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The Getting and Keeping Of Wisdom

Inter-Generational Knowledge Transfer in a Changing Public Service

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Abstract

The current paper addresses changes in the makeup and responsibilities of leaders in the public service, and the consequences for knowledge management, human resource management and succession planning in the federal public service over the next decade. It further introduces the notion of wisdom as an important characteristic of seasoned and strategic leaders and a corporate resource that can be fostered, retained and disseminated, as well as lost to departures.

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1. Introduction

Human resource management (HRM) strategies adopted by organizations are always set against the backdrop of labour, economic, and social history. Recent examples such as the dramatic increase in the supply of high-tech workers after the radical downsizing of several major telecommunications companies in 2000-2001, and the increased demand for public security staff following the Sept. 11 World Trade Centre tragedy, illustrate this quite clearly.

HR planning strategies of large organizations are also set against broad cultural and demographic changes. One such change is the shift in North American population age, accompanied by changes in retirement patterns. Much discussion has emerged about the implications of this demographic shift for the availability of skilled and professional workers to fill positions and the broad changes in the legal, economic, and HRM strategies required to respond to these changes (e.g., Robson, 2001). Enough has been written about the overlooked capabilities and work ethic of older workers (Schetagne, 2001), and the advantages of hiring them, that the need to hire and retain older workers is generally accepted.

Employees of different ages are not equivalent elements, however, to be acquired and inserted into positions as needs arise; what Gunderson (1998) terms a "lump of labour". The day to day aspects of work may be something employees adapt their lives to, but their career needs and plans are mapped onto their ongoing lives and changing personal needs. In turn, what constitutes those needs at different life stages is informed by the culture of the time. One example of this is echoed in the increasing interest in aspects of work-life balance (Johnson, Lero, & Rooney, 2001). As the demographic profile of the Canadian workforce changes, the need for human resource strategies that accommodate generational differences and the changing life-stage priorities of employees becomes ever greater. Human resource planners need to factor in the career attitudes and intentions of such workers.

Organizational needs shift over time like individual needs do. Changes in who is available, willing, and suitably qualified are set against the backdrop of historical and legal/regulatory changes in what is expected of the public service and public servants in roles of responsibility and public accountability. Such expectations exist on the part of both the political leadership and the public it serves. There is an increasing need for leaders and decision-makers in the public service to function in a values-based way. The Canadian federal Public Service (PS) is not alone in this regard (e.g., see Public Service and Merit Protection Commission, 2000).

At present, demographic shifts in Canadian society (replicated in many others, e.g., Public Sector Management Division, 2001), the exits from the labour force afforded by current Canadian law and by the economy, and the emerging leadership needs of the PS, require the adoption of a more integrated human resource planning and management strategy for upper-level positions in the PS. Such a strategy needs to address three fundamental issues:

- A **human capital** issue: Retaining scheduled-to-retire and re-attracting retired senior public servants in leadership or expert advising roles, in addition to recruiting and developing their replacements.

- A **knowledge management** issue: Transferring the expertise, perspective, and insight of about-to-depart senior public servants to those moving into their roles.

- A **style of decision-making and leadership** issue: Changing the way in which new and existing PS decision-makers frame problems to a more values-informed approach, using the best advice that more experienced senior public servants have to offer them about the application of those enduring values.

Addressing these three issues effectively requires identifying what the drivers of departure and retention in senior public servants are, identifying what it is about these individuals (or at least about *some* of them) that provides added value to the PS at this time, and how we could go about retaining and spreading what it is that we value about them.

2. Retirement and the Broader Social Context

The nature of the required response from the PS is partly contingent on the nature of the retirement-driven shift in the senior PS workforce. Retirement for any worker is a life choice, as complex and multi-determined as marriage or parenthood, and not simply a work-related decision. Several specific questions about that choice need to be considered when trying to develop an effective HRM strategy:

- What leads people to decide to retire, including what they feel they are retiring *from* and what they believe they are retiring *to*?

- Does the context and content of work provide different types of incentive and disincentive to retire, continue working, or return to work? Are these contextual factors changing? Can they be re-engineered to suit organizational needs?

2.1 Retirement in brief

Increases in life expectancy, combined with decreases in the average age of retirement, have made the retirement years an increasingly larger segment of one's life in industrialized nations (Costa, 1998; Gendall, 1998). When public pensions began at the end of the 19th century, they were conceived of as a late life bonus, to supplement work-based income. Receipt of a pension was not treated as a demarcation between working and non-working life, however it gradually become so over the course of the 20th century. Where a large proportion of North American workers continued to work at the same time as receiving pension during the first half of the 20th century, the last 50 years saw many more individuals withdraw completely from the workforce once reaching pension eligibility, establishing the current social institution of retirement as primarily a leisure period, linked to a replacement income (Costa, 1998).

