

Easing the transition to retirement

Mature-age workers are too valuable to just ‘let go’. Strategies that benefit them and the company are increasingly important

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WE ARE LIVING IN THE AGE OF longevity – an era of increasing life expectancy and, therefore, an ageing workforce. So it goes without saying there are huge implications for both workplaces and mature-age workers.

It appears that in many parts of the insurance industry very little is actively being done to meet the challenges associated with mature-age workers.

Less than a quarter of the insurance industry chief executives interviewed for PWC’s 19th Annual Global CEO Survey earlier this year acknowledged the issue. Few are changing the way they manage talent to ensure they have the skills and adaptability they will need in the future, given the ageing profile of their workforce.

Taking on this challenge as a well-considered and appropriately resourced workforce strategy will be critical to businesses in the future.

The cost of doing nothing – especially for those organisations with a skewed age profile – can be an extremely high one. If this issue isn’t dealt with properly, customer relationships, succession planning and in turn the impact on the bottom line are all put at risk.

More often than not, mature-age employees have extensive and invaluable knowledge and experience – all attributes the organisation needs to perform at its optimum efficiency.

Therefore, a question managers need to ask their mature-age workers is an important one: “Would you work longer if you could work differently?”

So why aren’t more organisations working closely with their mature-age cohort to devise ways to benefit both the

future performance of the organisation and the retiring individual? This is a particularly alarming question given that many organisations actually already have policies like flexibility clauses in place.

But for various reasons they are not actively in use to an extent that would positively benefit the business’ bottom line. For many, it all just seems to be too hard.

But it doesn’t need to be.

Let’s consider this issue from the perspective of the mature-age individual. Are they happy to go from being a full-time worker on Friday to a full-time retiree on

the economic benefits for the organisation.

This year’s PWC Golden Age Index Survey, which attempts to measure how OECD countries are harnessing the power of their older workers, says Australia Post has been very successful. With 50% of its workforce aged over 45, the organisation has spent the past six years accommodating flexible working arrangements for employees aged 53 and over for the purpose of transitioning to retirement. This allows their older workers to reduce their hours of employment, enabling them to combine work and family responsibilities

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the Monday, or would they prefer a staged transition over an extended period of time?

We have all heard those stories of individuals falling off “the retirement cliff” when their identity, purpose and routine – together with their office keys and company vehicle – are suddenly taken away from them.

It doesn’t have to be like that. We now have the tools and frameworks to support their transition to a new work-life balance by removing their fears and supporting their continued contribution, while maximising

and phase in more “home life” time.

Hobsons Bay City Council in the western suburbs of Melbourne is another organisation that has introduced phased retirement programs where hours of work are reduced and another staff member shares the role.

This has been successful not only in phasing into retirement but also in ensuring the transfer of valuable knowledge. The council has also transitioned older care workers who can no longer carry out physical work into mentor roles.



Warner Bros.

A role to play: Robert De Niro (second from right) with actors in the 2015 movie *The Intern*, in which a 70-year-old widower joins an intern program at an e-commerce company and proves invaluable

This identification of alternative duties should be an important component of any business’ approach to mature-age talent mobility.

The benefits to the organisation include some clear economic arguments. If you don’t adopt a mutually beneficial approach with your mature-age workers, there is a strong possibility that for the last five, 10 or even 15 years of their working career they will “stay in the corner”, continuing to be a cost to the business and not maximising their effectiveness.

So given the likely extension of this late career phase in the future as people choose to work longer and longer past the traditional retirement age, it’s important to look at the cost-benefit advantages of giving meaningful roles to this group.

Why not use these employees with a lifetime of experience the chance to mentor early and mid-career staff members, or to undertake specific projects? Such a reallocation of work will be of greater business value than merely allowing them to carry out the day-to-day tasks they may have been doing for 30 or more years.

There are also the costs savings from paying a part-time salary and having some of the tasks performed in a different way by someone else in the organisation who may well come up with a quicker and cheaper way of operating.

There is enormous value to be gained by transferring that hard-gained experience to all other parts of the organisation – from entry level through mid-career to late career. It contributes to the organisation’s overall talent retention strategy and enhances its employee value proposition.

There are also reputational impacts to

be gained by organisations adopting a positive approach to their older employees. Ex-employees who have positive stories to tell about their personally rewarding transition to retirement can strengthen your consumer and employer brands.

Having a clear picture about how you would like your ex-employees to feel and talk about the business helps create a valid context to design this transitional phase and complements your recruitment strategies.

So, with these benefits in mind, has your organisation considered strategies for

retain and engage your mature-age staff, but using them to also inject their wisdom back into the organisation in a sustainable way, will be vital in the future.

We know there are many facets of our lives that are supported by work – our identity, the purpose it provides, our social network, our routine.

Transferring all these aspects into a more sustainable context beyond the workplace unlocks the potential for a full and happy retirement.

And, as we have seen, there are tangible commercial benefits for businesses to

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those valuable employees who are in their late career stage?

Here’s a couple of questions for employers:

- Do your leaders, who may after all be under 40 years old, know how to initiate conversations regarding retirement plans with team members a generation older than them?
- Are you offering transitioning support for your mature-age workers?

Creating flexible strategies to not just

engage in formal “wisdom transfer” programs. The mid-career people you’re employing right now – the people who are gaining experience and skills that are important to the company’s future success – have the potential to be with you for many years more than was once considered “normal”.

So there’s really only one room that elephant in the room needs to be in: that’s in the boardroom, where strategies that ensure a win/win for employees and their employers can be discussed. □