THE TALENT PIPELINE Has Sprung a Leak!

by

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Drip, Drip, Gush!

Baby boomers are retiring from U.S. organizations at the rate of more than 11,000 per day. However, those retiring resources of knowledge and know-how are being replaced by 2,700 less experienced, less knowledgeable Gen Xers and Millennials – a shocking 1:4 ratio. In simple terms, this likely represents the expansion of a workforce shortage gap of unprecedented magnitude and a knowledge leakage equivalent to a major pipeline rupture. It includes the cumulative knowledge of a combination of skills, judgment, wisdom, transactional history, decision making, strategies, tactics, culture, mission, attitude, and invaluable, irreplaceable organizational resources. In summary, U.S. organizations will lose their competitive advantage, organizational strength, and effective resilience unless we find a way to fix the leak!

Tacit and explicit knowledge are especially vulnerable to loss; the kind of loss that is difficult to transfer to other people in written or verbal forms. These are unique skills and bits of information that are critical to the operation of organizations such as speaking a language, resourcefulness, and using complex equipment. The gushing of talent from U.S. organizations represents an unprecedented threat, whereby historical and cumulative institutional knowledge isn’t trickling from the spigot of ingenuity and resourcefulness, but is spewing from the ruptured pipeline of baby boomer turnover.

Fix the Leak…Now!

For misguided, misinformed, or unprepared organizations that did not anticipate the core of their organization’s value and legacy gushing out the front door, the potential impact on success may not be survivable without immediate intervention. For these organizations, each new day may well drain away the knowledge that is irreplaceable, irreparable, and priceless. For an organization to survive the rush of talent out the door, it needs to fix the pipeline! For successful organizations, the impact of fewer employees has already been anticipated and careful plans were laid for the failed plumbing catastrophe. Committed organizational leaders have already found ways to recruit, mentor, retain, and train the organization’s core knowledge with carefully selected and designated successors. Many of these organizations have already established crisis plans to manage anticipated workforce gaps and shortages by offering alternative work arrangements, flex-time, part-time, and consultancy opportunities that, in effect, pull baby boomers back into organizational operations partway before they are completely lost. The goal of these plans is to create the means for making sure that the knowledge and skills that contribute to current organizational success remain intact. Progressive organizations are making plans for creative and innovative mechanisms for transferring and retaining their knowledge and information that currently resides inside their employees’ heads. Research has shown that effective ways to facilitate knowledge transfer include:

- Pairing more experienced workers with less experienced workers
- Involving seasoned workers in the design of training programs
- Rehiring retirees on a part-time basis
- Using intranet functionalities and Web 2.0 capabilities to capture, store, and share information.

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Some organizations have placed “tenured” executives on their board of directors where they can leverage experience and cumulative knowledge for strategic decision making. While these methods do not represent all of the necessary steps to prevent the loss of employee know-how, they do support the need for the creation of a knowledge-based culture. A new view of long-term succession, combined with the creative redeployment of the baby boomer workforce, may be an effective organizational countermeasure to the loss of organizational knowledge.

Building the New Pipeline

What does a new pipeline of knowledge management within an organization look like? First of all, the concept of knowledge management shouldn’t be a last minute race for talent and succession as is often practiced now, but instead, an integrated plan for developing the long-term succession for the organization. Organizations should embrace talent management as a broad-based strategic initiative, integrated with the strategic goals and mission of the organization. The implications for leaking leadership talent alone can be staggering. Some estimates conclude that more than 30 percent of organizations with 10,000 or more employees are ill-prepared to fill critical leadership roles. This is clearly a formula for disaster, given the new reality of workforce losses.

In order to build the talent management pipeline of the future, organizations should be prepared to address the slow drip that will become the gusher. The following is a partial list of additional steps that may be taken to prepare organizations for what is occurring:

- Securing a management commitment to succession planning
- Clarifying critical roles and organizational needs
- Aligning succession planning to mission and vision priorities
- Conducting a critical assessment of workforce gaps
- Closing gaps through professional development and grooming

For most organizations, talent management is solely a Human Resources function. What if talent and succession was instead a priority for every member within the organization? What if managers and leaders at all levels of organizations did double-duty integrating talent management and succession within the normal fulfillment of their job? What if succession management changed from a narrow focus of mere promotions, to an advanced function of the entire organization utilizing strategic, tactical, and operational approaches? What if an organization could change its culture? Successful organizations have the ability and fluidity to adapt and change within the strategic environment. However, certain “organizational myths” exist that predispose them to assumptions and risk-preventative behavior, for example, the myths of how organizations view knowledge as a nice-to-have, rather than a distinct, core competency that creates value and competitive advantage. These are typically the organizations that view education and development as a cost on the balance sheet, rather than a capital investment in their employees. They don’t see the relation between improved knowledge and skills and their competitive advantage or bottom line. This kind of perspective will surely create a knowledge gap between current and future success.
Will the Waters Continue to Rise?

Should organizations expand traditional succession and talent models to meet the rapid change and complexities of a new workforce? It’s hard to imagine how they will survive the present baby boomer flood without a plan. Folks, the waters are going to continue to rise. Without an adequate fix for the knowledge management pipeline, U.S. organizations will continue to muddle through the ever-impeding risks resulting from the leakage of knowledge and talent from the core of our organizations. Within the next decade, significant workforce shortages will dominate the organizational landscape. Knowledge management, knowledge transfer, and knowledge structures may well shape how organizations sustain satisfactory resiliency over time.