

## **Smart Companies Entice Older, Wiser IT Workers to Remain on the Job**

By Julia King, Computerworld  
June 9, 2004

Norma Veta, 74, an IT retiree from The Aerospace Corp, spends two days a week helping her son's family and managing several rental properties. The other three days, she returns to Aerospace to work on special IT projects. After 40 years with the R&D and engineering services company, she knows the payroll and benefits systems almost as well as the faces of her three grandchildren.

Nine months after retiring from a 28-year career as an IT infrastructure specialist at Hartford Technology Services, Ken Klein, 62, is taking sailing lessons, spending months at a time traveling with his wife, exploring volunteer opportunities with Habitat for Humanity, collecting a pension and still working 20 hours a week on IT projects at the subsidiary of The Hartford Financial Services Group.

Welcome to the 21st century's version of retirement, an increasingly longer stretch of life that for many IT professionals is just as likely to include new technology training and mentoring assignments as tango lessons or road trips.

"People used to think of retirement as a five- or 10-year period, but now people see they'll have as much as 30 years and are looking at how to spend those years incorporating some element of what we'd call work," says Tamara Erikson, a consultant at The Concours Group in Kingwood, Texas, and co-author of a forthcoming book on the effect of demographic shifts on the workplace.

According to recent research by the American Association of Retired Persons in Washington, 80% of baby boomers plan to work at least part time during their retirement. Most have no desire to work full time, however. They want flexible working arrangements, project-based assignments and part-time status that enables them to travel, volunteer and pursue their leisure interests while remaining engaged in challenging work with colleagues.

Human resources professionals say companies offering such arrangements benefit by retaining skilled and knowledgeable workers longer. This is especially critical now, as the fastest-growing segment of the workforce is the over-55 set.

"Retirement is going to have a big impact in terms of how much of the workforce is available over the years ahead," says Bob Morison, research director at The Concoors Group.

What's more, "what walks out the door can't be replaced by a 23-year-old coming in the door," he adds. "If more people decide to work longer, it would have a very significant [and positive] impact on the workforce shortage."

## **Keeping Key Talent**

That's happening at The Mitre, which operates three federal IT development centers. Mitre credits its retirement and postretirement programs with helping to keep its employee turnover rate at a rock-bottom level of 4%. The average age of the company's 5,300 employees is 46.

Mitre has no mandatory retirement age, but workers over 55 are eligible for phased retirement, which allows them to continue working part time while drawing on a portion of their retirement benefits. "It's an option for people who want to stick their big toe in the retirement waters without taking a big leap," says Bill Allbright, director, quality of worklife and benefits.

Under a Mitre program called Reserves at the Ready, workers who have retired can return on a part-time, contractual basis, choosing their own hours and projects.

Chuck Sanders, 73, officially retired from his role as director of international integration programs in 2001, but he continues to work 1,000 hours per year in the same role. "Challenging work is why I'm here," says Sanders, who has worked at Mitre since 1958. "It's a combination of interesting work and flexible hours, which provides opportunities for other things."

Both programs also help keep critical knowledge in house and better orchestrate the transfer of that knowledge to younger workers.

Monsanto, a US\$3.4 billion St. Louis-based agricultural products and pharmaceuticals company, offers a similar program called the Resource Re-entry Center. Developed in 1991, it lets employees who leave the company in good standing return and work part time and on temporary assignments in IT and other key areas.

"These individuals know our culture and our language and can begin work with a minimum of on-boarding from us," says Deb Rogers, director of external relations, who is in charge of the program. About 300 former Monsanto employees are signed up for the program, with 175 on active assignments in 12 company locations.

The Aerospace Corp. offers a "try-on" retirement option, allowing older workers to take a leave of absence to help them decide whether they really want to retire. The company also has a Retiree Casual program that enables retirees to return to work part time. The program has about 500 participants, including one 90-year-old, with between 200 and 250 actively working, says Charlotte Lazar-Morrison, principal director of human resources.

## Few and Far Between

Despite these pioneering examples, neither the indisputable demographic evidence of a shrinking workforce nor the obvious advantages of retaining mature workers has convinced more than a small minority of companies to actively work to retain their older, wiser talent.

"A large proportion of baby boomers envision themselves working well into their 70s, but on the whole, companies are not prepared [to accommodate them]," says Deborah Russell, manager of economic security and work at AARP.

"The top three things on companies' to-do lists should be to assess their own worker demographics and map out their retirement trends, then figure out what incentives they'll offer people to get them to stay and how they plan to transfer knowledge from these experienced workers to new workers," Russell says.

And they should do those things immediately, says **Beverly Kaye**, co-author of *Love 'Em or Lose 'Em: Getting Good People To Stay* (Berrett-Koehler, 1999). "When a company has a bad quarter or decides to reorganize 'when the sands shift,' anyone thinking about leaving will leave," Kaye says. "That's why this kind of intervention has to be on the radar screen now."

Specifically, Kaye recommends that companies shift their focus from traditional exit interviews to "stay interviews." Ask the workers you want to keep what they would require to stay a little longer, she recommends.

Companies also may need to refocus their benefits programs to entice more older workers to remain, says Valerie Paganelli, senior retirement consultant at Watson Wyatt Worldwide, a human resources and risk management consulting firm in Washington.

And employees should speak up. Don't wait to announce your plans to retire until a month or two before a chosen date. If you would like to have a more flexible working arrangement, make it known to your manager, Kaye suggests.

At The Hartford, where 25% of the company's 30,000-person workforce will be retired or eligible for retirement within the next six years, all workers are encouraged to present flexible working arrangements to management. The company's Web site advises workers about how to develop and submit proposals

and advises managers about how to evaluate and approve workers' plans. Currently, 12% to 16% of the company's entire workforce is on some kind of flexible working arrangement.

"We've found that situations are very individual," says John Madigan, vice president of corporate staffing and education. "Someone might want to phase in retirement; another wants to telecommute or work part time."

The bottom line: "When we lose talent in the aging IT person, we lose wisdom," says Kaye. "We lose tacit knowledge, not just explicit knowledge, and we're letting that go all too easily. We need to be asking workers what it would take to have them stay and then offering them intriguing ways to do that."

#### **What Older Workers Want**

- Challenging work
- Flexible working arrangements
- Short-term, project-based work rather than assigned weekly hours
- Individual contributor assignments
- No management responsibility
- The chance to "try on" retirement with phased programs
- Minimal administrative hassles