

Emerging Issues

Responding to an Aging and Changing Workforce


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The Panel

- Mike Smith, State of Illinois
- Charles Covington, State of Florida
- Curt Topper, Commonwealth of Pennsylvania

The Issue...

Aging Workforce
+
Fewer Younger Workers
=
Workforce Crisis?

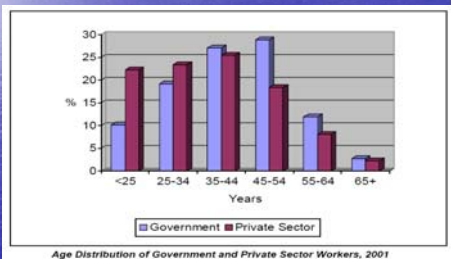


How Do States Address...

- Loss of Institutional Knowledge
- Recruitment of a New Generation of Workers
- Transformation of Public Sector Procurement
- Retention/Sustainability

Facts and Statistics

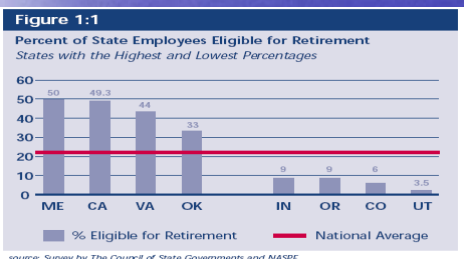
- First time in U.S. history that there are more older citizens than younger
- Public sector labor force will feel impact of aging population greater than private sector
- Public sector continues to outpace private sector in aging workforce statistics



Age Distribution of Government and Private Sector Workers, 2001

Retirement Trends and Projections

- Federal Government expects to lose 18.5% of workforce between FY 2006-2010. This is almost 4% more than the previous 5 year period.
- State projections:



source: Survey by The Council of State Governments and NASPE

Changing Face of Procurement

- Transition to More Strategic Role
- Process More Complex
- Do More with Less
- Budget Pressures
- Outsourcing Select Services
- Performance Management
- Increased Stakeholder Expectations
- Evolving Federal-State Relationship
- Social and Environmental Considerations
- Impact of IT



Transformation

Process → Strategic

- Strategic Sourcing
- "Best Value"
- Organizational Design

Complexity

- New Laws
- Expanding Markets
- Cooperative Purchasing

Do More with Less

- Expanded Authority
- Multi-Tasking
- Budget Issues

Outsourcing

- Developing strategies
- Privatization of public assets changes demand

Transformation

Performance Management

- Performance Based Contracting
- Greater expectations

Federal-State Relationship

- Homeland Security
- Sarbanes-Oxley
- Globalization

Social/Environmental

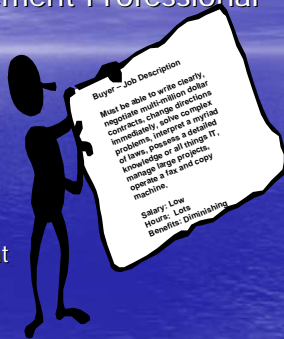
- "Green"
- Immigration Laws
- Sweat Shop Legislation
- Small/Diverse Business

IT

- Significant impact
- Mandatory skill set

The New Procurement Professional

- Skill Sets Required:
 - Communication
 - Adaptation
 - Analytical
 - Strategic Sourcing
 - Technology
 - Project Management
 - General Office



Required Skill Set

- Communication Skills
 - Writing
 - Negotiation
 - Presentation
 - Outreach/Marketing
 - Customer Service
- Adaptation Skills
 - Social
 - Environmental
 - Legislation
 - Administrative Policy
 - Budget
 - Politics

Required Skill Set

- Analytical Skills
 - Problem Solving
 - Research
 - Critical Thinking
 - Legal Interpretation
- Strategic Sourcing Skills
 - Reduce Cost
 - Increase Efficiency
 - "Think outside the box"
 - Creative
 - Forward Thinking

Required Skill Set

- Technology Skills
 - Internal Applications
 - Entire Procure to Pay Cycle
 - Integration of Applications
 - Importance to Solicitations
- Project Management Skills
 - Planning
 - Organizational
- General Office Skills
 - Office Operations
 - Teamwork

What Can States Do?

- Workforce Analysis and Planning
- Succession Planning
- Recruitment Strategies
- Retention Strategies
- Knowledge Transfer/Talent Management
- Education and Training

Workforce Analysis and Planning

- Know your statistics:
 - Employee ages
 - Years of service
 - Project retirements
- Know where to focus attention:
 - Do statistics show a pattern or trend
 - Where is training needed -- new staff and/or to replace retirees
- Identify and address issues related to staff replacement:
 - Resource constraints – funding/headcount
 - Union issues
 - Administration policy considerations

Succession Planning

- A subset of Workforce Planning
- Builds leadership capacity
- Action items:
 - Conduct periodic talent review
 - Cross train
 - Change is good to retain top performers
- Results:
 - Employee retention
 - Builds internal staff capabilities (bench strength)
 - Facilitates transfers across the organization

Recruitment Strategies

Challenge: attract most qualified candidate vs. government constraints

Where's the incentive?

- Monetary
 - Higher starting pay
 - Regional differential pay
 - Moving expenses
 - Parking
- Non-Monetary
 - Easier hiring process
 - Flexible work schedules
 - Business casual dress
 - Telecommute/virtual offices

Retention Strategies

Challenge: retain top performers vs. enticement of more money and greater opportunity for growth in private sector

Where's the incentive?

- Monetary
 - Periodic bonus pay
 - Promotional opportunities
 - Child care assistance
 - Part-time work – full-time benefits
- Non-Monetary
 - 4-day work week/9-day work schedule
 - Professional development
 - Job rotation – change is good
 - Telecommute/virtual offices
 - On-site fitness center
 - Improved communication
 - Inclusion in policy/strategy development, decision making

Knowledge Transfer/Talent Management

- Focus on staff development
- Prepare for retirees departure
- Bring back recent retirees on short term contract to train new staff
- Develop Knowledge Management system to capture both explicit and tacit knowledge
 - Work with pre-retirement staff to capture and document institutional knowledge



Education and Training

- Key to success of any organization
- Certification opportunities help with recruitment and retention – demonstrates a commitment to staff
- Related professional development opportunities help staff develop as individuals

Experiences of Other States

Florida



This is Charles -- please award that IT contract

Pennsylvania



This is Curt -- check out this fuel efficient state vehicle they gave me as an incentive.
