

# Ideas for Coping with Brain Drain in the Public Sector

Facing a wave of retirements, governments are looking for new ways to build up the expertise and knowledge of people coming up in the organization.

BY KATHERINE BARRETT & RICHARD GREENE | NOVEMBER 2013

About 80 years ago, Walt Disney realized that the Great Depression could prove to be very good to him. Not only were people eager for funny, short cartoons, but he could hire all the animators he needed for a song. After all, there weren't a lot of jobs out there. And that, in a nutshell, is how the Disney empire began.

A similar phenomenon has been taking place in cities, counties and states over the last few years. Despite all the pressures of the recession, one thing government entities didn't have to worry about was recruitment and retention. Even the long-threatened wave of retirements was more like a gentle ripple. Unable to afford to retire, employees stayed in place, leaving a workplace that was, in the words of Kraig Knowlton, director of personnel services in Kansas, "aging and aging and aging."

But now, as the economy improves, many people who had delayed retirement are heading out the door. At the same time, governments are facing renewed competition from the private sector for good workers. In many fields, the increase in turnover is still more of a threat than a reality, but in high-demand occupations like information technology, the challenges are well under way.

Oakland County, Mich., is one spot that's already feeling the pain. Right now it has a 20 percent vacancy rate for its information technology positions. The county knew it was facing a lot of retirements, but its succession plans have also been thwarted by private-sector raiders who have lured away the very people who were in line to take the positions vacated by retirees.

Phil Bertolini, deputy county executive and chief information officer for Oakland County, says a government like his needs strong succession planning to deal with the turnover issue; it needs to make sure institutional knowledge doesn't vanish when people leave; and it needs to ensure that the next generation of workers has the tools necessary to do their jobs well. "Anyone who turns a blind eye to this," he says, "is setting themselves up for disaster."

The effort to pass capacity down from generation to generation is often called knowledge transfer. "You have all this intellectual capacity that people bring and the years of experiences, nuances, contacts and connections," says Rob Carty, director of career services and next generation initiatives for the International City/County Management Association (ICMA). "If you have a city manager with lots of regional connections and relationships, when they leave the relationships go with them in many cases."

The kind of information that needs capturing goes beyond the sorts of data that can be documented—it's the nuances: how to negotiate with the city council; how to handle the

concerned citizen who always shows up at council meetings; who to call to get the keys to the town snowplows.

Some governments are focusing not just on direct transmission of information from the departing employee to a new one, but also on looking for other ways to build up the expertise and knowledge of the people who are coming up in the organization. Ideas include:

- **Internal sabbaticals.** A person is put in a temporary new position to learn the ropes of something completely different from his or her normal job.
- **Talent exchange programs.** Communities switch employees, giving each the opportunity to participate in a “stretch position” for three months in another community to experience how it works. Often this can involve changing job duties and titles as well. A budget analyst, for example, might switch places with a management analyst or community relations specialist. “It’s a great tool to foster internal staff development,” says Carty. “The person comes back freshened up, with a new set of skills, positioned to advance within the organization.”
- **Management fellowship or internship programs.** These can take a variety of forms, including one that ICMA runs to prepare future city managers through a one-year program that gives them diverse on-the-job training.
- **Phased retirement.** This process enables retirees to wind down their work slowly rather than all at once. Minnesota established this program in 2009 through the Public Employees Retirement Association, which manages benefit plans for local governments. Whether an employee is permitted to take this route is completely up to each individual local government.

Notwithstanding these specific efforts, knowledge transfer is not something that should be done in reaction to someone leaving, but should be embedded through the organization—especially given the shift away from long careers in the public sector. “You should be documenting information anyway,” says Oakland County’s Bertolini. “Are you documenting procedures? Are you documenting your standards?”

As much as the call for knowledge transfer is significant today, its need is rapidly accelerating. For one thing, the recession dealt a blow to public-sector professional development. Travel was restricted. Training—notably leadership and managerial training—dwindled away.

What’s more, public-sector workforce cuts led to axing a lot of so-called “step-up” positions that enabled people to steadily acquire the skills needed for a significant promotion by working for a while in a midway position.

Finally—and this continues to be the case in many places—it’s difficult to consider spending on succession planning when there’s still uncertainty about the budget and the future, as well as lots of restraints on hiring and promotion