The prototypic "normal retirement" commences at typical pensionable age of 65, but there are currently many different profiles and definitions of "retirement" and "retiree" in Canadian society and elsewhere. Retirement may be defined on the basis of commencing receipt of a pension, leaving the workforce, or on the basis of simply leaving one's primary career and longtime employer for another job. Pension may be received prior to normal retirement age of 65, or later, if individuals are able to defer it. Individuals may leave one workplace at some mandatory retirement age, but continue to work elsewhere while receiving pension. Many organizations and non-governmental pension plans permit employees to receive a reduced pension by their mid-50's, given a combination of age and years of service, and individuals are increasingly using such early pension options, in tandem with personal assets, to subsidize a shift from a longtime primary career to full or intermittent participation in a second career. Such individuals also count as "retired".

2.2 Changing retirement patterns

In Canada, and elsewhere, the age of retirement from primary career (with either a full *or* reduced pension) has been progressively lowering. Recent Canadian statistics indicate that during the past decade, the number of individuals retiring prior to age 60 increased by nearly half, relative to ten years earlier (up from 29% in 1987-1990 to 43% in 1997-2000). Those retiring before age 60 tend to be more educated, professional individuals, with public-sector employees retiring earlier, on average, than most other categories of workers (Kieran, 2001) and women retiring slightly earlier than men. The decrease in retirement age for these categories of workers can be attributed to several factors operating in parallel: retirement incentives for public sector workers during the downsizing period of the 1990's, greater savings and investment capabilities in more educated professional workers, and the tendency for couples to retire synchronously (female spouses being several years younger than male spouses on average).

At the same time as individuals are retiring from primary career at a younger age, an increasing percentage of middle-aged and older workers continue to work in some capacity, whether on a volunteer or paid basis, after starting what might be considered their career retirement (Herz, 1995; Johnson, Lero, & Rooney, 2001; Purcell, 2000; Rix, 1998, 2001; Singh & Verma, 2001). The increase in likelihood of working at paid employment past the start of pensionable age appears to be occurring in response to changes in both the opportunity and perceived need to work (Singh & Verma, 2001). Changes in legal access to work past pensionable age, reduced physical requirements for many jobs, and a generally more educated cohort of retirees with more work and self-employment options available to them, have made it *possible* for more individuals to continue working productively well past mid-life. The increased likelihood of supporting children or frail parents during one's middle-age, health-related costs, greater consumer expectations, changes in rate of inflation since the post-war years, the recent instability of investment income, and many other factors, have also likely increased the perceived *need* to supplement income beyond that provided by pension. In short, some continue working after commencement of a pensioned retirement from primary career because they can and because they feel it is worth it to them (Schulz, 2001).

Pension plans that provide early access to various forms of reduced pension can provide an incentive to retire earlier from a primary career, especially when coupled with investment income. Such income can provide a financial buffer for embarking upon a second career where the tasks, scheduling, and workload may be of one's own choosing, and congruent with what provides greatest job satisfaction and optimal work-life balance. In effect, early pensions can serve to disconnect occupational choices from financial necessities. Robson (2001) has suggested that reducing the size and availability of early pensions may be part of an effective strategy for retaining older workers, however such a strategy may be more likely to target those moving from primary career to full retirement, rather than those who would use pension to support mid-life career shifts. In contrast, other writers (Gunderson, 1998) propose a more flexible approach in which financial and legal disincentives to both earlier *and* later retirement are removed to permit continued participation in the labour force for those who want and are able to do so.

Retirement patterns amongst professionals pose something of a paradox. On the one hand, a variety of economic advantages (early pension options and savings), and the pressure of the work itself provide reasons *not* to work. On the other hand, incentives for remaining in the workforce following primary career retirement may well be highest amongst professionals (Costa, 1998; Gunderson, 1998). Singh & Verma (2001) found higher participation rates following early retirement in managers than in white collar or blue collar workers. There are several possible reasons for this. As noted earlier, physical requirements are reduced in most professional occupations. In some cases, the contrast between pre-retirement income and an unsupplemented post-retirement income may be substantial enough that the costs of full retirement are perceived to be higher for many professionals than nonprofessionals (i.e., the potential supplement in income from part-time work provides high compensation; Besl & Kale, 1996). The greater availability of satisfying and well-compensated work for older professionals, whether through self-employment or consulting work, likely also increases their post-retirement participation in the labour force compared to non-professionals.

