



IBM FORUM 06

Results through Innovation



# Retaining Organisational Knowledge

Strategies and Techniques for  
Managing the Maturing Workforce

what makes you \*  
special?



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Results through Innovation



# Ross Pearce

Managing Consultant  
Global Business Services  
IBM New Zealand

what makes you \*  
special?

## Topics

- The demographic challenge
- Measuring your changing workforce
- Rising to the challenge
- Mid life demands and transition to retirement
- The future

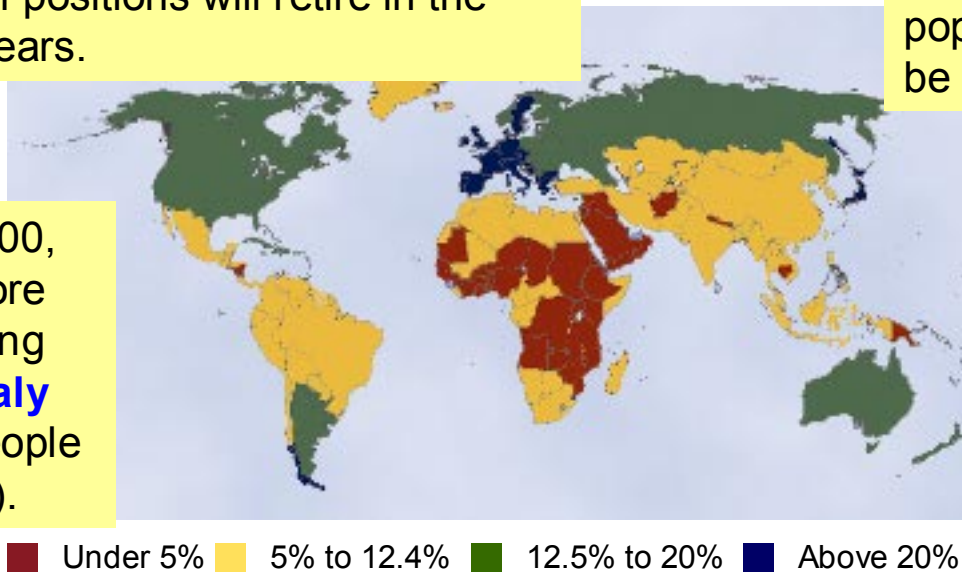
# The global picture

19% of the entire **U.S.** workforce holding executive, administrative and managerial positions will retire in the next five years.

Within the next seven years, over 33 million individuals in **Japan** (26% of the population) are expected to be over 65 years old.

In the year 2000, there were more people receiving pensions in **Italy** (22M) than people working (21M).

By 2016, the number of individuals aged 60-64 in **Australia** is expected to almost double. Within 30 years, 200,000 more jobs than workers.

