sense of urgency at low or no sense of urgency at all. An equal number rate their sense of urgency at urgent or highly urgent. By including those reporting a moderate sense of urgency the percent of respondents recognizing the threat increases to over 72%.

Considering the risk of losing the knowledge held by retiring workers, how would you rate your organization's state of urgency regarding knowledge retention?

Legend:
- No Urgency
- Low Level of Urgency
- Moderately Urgent
- Urgent
- Highly Urgent

Bar values: 2, 12, 23, 11, 3

Figure 3

The survey indicates a gap between recognition of the risk and the development of a formal strategy to address the risk. In fact, only five of the 51 respondents report that their organization has developed a strategy. Lack of strategic focus on succession planning has been a concern at the federal level since the Office of Personnel Management (OPM) issued its *Executive Succession Planning Tool Kit* in 1995.[2] Minimal

Does your organization have a formal knowledge retention strategy?

Bar values:
- Yes: 5
- No: 32
- Don't Know/ Not Sure: 14

Figure 4

interest in developing strategies at the agency level caused the issue to be added to the General Accounting Office's High Risk List in 2001. Though progress has been made, the February 2013 High Risk

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[2] GAO Briefing Report to the Chairman Subcommittee on Civil Service Committee on Government Reform, Senior Executive Service, Retirement Trends Underscore the Importance of Succession Planning, GAO/GGD-00-113BR, May 2000.

Update[3] still lists Strategic Human Capital Management as an area of continued concern. Along with high levels of retirement eligible employees the report cites long-term fiscal pressures on the personnel component of the federal budget as a threat to the federal government's capacity to address national issues.

Obstacles to a Solution

In 2006 Vidu Soni[4] listed the most cited impediments to formal succession planning. Chief among them are:

- Leaders' reluctance to take on succession planning task
- Leaders' assumption that succession planning is not within the scope of their work
- Inadequate information or skills in how to do succession planning
- Excessive costs
- Lack of resources
- Too many other work demands
- Overcoming internal resistance
- Lack of clear assessment criteria for success in leadership roles
- Lack of evaluation of succession planning programs to show if they have had any effect on organizational capacity to justify their value

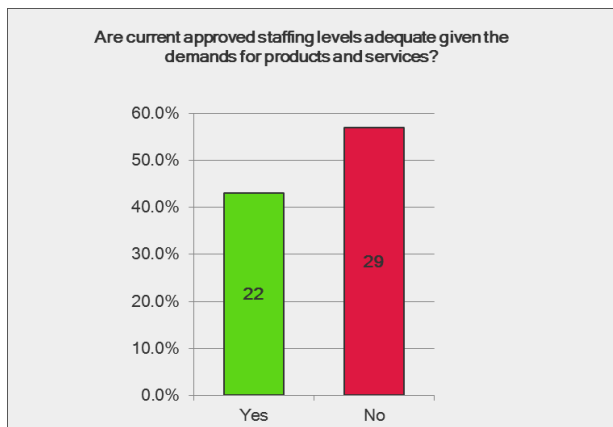The QuantumMark survey of vital records operations shows that lack of resources and too many other work demands may pose a challenge to making succession planning a priority. Nearly 57% of the respondents have inadequate staff to meet the current demands of their operation. They report inability to adjust to unexpected absences or events, the pressures of furloughs on the workload of the whole team and reliance on contractors and volunteers to augment staff.

Are current approved staffing levels adequate given the demands for products and services?

Figure 5

Restrictive rules on hiring further hamper efforts to smoothly transition new leaders into key positions. 52% of respondents report that they are not allowed to recruit for a position with a retiring incumbent until after the position is vacated. Of those jurisdictions able to recruit, several commented that the actual hiring could not happen until after the retirement occurred.

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[3] GAO Report to Congressional Committees, High Risk Series, an Update, GAO-13-283, February 2013
[4] Vidu Soni, Succession Planning in Public Sector Organizations, International Public Management Association for Human Resources News (IPMANews-08-06), August 2006.

Further, over 73% of the jurisdictions report that they are not allowed to rehire employees as contractors after the vacated position is filled to provide a period of time for knowledge transfer. A few commented that they could contract at a reduced salary or for a specific number of hours in a year if the retiree was willing. These obstacles underscore the importance of being proactive in developing creative solutions that ensure the organization has a reliable pool of talent to meet future needs.
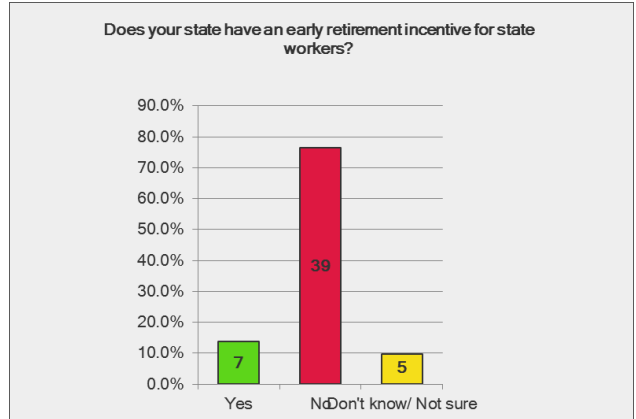
Does your state have an early retirement incentive for state workers?

