

Six Mistakes to Avoid When Implementing An Aging Workforce Strategy

By Dr. David DeLong

When baby boomers reach retirement age, the departure of many highly-skilled veteran employees is going to hurt business performance in several ways. It will not only decrease the potential for innovation and growth in some units, but accelerated attrition will also decrease operational efficiency and increase costs. A few organizations are trying to get the jump on this problem. Companies like the Tennessee Valley Authority, Northrop-Grumman, and Dominion Resources have begun implementing new workforce development strategies to improve the retention of critical knowledge and reduce the costs of turnover. But in our ongoing research and consulting with many firms, I have found six problems that are crippling organizational efforts to improve workforce capabilities in the face of baby boomer retirements. How are you going to avoid these challenges?

Mistake #1:

Assuming leaders will invest in solutions once aging workforce threats are pinpointed. Some companies are becoming good at diagnosing where they are most vulnerable to losing employees with critical knowledge. But, when it comes to implementing specific solutions, such as accelerated mentoring programs, investing in knowledge capture systems, or hiring successors early enough to train them, leaders often won't provide the political support or the resources needed. Developing proactive executive champions is an essential part of almost every aging workforce initiative.

Mistake #2:

Failing to connect aging workforce solutions to management's strategic objectives. Managers in one large aerospace company

undertook a major knowledge retention initiative when the firm began losing too many engineers with special knowledge needed to maintain one type of aircraft they had built. But company executives pulled the plug on the project a year later because it wasn't producing results that were linked clearly enough to business outcomes. Retaining and developing workforce capabilities must always be tied somehow to objectives that leaders really care about. Building a clear business case for knowledge retention is the only way to overcome the inevitable conflicts that arise when other business needs start competing for the same resources.

Mistake #3:

Pursuing the silver bullet solution. The threat of losing 20 to 50 percent of your employees in the next five years is a sobering problem. But the solution doesn't lie in one or two initiatives applied uniformly across the organization. Rolling out a new succession planning process or implementing a flexible phased retirement program won't be adequate for creating your future workforce when so much experience is leaving. Companies need a portfolio of options that can be customized to meet the requirements of individual units and departments. Responding to the knowledge retention needs of R&D scientists, for example, is different than meeting the requirements for effective senior management succession.

Mistake #4:

Not taking into account employee attitudes towards sharing valuable knowledge. Face it, employees often have a wide range of feelings about sharing knowledge. In organizations like NASA and the World Bank, where there is a strong commitment to the organization's ongoing mission, veteran workers are more likely to willingly share what they have learned. But in plenty of firms today, employees, who feel burned out and cynical because of past layoffs and budget cuts, are likely to be unmotivated to participate in knowledge sharing programs. Find out your employees' actual level of commitment when designing knowledge retention strategies so you can be sure new programs and systems are aligned with peoples' willingness to cooperate.

Mistake #5:

Over investing in technology solutions to "capture" knowledge. Sandia Labs spent millions of dollars videotaping hundreds of employees who were about to retire. Unfortunately, it turned out younger workers at the nuclear weapons lab weren't interested in reviewing hours of video tape to find one nugget from an old codger, no matter how smart he or she was. The business world is already full of unused "lessons learned" databases and dusty videotapes created with departing employees. When it comes to knowledge retention, leading with a technology solution is a recipe for failure. Technology definitely has a role to play in supporting knowledge retention efforts, but it must be applied only when it is aligned with existing knowledge sharing and learning behaviors.

Mistake #6:

Failing to integrate aging workforce or knowledge retention solutions. There are a wide range of initiatives needed to support the development of future workforce capabilities to compensate for attrition among highly-skilled employees. But, in my consulting with organizations today, I find most are not coordinating these efforts and the opportunity costs are tremendous. Strengthening your workforce for the future means coordinating and integrating activities in four areas:

- human resources policies and processes, such as succession planning and phased retirement practices
- the use of a variety of knowledge transfer practices, such as documentation, storytelling, and coaching
- leveraging IT applications effectively to support knowledge capture, sharing, and reuse
- proactively designing practices to recover knowledge once it has left the organization, either through careful outsourcing or formal programs to bring retirees back as consultants or contractors.

The challenges posed by an aging workforce and increased mid-

career turnover are getting greater management attention these days. That's a good thing because there will be staggering knowledge losses in the years ahead due to the departure of experienced managers and professionals from organizations throughout the industrialized world. But leaders who have begun addressing this problem are running into new challenges. The potential mistakes described here can undermine future workforce development and threaten business performance. Anticipating them will help you minimize their effects.

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