

The Golden Years: Dealing With Retirement

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For most people, the word “Retirement” conjures up images of relaxing on tropical beaches with a piña colada in hand. However, for many managers and organizations, the idea of retirement, specifically the retirement of their staff, instead brings feelings of doom and gloom. With Canada’s ever-aging workforce and baby-boomers entering or nearing retirement age, it is not hard to feel a sense of uncertainty when peering into the future of many organizations.

It is no secret that Canada has an aging workforce, and this has many organizations worried. Recent estimates by Statistics Canada state that in ten years, one in five people in the workforce will be between 55 and 64 years of age. To put it another way, 20% of the Canadian workforce are quickly approaching retirement age.

So what does that mean for your organization? Imagine if 20% of your organization’s employees walked out the door; how would this effect the organization? Remember that most of these employees would be your more experienced and senior employees; could someone take their place in short notice? What would happen to productivity? The idea brings with it many questions.

Fortunately, retirement does not happen overnight and if we are to go by the research, organizations still have time to put a strategy in place. However, the reality is that a possible worker shortage is looming in the near future, and with this brings a loss of knowledge and skills. Also, when senior employees retire, they take with them the years of experience they have accumulated over the course of their career; experience that can prove to be invaluable to an organization. So this retirement-based worker shortage creates two important issues: a lack of bodies to do the work, and possibly more pressing, a loss of experience, skills and knowledge.

Reading the above, we know that most organizations are faced with a very serious problem when it comes to retirement, but what can be done to prepare and possibly circumvent these issues? Organizations do have a couple tools at their disposal to help deal with this scenario; the first being to create a detailed Succession Plan. The purpose of the Succession Plan is to have people in place to take over key positions as they become vacant due to retirement, turn-over or employee movement. Succession planning includes laying out strategies for the identification of key positions and eventual successors for senior staff, the training and development of staff, the recruitment of new talent and the retention of those employees targeted as possible successors. By laying out specific strategies in each of these areas, an organization will not only be better equipped to face the reality of a declining workforce, but better prepared for any staffing situation which may present itself in the future.

So, you have identified your key positions and possible staff that could fill these positions; but where do you go from here? The next step is to develop a training and development plan to provide those possible successors with the knowledge, skills and experience they require to painlessly enter said positions in the future. To do this,

managers must determine the knowledge, skills and experiences required for the identified key positions, and then compare this with the knowledge, skills and experience of current staff. By comparing the knowledge, skills and experience of those identified as possible successors to the requirements of a position, a manager can easily identify where the employee needs further training or in which areas they require more experience. With this, a plan can be put in place mapping out in detail how the employee will gain experience and knowledge through the setting of goals. This development plan needs to be regularly revisited with the employee to ensure they are on track.

Developing from within has many advantages; however, organizations will still require strong recruitment practices. Recruiting employees can be necessary to gain knowledge and experience which may be beneficial to the organization and is not easily or affordably obtained through internal development. Recruitment is also necessary to address possible employee turnover, filling in gaps that may appear in the organization. In order to use recruitment effectively though, the right people must be brought into the organization and recruitment must be included as part of the Succession Plan.

While Succession Planning does help layout a plan for staffing key positions within an organization, it does not deal with the fact that, should predictions hold true, Canada will have a smaller workforce. This means increased competition for employees already in Canada's workforce. This must be kept in mind when making investments to train, develop and recruit talent for the future because organizations have to make certain they are able to retain these employees. This means putting in place measures that will give you the competitive advantage over other organizations when it comes to keeping the best and brightest minds in your organization. These measures normally include more than simply offering higher wages; organizations must instead demonstrate a strong, positive organizational cultural, competitive benefit packages, providing employees a voice in the organization and providing them with the freedom to perform their work effectively. This reality forces organizations to not only differentiate themselves from other workplaces in order to attract and retain employees, but it also means that organizations have to look outside the box for potential employees.

Even though Succession Planning will give you a plan to address vacancies in the future and expanded recruitment efforts will bring new talent, experience and skills into your organization, these things can not replace the years of knowledge and experience your potential retirees typically bring to the table; but how does an organization resolve this loss? How does an organization hold on to these assets while providing more junior employees with the opportunity to grow and gain knowledge and experience of their own? These questions are fortunately not without an answer. Organizations need to hold on to their senior employees and involve them in the grooming process of their eventual successors. What easier way is there to provide junior employees with years of experience and knowledge than to have your more senior employees pass it on directly?

By putting measures in place that are seen as attractive to retirement-aged employees, organizations can effectively hold on to this talent for a longer period of time. Things such as a strong benefits package, alternative or part-time work arrangements and telecommuting are all seen as viable options for retirement-aged workers who, in many cases, would rather keep working because of the sense of identity and the socialization that comes with being apart of an organization. It is important that an organization

shows commitment to retirement-aged employees and seek their input in training and mentoring their eventual successor. This means having providing retirement-aged employees with the same opportunities offered to more junior employees in training and development, encouraging their input and ideas, and actively involving them in the succession planning of their position. By showing this commitment to retirement-aged employees and working with them to develop junior employees, organizations are effectively holding onto valuable human resources and postponing any possible labour shortage due to retirement, building future successors and reducing any reluctance senior employees may have in training their eventual successor.

While news of Canada's possible labour shortage does initially paint a grim picture, proper planning and developing a strong strategy for the future will provide organizations with the tool they need to fend off any potential labour shortage crisis. By using Succession Planning, investing in your employees' development, differentiating your organization to attract and retain employees, and by committing to your retirement-aged employees, your organization will be ready for the realities of the near-future. This means the word "Retirement" will no longer bring with it a sense of anxiety and uncertainty, allowing you to go back to dreaming about tropical beaches and relaxing with an exotic drink in hand.