Continuing to work, however, is not only a matter of monetary or physical health concerns. When one includes unpaid volunteer work, it is apparent that a great many early and on-time retirees seek out work-like environments as a means of maintaining social integration, and indicate a desire to maintain social ties and contact through work (Moen, et al., 2000b). Ultimately, such social needs *are* balanced out by fiscal and health or other practical concerns, and it is these needs which may dictate the choice to either maintain primary career longer, pursue early retirement and a second career path, *or* take complete retirement. Singh and Verma (2001) noted that the decision to continue working in their sample of early "buy-out" retirees was predicted not only by better health, having more debt-load and being able to defer pension, but by having strong attachment to the work itself. Motivation to continue working is also shaped by the context of the work itself. For example, recent studies of retirees indicate many might likely continue to work at their career jobs if a more flexible schedule, with fewer working hours, were provided (Moen, et al. 2000a). Where this is not feasible for one reason or another, people choose to retire in some form. Not surprisingly, then, job redesign is a key aspect of retaining older employees, and many organizations have already considered or started adopting alternate work arrangements as a way of retaining them (Schetagne, 2001).

The array of factors influencing the decision to retire results in considerable inter-individual variation in the timing of departure, and a certain degree of inaccuracy in predicting it. Moen, et al., (2000a) found that a sizeable proportion in their longitudinal sample retired from their primary career earlier or later than they said they would or expected to. Factors such as sudden health changes, the demands of immediate and/or extended family, the timing of spouse/partner's retirement, the availability of second career opportunities, or unexpected shifts in the worth of investments or assets can hasten or delay the actual retirement date, relative to what was planned. In absolute terms, the discrepancy is not large - generally 1-2 years on average - with discrepancies smaller for more imminent retirees. Those indicating retirement within a year or two are more likely to be indicating a formally time-tabled transition already in progress. Those indicating retirement dates of 5 or more years in the future are more likely to be reflecting hopes and plans contingent on whatever else happens within that interval, as well as notions of what is typical for someone like themselves.

The implications of these trends for organizations are that long-range planning for anticipated departures due to retirement, though increasingly necessary, is inherently imprecise. Although the individually predicted date of departure may be somewhat imprecise, overall projections for populations in a number of industrial nations indicate that the proportion of workers in the 45-55 year range, who are *eligible* to retire within the next decade (whether early or on time) is substantial, and that the replacement rate provided by the subsequent cohort for the departing generation will be insufficient to meet needs in many professions (Dohm, 2000). The succession planning difficulties stemming from this shift have been highlighted by a variety of commentators as a problem looming for many caught up in the resizing cycle of the 90's. That individuals are *eligible* to retire is separate, of course, from whether they *want* to retire. In response, organizations are planning and implementing retention and rehiring strategies for experienced senior employees as a way to both adequately staff their organizations, and bridge the knowledge gap between those leaving and those entering the organization (Schetagne, 2001).

3. The Organizational Context

At the start of this century, the PS finds itself in much the same position as large organizations everywhere else. Layoffs in the early 90's culminated in a renewal initiative (*La Relève*) and increased hiring at the end of the 90's and start of the current decade. At the same time, a large proportion of PS employees will be eligible for early retirement within the next 10 years. As Kieran (2001) has noted, relative to their non-public sector age-mates, public servants typically have the types of pension packages which facilitate their earlier departure, increasing the need by the public sector to fill upper level positions, compared to the private sector.

3.1 Demographic shifts in PS leadership

Although the costs entailed in large-scale restaffing of *any* kind are substantial, perhaps more important than the sheer volume of layoffs and hires may be the qualitative nature of who is leaving and entering the PS. The impact of impending departure is most evident in senior professional positions where employees tend to be older. The average age of PS executives has increased over the past decade (though not equally for all EX levels). Feeder groups from which internal recruitment of executives is drawn, has similarly shifted in its age distribution over the same time period (Serson, 2001). Those hired to fill the upper-level positions vacated by retiring baby boomers will likely be younger individuals who will be leveraging advanced professional degrees into entry at middle management levels while having less overall experience within the PS itself. To some extent, their minimal PS experience can be offset by developmental programs such as the Career Assignment Program. Some of those recruited internally will be only marginally younger than the departing incumbents (Serson, 2001), and eligible for early retirement themselves not long after.

Certainly one of the more conspicuous findings is that at senior executive levels (EX-4, EX-5), what has changed over the past decade is not age so much as the amount of PS experience typical of leaders at that level (Serson 2001). The current cohort have considerably more pensionable service, as a group, than the EX-4 and 5's of the period prior to Program Review. So, not only will senior leaders generally be replaced by individuals much younger than themselves, but the contrast in accumulated public service experience is likely to be substantial.

