A crisis is looming in governments across the nation, and yet few are taking heed. The crisis is one that, in hindsight, would have been easy to predict and relatively simple to address. However, few jurisdictions are taking the time, energy, or political risk to prepare for the storm that is about to hit. The predicted crisis results from changing worker beliefs, and wavering workplace values, coupled with striking demographics that will alter the face of the government workforce. The time is now for government agencies, small and large, rural and urban, to begin analyzing and preparing for the future. This article will discuss some of the most critical issues facing government workforce planners, offering strategies for addressing the issues and for adapting to the new beliefs within traditional civil service systems.

**Changing Workplace Attitudes**

More and more employees view their workplace relationships differently than their counterparts did thirty years ago. Many describe themselves as either “renters” or “owners”—terms that create vivid distinctions in the permanency of the work relationship. Changed perspectives on the employment relationship have led to new expectations of what the employer is supposed to provide in terms of extrinsic and intrinsic benefits. Much has been written about these forces in the work environment. The following four trends have reshaped the employment contract and are forcing public sector employers to re-examine traditional employment practices:
Trend #1: Shorter Career Life cycles

Traditional career management programs teach that the career life cycle is a linear process. Typically, workers begin their careers in the exploration phase, learning the skills necessary to be successful in the work world. Then they move to stage two, where they are expected to be more productive as they become proficient at their trade or skill. Maintenance comes next, as workers either become stable in their work, more productive, or less productive. Employees are expected to hit the final stage of their career in their mid- to late- 50s, when they will either choose full-time or partial retirement.1

For government employers, this typical career path has been made even more certain by predictable pension programs and loyal workers. However, the current economy and an increase in independent thinking among younger workers challenges the linear career path premise. In fact, some scholars2 have predicted that the typical 20-year career-building cycle has morphed into a 20-month skill-building process. Likewise, workers are entering the workplace with technological skills that demand pay above the entry level. These forces are causing public sector employers to wake up to the fact that the employees being hired today will likely not be the same workers they will see retire in 20 or 30 years. In fact, the concept of “retirement,” as we know it today, may become extinct, replaced by self-driven investment opportunities that allow workers to take their savings with them from employer to employer. The promise of retirement will no longer lure workers to the government sector.
As the average age of the workforce shifts upward, the average length of time an employee stays in a job keeps shrinking. The employee population is rapidly changing to a free-agency, temporary-work, consulting, and project workforce. By the year 2005, the U.S. Department of Labor predicts that self-employment will be the largest work category.3

Trend #2 – Increasing Acceptance of Technology

In 1995, only about 50 million people had Internet access. Today, the Internet reaches over 200 million people worldwide4. Technology has changed the way we do business in terms of procedures and processes. More importantly, however, technology has changed the way we communicate in the workplace. Electronic mail, company Intranets, voice mail, personal digital assistance, and other devices have changed the way we exchange information and create bonds with coworkers. In the process, employers are beginning to realize that there are cultural costs associated with these benefits.

With the explosion of technology in the workplace have come new issues related to employee communication, trust, and the employment relationship. The Society for Human Resource Management Workplace Visions newsletter cites four interesting technological issues to watch, as they relate to the culture of the future workforce.5 First, computer security is becoming more and more of a concern as organizations face the threat of computer viruses and hackers. Some organizations are reportedly installing fingerprint readers to their keyboards and other devices. These readers will require fingerprints to be scanned and approved before an employee can access company files.6
These new measures will no doubt have an impact on trust levels in the traditional work environment.

Second, remote access is expanding the employee’s ability to work at home. As access continues to expand, organizations will be faced with new issues related to which employees would be eligible for the access, and which technology would allow the organization the best remote access.

Third, communications systems are facilitating communication across national borders at levels we never imagined. AT&T is developing a phone that will automatically translate calls from Japanese to English and vice versa. According to the Society for Human Resource Management, “Universal translating systems may never be able to capture cultural differences, but they could enormously aid in international business transactions.” For public sector employers, the technology provides new options in communicating with populations who have traditionally been out of reach.

Finally, governments are forced to explore new technologies related to employee monitoring. Surveillance methods, including the monitoring of Internet and e-mail use, have seen explosive growth, with 54.1 percent of private sector companies now monitoring employee Internet connections, and 38.1 percent reviewing e-mail messages. And, in some cases, the ethical issues related to privacy in the workplace are being challenged in the courts.
It will be some time before these technological issues become clearly resolved. In the meantime, public human resource managers must stay abreast of issues and be aware of how their workforce is viewing these critical changes.