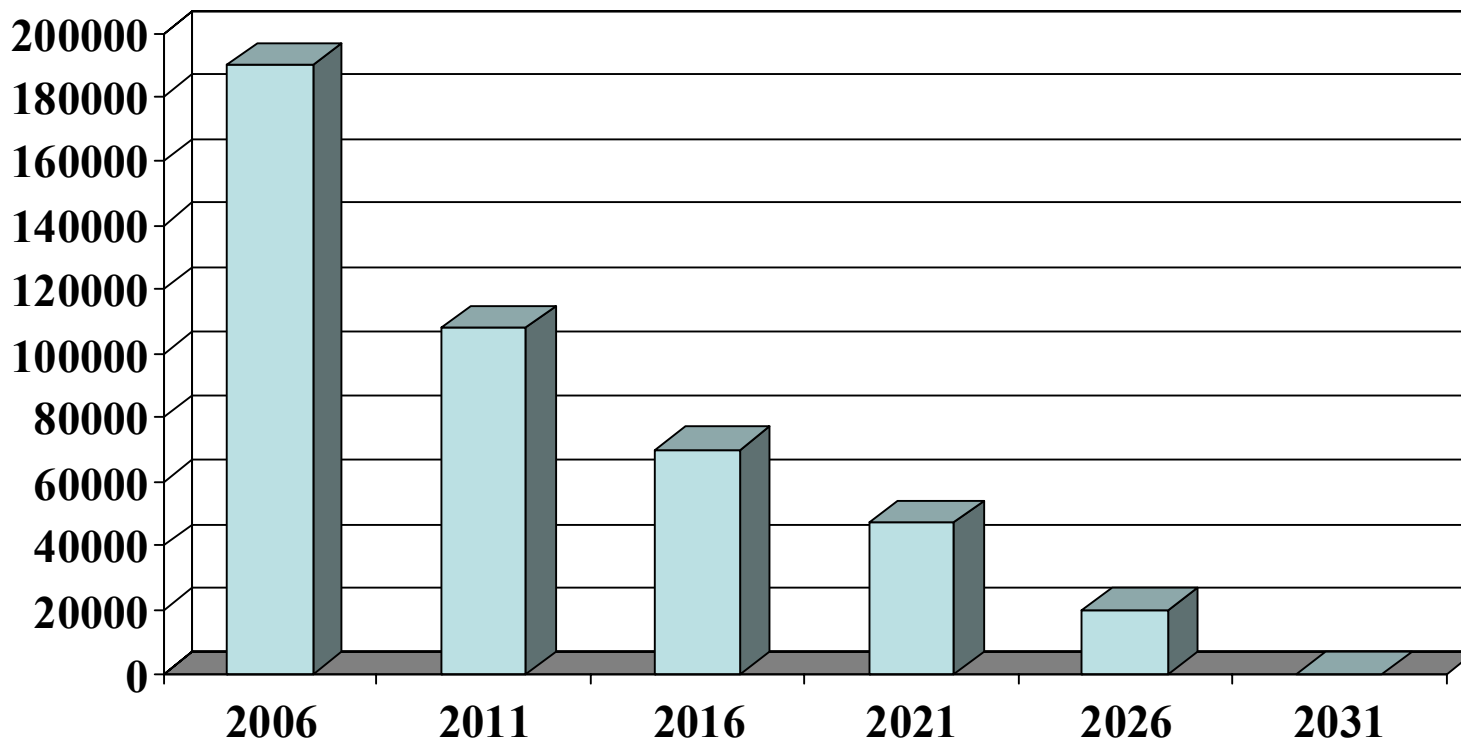


Source: The Concours Group, Demography is Destiny, 2004

Source: Beazley, et. al, *Continuity Management*, Mackay, Alan. "Mature Age Workers: Sustaining Our Future Labor Force." An Ageless Workforce - Opportunities for Business' Symposium Conference Paper. August 27, 2003. [www.ageing.health.gov.au/fofa/wlplan/aawpapers.htm](http://www.ageing.health.gov.au/fofa/wlplan/aawpapers.htm), Time to act quickly on aging." The Japan Times Online. August 23, 2002 [www.japantimes.co.jp/cgi-bin/getarticle.pl5?ed20020823a1.htm](http://www.japantimes.co.jp/cgi-bin/getarticle.pl5?ed20020823a1.htm), A. Paulli, "Pension systems and gradual retirement in Italy", September 2000, p.17



# New Zealand labour force growth



Source – Statistics New Zealand

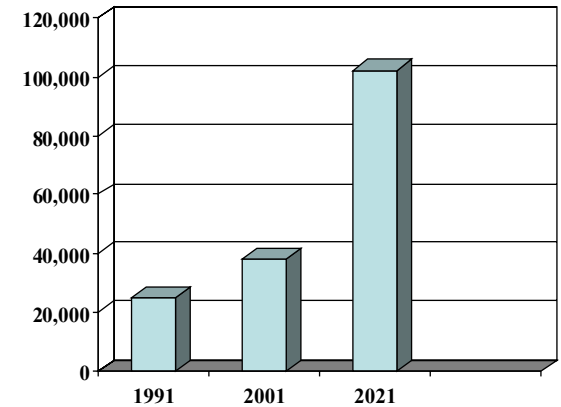


# Ageing population

- By 2051, 40% of the NZ workforce is projected to be in the 45 to 64 yr age group
- 1991 - 2 (24-44yr):1(45- 65yr) moving to 1:1 by 2013