3.2 Shift to values-based authorities

At the same time as these personnel and demographic shifts are occurring, the structure of authority within the Canadian PS is changing, with more authority being delegated, or planned for delegation, to departments, executives, and managers. Other concurrent considerations, such as diversity and accountability to Canadian citizens, require individuals in senior roles to show greater stewardship, and have a deeper understanding, broader perspective, and more values-informed vision of the PS when it comes to exercising that authority (Tait, 2000). The more traditional "command and control" type of organization often uses regulations to assure incorporation of multiple stakeholder concerns, even when leaders might neglect them. Movement towards a more values-based autonomous decision-making PS depends upon decision-makers being able to take multiple stakeholder concerns, histories, and perspectives into account on their own. Renewal or maintenance of the leadership cadré not only requires assuring the right size of talent pool, but the right kind as well. Any attempt to maintain the leadership cadré through retention initiatives likely needs to target that "right kind" of leader, one with considerable perspective about the public service.

3.3 An illustration: the APEX Survey

How great a potential loss of such corporate perspective might there be over the next 5-8 years? What is driving it, and what could stem it? The recent APEX survey of PS executives and EX-equivalents (Association of Professional Executives of the Public Service of Canada, 2001), though targeted at executives and EX-equivalents, highlights a number of issues relevant to senior public servants in a variety of leadership, decision-making and advising roles. The survey findings indicate the interrelationship between working conditions, plans for departure, and knowledge management needs at upper levels.

- *Need*: About 41% of those surveyed in the APEX sample plan to leave the PS within the next 5 years. Roughly 2 out of every 5 of those are very certain that they will do so. These figures correspond well with modelled departure estimates for executives based on historical data (Serson, 2001). Though these are estimates, and inherently precise for reasons stated earlier, there is no reason to expect that the departure rate would necessarily be *less* than indicated here, and some reason to suspect it may be higher in the absence of intervention.

- *Reasons for leaving*: Roughly 8% of the overall sample (EX and equivalents) indicated plans to retire with a reduced pension as soon as it is feasible (Minas, 2002). It is not surprising that workload and work-life balance issues predominate for this group. Over 1 in 4 of all those surveyed reported working more than 50 hours a week on average, and almost 4 in 10 reported spending at least 25 working days away from home each year. This is echoed in the findings from the 1999 Public Service Employee Survey. When contrasted with other relevant groups in that survey, such as all supervisors, or all employees 55 yrs and older, the EX group are less likely to report having the flexibility to balance work and family, having a reasonable workload, and much less able to complete their work during regular working hours. These findings merge well with those of studies of retirees in general which find that many would consider remaining longer at their career jobs if the hours were shortened somewhat and more flexibility were built into the job (Moen, et al., 2000a; Public Sector Management Division, 2001; Schetagne, 2001).

  Another 10% of the sample direct themselves towards a different path, and indicate that they intend to leave to pursue a second career outside the PS (Minas, 2002). For those intending to leave within a fairly short time frame (3 yrs or less), this proportion is somewhat higher (16%). Compensation and career advancement issues are generally indicated as salient for this subgroup in the survey results.

  Those indicating plans to leave sooner rather than later (for either path) are generally older, but no age differences exist between those intent on leaving for a 2nd career versus those taking a reduced pension. In contrast, those indicating plans to leave shortly for a 2nd career tend to have lesser amounts of accrued pensionable service than those indicating plans to take a reduced pension. Such findings fit the view that the post-departure goal is a function of the context within which departure decisions are made.

- *Opportunities for retention or rehiring*: Just under 2/3 of those surveyed in the APEX study were asked to rate how effective a variety of factors would be in enticing them to stay in the PS longer. Not surprisingly, compensation and benefits factors were rated by many as strong inducements. Beyond monetary factors, however, well over half (55%) of those who responded indicated that they could be induced to extend their career with the federal government if they were given the opportunity to help with upcoming transitions in the PS (e.g., mentoring programs, preserving corporate memory, knowledge transfer). Of the almost six hundred EX and EX-equivalent respondents indicating an intention to work until eligible for retirement with full pension, some 90% said they could be enticed to return to work for the PS *after* retirement if given an interesting and meaningful project. Clearly, senior public servants are retainable (and perhaps re-recruitable) for the right kinds of projects, however an optimal balance would need to be struck between compensation, work-life balance, and intrinsic reward from the job itself, in order for such opportunities to remain attractive enough.

- *Knowledge management and development*: Survey respondents identified leadership as the number one training and development need for middle managers (over 80% indicated this as a high priority). The most commonly cited obstacle to EX and equivalents' *own* management training is lack of time. Not surprisingly, brief in-house "learning events" were identified as the most frequently used, and most preferred, type of management training, conceivably because they represent sources of knowledge transfer which do not require extensive time commitment, but which are at the same time, a period that is committed to without the usual interruptions from the job itself. Both the APEX and PS Employee Survey results underscore the need to explicitly allocate time dedicated to development amongst executives and middle managers. Though not addressed by the APEX survey, such development time includes not only time allocated to knowledge *acquisition* by managers, but knowledge *dissemination* by senior managers and executives. Mentoring takes time, and even the best-intentioned EX can only accomplish what the clock permits.