**Trend #3 – Increased Demand for Learning at Work**

According to a 1998 study by the American Society for Training and Development, 99 percent of workers surveyed wanted more training from their employers. The study was a strong message that pay and health benefits are not the only reasons workers come to work. Before accepting a job, today’s workers are asking, “What will I learn in this job that will help me achieve my future goals?” The question proves a critical one for employees and is important to employers who are looking for a strategic advantage in hiring and retaining top talent.

The availability of training, whether through seminars, conferences, tuition reimbursement, or computer-delivered training modules, is a critical element in becoming an employer of choice. Coaching, mentoring, and career development programs have become standard fare in progressive organizations interested in retaining star performers. A 1999 study revealed that 81 percent of the *Fortune* top 100 companies to work for offered career counseling to their employees. Public employers are offering to train employees on job skills that will help them better relate to the communities they serve. For example, the City of Phoenix recently introduced a comprehensive language development program to assist English-speaking employees to become more proficient in
communicating with the region’s Spanish speakers. The program includes an immersion program in Hermosillo, Mexico, for those employees who make the most progress.

Education is no longer provided solely by trade schools, colleges, and universities. Employers are beginning to recognize that workers value continuous learning, and that the workplace, complete with its resources and connections to the community, provides an ideal venue to pursue such learning opportunities.

**Trend #4 – Increased Focus on Lifestyle**

An increased focus on work/life balance and lifestyle leads many organizations to look for new ways to satisfy employee needs. Public employers, in an effort to boost their competitive edge in the recruiting market, turn to new benefits to appeal to workers’ desires to better blend work and personal time. The most obvious trends are in the areas of telecommuting and alternative working hours. In a recent study of the best 100 companies to work for, 87 percent report that they offer some form of telecommuting. Over 89 percent offer compressed workweeks or alternative working schedules. These numbers have increased considerably in the past five years. Public employers are adjusting policies and traditional ways of working to accommodate these trends. In addition, new benefits have appeared on the scene to appeal to the diverse needs of government workers. Such benefits include pet insurance, domestic partner benefits, and adoption aid. And, as the employment market continues in its competitive mode, public employers are searching for more and more creative ways to attract and retain employees.
New Generations of Workers

Many longtime government leaders are asking, “Why are we offering all of these new benefit packages? We’ve never had to do these crazy things before. What’s going on?” The answer to these questions is simple: demographics. Peter Drucker said it best, “The dominant factor in the next two decades is not going to be economics or technology. It will be demographics.”

The first major demographic blow came with the entrance of Generation X to the workplace. Generation X is defined as those employees born between 1964 and 1977. They are characterized by some as being “latchkey kids,” and they have shown that they thrive on independence and a fast pace. They have been heavily influenced by the media, as evidenced by the proliferation of television during their youth. Xers have been described as self-reliant, informal, and skeptical. Some characterize them as having a nontraditional orientation about time and space and a casual approach to authority. Many authors have linked these attributes to seminal events in their youth, including the Watergate scandal, the Challenger disaster, and the beginning of massive layoffs in U.S. corporations. As a result of these attitudes, employers are finding themselves and their traditional systems and processes challenged.

The generation that is following Generation X into the workforce is also causing public employers to rethink traditional methods. The Net Generation, also known as the “Nexters,” “Generation Y,” or “the D (digital) Generation” is bringing new perspectives related to technology and communication to the workplace. These workers and future workers were born between 1977 and 1997. Donald Tapscott, in his book, *Growing Up Digital*, calls this the first generation to “grow up digital,” because they are the first generation to know more than their
parents (and their bosses) in terms of computers, the Internet, and technology in general. In mass, this cohort group has had more exposure to technology and its varied purposes than any other group in history. They have learned the uses and potential of technology in school and at home and are now entering the workplace expecting the highest levels of technological innovation possible. The Net Generation has been characterized as being fiercely independent, comfortable with inclusion, and extremely investigative. Like their Generation X counterparts, they have a strong sense of immediacy and expect that things will move rapidly in the organizational environment.

