

The Great Escape: How retirement, recruitment, and retention are impacting the field of public works

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While recently attending a retirement party for a 38-year career public works employee, I was shocked by the number of his fellow employees who were planning for retirement within five years. In that particular division, over 40 percent of the employees (25 out of 60) were eligible for full retirement by 2009—virtually all of them serving in key technical, planning, or administrative positions. Our surveys indicate that many public works organizations will face similar retirement numbers beginning in 2005 and escalating rapidly for the next twenty years. In one department I recently visited, fully 80 percent of an entire division will be eligible for retirement before 2010!

This phenomenon is certainly not new. According to the Bureau of Labor Statistics, between 2002 and 2012 the number of people in the labor force ages 55 and older will increase by 51 percent and those ages 65 and older by 43 percent. Obviously, this means that large numbers of older employees will reach retirement age at approximately the same time. For those working in “Rule of 85” or “Rule of 90” programs, many are eligible for retirement beginning at age 55 or even younger. No matter how the numbers are calculated, the message is irrefutable—large numbers of public works employees, many with great technical expertise, will begin retiring within five years. The challenge of replacing talented employees has become a major national crisis that must be addressed by not only the public works profession but also by elected officials and public managers in every state, city and county in America.

The growing dilemma

There is an element of “predictable surprise” in this dilemma. A simple review of age and tenure can help predict potential retirement schedules and estimated numbers. More departments are becoming aware of the situation and are able to predict the talent loss. But awareness often compounds the true challenge—replacing seasoned professionals who have gained the bulk of their institutional memory through many years on the job with continuous training during years of extraordinary technical innovation. Simply placing ads to replace retiring talent does not address issues of lost institutional knowledge, acquired skills, and community-wide collaborative relationships.

It is clear that the number of seasoned, talented public works professionals approaching retirement far outpaces the number of young or mid-career employees entering the profession. Yet recruitment is becoming more difficult, turnover is higher than ever, and options for training and career development are being hampered by misguided budgetary decisions. At a time when the public works

profession is being decimated with retirements there are converging variables that portend a grim future. How public works, transportation and utility organizations deal with this growing dilemma will have a huge impact on every community’s ability to sustain basic infrastructure that supports a level of comprehensive community development that is essential for economic vitality.

A tough sell

Conversations with senior managers across the U.S. have underscored the difficulty with recruitment. With some positions open for six to eighteen months, many departments still cannot attract the expertise required to replace seasoned veterans. Surveys conducted during broad-based strategic planning reveal that the current public environment has created a negative atmosphere in which to recruit and that retention is growing increasingly difficult.

Clearly, many public works organizations have not gained a significant level of respect, stature and support in their communities. In many ways, they continue to remain transparent to the general public. This is partially due to the tendency of technical professionals to focus on critical projects while spending little time on public relations or political coalition building. There is little time for image building when waste treatment, road resurfacing, water system capacity, stormwater planning, and reducing traffic congestion remain vital to community development. Unfortunately, the result is that our public works departments are rarely seen as magnets for young career-minded professionals.

The number and complexity of technical projects have also escalated over the past twenty years while public scrutiny and political demand have become almost overwhelming. In our studies, we consistently find that very few public works departments have staffing levels adequate for the growing workload, yet financial support has declined as budgets are stretched by slow economies, conflicting priorities, and continuing security concerns. And, with so many conflicting projects, it has become increasingly difficult to sustain long-term project plans without constant amendment.

Similar to the aging public infrastructure, the facilities and capital equipment of many departments have become outdated and insufficient to meet evolving program needs. Luring new talent to a department through the promise of great facilities, the latest technology, and modern equipment is not an option for many managers. Yet, among high school and college graduates, these ingredients are among those most often noted when describing an ideal work environment.

Perhaps the two most significant issues for potential recruits are salary and career opportunities. Frankly, salaries have not kept pace with private industry and are in many places 25% to 40% below similar positions in industry. To exacerbate this, many recruits seem interested if there is a clear career path and the promise of job growth, but decline when learning that training and professional development budgets have been all but eliminated. A pretty bleak picture for mid-career recruits or bright young people who are seeking a promising career!

In this environment, why would anyone want to join or remain with a public works organization? What might motivate talented people to join the public works team, build a career, and do great work?

The "Catch-22"

Taken alone, the growing number of retirements would seem to be a straightforward problem. But when combined with the increasing number of employees leaving public works after staying from three to ten years and the lack of recruitment success, the challenges stated here have no simple remedy. While business journals such as *Forbes*, *Fortune*, and *INC. magazine* also address the pending number of Baby Boomer retirements, various authors suggest sensible remedies related to salary adjustments, accelerated career paths, more elaborate professional development options, and ingenious recruiting strategies. This might work fine for private industry, but are those same options available to government? Essentially, the answer is "No."

Cumbersome personnel and human resource policies hamper recruitment at a time when process innovation and evolution have become vital. When compared to private business, public agencies are far too constricted and confined when competing for talent, especially in highly technical fields. Similarly, salary surveys consistently indicate that private industry is far ahead of government when establishing equitable salary structures, something sorely needed for almost every professional or technical position in public works. When adjustments are required to attract talent, business can make them virtually overnight—something that is generally impossible in overly bureaucratic and ponderous public personnel systems. (This is often not due to lack of expertise among HR and personnel staff, but to archaic public policy and/or lack of awareness and support among elected officials.)