- *Breadth of Experience*: About a third of APEX respondents had worked in more than one department at the EX or EX-equivalent level (16% at more than two departments/agencies). This is not intrinsically problematic since some departments are large enough to provide considerable breadth of experience without ever leaving them, but several notions emerge from it. First, greater pan-governmental experience or responsibility - perhaps in the context of participating in joint councils or cross-departmental mentoring programs - might be an effective component of roles attractive to senior public servants who might otherwise retire. Second, emerging leaders may be unlikely to spontaneously acquire pan-governmental insights and perspectives that facilitate the desired degree of stewardship of the PS as a broader entity unless deliberately exposed via developmental programs or deliberate pairing with mentors.

3.4 Summary

The PS may lose a considerable amount of corporate knowledge and leadership within the next 5-10 years, some of it through natural attrition amplified by demographic factors, some through active departure for other career paths. The anticipated loss of those who may have the greatest perspective on the PS as an institution, poses not only a staffing and recruitment problem, but a knowledge management challenge. Some of the drivers of that departure suggest that least part of that human capital and knowledge loss is salvageable. Successfully addressing that challenge may include not only retention and re-attraction of senior public servants through job redesign and role redefinition at higher levels, but developing a means for systematically transferring their wisdom and perspective to others.

4. Wisdom And Leadership

The preceding discussion suggests that the context within which the new public manager/leader operates requires a special skill set, and that a special approach to knowledge transfer at senior levels is needed to offset what might be lost in the next 5-10 years. What sorts of knowledge need to be transferred before they are lost, and why is this knowledge important?

No longer an ephemeral construct, within the leadership literature, *wisdom* has come to be viewed as a desirable and even essential characteristic of executive leaders (e.g., Boal & Hooijberg, 2001, Jaques & Clement, 1991; Mumford, Zaccaro, Harding, Jacobs & Fleishman, 2000). In most of these views of leadership, wisdom plays a role in effective *strategic decision-making*, and in *interpersonal processes* crucial to effective leadership. Korac-Kakabadse, et al. (2001) propose that wisdom informs the *visioning* required of leaders, the use and *content of dialogue*, and the maintenance of the psychological contract between leaders and followers. Jaques and Clement (1991) see the perspective-taking capacity of wisdom as enhancing the *strategic thinking capabilities* of executives, and their *capacity to anticipate* reactions of others. Kuhnert (2001) echoes this view, suggesting that the contemporary transformational leader must be able *convey values* to others in the organization, and appeal to their values to *motivate organizational change* and direction. Leaders must also be *open to learning* and admitting that they don't know everything. Pfeffer (2001) identifies such an "attitude of wisdom" as essential to a learning organization. Kilburg (2000) views productive interactions between managers and others as depending upon the *self-restraint, personal and interpersonal insight* which wisdom provides. All of these dimensions - strategic thinking and reasoning, visioning and being able to take the long view, being able to effectively dialogue with others and engage them, and effective self-management - are viewed as part and parcel of what wisdom means in the managerial or leader context.

Is wisdom more than just a metaphor or shorthand for all of these various skills? The psychological literature on wisdom in adulthood addresses itself to how adults solve weighty real-life problems. Such problems may be part of organizational decisions or simply those in one's personal life. Regardless of context, contemporary psychologists studying wisdom in adulthood view it as something that is universally valued as an adaptive human trait or ability that goes beyond conventional notions of intelligence to encompass the moral, social, and practical dimensions of solving life-problems in expert fashion (Baltes & Staudinger, 2000; Sternberg, 1998). Both empirical research, and the philosophical and religious literature, identify the wise individual as someone who knows a lot, prefers to view problems from a broader long-term perspective, sees things in context, is flexible in adopting multiple perspectives of multiple stakeholders, recognizes the uncertainty of life and limits of their knowledge, and is prepared to be tentative or flexible in the kinds of solutions they offer, without being narrow in focus or unprepared for eventualities (Baltes & Staudinger, 2000).

Part of this is not very different from what is normally meant by "intelligent" or knowledgeable, something easily identifiable at any age and easily selected for by traditional means. The distinguishing aspects are *how* wise individuals frame and solve problems. Indeed, it is the "how" that makes wise individuals distinctive and sought out. Research suggests that the "how" aspect is predicted by relevant experience (Staudinger, Maciel, Smith, & Baltes, 1998), overlaps partly with a number of personality traits (Baltes & Staudinger, 2000), and a socially-conscious values-oriented approach (Sternberg, 1998) such as might be expected in those demonstrating greater stewardship of an organization (Davis, Schoorman, & Donaldson, 1997).