These two entrants to the public sector work environment are beginning to have effects that will change the face of employment for decades to come. These factors, in addition to the sheer demographics of these two generations, will cause public employers to rethink their employment strategies and practices.

**Demographics and Aging**

Why are demographics suddenly having such an impact on workplace attitudes? Birthrate patterns over the past fifty years make the story clear. Baby boomers, the core of our current workforce make up roughly 78 million workers. As they are beginning to enter the retirement ranks, the Generation Xers are close behind to fill their shoes. However, with around 58 million Xers in the workforce, there are less people available to fill a growing number of positions. Finally, the Net Generation is larger than Generation X, at roughly 60 million workers and future workers. Nevertheless, the reality was made clear by Sam Ehrenhalt, Senior Fellow at the
Rockefeller Institute of Government, when he said that the reality is that we will soon, “be fishing in a pond with fewer and fewer fish.”

Overall government employment expanded by 14 percent in the 1990s, and five in eight government jobs are at the local level. Indications are that the government labor force is aging more rapidly than the public sector work force. The proportion of older government workers aged 45 to 64 has risen from 36.8 percent in 1994 to 41.7 percent in 1998. In the same time period, private sector proportions are up only from 25.3 percent in 1994 to 27.8 percent in 1998.

Clearly government, particularly at the local level, can expect to be more strongly impacted by retirements in the near future and will have a proportionately larger demand for workers to replace those who leave the job market. This translates into a more urgent need to prepare competent new staff to take over the leadership of our public sector organizations.

William Byham, CEO of Development Dimensions International (DDI), contends that the leadership gap is pervasive and creates the biggest threat to organizations since Y2K. Byham expects the average organization to experience at least a 33 percent turnover at the executive ranks in the next five years. One third of those organizations surveyed said they are not confident that they will be able to find suitable replacements.
The Need for Succession Planning and Talent Management

Enter the newest buzzwords in government human resource circles today: succession planning and talent management. Today, more than ever, public sector human resource professionals are realizing the potential challenges they face in filling positions when there are fewer candidates to choose from in the labor pool and more vacancies due to retirements and resignations. Now more than ever, human resources must help current public sector leaders, both political and managerial, take the lead in identifying these issues within their organizations. Additionally, they must develop strategies to ensure the future leadership capacity of the agency.

Succession Planning: Two Dirty Words

For years, marred by the goals and guidelines of civil service systems, public sector human resource professionals shied away from any form of succession planning. If it was conducted at any level, it was usually done on the back of an envelope, and then thrown away for fear there would be allegations that the merit system principles were not being enforced. The focus of such “succession planning” efforts was on the immediate needs of the work unit and was usually focused on filling one position. The success rate of such planning efforts remained relatively low, because the focus was on the short term (filling the position) rather than preparing people for the new assignment. Those were the days when there were ample candidates, and the skills required to do the job were not as diverse. Today, back-of-the-envelope staffing is no longer sufficient.

Many organizations have used replacement planning techniques that focus on near-term needs and usually consist of backup charts. In the preparation of such charts, some employees
benefit through cross-training efforts, preparing them to fill in for their replacement, when the replacement either left for a short-term basis, or when the replacement left the position. Again, this method is relatively short-term and does not reflect the strategic needs of the organization. Instead, it focuses on the needs of specific positions, which may or may not be critical to the organization’s health. Some organizations have feared more proactive techniques to filling positions, in light of long-standing civil service rules that require all candidates be given “fair and equitable” opportunities to compete.

**Talent Management: A New Day in Government**

Times have changed, and so has the climate of the workplace. No longer can public agencies afford to fill positions with reactionary measures. Short-term approaches will only continue to dig a deeper hole for those agencies using such antiquated systems. Today, progressive public employers are finding ways to modify (or even throw out altogether) the traditional approaches to succession planning. In their place are new and progressive approaches that will ensure the future leadership strength in the organization. Talent management focuses more on the strategic needs of the organization. Working as a continuous process, it provides a form of organizational development that takes a proactive approach to preparing individuals to take the leadership reins of the organization in the future. In doing so, the organization also contributes to a higher retention rate by creating a work environment where employees feel there is promise, and there will be future opportunity with the organization.
Talent management consists of six key elements—all of which are essential, if the organization expects positive results for the effort. The following six crucial factors in managing talent will be discussed:

- Alignment of the organizational strategy with the core values;
- Top management leadership;
- Line management ownership;
- Substantial and frequent talent reviews;
- A focus on development from within; and
- Incentives for investment in development.

