

Here Today, Gone Tomorrow

Loss of Older Employees a Potential Workplace Crisis

By Symone Salisbury

Benjamin Franklin's advice to "never leave that till tomorrow which you can do today" resonates more than two centuries later. Applying his philosophy to the workforce can help businesses confront one of their biggest challenges: proactively retaining knowledge potentially lost as more and more Baby Boomers (people born between 1946 and 1964) near retirement age. Unfortunately, a large number of companies don't consider the issue a priority. Surveys conducted for a 2003 Society for Human Resource Management (SHRM) report, for example, indicate that 65% of organizations are not making efforts to retain older workers, and 59% are not actively seeking to employ them.

"The aging of America's Baby Boomers is the most pressing national issue of this century."
Harvard Generations Policy Journal

To maximize businesses' success and the quality of life in communities, such statistics must improve.

According to information provided by the Center for Aging & Community (CAC) at the University of Indianapolis, a prominent gerontology center, 25% of the working population will reach retirement age by 2010. As a result, there will be potential worker shortages of nearly 10 million people in industries including long-term care, higher education, government and others.

Eli Lilly retiree Howard Allen continues to collaborate with the company as a YourEncore employee.

Inheriting opportunity

Established in 2001, the CAC confronts "the graying of the United States," an issue that the *Harvard Generations Policy Journal* refers to as "the most critical public policy issue of our times."

The center has two focus areas: "aging in place" and "meaningful work for older adults."

Ellen Miller is executive director of the CAC. She describes the organization as an "academic champion" for aging in the workforce. Seeking local and national input on obstacles and solutions, it has four roles: convener, researcher, trainer/educator and consultant.

"Our perspective is that we have to raise the awareness of the issue before we can make a call to action," she asserts.

The center conducted its first Managing the 21st Century Workplace Conference in April. While the initial seminar examined how to define issues revolving around older workers, the second will delve into how businesses can proactively deal with those hurdles.

In addition, the CAC conducts events throughout the year to update and engage the community.

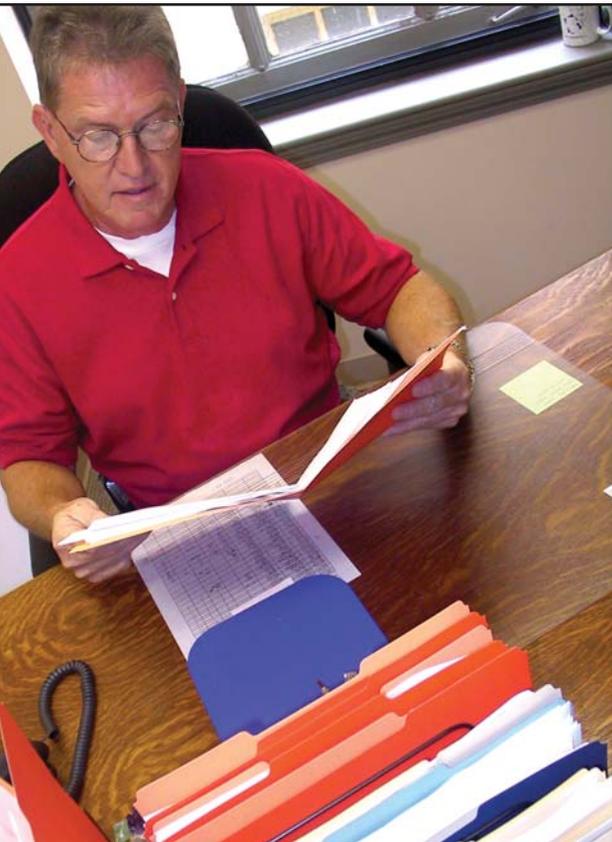
Miller argues that training is key to thriving in an aging workforce.

"Diversity training is everywhere and one of the things that we don't see as part of that diversity training is the idea of throwing age in." She points out that "age is the one thing that happens to everyone."

In addition, she emphasizes the importance of a mutual appreciation of talents and skills among older and younger workers.

"It's not just that the young people need to be trained in respect and that they need to revere the older," Miller explains. "It works both ways. We need to have older workers understand and appreciate what the younger generation brings to the workplace as well, and take advantage of what both are good at."

