

FIND A NEW WORD FOR RETIREMENT

BY GORDON NEUFELD



Corporations are beginning to feel the first effects of the new baby boomer retirement. This new phenomenon will have significant effects on a corporation's ability to ensure an organized transfer of skills and knowledge between senior executives and newer high-potential employees. In this article we look at some of the reasons for this new challenge to sustainability – and propose some solutions.

The Golden Years, payback time, golf time, retirement. The traditional ideas and the words used to describe retirement just don't fit anymore. The dictionary meaning of retirement is to retreat, become sequestered, and to withdraw. It's not a very inviting picture for the millions of us who will be facing this prospect over the next twenty years.

The good news is that retirement today is beginning to look nothing like the retirement of our grandparents. Even our parents' experience is likely to be a fundamentally different experience than what today's baby boomers look forward to. Retirement today can be anything from going back to school to going back to work to creating your own unique hybrid of activity. Volunteerism, travel, coaching, starting a new business, are all part of the new possibilities.

Age, energy, health, mental outlook, finances, and education are now part of the mix for creating the new retirement. Today's pre-retirees (those between the ages of 45 and 55) are on the cusp of the baby boomer retirement. And it shows. There will be little of the traditional retirement life for this group.

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In a recent study commissioned by insurance giant AIG, a surprisingly high percentage of future retirees (27%) were looking for either a continuation of the same type of activities they had enjoyed pre-retirement, or were looking forward to a whole new set of challenges and excitement. This group, called Ageless Explorers by the researchers, was generally healthier, wealthier, and better prepared for the transition into a new lifestyle. Their main credo seemed to be to avoid boredom at any cost. Instead, these future retirees will strive to replicate the excitement, the passion, and the sense of accomplishment they received during their work life, but more on their own terms and conditions.

While the changing face of retirement will have wide ranging consequences on aspects such as travel, housing, entertainment, food, exercise, and education (look for a lot more aging college students on campus), the effect on the workplace is already being felt. The phenomenon of early retirement is, unlike even a decade ago, becoming a significant factor in succession planning for organizations. In a recent Harvard Business Review article, (March 2004, It's Time to Retire Retirement), Ken Dychtwald points out that in the US, of those aged 55 and over who accepted early retirement, one-third have gone back to work, usually on a contract or part-time basis. Dychtwald's central warning to the business community is to get ready for the challenge of meeting the potentially devastating mass retirements anticipated during the next thirty years as the baby boomers mature.

In our own interviewing and working with senior executives we discovered that as an employee's service and responsibility increased, so did their desire to leave the high pressure, long hours and relentless performance expectations of their employers. They longed to do something else but in many cases were unsure or unprepared to determine what the possibilities might be for the future. The idea of retirement was frightening in its ambiguousness. These individuals are used to 100+ hours a week of goal achievement. While the physical and mental toil was often debilitating they were unsure of the alternatives.

This resulted in the creation of a two-pronged trap, creating a feeling of helplessness on one hand and a sense of restlessness on the other. They want out but they don't want to fade out.

So what can companies do?

The evolving role of business is to provide a conduit for change as senior employees transition from full-time employment to what some call "the reward phase." Creative use of time and resources by employers will lead to happier and more productive senior executives and increased benefits for the company as the sustainability of skills and the transfer of knowledge shape up to be two of the most important goals of progressive organizations.

Companies need to reframe the executive experience to involve senior managers in mentoring, consulting, varied and various projects across organizations, coaching and real opportunities for executives to mix work and personal fulfillment into their day. For companies who have invested in an employee for ten or twenty years or longer, it seems foolish when he or she turns 50 years old to lose the benefit of their knowledge and expertise. More than ever, corporations are realizing that employee knowledge is their number one asset.

For both company and employee, there must be a genuine understanding of the true value of knowledge and the desire to capture and retain that knowledge asset. Corporations must present mechanisms for senior employees to determine their possibilities and their legacy in a more global atmosphere that is not just work and performance based. Senior employees need a concrete sense that there are options available outside the traditional employee/employer structure and that they can explore these options in a safe and understanding environment.

Sixty-five as a retirement age is no longer a credible number built on substance. Fifty-five is no longer an excuse to lose a valuable knowledge base through lack of corporate flexibility. Retirement is just the wrong word to describe the whole situation.

About the Author

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