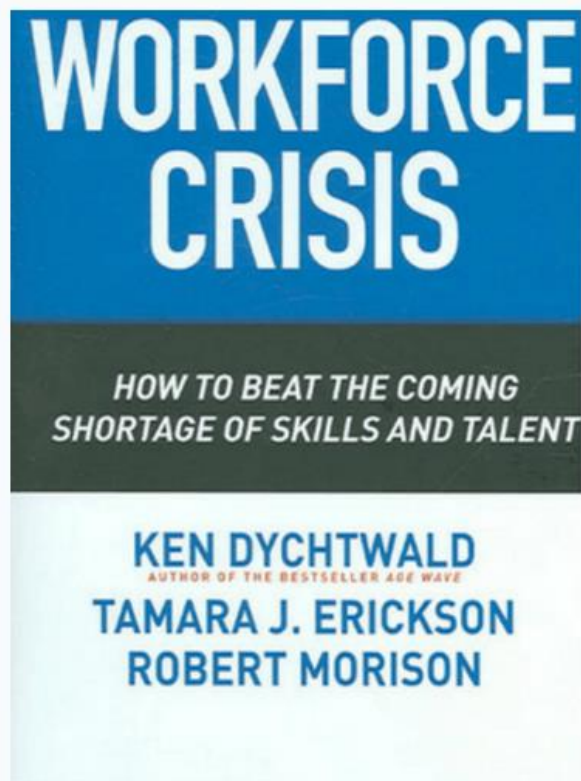


Preventing Middle Market “Brain Drain”: An Interview with “Workforce Crisis” Author Robert Morison

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by Chuck Leddy



Robert Morison is co-author of the book, *Workforce Crisis: How To Beat The Coming Shortage Of Skills and Talent*, published by Harvard Business School Press. Morison’s book focuses on demographic changes in the workplace, such as an “age wave” of retiring baby boomers and what this might mean for organizations. He also offers strategies for dealing with these demographic changes, helping companies avoid devastating “brain drains” of talent and know-how. In addition to his work as a writer and researcher, Morison is Senior Advisor with Age Wave, a consulting firm that has helped organizations such as Ford Motor Company, MasterCard and the U.S. Chamber of Commerce navigate through demographic changes. The NCMM spoke with him recently.

What is the size and scope of the workforce challenge that you describe in “Workforce Crisis”?

The story starts with the disproportionate size of the baby boom generation. Following World War II, between 1946 and 1964, there were 76 million Americans born. In 2017, that cohort is ages 53 to 71, which is at or approaching retirement age. The ensuing Generation X is significantly smaller and then the millennials, mostly the children of the boomers, are also a large generation.

The bottom line is that America, and other industrialized countries, have an unprecedented number of people at or approaching retirement age. That can threaten the knowledge and skills base, the continuity, and the performance of businesses.

Middle Market leaders have been hearing a lot about the influx of millennials in the workforce. Can millennials simply come in and replace the wave of outgoing baby boomers?

If we're counting warm bodies, yes; but substituting people with relatively little experience for people with a lot of experience is generally a bad trade. However, there's a lot to be said for the millennials. People always talk about their attitude with technology, but I think it goes much deeper. They work differently from their elders. I believe they think differently. They certainly communicate and collaborate differently. You can't really fight the millennial wave any more than you can fight the boomer retirement wave. The millennial ways of doing things are ultimately going to prevail, and so a forward-looking organization should start to embrace them at the same time it strives to retain the valuable experience of its older employees.

What are the challenges in the short term and in the long term for middle market companies as the boomers start transitioning into retirement?

One challenge is to prevent having too much skill, experience, and know-how walking away into retirement too fast. So businesses need to maintain, not only knowledge, but also things like customer relationships and project management experience. Any business that directly serves an older customer base has to pay special attention to retaining older employees in customer-facing roles because they have the communication style and service-orientation that older customers expect. The second challenge is to close the loop and transfer as much of their knowledge and skills to the younger generations, either before or in the process of when older employees retire.

In the longer-term, businesses need to incorporate and leverage talents of the younger generation. Don't expect them to work the way their boomer parents do. The ultimate goal is to be a desirable employer across the generations. That requires providing both meaningful work and an engaging workplace. One of the keys to success is getting the generations working together.

How can middle market companies create an engaging workplace for their older employees while not creating resentment among other generations?

First, you treat people with respect. For older workers, that means not taking them for granted, not assuming that they're slowing down, offering them learning experiences and career development and enjoyable work just like you try to do with younger employees. Number two, communicate with them about their ambition and preferences, including when and how they'd like to move into retirement. The third step is to offer older employees specific options for transitioning into retirement, which may include decelerating in terms of time and responsibility. It may also include working part-time after retiring if that's a win-win for retiree and employer.

How can individual middle market company assess whether it has a potential "age wave" problem with retiring boomers?

It's easier in middle market companies because the employee populations are generally easier to analyze. Look at your employee demographics both overall and in terms of key roles and job families, and pay special attention to people who are in roles as keepers of customer relationships. Then analyze both the age distribution to see where it's uneven and anticipate the timing of when people become eligible for retirement. Assess where you have imbalances in the distribution and flow of talent, including the exits into retirement. So basically, you need to anticipate where retirements may cause the biggest problems.

Once a middle market company has identified a looming brain drain, what steps can they take to mitigate the potential damage?

First, you have to encourage people who possess important knowledge and skills to stay longer before retiring and perhaps continue to work a bit after they officially retire. The incentives here aren't necessarily financial. Some people are happy to phase into retirement by cutting back on hours and responsibilities. Others are energized in their pre-retirement roles by shifting from management back into an individual contributor role or sometimes by assuming roles where they feel they can give back to the organization. So training roles work for knowledge transfer, but there's also

coaching, troubleshooting, and helping the place improve. The second step is closing that loop by transferring knowledge and skills to younger employees. That could be through training, sometimes through understudy arrangements.

What other advice would you like to offer middle market companies that might be navigating the demographic trends that you've described?

Let me just recap. First, assess your situation and know where you might need to take action. That involves assessing, not just the employee demographics, but also looking at what is really the most important knowledge or set of competencies and customer relationships. Second, take actions to retain or transition older talent so that you can learn from them and maybe keep them around a little bit longer. Third is to transfer their knowledge to younger employees. Finally, strive to be an employer of choice in an increasingly multi-generational workplace.

URL: <http://www.middlemarketcenter.org/expert-perspectives/how-middle-market-workplaces-can-survive-the-coming-age-wave-an-interview-with-workforce-crisis-author-robert-morison?platform=hootsuite>