

From the Sacramento Business Journal:

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Got Growth?

Staff turnover could be an opportunity

As seasoned staff retires, it might be time for organizational change

Premium content from Sacramento Business Journal - by Larry Mandelberg

Date: Sunday, August 26, 2007, 9:00pm PDT

As critical as a leader is to an organization, without a team of talented, knowledgeable people behind him or her, there would be no company.

The relationships, knowledge and experience that reside in the minds of staff are what make an organization. Yet turnover is a constant in doing business, and maintaining that talented, knowledgeable team is a factor leaders deal with daily.

In these times of perpetual change fueled by technology and the Internet, leaders who aren't preparing for transition are courting adversity.

People get bored, lose focus and feel unchallenged or underappreciated. Whether driven by retirement or the need for change, when staff moves on, you often lose your best and brightest.

So how do you capture the knowledge they have accumulated, retain relationships they have developed and transfer the skills they have mastered? Should you simply look for replacements or is this a good time to look at organizational structure and re-evaluate job responsibilities? When a staff member leaves, is it a problem or an opportunity?

Opportunity for change

Issues and opportunities are two sides of the same coin. What matters is the attitude and how the leader chooses to prepare for these inevitable changes. Loss of senior staff due to baby boomer retirement is a hot topic in business and government, but few companies are taking the necessary steps to mitigate their risk.

Maureen Gorsen, director of the California Department of Toxic Substances Control, is

currently facing this situation. "We hired a lot of people between 1984 and 1987. All those people who really understand the issues of hazardous waste and know how to clean up sites are about to retire. How can we get a Vulcan mind meld of the institutional knowledge to occur?"

She said the remaining staff is "not used to thinking for themselves or analyzing; they are used to following instructions and implementing someone else's plan."

Rather than fight a losing battle, Gorsen took a step back and analyzed the situation, looking for ways to change more than just staff.

Her analysis produced an excellent alternative. Rather than focusing on clean up, Gorsen's department is targeting a whole new area -- manufacturing and the sources of toxic waste.

"Now that we are moving up the chain towards the design of products, we can broaden the set of skills and areas (we need to recruit), so more people are attracted to coming to work here."

Look before you leap

Consultant Alan Weiss, author of "Million Dollar Consulting," tells a story about a utility client he worked with years ago. The utility made significant strides in technology and became much more efficient, leaving it staff-heavy.

Management's first thought was to offer early retirement. When Weiss researched the strategy, he found that "every high-wire rigger in the company would have left. They climbed poles during ice storms, and technology would never have been able to do that! It would have shut the company down.

"If enough good people that deal with your customers leave, even the largest firms can be shut down." That underscores the critical nature of succession planning and being prepared for tomorrow today.

For any number of reasons businesses lose staff from time to time. Companies that prepare for that transition will survive the change.

In fact, preparing for this inevitability best positions them to use the transitions to re-evaluate their organization and its structure, to change roles and responsibilities, to adjust systems and structure and to adapt and prepare for new ways of doing business. In doing so, they will position themselves as the type of organization tomorrow's talent will focus on when choosing their career fields.

Business today is a moving target. Constant change and the unbelievably fast pace in which

we operate magnifies mistakes and makes recovery more difficult. Strategic planning and critical thinking are mandatory for today's leaders.

One of the most intelligent steps you can take as an organization's leader is to examine your company objectively. Evaluate the positions and areas that are most vulnerable. Look for ways to cross-train, update operations and make the organization a more desirable place to work.

If you don't, you may be out looking for a job yourself in the not-too-distant future.

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