

## **Overview**

“The only source of knowledge is experience.” – Albert Einstein

According to the World Health Organization (September 2017), it is expected that over the next 30 years the percentage of the population over the age of 60 will nearly double. The world is seeing some of that impact with the Baby Boomers (born between 1946 and 1964) retiring in large numbers. According to a U.S. Census Bureau report in 2014, there were over 40 million Americans over the age of 65 (13% of the population). By 2030, when all of the Boomers will be over the age of 65 the percentage will rise to 20% of the population. Canada, Japan and most of Europe have older populations than that of the U.S.



According to a 2017 StatsCan report, Canada had more people over 65 than under 15 years of age. The Boomer generation accounted for 27% of the population compared to 18% in 1997. Depending on the Boomer's economic position, between the ages of 60 - 65:

- ✓ Approximately 65% will retire from the workforce and drive demand for products and services.
- ✓ Another 24% will be looking for meaningful and gainful employment in order to continue to survive above the poverty level.
- ✓ The rest of the Boomers will either want to continue to work in the organization past the age of 65 or will look for meaningful work with another organization.

This situation is, and will continue to be, the creator of opportunities for employers and organizations.

## **Why Would Your Organization Hire An “Experienced” Person?**

Let's explore the reasons that you would want to keep those older employees or consider hiring one. In order to truly succeed, interactions with all of your stakeholders need to be good. It is your human resource that determines the type of interaction, when it needs to take place and how to ensure that the quality of communication is acceptable. Therefore, your organization needs people with the education and experience to design, sell and deliver your value-add. Your front and back office staff need to have the relevant education and experience to continuously interact with your customers, suppliers and other resources.

Let's consider the scenario where there's a position open that has not been backfilled with an internal candidate. Why would you entertain engaging an experienced person of 60 years or older? Here are some thoughts:

1. People who are 65 today have the same mortality / serious illness rate as people who were in their mid-50's a generation ago. A Canadian Association of Retired People study conducted in 2017 showed that only 9% of the people surveyed retired due to a health issue.

2. There is the potential for having lower employment overhead costs.
  - Through the person's past employment they may already have insurance coverage.
  - Depending upon their age, the employer may not be liable for employment taxes.
  - The position could be set up as a limited time contract which would have benefits to both parties.
3. Experienced people can mentor someone within your organization to eventually take on the position. This works very well with the contract situation.
4. Experienced people typically create excellent quality work, execute their jobs with a minimum of wasted time and effort and have good job-organization skill sets.
5. Experienced people tend to take pride in what they do. That is a character trait that can 'rub off' on others.
6. Experienced people tend to find errors easier and can provide input that will limit the potential for errors to occur.
7. Experience can bring knowledge from another organization that can be used to improve yours.
8. If there is significant travel related to the position, these people are likely to have fewer restraints related to family commitments.



### ***Are There Concerns?***

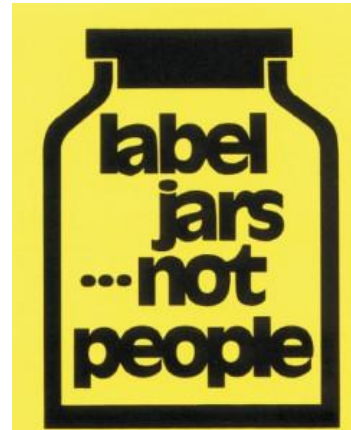
There are several concerns that an aging employee may pose for the organization. Some are listed below.

1. Loss of Knowledge Capital. The retiring employee is taking with them experience and knowledge capital.
2. ROTJ – Retired On The Job. The employee, nearing retirement, may demonstrate lower productivity and engagement with the organization. “Sick days” become more frequent.
3. Younger people that supervise or manage older, more experienced employees may be intimidated by the extensive and detailed experience of the person they are responsible for managing.
4. Bias or discrimination against older employees can result in liabilities for the organization.
  - In one situation, a court found that an employee had been discriminated against during a promotion process due to age (59 at the time). The resulting cost of litigation to the organization was in excess of \$500,000.

### **Some Thoughts**

There are numerous layers to a complete solution for maximizing the capabilities of your older employees. However, let's explore some thoughts in regards to the four concerns noted earlier.

1. Loss of Knowledge Capital. This situation is not one that is exclusive to retiring employees. People leave organizations for various reasons at different stages of their careers and with different lengths of notice. For this eventuality, most organizations implement a Human Resource Disaster Recovery Plan ([HRDRP](#)).
2. ROTJ. If an employee is getting close to retirement and demonstrating ROTJ behaviour, the most common cause is a lack of engagement with the organization. The best methods for keeping your long term employee fully engaged through their last day on the job is through building loyalty. This includes: keeping faith (do what's right); praising publicly while discussing issues privately; keeping them engaged as part of a team; and, acknowledging and using the value of their experience.
3. Younger managers should be encouraged to solicit the advice of the more experienced subordinate. There's never a doubt as to who makes the final decision, but the input of experience is often invaluable to your thinking process.
4. Your organizational culture must ensure that bias and / or discrimination against experienced (older) employees must not occur. Evidence shows that bias against older employees is more prevalent than bias against women and minorities. Therefore, considering them and referring to them as 'experienced' is a much more positive viewpoint and terminology. The same codes of conduct in hiring and promotion that is used when considering younger people, women and minorities must be extended to these experienced people.



### **Summary**

Many organizations are now looking at people over the age of 60 as 'experienced' not 'old and close to retirement'. What they are finding is that this group of people often work because they want to and it keeps them engaged with other people. There's a feeling of being able to contribute to the organization and assist in helping the 'younger generation' to become better at what they are doing. The bottom line is that this segment of the workforce is now being seen as a valuable part of the workforce. Your organization's problem might be in getting the good ones in the door.

### **About the Author**

Ken Cowman's career has spanned over 46 years with 11 of those in operations management followed by more than 35 years as an enterprise solutions and continuous improvement project manager, educator, seminar leader and management coach. He has had over 80 articles published in various magazines.



*The Aging Population:  
An Employment Opportunity*

A founding executive of the APICS Peel Chapter, Ken was part of the team that wrote the Fundamentals of Operations Management courses for APICS. He is also the past Chair of the Business Operations Management Program Advisory Committee at the School of Business at Centennial College.

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