



age of change

# Empower the Next Generation

With baby boomers on the verge of retirement, companies need to rethink how they retain critical knowledge.

Generational research expert Lynne Lancaster explains how

by **Natasha Nicholson**

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**A**s older generations retire and leave the workforce, they take unique sets of skills and knowledge with them. *CW* Executive Editor Natasha Nicholson spoke with generational communication expert Lynne Lancaster, co-founder of the consulting firm BridgeWorks, about innovative ways that companies can avoid talent shortages and preserve institutional knowledge.

**Natasha Nicholson: What does today's workforce look like, in terms of generational makeup? What changes do you see on the horizon, and what do they mean for companies in the next five to 10 years?**

**Lynne Lancaster:** Currently, we have four generations in the U.S. workforce, all of them in motion. Members of the Traditionalist generation, born prior to 1946, have largely retired, with 10 to 15 percent still in the full-time workforce. But the interesting trend is that many Traditionalists are going back to work after formal retirement. They are healthy, have a lot to give and are worried about outliving their savings. Companies are recognizing they still need the wisdom and experience of this generation and are hiring them back on a part-time or contract basis.

The 80 million members of the baby boom generation, born between 1946 and 1964, are in motion as well. They are hitting

major life landmarks and beginning to look toward retirement. As those 80 million boomers retire, companies could face a major “brain drain” as so many senior and skilled workers walk out the door. Companies have to start thinking now about how they intend to fill the gaps left by retiring boomers. This is going to mean putting a real focus on workforce planning. Many organizations don't have enough bench strength to replace the boomers, and will have to think about how to attract the next generation of employees and how to convince boomers to stay on a bit longer.

Another generation in motion is the 46 million-member Generation X group, born between 1965 and 1981. With a huge



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population of boomers getting ready to move up and out over the next 10 to 15 years, Gen Xers can assume they will be moving as well. One of the positive aspects of the coming exodus is that thousands of top positions will open up, creating fantastic opportunities for Gen Xers. Because there aren't enough Gen Xers to go around, companies will be competing to attract and keep them. Smart Gen Xers will be sharpening their skills right now so they will be ready to take advantage of promotion opportunities as they arise.

Finally, we have a whole new generation on the horizon—the 76 million Millennials, born between 1982 and 2000, who are graduating from high school,

trade school and college right now and flooding into the workplace. This is a big move for them, but it's also proving to be big for employers that are competing to attract them and are scrambling to understand them. This generation has had their pick of jobs most of their lives, and they will be picky now, opting for work that allows them to give back or make a difference over jobs that simply pay well. They are placing a lot of demands on employers, who are now calling our offices and saying, "Help! I might have raised these Millennials, but now I don't understand what makes them tick!"

**NN: How does control shift from one generation to another, and**

**what effect do you see this having on the makeup of the workforce?**

**LL:** The biggest shift is being triggered by a massive number of people (the boomers) becoming eligible to retire, followed by a much smaller population of Gen Xers. The repercussions should be interesting, and in many ways I think they are going to be refreshing and positive. For one thing, employers will have to take a whole new look at older workers. If you can't find enough Xers, you might have to think about rehiring Traditionalists or keeping your boomers around a little longer. That will mean providing more types of training and career renewal for older workers to get them up to speed and keep them there. The challenge

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is that even though we know these things intellectually, ageism is still alive and well. Lots of roadblocks exist that prevent older workers from being retained, retrained or even hired.

Another exciting part of this “workforce in motion,” as we call it, is that Generation Xers stand to be the focus of some intensive development opportunities. Too often they’ve been floundering under what we’ve dubbed the “gray ceiling”—the layers of healthy, competent boomers clogging access to the good jobs above them. As companies realize they are going to lose valuable boomers and don’t have enough bench strength, they will have to focus on educating, mentoring, coaching and promoting Gen Xers to be ready to take over the big jobs. Most Xers we talk with can’t wait. And many bosses feel this sea change will be a good thing. Younger people will likely dive into their new positions with gusto and kick off all kinds of

much-needed change. They will reinvent jobs, question policies and procedures, and redesign the way work gets done. Sure, mistakes will be made. But progress will be made as well.

The concern in all this is knowledge loss. When key people leave, we have to make sure we’ve transferred their wisdom to the next generation of thinkers, leaders and doers, so our organizations don’t have to keep reinventing the wheel.

**NN: Knowledge retention is a concern for companies as the Traditional and boomer generations exit the workforce. Why is this significant for companies?**

**LL:** The concern over knowledge loss comes from a few different directions. One aspect we’ve noticed is that in many organizations, skilled boomers have held important jobs for decades—plenty of time to become highly competent. Boomers know their jobs so well their performance is almost seamless, and their work product is so consistent no one has ever wondered whether they’re training anybody else.

With the generations in motion now, companies are taking a hard look at how knowledge transfer is happening and whether or not their people are really doing it. In many cases, boomers feel like it’s just faster and easier to do it themselves—if they have to delegate to someone younger or newer, it’s going to take longer and they might screw it up. We have to get boomers to let go and be more willing to delegate. That’s the only way people at the next level are going to

learn how to do things.