Imparting knowledge to younger employees is becoming increasingly important. By 2008, for instance, one out of every six workers will be over age 55. By 2025, the ratio will be one to five, reports the CAC.





CAC's Ellen Miller and Barry Spiker stress that increasing awareness and being proactive can help prevent a workforce crisis.

“I believe that global aging will become the transcendent political and economic issue of the 21st century.”
Pete Peterson, former U.S. Secretary of Commerce

Knowledge worker

Barry Spiker, senior fellow at CAC, argues that research on aging in the workplace is distorted because it fails to account for the concept of a “knowledge worker.” As a result, employers overlook workers’ positive contributory value, a term he coined.

According to Spiker, positive contributory value “needs to look at psychological capital (how well a person feels about themselves), intellectual capital (how much knowledge a person has gained or attained over the years), emotional capital (grace under pressure) and social capital (who you know).”

An integral part of the organization’s five-phase study,

When Old is New: Quantifying Challenges and Opportunities for Indiana’s Aging Workforce, is the idea of a knowledge worker.

“My objective is very simple,” he states, “to make Indiana the older workforce development state, end of story.”

The CAC plans to complete phase one this fall, at which time it will publish an update and launch phase two.

Questions the study will ask, Miller says, include: “What is it that our (Indiana’s) companies are doing? Where are we? What are the policies? What are the practices? And really, what

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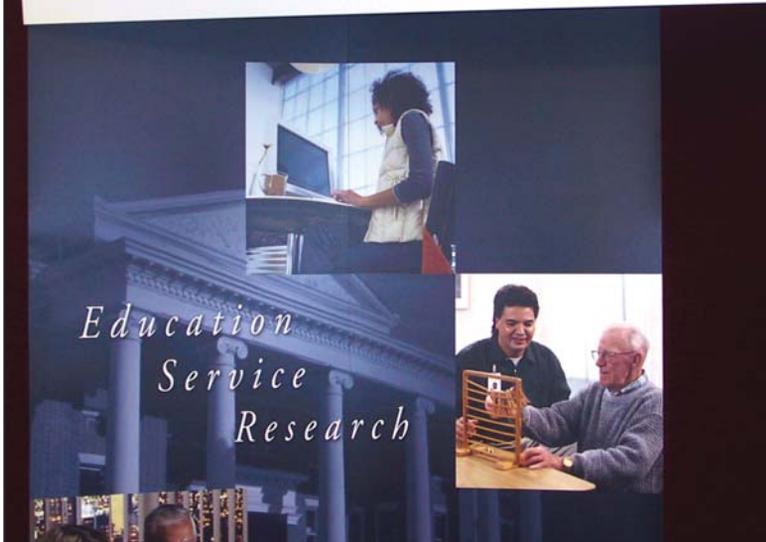
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Study timeline for *When Old is New: Quantifying Challenges and Opportunities for Indiana's Aging Workforce*

- **Phase 1: October-November 2005** – Description of the current workforce. Conduct early explorations of existing data.
- **Phase 2: November 2005-May 2006** – Nature of the problem. Initiate in-depth survey research of select industries and occupations.
- **Phase 3: November 2005-May 2006** – Implications and strategies for change. Develop appropriate business practices and civic responses.
- **Phase 4: June 2006-August 2006** – Develop outcomes and synthesis of policy impacts.
- **Phase 5: October 2005-September 2006** – Dissemination and communication. Key release dates are October 2005, April 2006 and September 2006.

are we doing and how well prepared are we as a state? We'll also be doing some cross-state comparisons. Are we at the top of the heap, at the bottom of the heap? Probably somewhere in the middle."

Avoidable ... or impending crisis

"There's no need for this (aging workforce) to be a crisis if we're proactive in planning," Miller proclaims.

"We're (CAC) saying 'wait a minute, don't be so focused on now. Let's look a few years beyond because if you don't, there will be a crisis and you can avoid that if you do a good job of planning, preparing, understanding at the highest levels within the organization.'

"The challenge really is creating that sense of urgency," she adds, "because until there is a sense of urgency, I don't know that people feel like we need to do something about it."