For talent management to be effective, it must be a philosophy aligned with the organization’s goals. If the organization does not value the development of staff, and if the core values of the organization do not focus on people, talent management will not be supported. Likewise, top management, both elected and appointed, must adopt the idea that the strength of the organization lies within its people, and that when the people become more skilled, the organization benefits. The efforts will fail without top management support. Line management staff, including first-line supervisors, must support the concept of talent management and must be held accountable for the development of their employees. Without supervisory involvement, the organization will be without leadership development at the most critical place: the front line.

For talent management to be effective, the organization, along with the front-line supervisor, must conduct regular and meaningful talent reviews. In this process, training leaders, as well as management, must assess current talent levels by evaluating the necessary talent needs of the future and identifying the gaps in talent. From there, the leaders should develop processes
and systems for fostering individual development opportunities that are available to employees.
Of course, individual development is only successful if the employees are interested in their own
development. For that reason, development plans should be available to all employees, but not
required by the organization. Finally, for those employees willing to pursue development
opportunities, there should be incentives for taking such steps. Front-line supervisors should be
rewarded for supporting employee development efforts.

**Talent Management in Action**

Talent management can take on many forms. Governments across the United States are
experimenting with a variety of new and innovative methods for retaining and developing their
talent. A few examples of the steps being taken include:

- Enhancing job experiences through job rotation and new staff assignments for long-
term employees;
- Creating “Top Gun” academies that offer formal training and coaching for a selected
group of star performers;
- Utilizing 360 degree feedback tools to help employees develop their own personal
development plans that are actively managed by a talent coach and the employee’s
manager;
- Using personal coaches to provide support to current or potential leaders;
- Establishing co-managers in critical functions to ease older leaders into retirement
and to prepare new leaders for their new roles; and
- Outsourcing hard-to-fill functions and diverting existing staff to more strategic roles.
Beyond Talent Management

While talent management and the development of staff remain the primary recommendation of this article, several other measures must be mentioned to fully explore the issue of talent drought. Many public sector organizations are finding success with active talent management to retain their best workers and to prepare them to lead the organization in the future. However, talent management may not be enough to win this war. Therefore, four other recommendations will supplement talent management efforts.

First, organizations must do their best to retain older workers and maximize their contributions. Efforts including phased-retirement programs and hire-back programs prove that organizations recognize that a great resource is lost when the long-time employee leaves. In addition, knowledge management efforts—a planned approach intended to capture the organization’s memory—may be appropriate for those organizations concerned about losing information when a long-time employee leaves.

Second, some organizations are rekindling the concept of the assessment center—but not for selection purposes. Assessment centers are now being used to help employers identify their workers’ current development needs. Termed “acceleration pools” by William Byham, assessment centers can also help the organization identify potential talent in an objective and defensible way, and it can help employees determine their own areas for development.
Third, traditional, civil service government systems must begin to look for flexible ways to adjust old rules that are no longer applicable in today’s labor market. For example, some personnel rules state that the organization cannot fill a position until it is vacant. Many public sector agencies are bending this rule to allow the new leader to work side by side with the outgoing leader in order to learn as much as possible. The concept of using a co-manager for any length of time has been rebuffed by some agencies, because the fiscal system will not allow two people to fill one full-time equivalent position. Progressive human resources leaders must begin to ask, “Why?” in the face of such system roadblocks to find ways to accommodate the necessary learning of individuals.

Finally, while talent management and development planning are the recommended course of action in today’s work environment, some organizations are turning to outsourcing as a way to address the staffing drought. San Diego County recently outsourced all of its information technology work. According to Carlos Arauz, San Diego County’s human resources director, county information technology workers were given the opportunity to apply for work with the organization that won the bid. Many workers found an opportunity to improve their skills by working for a different employer, yet under the same umbrella organization and in the same work setting. Most experienced a win-win outcome through outsourcing.

**Summary**

Public sector human resource professionals must wake up. Current economic conditions, along with shifting demographics, will no doubt impact their organization in the next five years. Those professionals who anticipate these changes and propose solutions to these issues will become the
heroes of their organizations. The crisis can be diverted, and public sector organizations can prosper—but only through proactive staff development and retention efforts.

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Notes

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