

Analysis: Batten Down the Hatches

By John Salamone November 25, 2009

During an October interview on Federal News Radio, Office of Personnel Management Director [John Berry](#) suggested the impending retirement tsunami might not be as catastrophic as projected. This insight presents an opportunity for OPM and agencies to rethink workforce planning and focus on mission-critical occupations and emerging skills.

For more than a decade, members of Congress, including Sens. George Voinovich, R-Ohio, and Daniel Akaka, D-Hawaii, have collaborated to provide agencies additional personnel flexibilities to address workforce shortages. The Government Accountability Office added strategic human capital management to its high-risk list in 2001 because "human capital shortfalls were eroding the ability of many agencies -- and threatening the ability of others -- to effectively, efficiently and economically perform their missions."

Berry makes a compelling case that a retirement tsunami is not imminent -- at least not yet. According to a March 2008 [OPM study](#), on average, employees continued working for Uncle Sam for four years after reaching retirement eligibility. About 25 percent stayed on board for up to nine years after they became eligible to leave federal service. OPM calculated that only 37 percent of those eligible for retirement in 2016 actually will leave then.

But agencies shouldn't be lulled into thinking the worst-case scenario won't occur. The workforce challenges associated with GAO's high-risk list still are evident. The wave of those reaching retirement eligibility will grow 5 percent to 7 percent each year, compounding the impact an exodus could have on government. Using the current 1.8 million-person workforce as a baseline, OPM projected 31 percent of employees would reach retirement eligibility by the end of 2010. By September 2012, nearing the end of the Obama administration's term, 45 percent will become eligible. Forecasting ahead to September 2016, the total jumps to 60.8 percent.

Looking at the big picture, agencies must take timely steps to address a potentially significant loss of talent and institutional knowledge, especially in critical occupations. The importance of comprehensive strategic workforce planning can't be underestimated when there still is time to predict rather than react.

As agencies recalibrate their workforce plans under the leadership and guidance of the Obama administration, these guidelines could prevent them from being caught off guard if retirement trends shift.

- **Link strategic workforce planning initiative to the mission.** Developing a clear line of sight between the two will communicate and reinforce how an agency is addressing its workforce challenges.
- **Pay attention to the numbers and trends.** Agencies should ask: Do our retirement numbers reflect OPM projections? What are the competency gaps and retirement projections for

mission-critical occupations? How are we going to develop existing employees to fill potential voids? What strategies can we employ to capture the institutional memory of senior-level experts? What are our internal and external recruiting sources?

- **Create a system to capture and convey critical human resources data.** Establishing a management dashboard containing relevant financial and human resources information can help shape and drive the workforce planning process. Managers also should have demographic information readily available. Adding competency gap analysis and retirement eligibility to demographic trends can give agencies a good picture of current and future needs.
- **Collaborate across the organization to develop and implement a comprehensive plan for all components of the multisector workforce.** Chief human capital officers were created to address, manage and oversee progress on workforce challenges. Teaming up with other agency officials, including the chief financial officer, chief information officer and chief acquisition officer, as well as managers and employee groups, the CHCO should serve as a conduit to ensure the workforce process is integrated with all management systems.
- **Execute the plan and evaluate progress.** The most successful workforce plans begin and end with an evaluation based on clear definitions of success and rigorous measures. Critical questions during this phase include: Were our retirement and staffing projections correct? What other unforeseen issues emerged during the year? What impact are external requirements from entities such as OPM, the Office of Management and Budget, and Congress having on the agency and the workforce? Did our programs make a difference? What are the emerging priorities for the coming year?

Taking the appropriate steps to develop and implement a strategic workforce plan will protect executives, managers and employees from a retirement wave, regardless of its velocity.

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