



# PLANNING

for employee turnover

BY CHESTER MOYER AND JEFF WINTER

We see frequent reports about the wave of retirements that looms over the public sector, which would seem to indicate some urgency for succession planning — but solid planning for employee departures isn't just about retirement. Most governments should take a look at how they've prepared for upcoming years of retirements, as well as staff losses in general, which can happen at any time.

## PLANNING FOR THE FUTURE

A strength of many governments is that they plan for the future. Whether by specific legislative code or by more informal coordination, most jurisdictions put forth a substantial long-term planning effort to ensure that the community has ample social and cultural opportunities, for instance, or that land use meets government objectives. Many governments have entire departments dedicated to this type of planning, which focuses outward, on the future of the region.

Governments need to make a similar level of commitment to look inward and consider their personnel infrastructure. Jurisdictions need to make time to develop a strategy for addressing employee age demographics, just like other strategic planning they undertake. This process is about more than just convenience; it is also about having a sound internal control environment.

Anything that could potentially disrupt the jurisdiction's ability to achieve its objectives is something that should be planned for, and that includes making sure the organization has an adequate workforce. By projecting the impact of each departure, governments can gain a better understanding of its significance. The organization needs to have contingency plans that are clearly defined and understood by the parties who might be affected, and the plans should address both short- and long-term needs.

## IDENTIFY POTENTIAL SKILL SHORTAGES

To understand the potential impact of turnover, a govern-

ment should map out all the key members of its departments. This exercise provides the jurisdiction with an opportunity to assess the impact that the departure of these employees would have on its operations, productivity, communications, and culture. Management can use this organizational chart to identify potential skill shortages. Units where there are no significant pending retirements or other anticipated departures can be shaded in green; areas of moderate concern, yellow; and areas where there is a worry over significant departures in the next five years, red. This visual aid will help the jurisdiction focus on the areas that need the most attention.

The government's key executives as well as members of its oversight board will have to be involved in the analysis to properly address the impact that departures are likely to have. Individual managers will be able to determine how losing a given employee will affect the department, taking into account the talent, expertise, and knowledge that will still be available. Management should also be able to help determine whether there is already a viable candidate in place to replace an employee leaving a key position, or if the jurisdiction will need to look for outside talent. They will also be aware of any anticipated changes in the amount or type of work within their departments, along with resource allocations throughout the year.

Making time to develop a strategy for addressing employee age demographics is about more than just convenience; it is also about having a sound internal control environment.

Involving the governance board in the discussion makes succession planning more transparent. It also helps managers understand their roles in handling the changeovers (e.g., approvals of resource allocation or organizational chart changes). Waiting until an employee leaves to address these issues creates a hurried process that could lead to problems.

## ORGANIZATIONAL REPORTING AND JOB REDESIGN

Jurisdictions that know where to expect significant retirements can use this information to reconsider their reporting structures. Effective analysis requires candid discussion

among decision makers, and participants might be called on to imagine transitions for themselves. A discussion about letting go of one's responsibilities is likely to feel awkward, but the organization is best served by being open to change. For instance, it might make sense to eliminate reporting layers, or to rearrange reporting and oversight responsibilities.

Or consider adding responsibilities to create a new position for a talented existing employee, allowing a jurisdiction to increase that person's salary despite a pay freeze and retain that worker. This is an example of job redesign, which can also be an effective cost-cutting measure. Increasing one person's salary creates a smaller payroll expense than hiring an additional person. Other opportunities for job redesign often begin by identifying a desired output (e.g., paying invoices) and looking for technology that can accomplish that process.

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Sometimes redesigning a specific job to fit a current employee is not the best solution, and in these cases, organizations might consider outsourcing the function altogether. Many functions are outsourced to private contractors, including:

- Human resources, including screening for hiring, payroll, benefits, and health and wellness programs.
- Aspects of accounting and financial reporting.
- Internal auditing.
- Significant portions of information technology and data warehousing.
- Litigation support.
- Public works.
- Parts of parks and recreation programs, especially golf courses and recreation center management.

## EMPLOYEE DEVELOPMENT

Psychologist Frederick Herzberg's motivation-hygiene theory is often cited in discussions of employee engagement. In his research, Herzberg found that three of the most important motivators for employees are challenging work, responsibility, and recognition. A positive result of turnover in the senior ranks is the opportunity it creates for younger employees to fill those positions. Employees who are driven to succeed in an organization are demoralized when there is limited or no upward potential.

When employees leave, the resulting transitions can create opportunities to provide employees with challenging work and additional responsibilities. Some ideas for doing so include the following:

- Form a focus group to help recruit job candidates via social media.
- Develop a three- to five-year mentorship and development plan for a younger worker to take over his or her boss's job. The plan should include items such as going to pro-



professional meetings, attending national conferences, meeting contacts, working with the auditing firm, and so on.

- Include the employee in HR interviews and reference checking.
- Foster direct contact with key governance leaders.
- Give him or her full responsibility for major projects such as finding an IT firm, selecting a health-care provider, hiring an audit firm, developing a banking relationship, staffing the finance committee, or presenting the annual budget to the city council.

Being identified as a high-potential employee and provided with unique leadership development opportunities are also potent forms of recognition.

Employee development also requires decision makers to understand the leadership characteristics valued by the jurisdiction. Organizations generally have a vested interest in promoting the employees who have demonstrated those desired characteristics over a number of years and in challenging circumstances. Promoting untested employees based on traits such as going to the same graduate school, liking the person, having a lot in common, and so on can lead to real problems down the line. Likewise, having to hire from outside the organization because of insufficient internal talent can be disruptive, especially if the new hire doesn't mesh well with the existing culture.

## RETIREES: LEAVING A LEGACY

Governmental employees are civil servants — their careers have been focused on serving others. In this spirit, refocusing on the government's internal needs by ensuring that their unique talents are transferred appropriately is right in line with the outward focus associated with the highest levels of leadership. Talking candidly about age demographics is often threatening to more experienced workers, and if it is done carelessly, soon-to-be retirees will not fully engage in the process of addressing succession and reassign-

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ing job responsibilities. But if it is done well, drawing on tenants of civil service, the process can energize experienced workers and help them retire feeling that they've left a positive legacy.

Experienced employees can identify their unique talents through a combination of honest self-assessment and discussions with others. Do they regularly supervise large, complex projects? Are they responsible for identifying appropriate vendors, understanding subtle differentiators? Are they responsible for evaluating the quality of a construction project? Once these talents are identified, a plan should be developed to transfer the employee's knowledge and performance expectations to others.

Knowledge transfer doesn't have to take place overnight. If a person expects to retire in five years, transferring approximately a tenth of their responsibilities each year for the next five years will mean that at their time of retirement, half of their responsi-



bilities will be addressed. Completing the process gradually allows time for education and feedback. At the time of retirement, enough of the workload will be transferred to ensure that the process is completely understood by all parties, and absorbing the remaining half of the responsibilities is a realistic project. Retirees can leave the organization knowing that their responsibilities are in capable hands, and that they will be remembered not only for their competent work but also for their generous spirit in helping develop others and ensuring that citizens receive the services for which they are entitled — a legacy most public servants would be happy with.

## CONCLUSIONS

Governments need to recognize the potential for turnover of critical employees due to retirement or other reasons,

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analyze the ramifications, and build the concept into their strategic analysis, much like they already do with long-term capital projects analysis and ordinance development. With good planning, significant employee departures need not be entirely disruptive. Rather, they can provide unique opportunities for organizational redevelopment and promotions of talented employees. ■

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