

Does your organization face a retirement tsunami?

Transforming an aging workforce into a strategic opportunity

Prepared by:

Steve Mermelstein, Director, RSM US LLP
steve.mermelstein@rsmus.com, +1 816 751 1866

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Many governmental agencies face a wave of retirements due to an aging workforce. What steps can your organization take to plan for that wave? Looking beyond simply replacing key workers and securing institutional knowledge, many organizations are using this wave to drive strategic organizational change and deliver real, ongoing benefits.

Many governmental agencies will lose a significant number of personnel to retirement in the near future. From maintaining needed staffing levels to securing institutional knowledge to rethinking organizational structures, the aging workforce in the public sector raises a number of issues that your organization should consider now.

A variety of factors are pushing this trend among governmental agencies. The private sector has routinely reduced headcount, often offering early retirement programs, which have thinned out the aging portions of their workforces. This sort of activity has not been pursued nearly so frequently in the heavily public sector. Political concerns, too, sometimes prevent workforce

reductions at some governmental agencies. As a result, workforces skew older in the public sector.

Also, governmental agencies operate differently than private sector companies. Their funding can come from a variety of sources, with specific rules often attached to the various funding streams. For example, consider personnel at a state department of transportation. They likely have a budget from the state, but those dollars are augmented by funds from federal programs, and also from other state programs outside their specific budget. Over time, employees develop deep, but often arcane areas of specialized functional knowledge on how to navigate this complex environment.

Governmental entities must look at the challenge of a flood of near-term retirements from two perspectives:

- How do we ensure that the loss of a number of workers in a short period does not erode our ability to achieve our mission?
- How should we rethink our staffing and organizational models going forward to best capitalize on opportunities this change presents?

Keeping your organization on course

A governmental organization must first ensure that they will be able to continue to perform all of their key duties no matter which employees leave. First, develop a color-coded chart that maps out all personnel, and then highlights those likely to leave in the next one to two years and the next three to five years. Then, inventory your organization's key functions and who performs them to identify areas where your organization risks the loss of vital institutional knowledge that rests in the hands of one or only a few senior employees.

Such narrow silos of critical capabilities are not unusual in the public sector, but they present a key risk. Your organization can take three steps to help mitigate that risk:

- First, working with the personnel currently driving key functions, thoroughly document the people, processes and technology they use to do their jobs. Develop a detailed road map of how those functions are conducted now, so that new personnel have the guidance they need if they need to step into a new role unexpectedly.
- Second, start cross-training your people. You should never be in a position where only one person is capable of performing any critical function. Documenting a position is a start, but having a trained replacement ready to step in is better.
- Third, develop succession plans for vital positions. Groom promising high-performing staff members as the eventual replacements for department heads or other persons trusted with especially complex and important duties. Not only will this mitigate the risk associated with their eventual retirement, it will help to motivate and retain your most promising staff members.

Plotting a better course for the future

While the pending loss of a number of key personnel presents a challenge, it also presents an opportunity. This is a good time to examine your staffing levels and organizational model to determine if a change would facilitate the alignment of duties more efficiently, better leverage technology or promote innovation.

Start by considering your staffing levels. Take an objective look at how your organization's mission and resources have evolved. You don't have to automatically backfill every position that opens up as older staff retire. Should positions be combined? Would it make sense to eliminate certain lower-level jobs performing rote functions that could be automated, and to reinvest those dollars into fewer, but more highly skilled personnel that can help shape and drive your strategy?

Technology can also be a good place to evaluate opportunity. Effective automation can both reduce headcount in areas with outdated manual processes and free up time for experienced personnel to focus on their strategic mission, instead of low-level administrative duties. But it can be hard for governmental agencies to compete for IT talent, as the pay scale in the public sector is usually lower than that offered on the private side. That can lead to a variety of issues. Governmental organizations can end up with lower-skilled resources. They can face high IT turnover as employees sign on only to build the skills they need to find higher-paying private sector jobs. And skills in governmental IT departments can fall behind in the rapidly evolving IT universe.

IT is one area where outsourcing may make sense. Contracting out much of the day-to-day IT work necessary to keep your organization running smoothly could allow you to re-task key personnel to more strategic analytical functions.

Don't discount your data

Finding ways to capitalize on the huge store of data that many governmental agencies generate is one key opportunity for innovation that public entities should consider as they evaluate their staffing options. Big data may be a buzzword, but for good reason. One of the next great opportunities for more efficient and effective organizations, public or private, is their ability to mine that data for ways to better achieve their missions.

What is it your organization needs to know to best meet your goals? How could the data you already generate be better managed to provide that information? What new information could you be capturing?

This is a new and evolving area that requires both technical and analytical skills that are in short supply in many organizations. But they are skills you should be sure to address.

An aging workforce is a fact of life for many public entities. How you plan for that fact will help to determine your organization's success, not just in the near term, but for years to come.

+1 800 274 3978
www.rsmus.com

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