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Workforce/Succession Planning

Preparing for the Exodus: Filling Big Shoes



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CPM Project Paper
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Introduction

Throughout the nation, in both the private and public sectors, executive level staffs are grappling with the issue of workforce or succession planning. As America and the state of South Carolina ages, the startling reality looms nearer that an exodus from the current workforce will begin. Like the rest of the nation, South Carolina watches as its population slowly ages and the pool of workers with knowledge and expertise continues to shrink. South Carolina, however, adds an interesting wrinkle to this problem with its Teacher and Employee Retention Incentive (TERI) program.¹ The TERI program, initiated in 2001, allows workers in the state retirement system with at least 28 years of service to retire from the system, but continue to work in their present position up to five years. The TERI program extends the delay from retirement; nevertheless, it does not mitigate the inevitable flight from the active workforce. The migration of the aging workforce to retirement will usher in an era of potential loss of institutional knowledge and a decreased sense of knowing how to maneuver through the landmines and mazes inherent in most large work environments.

Those now entering the workforce often come with a multitude of technology skills and perhaps are expected to have a shorter learning curve; however they

¹ SC Code of Laws § 9-1-2210

often do not have an extensive knowledge base. The "newbies" are often replacing persons who have high job competency skills, know the historical layout and have experienced past experimental efforts. It appears that while entire organizations wrestle with this issue of identifying key positions, forecasting future requirements and assessing or developing job competencies, South Carolina is asleep at the helm, poised to be reactive instead of proactive. Like a child who tries on his parent's shoes and realizes they do not fit, South Carolina must recognize the fact it has big shoes to fill.

Bureau of Senior Services

The Bureau of Senior Services (formerly the Commission on Aging and Governor's Division on Aging) is a relatively small bureau in the SC Department of Health and Human Services. Our mission (to enhance the quality of life of older South Carolinians) supports overall mission of the agency, " ...provide statewide leadership to most effectively utilize resources to promote the health and well-being of South Carolinians." The management staff of the Bureau realizes that if we are to be congruent with the overall agency goals and provide uninterrupted "customer service", "quality" and "innovation", it must begin to examine or address the issue of workforce planning.

Since the inception of the TERI program, several staff within the Bureau have enrolled in the program. Approximately half of those currently enrolled are scheduled to leave in 2005.

Since most of the employees in the Bureau function in specialized capacities, (Long Term Care Ombudsmen, Medicare Counseling, Alzheimer's, Senior Employment, Older American's Act administration, etc.), the loss of experienced staff has a significant impact on the provision of services.

Purpose of the Project

Developing a workforce planning strategy is a mammoth task. Often it requires both a multi-year and multi-layer (organizational assessment, retention and recruitment, workforce forecasting and analysis, etc) approach. This CPM project will only attempt to draw attention to a microcosm of the latent problems associated with the impending exodus of an aging workforce. The project will focus primarily on the Bureau of Senior Services (BOSS); an entity within the organization of the South Carolina Department of Health and Human Services.

An employee survey ^{was} ~~will be~~ conducted to begin the process of assessing the current level of training and cross training in BOSS, as well as its potential to be impacted by retirement. In accordance with the Malcolm Baldrige system (on-going assessment), the survey is the first step to assess the current structure and develop possible process improvement strategies. The Plan Do Check Act (PDCA) Cycle will also be used to tackle problems as they are identified and eventually move to problem resolution. ✓

Survey Results

An in-house designed survey consisting of five questions (four being “yes/no” and one indicating length of time remaining before being eligible for retirement) was distributed to BOSS staff. **(See Appendix A)** Sixty-nine percent (25/36) of the staff returned the survey. The results represent a snapshot of DHHS staff and reveal the current state of readiness for the Bureau of Senior Services.