## Labour force over 65



## Labour supply and demand

- The labour force increased by 35,000 in 2004; in 2020 it will increase by only 3,000
- In 2004, 61% of NZ firms had difficulty finding skilled staff, up from 55% in 1994
- In 2004, 25% of NZ firms were limited in expansion because of a shortage of labour
- Unemployment is now at a 19 year low

Source: Statistics New Zealand



## Births and fertility

- Average age of first time mothers now 30 - 34 years
- Birth rate now only 1.95 children per woman

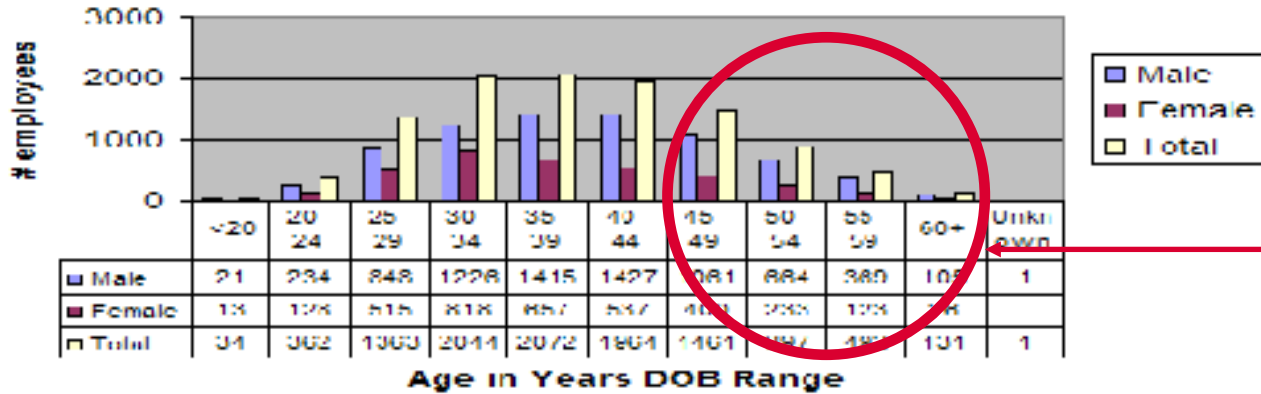


## Traditional family structures

- In 1976, 9% of families with children were one parent families, this increased to 19% in 2001
- More children are growing up in families with both parents working – 53% in 1986, 58% in 1996

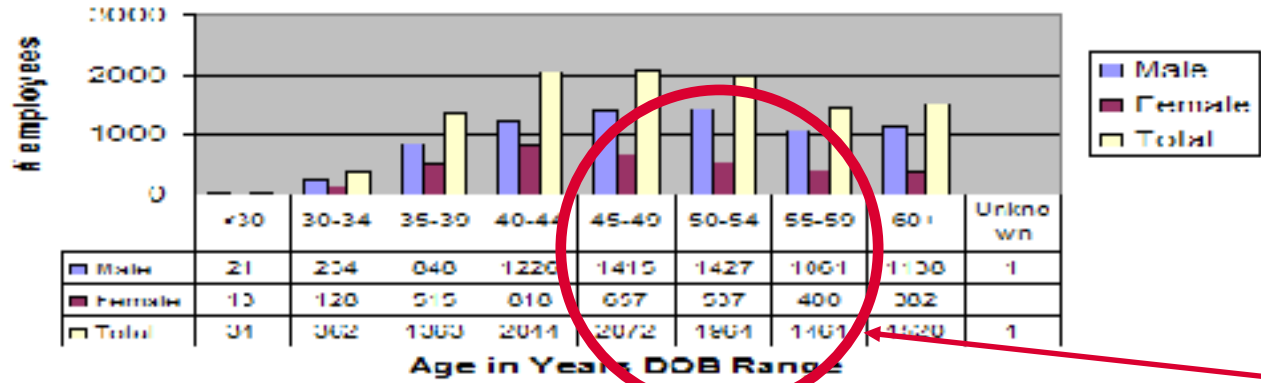
Source: Statistics New Zealand

### IBM ANZ current age demographics



27%

### IBM ANZ 10 year ageing demographics



65%



# Measuring your changing workforce

- Our workforce is changing
  - Fewer workers, greater competition for them
- The composition of our workforce is changing to become increasingly intergenerational
  - Teams comprise veterans, baby boomers and Gen X & Y'ers