One would expect wisdom to increase with age, given both the traditional association with age, and the role of accrued world knowledge and experience. On the other hand, as a trait related to stable personality traits, wisdom should remain fairly stable across age and would not be expected to occur or accrue simply *because* of age. Research supports both views. To reconcile this apparent contradiction, Baltes and Staudinger (2000) have proposed that while older adults have no monopoly on wisdom per se, those middle-aged and older adults who do demonstrate wisdom may be exemplary with respect to its breadth.

What does an organization that strives to retain and spread wisdom among its leaders stand to gain? Integrating both the psychological and leadership literature, one would anticipate that the wiser leader is one that, among other things:

- can provide useful advice about a variety of matters, perhaps framing a problem or issue so that others think about it more cooperatively or productively;
- acts prudently, clearly distinguishes between long-range goals, and the processes used to attain them, and can be trusted to act in the best interests of the organization, despite personal feelings;
- can think in terms of the broader context that the organization operates in;
- deals with people well, readily earns their trust, and can develop and mentor staff;
- values and taps their organizational experience, but is open to new ideas and perspectives, whether coming from colleagues or other stakeholders.

The psychological literature on wisdom suggests that such capabilities are measurable individual differences that are aided by appropriate experience (Staudinger, Maciel, Smith, & Baltes, 1998). These factors suggest that one can identify and measure wisdom in leaders, that one can develop it by engineering the experience of emerging leaders, but that it will not be within the grasp of all. The implications of this are that although loss of senior public servants will be associated with loss of corporate wisdom and wise leadership (though not in all cases), it can be selected for at leadership levels and can be transferred to the receptive emerging leader by means of formal and informal programs.

4.1 Knowledge management and wisdom management: what's the difference?

Effective knowledge-management is acknowledged as pivotal in bringing out the best in any organization (Lubit, 2001). Many writers distinguish between *information* management and *knowledge* management within an organization (Davenport & Prusak, 1998). "Knowledge" is viewed as having a loftier status than"information" insomuch as it incorporates evaluative and connective processes which help to form plans rather than just fill in the gaps in details of plans already formed.

Though such knowledge is important, organizations also accumulate perspectives, values, missions, and a history, all occurring within a shifting context. Boal and Hooijberg (2001) argue that as the economic, demographic, legal, and cultural contexts within which organizations operate change, the capacity to know enough about the organization, its stakeholders, and its contexts, is paramount in leaders being able to make effective, appropriate, and timely decisions and recognize what they term "strategic inflection points" for the organization. What assists leaders, then, is not so much access to the documented history or procedures of the organization (though these matter), but a deeper and broader knowledge of the how and why all of these things are linked. The business of an organization can be facilitated by knowledge management, but the leadership of the organization requires a higher order of knowledge acquisition and transfer, wherein the values, perspectives, ethics, and dialectics from different parts of the organization and external stakeholders are readily available to decision-makers - what one might term wisdom management.

In general, this knowledge is most effectively transmitted interpersonally and situationally, and there is little in the wisdom research literature to suggest otherwise. Corporate documents and resources which serve to inspire and remind one of the organization's history, such as the Tait Report (Tait, 2000) can play a role in fostering wisdom, but do not address specific contexts and circumstances in enough detail to instruct. Moreover, the way in which important decisions were arrived at, the weighting of priorities and voices, is generally absent in the historical artifacts of an organization, and often deliberately kept from public scrutiny as normal procedure. Husted and Michailova (2002) note that much of what organizations know exists in the form of tacit knowledge which is not recorded anywhere. What needs to be transferred from individuals who possess it more fully, to those who possess it in lesser amounts, is a way of looking at things, rather than a mere corpus of factual knowledge. Managing wisdom, and fostering wise decision-making, is likely to be a task best accomplished by having wise people in place to be learned from, and having people in places where they can learn to become wiser.

5. Seven Practical Questions to Consider

Translating such an integrated HRM agenda - of retaining talent for the purposes of targetted knowledge transfer - into an action plan necessitates breaking down the goal into its components and asking a series of specific, but interrelated questions. Ultimately, successfully addressing the challenge faced by the PS requires attention to the details of each of these questions:

- *How do we retain the wisest public servants longer?*

  The decision to retire is based on a variety of fiscal, quality of life, quality of work, and other contextually-driven factors. Though compensation levers are important, compensation is always available elsewhere. Retaining older professionals in the PS will require identifying feasible ways of making the work itself more attractive, either by changing the conditions of work (decreased load and/or hours), or the nature of the work. Conceivably, this may require the creation of new types of positions with less emphasis on comptrollership and the day-to-day managerial demands associated with that, and more emphasis on stewardship, mentoring, and pan-governmental roles. As indicated from the APEX survey, roles which assist in shaping government transition and future leaders are preferred by those EX's who are soon to retire, and likely by other senior public servants in expert roles. Ideally, such alternate roles should serve to replace those plans being contemplated by PS professionals who are eligible to retire soon. Consequently these roles should be developed and publicized soon enough to impact on departure plans. How do we interest someone who becomes eligible for retirement in 5 years in staying a few years longer than that and devoting a few years prior to that in a redefined role?