As noted earlier, when promising applicants are inclined to accept a position for less money they often lose interest due to poorly defined career paths and the absence of formal professional development programs. Even the prospect of working on challenging public projects cannot overcome a marginal salary, long hours, constant public/political scrutiny, unclear career opportunities, and lack of continuing professional training. So, at a time when we are losing many of our most respected senior employees, technical complexity and project workload are increasing, and retention is becoming more difficult, public works leaders are finding even fewer options for sustaining or building a workforce to meet predicted demand.

Five recommendations

There are five critical areas where progress is needed. Each requires collaboration with and support from elected officials, personnel managers, and human resource departments, but all offer the means to break the cycle that will otherwise continue to plague the public works profession.

Provide a "clinical" assessment of employee retirement, turnover and retention issues. Prepare a very clear, concise and "clinical" assessment of employee retirement with schedules showing loss of institutional memory as well as essential technical knowledge and skills. Consider this a discussion paper that outlines the situation pertaining to talent loss, rate of turnover, declining tenure, and recruitment difficulties. Review the status of professional development and training programs, indicating their value and your department's current level of formal employee development. Discuss salary surveys, with supportable data related to comparable salaries in similar industries and government agencies. Inform decision makers of the issues with documented impact on program and project delivery, service quality, and cost to the community.

Continued on page 28

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Continued from page 27

Focus on employee training and development. For many technical disciplines, half of what is learned in college or in specialized training is obsolete within five to eight years. State and local government has been extraordinarily myopic about continuing professional development, often cutting the very training and development programs that would otherwise help sustain desired quality and service levels. Public works leaders must address this through honest discussions with elected leaders and policy makers. Establish mentoring programs, develop internal orientation and training programs for core competencies and specialized skills, and create your own development systems. The International City/County Management Association (ICMA) has published and currently distributes this author's guide detailing how to evolve from performance review systems to employee development systems that promote performance while creating clear career paths for all employees. Research tells us that new recruits *and* established employees will increasingly demand career and professional development. To successfully retain employees and recruit new talent, it is essential.

Remember, the only thing worse than training people and having them leave is *not* training them and having them stay.

Use retired technical talent. Recent AARP surveys report that fully 80% of retiring Baby Boomers plan to work in retirement. This will provide and is already providing a huge talent repository replete with every technical specialty and type of experience needed in most departments. The only barriers involve existing policies that might not accommodate individuals who want to work part time or have very flexible hours. Forward-thinking leaders will recognize this cadre of talented professionals and immediately begin to develop personnel policies that allow flexible contracts. Based on survey information, retirees in this growing talent pool are already well trained, are inured to difficult project demands, like to work, and are very experienced. Combined with sensible recruitment and succession planning, using capable retirees will ensure adequate staffing for scheduled projects, provide more senior talent to use as mentors, and will moderate staff costs.

Conduct succession planning. Similar to private industry, it is essential that every public works department have a clear management development and succession plan. Take time to analyze the management structure and determine how retirement or resignations might impact service delivery, institutional memory, and operating effectiveness. Develop If-Then scenarios for several potential situations involving loss of personnel and pose remedies designed to maintain the highest quality work output and project delivery. For those considered top leadership candidates, provide a formal development program that will allow them to grow professionally while preparing for potential management openings. Invite broad participation—every learning opportunity pays dividends for both the community and your department.

Accelerate recruiting. Public works must establish itself as a wise professional career choice. This cannot be done without a totally revamped recruiting system that actively seeks new talent, both early

and mid-career. Learn to showcase your department and what it means to the community. Establish a team of employees that visit local high schools, junior colleges and universities during career fairs, explaining to prospective candidates the exciting challenges associated with public works. Talk about your history, contributions, projects, career opportunities, job variety, and other aspects of public service. This must be done as a formal, planned and continuous process that may require support from elected officials. They must understand that it takes time and resources but will pay dividends to the community while ultimately saving money.

Meeting the challenge

For leaders of technical organizations, sustaining a strong employee base is similar to football coaches who have to constantly recruit new talent to take the place of graduating or lost players. It takes a concentrated effort and often requires new processes, structures, and support systems. For public works, this major leadership challenge must be shared with elected policy makers as well as public managers at all levels. The changes needed to address growing problems are not small, but not meeting challenges associated with retirements, recruitment and retention will have potentially disastrous long-term consequences.

Of all the work required of public works leaders, developing and sustaining a competent, vibrant, and renewable workforce is the most essential. Don't ever forget that employees are your greatest single asset, with the power to energize or debilitate, create or destroy, innovate or stagnate, motivate or contaminate a section, bureau, division, or entire department. The challenge is defined...the choices are clear.

Dr. John F. Luthy can be reached at (208) 345-5995 or at futurescorp@aol.com. This article was prepared in support of APWA's Click, Listen & Learn leadership series, and portions will be presented during a live webcast entitled "The Great Escape: How Recruitment and Succession Planning Can Be Your Greatest Public Works Legacy," scheduled for January 13, 2005. Register now at www.apwa.net/Education/.

Leadership in the New Age of Public Works with John Luthy, a CD-ROM, presents how and why public works leaders need to step into a new era of visible and proactive community leadership. The publication *A Little Book on Job Success provides valuable tips and techniques for success in the workplace. The publication Strategic Planning: A Guide for Public Managers, also by Dr. Luthy, describes a practical new approach to strategic planning that provides a framework for success. All can be ordered online at www.apwa.net/bookstore or call the Member Services Hotline at (800) 848-APWA, ext. 5254.*

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