## What is IBM doing to support our clients?

- Maturing Workforce Diagnostic Assessment
- Six strategies to address maturing workforce issues

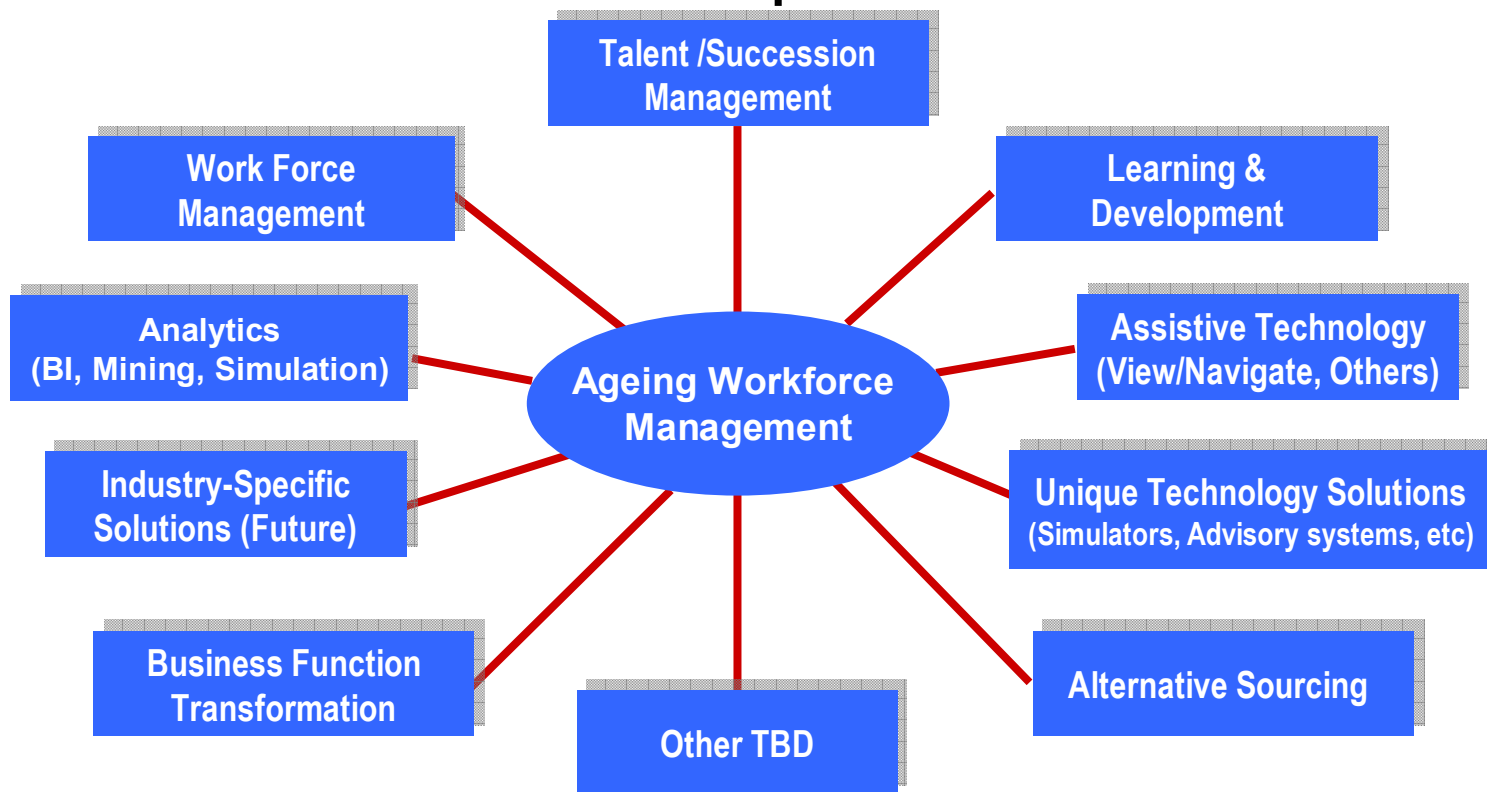
# Organisational Readiness - Key Questions to Answer