Yes: 7
No: 39
Don't know/ Not sure: 5

Figure 6

Survey Conclusions

The threat to state vital records operations from retirement of baby boomers is real and, for some states, is even a greater problem than the findings by the GAO for federal agencies. Because the perception of risk from retirement is already significant beginning one year from the survey (2015), time is of the essence to find a solution that will protect organization memory and leadership capacity. Succession planning provides the framework to develop a strategic response.

Components of Succession Planning

The primary goal of succession planning is to ensure that an organization continues to operate efficiently and effectively as leaders retire. Succession planning is an organization-wide effort to have the right people with the appropriate skills ready to move to the right position when the time comes. It is integrated with the organization's strategic plan to ensure resources are available to fulfill the evolving mission. Steps to a plan include assembling a team to:

- Envision the future
  - Identify the long term vision for the organization
  - Define core competencies and anticipated capacity requirements to achieve the future vision
- Assess the current environment and conduct gap analysis
  - Identify vulnerable positions
  - Identify hard to fill positions at all levels of the organization
  - Complete a current skills inventory
  - Analyze the gap between current skills and future needs
  - Develop plans based on talent needs rather than position replacement

- Develop the talent pipeline
  - Develop recruitment strategies
  - Identify an internal talent pool
  - Implement development/learning strategies
  - Define and implement methods of measuring success

Comprehensive plans address the long-term developmental needs of employees at all levels to keep the talent pipeline perpetually healthy. This broader approach ensures that, when middle managers move up to higher positions, there is someone ready to take their place. It has the additional benefit of improving retention by addressing employee demands for career development opportunities.

Development of the Talent Pipeline

Talent development is accomplished through a variety of methods. The 70-20-10 model for learning and development was documented by Michael Lombardo and Robert Eichinger in 2000.[1] It builds upon "how people internalize and apply what they learn based on how they acquire knowledge." Formal training delivery (10%) includes classroom, distance learning and self-study. Social learning (20%) includes observing others, mentoring, coaching, networking and shadowing. Challenging assignments (70%) include job rotation, stretch assignments and action learning.

10%
Formal

20%
Social

70% Challenging
Assignments

70-20-10 Learning Model
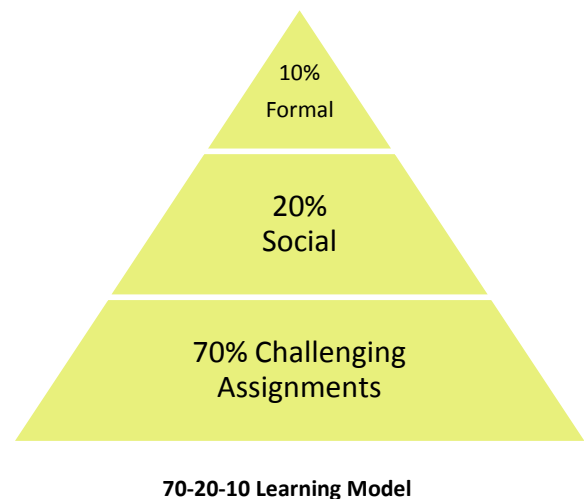
Recently, the 70-20-10 percentages have been debated largely because the internet provides increased formal learning and social networking opportunities. Still there seems to be agreement that the evidence favors informal methods (social learning and challenging assignments) as the most potent learning opportunities.

Of all the informal learning techniques, research by Linkage, Inc. indicates that action learning is the most effective[5]. Action Learning involves a team working on a significant organization problem in real time.

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[5] David V. Day, Ph.D., SHRM Foundation, *Developing Leadership Talent: A Gui*de to Suc*cession Planning and Leadership Development,*
http://www.shrm.org/about/foundation/research/Documents/Developing%20Lead%20Talent-%20FINAL.pdf, 2007.

The team is comprised of members from different business units or job functions. The duration of the learning assignment can vary from weeks to months depending on the nature of the problem.

Action Learning

Action Learning meant team working on significant organization problems in real time. A project is an example of Action Learning :

- Has well defined objectives
- Is important to the organization
- Is time bound
- Requires teamwork
- Has a facilitator/leader to help develop team skills
- Increases subject matter knowledge for current and future states
- Exists in an environment of uncertainty
- Produces behavioral change

Figure 7

A project offers a super-sized action learning opportunity to provide employees at all levels of the organization with a challenging assignment. Projects are especially valuable for organizations with a shortage of resources as they are typically unavoidable, either mission critical or of great significance to the organization and cannot be accomplished without the involvement of employees as subject matter experts to take on project assignments. Further, projects provide a dynamic environment to improve on many leadership competencies.