I tell boomers there are real advantages to taking one of the piles off your desk and handing it over to someone else. First, it might decrease your stress level. We all know boomers are the sandwich generation [taking care of both their own children and their elderly parents] and they’ve got way too much on their plates right now, so it can’t hurt to let something go. Second, if you open up a little space on your desk or in your mind, that might allow for something new and interesting to come in. Too many boomers are bored and burned out, and could really get excited about working on something a little different, but they are locked into the gigantic workload that’s already on their plates, and there’s no room to add something different and spicy into the mix.

**NN: Why is worker knowledge so critical to the success of a company?**

**LL:** Unless you are buying and selling gold bullion, people and knowledge are the most valuable assets most companies possess. When smart people of any age leave, they take knowledge with them. That might be tangible knowledge, like how to repair a machine or build a jet aircraft engine. But it might be intangible knowledge, like how to negotiate for that machine or get a congressional committee to approve the purchase of the new jet aircraft you want to build. We believe the companies that learn quickly and can transfer knowledge rapidly and efficiently will have a huge com-



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petitive advantage. Organizations that have to continually relearn the same information are wasting time and will inevitably fall behind.

The good news is there are lots of ways to share knowledge, such as documentation, mentoring, teaching, training, coaching, job shadowing, interning or just plain good managing. A really good manager gives employees new things to do that will force them to get out and learn from others—to stretch their skills. The challenge today is that, with so many millions of employees getting ready to transition, companies need to be much wiser and more deliberate about how well knowledge transfer is working. If they find out it's not happening, there is still time to do something about that, but we have to hold people accountable.

**NN: Most research in this area seems to focus on the U.S. Can you speak to how this situation is different across the world?**

**LL:** Many developed countries have experienced the same demographic shifts and dips that we have, and some, such as Japan, are already experiencing worker shortages as millions of older workers move into retirement. Most every country has felt the pain of generation gaps as the younger generation becomes increasingly comfortable with technology and elders are left behind.

Many leaders in the U.S. have convinced themselves that if we start experiencing talent shortages here, we can just outsource the work overseas or recruit employees from other countries.

However, as big economies like those in India and China heat up, they are able to absorb more and more of their own workers, leaving fewer for us to tap. Also, U.S. companies doing business overseas are dealing with a whole new level of talent shortages. China, for example, is predicted to experience a shortfall of half a million middle managers in the next few years. While they can build factories and staff them with labor, they haven't created a large enough management class to fill the jobs. U.S. companies are participating in sourcing and training future managers in China even as we struggle to find enough skilled people to send over there to run U.S. operations. So, assuming the global economy continues to expand, we will continue to experience worker shortages. That's why it's important to look at the global workforce through a generational lens. It helps us get a handle on who is going to be available and what we will have to do to recruit, educate and retain them.

**NN: What are your primary recommendations to company leaders with regard to knowledge retention? If they were to take only five steps to address this issue, what would they be?**

**LL:** First, don't assume all the best knowledge resides at the top. Knowledgeable employees exist at every level, from the maintenance engineer who knows how to fix the oldest, most decrepit machine, to the customer service rep who knows the whole history of a client's account. Countless employees work away in unrecognized departments

accumulating knowledge that makes organizations run smoothly. It could be the billing manager in a medical office who understands how to invoice each insurance company, or the UPS driver who knows the name of every dog on the route. We have to be able to identify the knowledge that is important to making our businesses run successfully, not just the wisdom that resides in the corner office.

Second, mix the generations on teams so knowledge can be shared. Lockheed Martin, one of our clients, told us that when it comes time to design a whole new aircraft, they want older engineers on the team who were around when they built the last one so they don't repeat mistakes. And they want new, young engineers right out of school who will challenge the status quo with their ideas.

Third, don't assume knowledge transfer always goes top down. It goes in every direction. Be a champion of learning from others. If you're a senior person, don't be afraid to let a youngster come in and coach you on the new software. You're sending a message that learning can come from anywhere and should be valued.

Fourth, think about documentation in new ways. When most people hear the word *documentation*, they think about the big three-ring binders on a shelf back at HQ. So much more is possible these days. One public-works client of ours has maintenance workers take digital photos of repairs and post them on the intranet so others can access them. A utility client gave all of its line workers laptops they



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**about the author**

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can carry in the trucks so they can review and update repair records from anywhere. A small insurance agency takes new reps out on client calls not just to see how sales are made, but to meet clients’ families, see where they live or work and observe the relationships. The young reps go back to the office and type their knowledge about the personal side of the transaction into a database. All these are ways of passing on information. If your people are balking at documenting the old-fashioned way, ask what would work for them.

Finally, hold people accountable for sharing knowledge. Boomers like to hold on to knowledge because it is their power base. Why hand over everything you know to some cocky Gen Xer who probably just wants your job anyway? Too many talented younger people come in the door full of hot new ideas and don’t want to hear from the old-timers. Old-timers tell us they don’t share information because nobody ever asked. We have to create environments where it’s safe to share and sharing is expected. For employees approaching retirement, make it part of their job to be accountable for teaching others. For young fast-track employees, we need to hold them accountable for learning from their elders. We have to make the cross-pollination of ideas part of the job. Too often, generational gaps get in the way of knowledge management. The better we can understand and relate to each generation, the more easily we’ll be able to share information and help everyone be more successful. •





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