

***New perspectives on human capital risk management:
The Tenured Workforce – a critical risk to consider***

Background

Human capital, specifically the risk posed by skills gaps in mission-critical occupations, continues to feature on the Government Accountability Office (GAO) High Risk list. As part of their ongoing series on enterprise risk management, the National Academy of Public Administration (the Academy), in partnership with Ernst & Young LLP (EY), hosted a panel on April 23, 2015, to raise awareness and share insights on managing human capital risk. Featured panelists included: Anita Blair, Deputy Assistant Secretary for Human Resources and Chief Human Capital Officer, U.S. Treasury; Robert Goldenkoff, Director of Strategic Issues, U.S. Government Accountability Office; and Kevin Mahoney, Chief Human Capital Officer, U.S. Department of Commerce. Karen Shrum, Senior Manager, Government & Public Sector Practice of EY, moderated the panel.

The panel acknowledged that traditional strategies for bridging the skills gap have primarily focused on two ends of the workforce spectrum: (i) attracting and appealing to incoming millennial federal recruits and (ii) preparing and reinforcing the most senior levels, i.e., the Senior Executive Service (SES), in their leadership roles.

The panel also acknowledged that a critical group has been excluded from the discussion. They suggested that attention be focused on a distinct group of federal employees, namely those individuals who have served in government for approximately 10 to 24 years. The panel referred to this group as the Tenured Workforce. Acknowledging the criticality of the Tenured Workforce, panelists considered three key questions:

- ▶ What are the characteristics of the Tenured Workforce and why is this group so critical to the discussion surrounding the skills gap?
- ▶ What are the most significant risks associated with the Tenured Workforce and how do these risks exacerbate mission-critical skills gaps?
- ▶ What are some creative strategies and solutions that can be applied to specifically address the risks associated with the Tenured Workforce?

What are the characteristics of the Tenured Workforce and why is this group so critical to the discussion surrounding the skills gap?

The Tenured Workforce, individuals with 10 to 24 years of federal experience, comprises 32 percent of the estimated two million federal employees. Approximately 18 percent hold supervisory positions. Individuals in this group are likely to have “grown up” in the ranks of government, or may have joined the government from private industry later in their careers. In either case, they are deeply skilled in their professional and technical domains. They have practiced their profession for many years and have learned the intricacies of their job through time and experience. They understand the political nuances of their agencies and know “how to get things done.” They are the individuals who lead key projects, train incoming recruits and advise senior leadership. Because of their significant skillset and knowledge of the agency and government, these individuals tend to serve in an advisory capacity to leadership; they also lead or participate in complex transactions and projects. They serve as mentors and are influential in defining the culture of the organizations in which they serve. This group is the keeper of the culture in an organization—they know how to get things done and are integral in helping others to

get there. Their contributions are therefore vital to the efficiency and effectiveness of ongoing federal operations. As frontline supervisors, they serve as the bridge between senior management and the workforce. They translate strategic concepts into operational and individual considerations and are pivotal to successful change or transformation efforts.

What are the most significant risks associated with the Tenured Workforce and how do these risks exacerbate mission-critical skills gaps?

Because of their deep technical skills, individuals within this group are highly sought after, impacting both recruitment and retention efforts. In mission support areas, such as cybersecurity, information technology, acquisition, financial management or human capital, their skills are transferable across government and, in many cases, across the private sector. Competition for these highly sought after skills exacerbates the skills gap and can have a serious programmatic impact if those competencies are lost. The capabilities of the Tenured Workforce take years to acquire and hone. Skills are developed on the job through multiple iterations of the work. These are often not skills or competencies that can be readily learned and applied after a training session. Rather, they are borne from experience. For example, a junior acquisition specialist is less likely to be able to negotiate a complex acquisition based simply on training. However, a more experienced contracting officer, by virtue of their extensive experience and interaction with both industry and customers, is more apt to reflect and draw on their prior experience. Similarly, in highly specialized and technical fields (for example, scientists), there is a need to hire and retain qualified personnel with years of experience.

Another risk to consider is that of the “reluctant manager.” Moving into the ranks of management is a natural career progression, leading to higher remuneration and grade levels. For many in the Tenured Workforce, management may not be an aspiration or a core competency. However, to advance in their careers and/or by virtue of their experience and knowledge, these seasoned employees are often placed in management positions for which they are not prepared. The likely outcome is that the individuals supervised or managed by the Tenured Workforce employee may not be adequately coached and developed; similarly the Tenured Workforce employee’s development is also stifled and their engagement potentially diminished as they are unable to advance in the direction that is truly suited to their capabilities and preferences. Thus, this “mismatch” not only subjects the agency to attrition risk, but also places workforce development and succession planning efforts at risk.

Ultimately, the cumulative effect of these human capital risks is that they minimize the organization’s current and future operations and overall mission effectiveness.

What are some creative strategies and solutions that can be applied to specifically address the risks associated with the Tenured Workforce?

Agency leaders seeking to address the risks associated with the Tenured Workforce may be under significant budget constraints. Yet many strategies are actually cost effective and rely on tried and tested management principles. Some suggestions are:

- ▶ Find ways to reinforce and reward technical acumen through channels other than the supervisory career path;
- ▶ Maximize and enrich the contributions of the Tenured Workforce by placing these individuals on new, interesting and challenging assignments that can truly leverage the skills they have developed over the years;
- ▶ Draw on their experience and creativity to solve the critical and complex challenges that vex the federal government – incorporate them onto Tiger Teams and task forces;

- ▶ Build on their professional passion by engaging them as mentors to less experienced and incoming staff and, in so doing, build the next generation of skilled federal workers; and
- ▶ Fill skills gaps and simultaneously provide technical growth opportunities through inter- and intra-agency rotational assignments.

Conclusion

If we are to address the mission-critical skills gap inherent in the federal government, then we must include the Tenured Workforce in the conversation. The skills and experience of this important group of employees are critical to solving the complex changes and challenges that agencies face. Their knowledge and capabilities are the foundation of the growth and development of the next generation of successful federal employees. Their contributions are integral to the effectiveness of our government's critical mission and ongoing success. They cannot be ignored.
