

Mind the Gap

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As the Canadian population ages, so too does the Canadian workforce. According to findings from a recent study conducted by Towers Perrin, 39% of Canadian employees aged 50 and over anticipate retiring in the next 5 years. This unprecedented demographic shift will translate into a diminishing number of Canadian workers. Due to low fertility rates and increased global competition for skilled workers, there won't be a sufficient number of younger employees to meet the staffing needs of Canadian employers.

When the Boomers make their exit, they will take with them knowledge, skills and expertise gained from years of experience on the job and they will leave vacancies in organizations that will become increasingly difficult to fill.

As the pool of skilled candidates diminishes, companies will compete in a global war on talent. In order to remain competitive, businesses will have to rethink traditional recruitment and retention strategies. According to *James Sowers*, Managing Director of Buck Consultants' HR management practice, **"It's more than just a problem of not having enough bodies to replace retiring Boomers... the real challenge is transferring their knowledge and talents to succeeding generations of workers."**

Yet, despite this massive loss of corporate wisdom, few organizations have instituted measures to properly manage the transfer of knowledge from one generation to the next.

Due to the volatility of current financial markets, a substantial number of Canadians will have to rethink their retirement plans. Many have seen their retirement savings shrink, home equity drop and job security evaporate. In fact, many Canadians will have to reconsider staying in the workforce past the traditional retirement age of 65, in an effort to compensate for the monetary losses they have recently incurred. While finances are a primary reason for continued work, many Canadians also want to maintain physically active lives and intellectually stimulated minds.

A working retirement, long ago considered to be an oxymoron, has become the new reality for many Canadian boomers. Successful organizations will be those that capitalize on the changing dynamics and demographics of the workforce, in an effort to facilitate continued organizational growth.

What to do?

1. Create a “retiree bank”

Many companies such as IBM and Ernst and Young have a network of retired alumni from which they can recruit seasoned employees who want to work on specific assignments of their choosing.

2. Phased retirement, flex-time and part-time work

Many older employees are not looking to permanently exit the workforce, but they are looking to slow down and cut back on time spent at the office. In an effort to capitalize on the knowledge, experience and relationships of these employees, companies can offer flex-time, part-time work, bridge jobs and meaningful assignments. Such programs enable the gradual transition from full-time work to retirement.

3. Identify potential gaps and knowledge transfer needs

Does your organization employ workers who have specialized knowledge that make them difficult to replace? If so, you may want to retain these employees and have them groom a younger apprentice before leaving the workforce.

4. Workplace assessment

Assess how many of your employees are nearing retirement and inquire as to whether or not they plan to exit the workforce at the traditional retirement age, or would they like to participate in a phased retirement program.

5. Determine which benefits are most likely to attract key talent

In today’s talent strapped market, jobs must deliver value beyond pay and benefits. Business’ goals need to be in sync with the personal needs and desires of four different generations. When attracting or retaining key talent, compensation packages must accommodate the different needs and desires of each age group. While younger employees may emphasize financial compensation over all other benefits, older workers may be most interested in meaningful and interesting cases and part-time employment.

Instead of viewing older employees as a burden, forward thinking employers will regard this talent pool as an opportunity and recognize that they can profit from experience.

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