- *How do we identify the almost-retired leaders we want to keep?*

  The link between age, experience, and wisdom is strong enough to be worth considering, but far from direct or perfect. Hence, the objective is not to retain *all* soon-to-retire senior public servants, but rather those who are valued and valuable for their wisdom and problem-solving approach. If knowledge transfer is a high priority, then earlier identification is preferred, so as to make optimum use of such individuals as a resource. Earlier identification also potentiates greater personal investment in the role prior to actual retirement (i.e., no "lame duck" roles), and enhanced possibilities for re-attracting such individuals following departure. The practical problem that accompanies this is not only how to do it quickly but how to do it in a way that avoids bitterness or competition.

- *How do we manage and retain the insights of senior public servants <u>after</u> they retire?*

  In the same way that internal talent registries are recommended practice for leadership development (Corporate Leadership Council, 1997), "wisdom" directories of interested retirees can be maintained. Effectively re-attracting former executives out of retirement involves taking into account the sorts of roles, time commitments, and projects that would be most likely to attract different individuals. It is the productive and rewarding experience in the role that is likely to re-attract and involve retirees, and the productive outcome of being under such persons' tutelage that will assure the availability of such roles for EX-retirees. Insomuch as their role as mentor or advisor requires establishment and maintenance of a certain status which a traditional consultant might not have, such roles would have to be understood throughout the PS. The particulars of how such a talent pool should be managed, from an operational point of view, remains to be determined, however a central player such as the Canadian Centre for Management Development or APEX maybe useful in managing such a post-retirement workforce as a pan-organizational resource. The National Mentoring Program Strategy (http://www.agora-canada.org/mentor), a partnership between Health Canada, Canadian Heritage, and the Public Service Commission, started this year and provides one such model.

On the other hand, wisdom can be context-specific such that matching mentors and mentees, or calling in advisors for specific problems, may be best done by departments themselves in some instances, particularly in larger departments where a pool of known individuals may exist. A number of programs for doing this already exist, such as the *Alumni Program* and *Mentoring Program* at Statistics Canada, and in-house several knowledge transfer programs at Transport Canada, Human Resources Development Canada, and Agriculture and Agri-food Canada. These programs have been recently outlined in a document published by the Treasury Board Secretariat (2002).

- *To what extent are the wisest senior public servants already being used in a productive way?*

A number of retired senior public servants already function as advisors or are rehired in some capacity on a contractual basis. For example, retired executives are frequently used as contract assessors in the selection of senior managers. What is not known is the extent to which this is currently taking place across the PS, nor the extent to which such relationships might be based on use of the retired employee's *perspective*, rather than simply their knowledge of the particulars of process or regulations. Collection of such information is easily complicated by the variety of sub-contractual or quasi-contractual relationships that might exist (e.g., multiple former employees providing service through a single consulting service, or unpaid "emeritus" positions), however it would be useful in identifying the channels of continuing service that might currently exist and the factors that attract former senior public servants to these roles.

- *How do we identify emerging leaders who show evidence of being or becoming wise?*

Selection and development tools (e.g., 360-degree feedback exercises) can be readily modified to look for the objective and measurable characteristics of wisdom. Identification of ideal characteristics at intake in developmental programs or in the pre-qualification process are feasible, and may pose less of a practical problem than would be developing the existing middle manager community, since selection tools can be readily modified to assess potential for wisdom in leadership and decision-making. The chief barrier to developing a sufficient pool of wise emerging leaders would likely be in providing a sufficiently exhaustive survey of all available talent *currently* in the PS, and either centralizing such information (e.g., through Executive Services in the PSC) or coordinating departments' information.

- *How do we transfer wisdom to emerging leaders before senior staff leave or retire?*

This is a two-faceted question. One facet involves identifying and providing the actual channels and procedures for wisdom transfer. The other facet is the role/task legitimization aspect, for both learner and source.

The most obvious channel for transfer is mentoring on one-to-one or small group bases. Although PS-wide developmental programs such as the *Career Assignment Program* may incorporate mentors, this is not presently a formal feature of all such placements, and only pertains to a small number of individuals across the PS. Perhaps more importantly, even where senior mentors exist, their available time for participation is limited since they are concurrently acting in management roles. Facilitating mentoring may well imply job redesign and time specifically allocated for such activities, on the part of both senior mentors and developing leaders, conceivably built into performance agreements.

