

Holding Pattern

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More workers are delaying retirement and blocking advancement opportunities for potential successors.

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The sudden impact of the economy's tailspin is causing employees at both ends of their careers to become introspective about their futures.

"I'm stuck where I'm at until someone dies or retires," laments a 34-year-old Gen Xer working as a graphic designer in a university setting. "The thought of people delaying retirement is really depressing."

She sees the economic downturn greatly affecting Baby Boomers' retirement plans. "I've heard older co-workers saying the downturn has changed their, or their spouse's, retirement plans, which does not leave me feeling too hopeful about my job situation," she says.

These perceptions are common and have the potential to significantly impact the work environment as employees who had been planning to retire, as well as those who had hoped to move into vacated jobs, now find themselves in a holding pattern.

Staying Put

The number of workers delaying retirement is likely to rise as a result of the country's economic meltdown, says John Heins, senior vice president and chief HR officer of Spherion, a staffing and recruiting firm in Fort Lauderdale, Fla.

Mimi Wallace, HR director at Metters Industries in Burke, Va., and a member of the Society for Human Resource Management's (SHRM) Staffing Management Special Expertise Panel, says that in her business—contracting for the federal government—some among her company's mature workforce indicated, even before the economic downturn, that they were in no hurry to retire. "We did a very loose survey here and found that people are working three to five years longer than they had expected to 10 years ago," she says.

Many experts see the Baby Boomer exodus as much less likely to occur in the near term, and they predict the likelihood that current retirees may be interested in re-entering the workforce.

That is not necessarily bad news, says Mary Willoughby, SPHR, director of human resources for the Center for Disability Rights Inc., in Rochester, N.Y., and also a member of the Staffing Management panel. Willoughby says that in talking with other HR professionals and considering her own company's situation, most of her peers are not disappointed that employees they thought were going to retire are now still with them. On the contrary, she says, "We're more than happy to have that knowledge sticking around."

Heins agrees. "From an organizational perspective, it's somewhat of a great spot to be in," he says. "You're not going to experience the talent drain."

Workers from Generations X and Y may be less thrilled, however, as



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expected advancement opportunities disappear.

Heins says that these younger employees find themselves in situations similar to traffic jams. "You're stuck there, and all you want to do is get off the highway and look for another opportunity or an alternate path."

Feeling Stuck

Willoughby has already noticed a change in outlook from Gen X and Gen Y staff members who, until recently, saw only blue skies ahead: "They're not feeling as secure.

"As HR professionals, it's our responsibility to find out how to keep them engaged and staying with us and to use their knowledge while still finding some excitement in what they're doing. Then, hopefully, they'll hang out with us even when the upturn comes down the road," she says.

Not all Gen Xers and Gen Yers will feel frustrated, notes Mary Key, Ph.D., leadership pillar director for the Institute for Corporate Productivity in Tampa, Fla. "There are so many companies that have cut [staff] and so many [people] out of work that the once-career-oriented fast-tracker is more likely to pause and feel OK about the stall."

Employers can breathe easier, says Wallace, because their employees are not as likely to be lured away as they might have been just 18 months ago. Still, the downturn will not last forever. HR professionals need to be looking to the future and thinking strategically about what shifts to anticipate in their workforces and how to proactively address them.

Bracing for a Hit

Delayed retirements are a double-edged sword for companies, says Jamie Hale, who leads the workforce planning consulting group at Watson Wyatt. "Those organizations that have people in critical roles that they had wished weren't retiring are now going to be in a little better shape for a couple of years," she says. But she warns that this is a temporary respite. Also, moving out less-productive and less-engaged workers and moving others up will be more challenging, Hale predicts. Another challenge will be keeping some mature workers engaged and committed in the face of a retirement that may now loom years in the future.

"The economy and the demographics are different now than at any other time," Hale warns. "In down economies before, there has been a readily available talent pool on the back end when things start turning around." This time, the age composition of the population will reduce the number of people available to replace retiring skilled workers.

Employers may be pressed to meet the perceived divergent needs of Boomers and Gen Xers and Gen Yers. But, in reality, Willoughby notes, their desires can be remarkably similar. For instance, flexibility and work/life balance appeal to older employees as much as to their younger colleagues, she says. And the need to make a positive contribution to the workplace remains a drive that spans generations, Hale says.

Engaging Employees of All Ages

Beverly Kaye, founder and chief executive officer of Career Systems International, a management consultant and co-author of *Love 'Em or Lose*

'Em: Getting Good People to Stay (Berrett-Koehler, 2008), suggests that HR professionals and managers begin the engagement process by asking key questions of employees and carefully listening to their responses. Responses to the following questions can provide insights that HR leaders can use to change or develop policies and practices that better meet employee needs, either on a collective or individual level:

- What's your favorite part of the job?
- What do you want to do more of or less of?
- What are you learning on the outside that could be helpful to us?
- What new ways would you suggest we do things that we haven't done before?
- What specific things do you want to do in the next year here that you haven't had a chance to do before?
- What skills are you willing to invest time in developing so that you can stay ahead of the curve in your profession?

Looking In-House

To make staffing decisions aimed at keeping older workers engaged and younger workers motivated in the face of fewer advancement opportunities, Beverly Kaye, founder and chief executive officer of Career Systems International in Los Angeles, a management consultant and co-author of *Love 'Em or Lose 'Em: Getting Good People to Stay* (Berrett-Koehler, 2008), recommends identifying top performers and critical talent, improving the performance management system, and predicting future talent needs.

Identifying top performers. "HR professionals really need to understand who they've got and who's valuable [among employees of all ages]," says Hale.

Key agrees, noting that a SHRM report, *Managing a Maturing Workforce*, found that only 36 percent of companies have developed succession plans to allow older workers to pass on their expertise.

It is also a good time for organizations to focus more effort on developing effective individual development plans. "We can't let their job EKGs flatten out," says Kaye.

Employees of all ages need to understand the needs and future direction of their organizations to clearly see where they currently fit and how they might fit in the future.

Company officials need to be open with their communication and transparent about what is going on with the business, Hale says.

Improving performance management. The performance management system can be a powerful tool to align the performance of employees at all phases of their careers with business goals, but only if it is designed and deployed effectively.

Hale acknowledges that this puts a lot more pressure on leadership. "You can develop the best tools and processes, but you still have to have managerial courage and good metrics," she says.

Much of the onus falls to mid-level managers who need training and tools to appropriately fill their roles, says Kaye. "We need to give managers at all levels the skill development they need to support career conversations with each of the generations. That means teaching managers how to ask great

questions and how to get a sense of the talent profile of the people on their teams," she adds.

Predicting future talent needs. This is a critical time for HR professionals to demonstrate the ability "to step up their analytics and be able to sit down with operational management and talk about the impact of the workforce on business results," says Hale.

Helping younger and older employees navigate changes in their career plans as a result of the current downturn will significantly affect organizational success, says Heins. "You still have to attract, retain and motivate your workforce," he says. "It's still going to be about having the most talented people in the positions that are going to drive the business outcomes, and it's really the employer's time right now to be able to evaluate that."

The author is a business journalist with HR consulting experience.

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