

Public-Sector Challenges: The Aging Workforce

Jeanne C. Meister

The aging of the global workforce is hitting government agencies especially hard. For example, Frank Anderson Jr., president of the Defense Acquisition University, estimates that 70 percent of the DAU workforce is eligible to retire by 2007. Several workforce trends are aligning that challenge the ability of government agencies, and all organizations, to serve their constituencies:

- **The world population is aging:** Based on current trends, by 2050, the old will outnumber the young for the first time. That means governments are looking at a huge exodus of workers. It also means that the pool of aging constituents who require intensive service delivery is getting larger.
- **Service expectations are increasing:** The phrase “citizen service” (the public-sector equivalent of “customer service”) is emerging. In places like New York City, agencies actually measure response time to citizen requests and assess performance based on that metric.
- **Fewer people are seeking careers in government:** One recent study of U.S. agencies detailed some of the issues: the poor image of federal government as an employer, perceptions of non-competitive salaries, length and complexity of the hiring process, and budget constraints and uncertainties.

Based on work conducted by Accenture’s government research organization, here’s what some leading agencies around the world are doing to create a government workforce capable of surviving and thriving in this century:

- **Making public-sector employment attractive:** Making government jobs more appealing is not just about salary, but also creating a rewarding and engaging job experience. In the United States, 37 states have created new approaches, such as targeted recruiting for certain jobs, exit interviews to evaluate work environments and flex-time scheduling. Korea has opened up 20 percent of its top civil-service posts to competition in the hope of getting better candidates from both the private and public sector. This is a marked change from the previous system in which seniority was the main route to executive-level positions. Austria has revamped its civil-service compensation systems by, among other things, aligning public-sector salaries closely with those in the private sector for comparable jobs and basing some portion of pay on performance objectives.
- **Keeping experienced workers longer:** Some countries have made changes to their retirement policies—either disincentives to retiring early or encouragements to work past normal retirement age. These measures have been especially prevalent in countries where the situation is critical—such as Japan and Sweden. France, Italy, Germany and the United Kingdom also are considering raising, or have raised, the retirement age. These changes are not always welcomed by the workforce, but some agencies are

experimenting with innovative solutions, such as eliminating rules that prevent workers from drawing their pensions while still being employed by the same organization.

- **Increasing the pool of available workers:** Some countries and states are thinking creatively about how to add more people to the talent pool by promoting their regions to immigrants, encouraging relocation or implementing new programs that make it easier for stay-at-home parents to work.
- **Capturing the knowledge of the workforce:** Knowledge and content management tools are becoming sophisticated enough to help in the rush to capture the unique experiences of workers before they retire. For example, NASA has recognized that capturing the knowledge of the experienced workforce, as well as preparing and supporting the next generation of aerospace workers, is critical to ensure the success of future military and commercial space operations. To address this issue, NASA and the state of Florida have funded the development of an entirely Web-based virtual learning and collaboration community.

The changing demographics of the world are out of any single person's or nation's hands, but that doesn't mean organizations are helpless. High performers are taking proactive steps to make sure that when the "Help Wanted" sign is put up, good people will respond.

Jeanne C. Meister is vice president of market development at Accenture Learning. She can be reached at jmeister@clomedia.com.

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