Businesses often fail to consider human resource issues during strategic planning, for example. Other barriers revolve around legal policies and discouragement of phased retirement, which

many older workers would prefer over traditional retirement.

She urges individuals to communicate with legislators and government leaders to "remove disincentives" (relating to employment law and pension law, for instance) to effect positive policy changes.

What else can companies do to alleviate the problem?

"Getting the incentives right in the organization to capture intellectual capital is first and foremost," Spiker stresses.

"Secondly, building the communities of practice. All ages working together. Getting people together in a work group where people have like-minded interests," he continues.

He also recommends job shadowing, mentoring and workshops.

Brain drain

Data provided by the CAC reveals that in all of history, half of the human beings who have turned 65 are living today.

"When CAC talks about the brain drain, we want people to be just as conscious of the brain drain at the other end of the workforce as they are at the college graduate end of the workforce," Miller reflects, "that it has just as much potential impact, if not more impact, on the economy of the state of Indiana as the college brain drain does."

She cautions employers not to view considerable quantities of resumes currently received for job openings as an indication that the worker shortage is not as serious a problem as projected.

"The bottom line is, as we move forward in the next five to 10 years, there will be more worker shortages," she states. "So if the Baby Boomers choose to retire, what's going to happen is, there aren't workers to take their place and it's not really going to be an option anymore of whether or not you hire older workers because you're going to need to hire people to fill these positions to just keep things rolling along in the company."

Spiker agrees.

"We're talking about, potentially, industries being crippled here," he emphasizes "We've got a lot to do in a little bit of time."

Second wind

Brad Lawson, president and CEO of YourEncore™, notes that 78 million Baby Boomers will be retiring over the next 20 years.

In contending with such statistics, the organization focuses on the skills shortage more so than the labor shortage. Uniquely pairing retired engineers and scientists with high-profile member companies, it was formed in partnership by Eli Lilly and Company and Procter & Gamble. Other members include Boeing, National Starch & Chemical and Ethicon Endo-Surgery (a division of Johnson & Johnson).

"There is occurring a deficit (in the scientific and engineering disciplines) of qualified scientists, engineers, technologists that

are required to help companies and organizations create new programs, solve problems and basically increase innovation,” Lawson states.

Focusing specifically on the scientific and engineering fields as it collaborates with companies “committed to driving innovation,” YourEncore promotes “cross-pollination of technical talent” that an increasing number of retirees possess.

He says the primary motivator for retired individuals to collaborate with the organization is that “they want to continue to contribute. They want to stay connected. They want to remain vital. They want to contribute, but they want to do it on their own terms. And that’s what we provide. We match the companies’ technical challenges and marketing opportunities to the unique skills sets and experiences in our network of scientists and engineers.”

“They come in and tackle the problem,” Lawson remarks. “They’re not encumbered by the bureaucracies of full-time employment. They just come in and focus on getting the job done. What we’ve found is most of our jobs are being completed quicker than what is being allocated and that is an anomaly in the consulting world.”

Retiring myths

Despite research that disproves them, many myths exist about the older adult population. One common misconception, for instance, is that older workers aren’t motivated by a strong work ethic because they have reached or are nearing retirement age.

“We value youth in our economy,” Spiker comments.

“It doesn’t take a rocket scientist to see that when we look at television commercials and what they’re saying to us. There is alive and well the next “ism” in this country and it is ageism.”

At the same time, many older workers are defying ageism by re-entering the workforce after retirement and by establishing new businesses.

“There are a lot of small businesses, very creative entrepreneurial things that are being started up by people who are 50-plus and that to me is very exciting,” Miller declares.

Lawson and others have been impressed with retirees’ performance at YourEncore. One project leader praised retirees working with his company as part of its partnership with YourEncore.

Lawson recalls that leader’s quote: “It’s like you have the passion and enthusiasm of a new hire with the experience and savvy of an experienced veteran.”

Miller concludes, “Part of the way that we want people to begin to think about these demographic changes is that it is really an exciting opportunity for us – as a state, for our economy, for the future. Instead of framing it as, ‘wow, what a problem, (frame it as) ‘wow, what an opportunity.’ ”

INFORMATION LINK

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