

Tualatin Valley Water District (Ore.) kick-started a knowledge-retention process and designed workforce development initiatives that address future staffing needs. **BY MARCIA ISBELL**

KNOWLEDGE RETENTION: DEVELOP EFFECTIVE SUCCESSION PLANNING STRATEGIES

DEVELOPING THE NEXT generation of key employees is more important than ever for North American utilities. Facing the potential retirement of a large percentage of experienced and long-tenured managers in the next few years, utility leaders are scrambling to capture the unique institutional knowledge these departing managers may be carrying out the door.

At the Tualatin Valley Water District—a domestic water provider to approximately 200,000 people located west of Portland, Ore.—utility leaders are facing these challenges head-on. With three members of the senior management team eligible to retire within the next three years, TVWD initiated a program to validate institutional knowledge, gather tacit knowledge about operational history, and commit planning schedules to paper that

previously existed only in managers' heads. In addition, the utility launched a workforce development program based on matching an individual's strengths to an individual development plan—a model other utilities may wish to adopt.

IDENTIFYING A NEED FOR CHANGE

TVWD's governing board continually implements policies that drive its status as an "employer of choice." TVWD uses a rigorous hiring process that results in employees hired who fit the organization technically and culturally.

One of TVWD's core values is workforce sustainability, which underlies business decisions, including workforce strategies. The district has essentially no turnover rate; one third of its workforce is over the age of 50, and the average age is 44. Oregon state pension laws allow full retirement at age 58 for anyone hired before 1996, and at age 60 for anyone hired after 1996, regardless of the number of years employed. Thus, TVWD faces the potential of a large workforce loss during the next decade through retirement. The workforce development project was initiated to address the potential losses.

Filter of Risk and Difficulty

TVWD used a three-tier categorization process to help prioritize employees for knowledge management and workforce development.

Tier 1

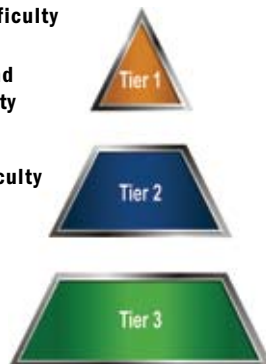
- 25 percent or more of work is high risk and high difficulty (regardless of retirement eligibility), or
- Position is eligible for retirement within one year and 25 percent or more of work is high risk or high difficulty

Tier 2

- 25 percent or more of work is high risk or high difficulty (regardless of retirement eligibility)
- Position is eligible for retirement within five years and 25 percent or more of work is high risk or high difficulty

Tier 3

- All other positions



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ENSURING SUSTAINABILITY

The district hired a consulting firm to help build a workforce development program that will sustain its future operations by applying a four-step process—scan, gap, plan, and implement. Completing the scan and gap assessment steps provided a clearer picture of the district's impending workforce changes. Building work catalogs for all TVWD positions identified work that's in high-risk and high-difficulty categories—a first step to identifying areas vulnerable to the risk of critical knowledge loss. The district used a three-tier categorization process to group at-risk positions into sizable "chunks" and establish the priorities to be addressed within the workforce development program. The groups and their definitions are shown in the figure on page 16. Analyzing risk and difficulty against positions with employees who are potential candidates for retirement allowed the district to identify 11 positions in Tier 1 that required immediate action for knowledge management and workforce development. Each year the positions in Tier 2 will be reviewed and bumped up into Tier 1 as they meet Tier 1 definitions.

To plan its workforce development program, the management team identified the leadership skills desirable in district managers and assessed current managers by

administering a 12-question survey. From there, the utility created a profile of talents, knowledge, and skills that serves as a model for individual development plans. TVWD developed a training program that consists of team training, leadership boot camp, emotional intelligence training, supervisory training, and mentoring.

A process was defined for employees to encourage their participating in workforce development activities that included individual assessments and interviews. The talents, skills, and knowledge required in the 11 at-risk positions in Tier 1 provided the focus for the first phase of the workforce development program. Employees interested in being better qualified to meet the requirements of one of those jobs were given first priority in the workforce development process if they qualified through the assessment process. Thirty candidates qualified to engage in the first phase of activities.

The district fared well in the area of knowledge retention. Key operations, policy, and procedural documents—particularly those required for emergency operations—were already in digital format and needed only to be organized into a central repository for ready access. Implementing and integrating technology applications that support business needs—such

as geographic information systems, computerized maintenance management systems, and customer information system applications—will build another layer of institutional knowledge for the district as workflows are documented and configured into application design.

The district's toughest challenge in capturing institutional knowledge was gathering the tacit knowledge of system infrastructure idiosyncrasies. A facilitated process was used to capture this institutional knowledge from a small number of employees approaching retirement.

PROGRAM REVIEW

To evaluate the first-year success of the workforce development project, the district plans to review the following measures:

- Ratio of budgeted vs. used dollars for workforce development
- Ratio of positions filled by internal vs. external candidates
- Increase in employee engagement
- Percentage of business processes documented in district format
- Percentage of infrastructure documented in district format

The program's long-term results are expected to reflect a new depth of workforce capacity and a successful succession planning strategy.