An analysis of the survey reveals:

- 44% of the respondents had some form of cross-training within the last twelve months
- 72% of the respondents attended either an agency or bureau sponsored training within the last twelve months
- 64% of the respondents feel their job duties did not adequately reflect their daily job responsibilities
- 52% of the respondents feel no one else in the Bureau knew how to do their job

When asked about eligibility to retire, the findings reveal:

- 24% of the staff responding will be eligible to retire in 1-2 years
- 8% of the staff responding will be eligible to retire in 3-4 years
- 4% of the staff responding will be eligible to retire in 5 years
- 64% of the staff responding will be eligible to retire in 6+ years

Additionally, 83% of those eligible to retire in the next two years responded no one else in the Bureau is trained to do their job. They also stated their position description does not reflect their current responsibilities. Staff appears to have (and take advantage of) opportunities for training for professional development. They also appear to have "hit and miss" opportunities for cross training (44% yes, 56% no in the survey), but no sustained efforts for assimilation of knowledge. The fact that approximately one-fourth of the staff who responded will retire by 2006 is disconcerting. The soon to come attrition, coupled with the specialized knowledge of each member of this small staff makes the case of a need for workforce/succession planning.

Piecing It All Together

After the survey questions were determined and distributed, the task of securing state and national data began. Most of the data can be obtained from the Bureau of Labor Statistics and Census 2000 websites. However, it proved to be a daunting task to obtain data from the Human Resources department at DHHS. Upon request for data such as:

- the number of employees in the TERI program
- the number of employees eligible to retire in the next 1- 5 years
- the median age of DHHS employee,

The HR staff at DHHS state this information could not be automatically queried from the system and would require manual extraction of the data. Also, data regarding

an employees' years of service would require a "Special Request" to the SC Budget and Control Board's Office of Human Resources (OHR) or the SC Retirement Systems (SCRS). This is noted as a problem for future review because the ability to access this type of information or data set is crucial to an agency and is the fundamental platform of planning a workforce/succession planning program.

Fortunately, most of the data needed is obtainable from OHR. Currently, (according to OHR) the median age of a state employee is 45, the average state employee has been employed for 12 years*, and there are 5,038 employees in the TERI program (104 DHHS employees). The median age for a state employee (45) is greater than the median age for both South Carolina (35.4) and the US population (35.5).² The average state employee appears to be a mid to upper range "baby-boomer" poised to exit the system within the next ten years. Unfortunately for BOSS, there is a greater sense of urgency to initiate a workforce plan as approximately 35% of its' current workforce will retire or will be eligible to retire within the next five years. The staff in the Bureau is beginning to grasp the need to capture or transfer an employee's knowledge prior to departure upon realizing that more than one-third of the staff (13%) retiring in two years is executive to mid level management.

* Data from the South Carolina Retirement Systems does not include work in the private sector or non-SCRS (federal/local) entities.

² Census 2000

Where Do We Go From Here?

"Knowledge is like money; to be of value, it must circulate, and in circulating it can increase in quantity and, hopefully in value." – Louis L'Amour

At the onset of this project, the focus was on workforce/succession planning and its tenets in the purist sense (organizational assessment, workforce forecasting, retention and recruitment, leadership assessment, and outcome measurement)³. As the project has matured, the focus has broadened into a more panoramic view of the various components of a workforce/succession plan that now includes knowledge management/transfer. One of the many definitions of knowledge management is "the process of capturing and sharing a community's collective expertise to fulfill its mission"⁴ or simply, collectively capturing and utilizing employee expertise. This is imperative to any organization since as much as 90% of its "intellectual capital" is in the heads of the worker.⁵

The Bureau of Senior Services will attempt to capture the "tacit knowledge"⁶ or knowledge in the head of the employee. This project is in the formative stage, therefore no data or feedback is presently available. The Plan, Do, Check, Act Cycle will be used to implement the transfer or sharing of knowledge among employees. The knowledge management/transfer concept will be piloted in the Division of Elder

³ U. S. Office of Personnel Management

⁴ Public Roads, November/December 1999, Knowledge Management: Everyone Benefits by Sharing Information.

⁵ Barth, Steve "Defining Knowledge Management." Knowledge Management. June 19, 2002 <http://www.destinationkm.com/articles/default.asp?articleid=949> (Accessed 2/13/2004)

⁶ Ibid

Rights. Two employees in this Division with a total of four persons will retire in the next two years; one will retire in December 2004. Efforts will focus initially on capturing the knowledge of the individual who will retire this year. Currently, she is responsible for a database and is the only individual on staff able to operate the system. This is a classic example of both explicit and tacit knowledge⁷ as she has a Position Description with her duties outlined, but a bulk of her functions are not documented and are solely in her head.