- What do you see as your company's key human resource requirements in the next 5 to 10 years?
- Does your company have a detailed understanding of its employee demographics and what key positions or job categories may be at risk in the near future?
- Has your company identified potential opportunities for attracting and retaining mature workers using part-time or alternative work arrangements?

# Organisational Readiness - Key Questions to Answer

- To what extent is the retraining and acquisition of new skills by mature workers part of your company's overall learning and development strategy?
- Does your company have a strategy in place to preserve critical knowledge before it walks out the door?
- How effectively are age-related issues addressed within your company's overall diversity strategy?

# Responding to age-driven change: Most solutions will be multi-dimensional, drawing from several disciplines/domains



# Diagnosis – size and scope the risks and opportunities

**Inputs**

- Collection / Analysis of employee structured data 
- Scored Worker, Line-Manager, and HR “Web Surveys” 
- Executive Interviews 
- Focus Groups (as necessary and appropriate) 



**Deliverables**

- Management Presentation/ Report of Findings: 
- Projected Attrition/ Value Assessment 
- Readiness & Business Risk 
- Recommended:
  - Strategies
  - Actions
  - Good Pracs./Stds.
- Applicable Solution Demonstrations 



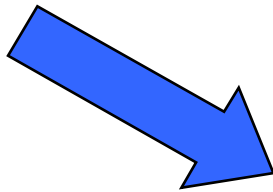
# Organizations have adopted key strategies to help address the growing number of mature workers

## Six strategies for addressing the challenges of a maturing workforce

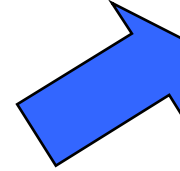
- Redirect recruiting and sourcing efforts to include mature workers
- Retain valued employees through developing alternative work arrangements
- Preserve critical knowledge before it walks out the door
- Provide opportunities for workers to continually update their skills
- Facilitate the productive coexistence of a multi-generational workforce
- Ensure that mature workers are able to use technology effectively in the workplace

# Summing it up

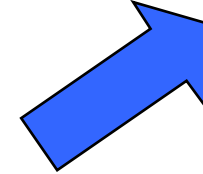
Decreasing number of net entrants into market



Increasing number of retirements



Global Challenge driving migration pressure



- Want to target greatest possible workforce (diversity)
- Want high skills, experience and knowledge
- Want people to work longer
- Want people to stay
- Want people to pass on their knowledge



## Rising to the challenge

- Understanding the impact
- What are we doing - Building the strategy
- Raising Awareness
- Measuring the Success

# IBM A/NZ Corporate Diversity Strategy

**Women in the Workforce**



**People with a Disability**



**Cultural awareness and acceptance (GLBT, Indigenous, multiculturalism)**



**IBM's Diversity Strategy**

**Intergenerational Diversity**



**Work and Life Flexibility**



# Strategies - Your flexible career



## Phase 1

- **Attracting**

- Employer of Choice
- Walking the talk
- Inclusive recruitment practices
- Culture
- Measures

- **Retaining**

- Continued career development
- Flexibility (hours and leave)
- Greater work style options
- Greater lifestyle options
- Manager engagement
- Resources (work/life essentials)
- Health & Wellbeing seminars
- Blue Horizons benefit program

# Strategies - Your knowledge and skills



## Phase 2

- **Career Development**
  - Continued Learning
  - Help yourself career development
  - Individual development plans
  - Performance Management systems
  - Retention tools focused on intergenerational diversity
  - Succession Planning & Top Talent Programs
- **Pre-retirement**
  - Knowledge capture
  - Knowledge transfer – succession planning
- **Retirement transition**
  - Tapered retirement
  - Flexible work options
  - Flexible networking group
  - Financial & Well-being seminars
  - Service recognition