Mentor-mentee relationships need not be confined exclusively to a kind of confidante interaction. Given that the wisdom is in the information seeking and weighting of priorities in the doing itself, co-leadership of projects is also a useful way of acquiring the thought processes and perspectives of wise leaders. Olfshski and Cutchin (2001) describe what they refer to as "tailored programs" as a way to facilitate higher-order leadership skills. Some of the examples they cite (such as that offered by the Tennessee Government Executive Institute; http://www.state.tn.us/personnel/TGEI/index.html), use real problems faced by executives, coupled with access to pertinent historical and internal documents - essential a re-creation of the problem and context, analogous to the case method used in graduate business programs - to provide opportunities for emerging leaders to develop their leadership skills. When paired with mentors, such programs can assist emerging leaders in understanding the organizational context they work in, its priorities, and how to go about making crucial decisions, without having any impact of mistakes felt at the public level. Such exercises, carried out as workshops by the *Canadian Centre for Management Development* or the *Leadership Network*, can also provide valuable learning experiences. It is important to remember that wisdom is a form of expertise that, like any form of expertise, requires extended hands-on experience to develop. Finally, it is worth noting that passive observation of wisdom in action can be of teaching value too. Kellerman and Webster (2001) have argued that "a well-told life story is leadership literature at its best...in addition to being darn good yarns, first-rate biographies and autobiographies instruct." Transfer of "big picture" knowledge, then, can also be accomplished by group presentations, Friday afternoon chat sessions, or events such as those organized by the *Forum of Young Professionals in the Public Service* (http://www.ottawaforum.org/forum/).

How would wisdom transfer programs be implemented in a manner to benefit those in regional offices? The geographical constraints on how knowledge is transferred also need to be grappled with, both in terms of transferring whatever needs to be transferred from the centre, and in terms of retaining what is important regionally.

As suggested earlier, identifying wise leaders early enough before they leave is crucial to fostering productive use of their time and insights. The goal is to assist emerging leaders in incorporating the breadth of information taken into consideration by the wise senior leader, and making it a default aspect of their own reasoning processes. That takes time on both the part of the learner and the teacher. A broader time frame for whoever is doing the transfer also permits them to become invested in the role and develop a style that works for them.

- *How do we get the organizational culture to value wisdom more?*

In an era of values-based PS being linked to a results-based public service acting in the public interest, wisdom and "big picture" knowledge needs to be made an explicit part of this shift in organizational culture. A good decision should be seen as synonymous with a wise one, and wisdom should be perceived as having as valid a place in the PS as it does outside of work (although one doesn't have to necessarily *call* it wisdom). This means making it an explicit part of any values-base initiative, in addition to making wisdom acquisition a part of developmental assignments and programs, and providing formal and informal channels explicitly dedicated to wisdom transfer both within and between departments and agencies. In some cases, these can make use of the electronic and other resources at our disposal. For example, listservs or on-line workshops for solving ethical quandries, a "new managers' forum", or project diaries (e.g., "What I learned the hard way from project X") situated in departmental resource libraries, can serve to transfer broad perspectives, and describe how decisions are made in the public and organizational interest.

The perceived value of managerial wisdom in PS decision-making, and especially acquiring it, will depend on how much time (and by extension importance) is perceived to be allocated to it. This is perhaps the most difficult step of any listed in this document. For many managers and EX's, simply catching their breath is an achievement. Allocating half a day a week to staff development, mentoring, knowledge transfer, etc., is pretty much impossible. Allocating time for soon-to-depart staff to transfer what they know to incoming replacements is also difficult, whether because the departing individual has too much to attend to before leaving an already understaffed unit or because their replacement will not be in place to benefit from any overlap. Making it important requires providing a framework that permits the individual leader to make it important. Anything that identifies such knowledge transfer as a hasty action by someone heading out the door only serves to undermine the degree to which it can be valued and be accomplished.

6. Summary and Overview

The need for conserving and fostering wisdom amongst the current and emerging leadership cadré in the PS is evident. Not all those soon to retire from the executive group are shining examples of the best in executive leadership, nor is the high quality leadership and judgment that many can and do demonstrate a mere consequence of their age. Such wisdom and excellence in judgment, while always useful, is gradually becoming more crucial in the workplace as the PS modernizes. It is not simply the potential loss of executive and corporate wisdom that is of concern, but the imminent need for more of it at a time when it may be in shorter supply.

It is suggested that the solution to this scenario consists of not only retaining and re-attracting the right people, but in finding ways to spread what it is they know how to do - whether by example or by active promotion - to those who can absorb and integrate it into important roles within the PS. It also involves going out in search of wisdom when recruiting or selecting for promotion, and in providing productive opportunities for managerial and leadership wisdom to flourish on its own, whether in place or on assignment.

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