An interview of the pending retiree reveals halting attempts at cross-training others for her position. No specific plan for cross training was developed; therefore no sustainable results were achieved. The employee's Position Description will be compared and cross-referenced with her list of critical job functions and events. Components from the Knowledge Management Table⁸ –Identifying and Collecting, Storing and Transferring (**See Appendix B**) will be used to initiate the process. Job shadowing, documentation and interview will occur to affect the preliminary transfer of knowledge. The information obtained will be stored both electronically and in hard copy for ease of access and in the event of a system failure. The actual transfer of knowledge should occur in a myriad of ways via the mentoring process, on-the-job training, story telling, ^{and} lessons learned, ^{and} ^{other} ^{divers.}

Effective transfer of knowledge will be assessed initially through the mentored individual's ability to operate the database, provide technical assistance to the providers and appropriately review and refer cases for investigation. A format

⁷ Ibid

⁸ Why Knowledge Management/Transfer, November, 2002. http://www.cs.state.ny.us/succession_planning/workgroups/knowledgemanagement/whyknowledge.html (Accessed 2/10/2003)

for the electronic storage of knowledge will be developed. Though the evaluation instrument has not been completed, assessment of successful knowledge transfer will be done on a monthly basis.

The key stakeholder (Bureau Chief) supports the workforce/succession planning concept. Successful implementation of this process in Elder Rights will result in the expansion of the model into other areas of the Bureau. This will be a continuous, ongoing process, where each Division will eventually be responsible for the updating of their documents, assessing, training, etc. as the critical elements and job duties evolve.

Summary

"The time to repair the roof is when the sun is shining." – John F. Kennedy

The Bureau of Senior Services, South Carolina Department of Health and Human Services and the state of South Carolina can begin the process of repairing the roof prior to the arrival of rain. One of, if not *the* key element to the success of this or any process change is the shift in culture within an organization. In order for this project to be successful in BOSS and potentially in the agency, the key stakeholders must value the knowledge of the employees and seek ways to constantly harness and harvest the information employees have accumulated during their years of service. In this era of re-organization and constant change, the concept or practice of knowledge management, knowledge transfer, knowledge

sharing is a force multiplier to any business. Done properly, knowledge sharing helps to build and maintain the institutional memory of an organization and assist in achieving its strategic objectives. The Bureau of Senior Services, like the rest of state government has big shoes to fill now, as well as the years to come. We can be ready to fill those shoes and accomplish our mission through a change in "corporate culture", valuing of intellectual capital, the adoption and implementation of a plan, and a "buy in" by the staff to share and document processes, experiences and lessons learned.

"An investment in knowledge pays the best interest" – Benjamin Franklin

Appendix A: Survey Instrument

DHHS
Bureau of Senior Services
Workforce Planning Survey

The following survey will be used for inclusion in a Certified Public Manager project paper. Please complete the survey and place it in Dale Watson's mailbox by Thursday, February 5, 2004.

1. Have you been involved in job cross training within the last twelve months?
 Yes No
2. Have you attended agency/bureau sponsored training to update your skills within the last year? Yes No
3. Does your job description reflect all your duties and responsibilities?
 Yes No
4. Does anyone else in the agency/bureau know how to do your job? Yes No
5. Will you be eligible to retire in the next:
 1-2 years, 3-4 years, 5 years, 6+ years

Appendix B: Knowledge Management Table

KNOWLEDGE MANAGEMENT / TRANSFER
Knowledge Management Table

Knowledge Management A systematic approach to finding, understanding and using knowledge to achieve organizational objectives.		
Identifying & Collecting Knowledge Audit/Inventory Knowledge Mapping Best Practices Documenting Processes Expert Interviews	+	Storing Document Repositories Document Management Systems Databases
	+	Transferring Apprenticeships Communities of Practice Job Aids Knowledge Fairs Learning Games Lessons Learned Debriefings Mentoring On-the-Job Training Storytelling Training

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