# Strategies - Your retirement



Phase 3



- **Post-retirement**

- Retirement team function
- Grants for continued training
- Keeping engaged – On Demand Community
- Quarter Century Club

- **Flexible re-engagement**

- IBM Retirees as a recruitment pool
- Variable work program for IBM retirees
- On-Demand Community

# Flexible work arrangements



- Adrienne
- Two young children
- Split workplace – office and home
- Split hours – morning and evening
- Technology enabled



# Flexible work arrangements

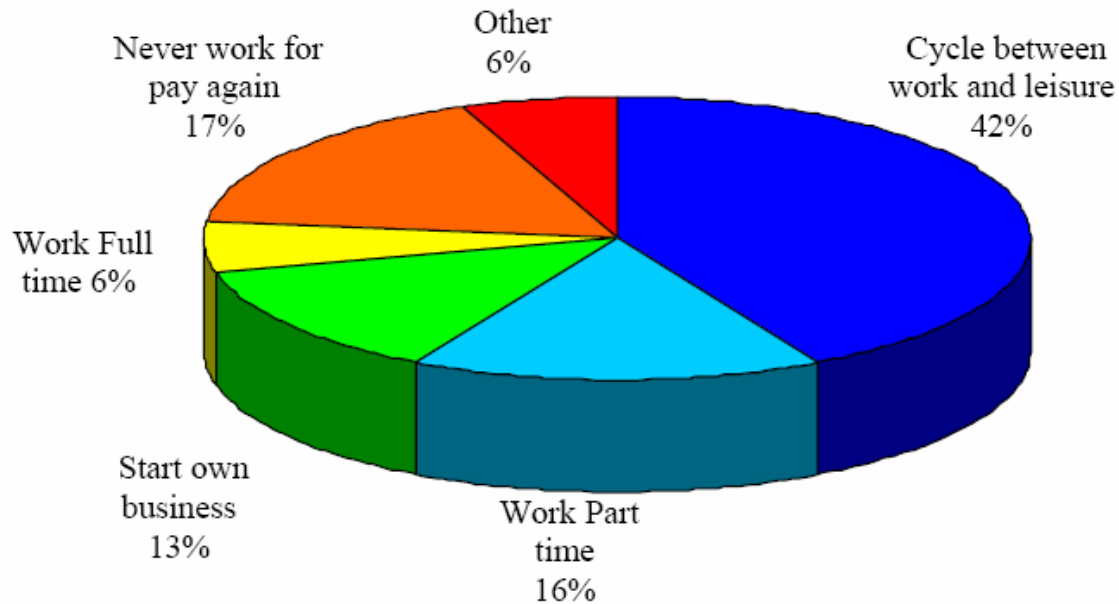


- Denise
- Had retired
- Now a project manager
- Reduced management responsibilities
- Great knowledge, skills and experience
- Great for our clients



# What does retirement look like?

*“Which one of the following best represents your ideal plan for how you would like to live in the next stage?”*



*Figure 1.*

Source - IBM



# Employee engagement – employee surveys

## Top 3 Priorities for employees 45 years plus

- Work Life Flexibility
- Financial
- Development

Source - IBM

## Benefits

Win/Win for business and retirees as follows:

- **Business:**
  - Better workforce planning
  - Retain knowledge, skills and experience
  - Build external and internal reputation of mature worker friendly organisation
  - Better placed to serve our customers
- **Employees:**
  - Have more financial options
  - Options to stay connected to work
  - Have more control over their transition to retirement

# Measuring Success

- Level of engagement of HR policy/programs
- Attraction statistics
- Prolonged retention statistics
- Employee Satisfaction
- Diversity
- Inclusive Culture

## The future

- Professional nomads
  - Alumni & returning workers
- Ethics, culture and vision
  - Free association
- Networks based on trust
  - Ecosystems
- A new relationship with colleagues
- Technology allows a global workplace



<http://infiniaforesight.com/blog/fow>

## Conclusion

- Get used to the fact the world is changing
- Put strategies in place to counter the problem
- Listen to your people
- Be flexible



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Thank You

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