- ***Organization Knowledge***. Most projects include tasks to transition from a current environment to a future environment by addressing the gap between the two. As a consequence team members develop a common understanding of "how things really work" including the unusual circumstances that occur infrequently and are usually referred to that one person in the organization who always knows what to do. Equally important, the team is there when the future environment unfolds. They have ownership in the vision and a fundamental understanding of its key elements.

- ***Change Management Skills***. Regardless of the magnitude of the change that the project will implement, something will be different in the organization by the end of the project. To be successful project teams have to develop the buy-in of every stakeholder group upstream and downstream from the change. This will require building relationships, championing the project, being courageous, communicating skillfully, fostering enthusiasm and acting with integrity.

- ***Teamwork.*** Team size can vary from a few people to a large group. Usually the group has not worked together in a project capacity and may not have worked together at all. Each team member has a specific role but success in that role is dependent of the success of the rest of the team. A well-planned project recognizes that the team needs support to develop into a functional unit and provides a knowledgeable project leader to facilitate this process. The plan should provide periodic formal education opportunities to build the skills needed to enter a new phase of the project and the health of the team is a routine point of evaluation during risk assessment.

- ***Analytical Skills, Judgment and Personal Effectiveness.*** Projects typically exist in an environment of uncertainty. Because they are plowing new ground no roadmap is available to point the way. Collecting and analyzing relevant data and focusing on customer needs produces a project approach that is most likely to yield the desired results and be accepted by all stakeholders. Sometimes precise data are not available but decisions still need to be made. Team members must work together to make good choices from a variety of options and then monitor implementation of those decisions so that course corrections, if needed, can be made in a timely manner. It may also be necessary to demonstrate flexibility to abandon a decision in light of new evidence and take another course of action.

Improved Leadership Competencies[6]	
Core Value	**Leadership Competencies**
Innovation	• Think strategically • Innovate • Champion change
Customer	• Improve systems and processes • Commit to quality • Focus on customer needs
Integrity	• Lead courageously • Foster open communications • Act with integrity
Performance	• Establish plans • Manage execution • Influence others • Drive for results
People	• Foster enthusiasm and teamwork • Reward and celebrate teamwork • Attract and develop talent • Build relationships
Personal Effectiveness	• Use sound judgment • Convey information • Adapt and develop oneself • Know the organization and the business

Figure 8

SmithKline Beecham developed a chart (summarized in Figure 8) to capture the leadership competencies they believe to be necessary to support their core values. Nearly all of them are practiced routinely during the execution of a project.

Projects are also an opportunity to embed other learning techniques. In addition to formal training sessions, senior and middle management team members can mentor or coach younger team members.

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[6] David V. Day, Ph.D., SHRM Foundation, *Developing Leadership Talent: A Gui*de to Su*ccession Planning and Leadership Development,*
http://www.shrm.org/about/foundation/research/Documents/Developing%20Lead%20Talent-%20FINAL.pdf, 2007.

An experienced project manager assigned to the project can work with the team one-on-one to facilitate skill development.

Depending on the project some or all of these techniques will be important to the success of the project and require little or no additional project effort. But to be truly effective talent development should be a stated goal of the project. This will require some effort at project initiation to define (or review) the organization's talent development goals, understand the learning opportunities that the project can provide and select employees strategically to develop the desired skills in targeted individuals. Training tasks are formalized in the project plan. Metrics are defined and an assessment mechanism is put in place to measure progress against learning objectives.

Promotions of Team Members from one Large Project	
Job Function at Beginning of Project	Job Function at End of Project
Regional Manager	Statewide Program Manager
Tech III	Business Program Manager
Tech III	Management Analyst II
Tech III	Administrator
Regional Manager	Administrator
Tech III	Program Manager
Tech II	Training Manager

Figure 9

Figure 9 is an example of one project that included about thirteen employees from the client organization. The project involved a complete reengineering of the organization including a complete customer-focused reorganization of all business functions and implementation of various technologies to streamline operations and empower customers. During the project the organizational structure was flattened from seven layers to four. At the same time additional middle management positions were added to better manage the new integrated organization.

When it came to filling the management positions many team members were tapped for promotion. They entered their new positions with a deep understanding of the new environment, significant new skills and practice working as a team. The organization went on to win a national customer service award. Employee development was never a stated goal of the project, just an unplanned outcome of a major and successful team effort. Making talent development part of the project improves the likelihood that the project's legacy will be increased competency in the knowledge and skills that matter most to an organization's future. Since the skills developed will also make a project run smoother, the addition of a talent development goal can actually help to effectively achieve the other project goals.

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