

Keeping Older Workers Essential for Success
Retirement and Retention Strategies That Work

BDO Dunwoody Weekly CEO/Business Leader Poll
By COMPAS in *Canadian Business*
For Publication January 17, 2008



COMPAS Inc.
Public Opinion and Customer Research
January 17, 2008

1.0. Introduction

In the era after the end of compulsory retirement, the CEOs and business leaders on the COMPAS panel are convinced that keeping older workers is key to business success. Older workers, they say, provide knowledge, mentoring, and workforce stability.

The key to keeping them lies to providing meaningful work and tailored schedules. Bonuses for staying are a far less effective stratagem. Money is a lower priority for older workers. In practice, companies need to treat their employees on an individual basis—tailoring schedules and striving to keep the older worker while ensuring that the young still have opportunities.

These are the key findings from this week's Internet survey of the COMPAS panel of CEOs and business leaders, undertaken for *Canadian Business* magazine under sponsorship of BDO Dunwoody LLP.

2.0. Older Workers Key to Knowledge and Stability

Keeping older workers is a key to retaining knowledge, providing mentoring, and assuring companies of workforce stability according to the COMPAS panel, as shown in table 2.

The following verbatims provide a nuanced sense of panelists' opinions:

A vast amount of experience is lost by retiring people who want to stay on but this varies from job to job.

I'm a 78 year old CEO and made 3 trips to China on business in last 18 months; we are one of the few Canadian small businesses selling to China. I am not planning on firing myself yet; too difficult to replace.



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It is not just senior executives and older employees who are important to keep. I know of a senior secretary still working at age 67 who is absolutely key.

Keeping older employees is useful, to a degree. The reality of any such program must be that these people are communicators and will not stand in the way of advancement for the younger ones. Often special projects can be assigned to the older workers to keep the day to day processes flowing.

If an older worker is a road block, there is danger of the more talented younger worker seeking better opportunities. Any such program must be managed and balanced with care.

Loosing older workers that have been around means losing institutional IQ. These people often know the reasons why things were done, the mistakes made getting to an existing process, and can be invaluable in preventing similar mistakes in the future. They also have an emotional attachment to the organization that may be better than new hires.

We lack skilled workers just at the time that we are retiring people who are truly competent and in fine form. These people are often very happy to continue contributing, especially if can give them a schedule that meets their needs. Money isn't the issue. We can keep their incredible, productive, honest talents if we can just accommodate their scheduling needs.

Retirees who indicate they want to stay on do so for either need of money or activity. No inducements are required because being allowed to stay is the inducement. Inducements need only be offered when the employer needs a person to stay on who does not want to.



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In normal economies, retirements are needed to provide opportunities for the new members of the work force. Anomalies, shortages or surpluses of workers are temporary relative to standards over a period of time and should be looked at on this temporary modification to rules basis.

The individuals you are trying to retain have to have good mentoring skills as well as a very good idea of expectations for this approach to be effective.

The key is balance. There is a need to maintain corporate memory and experience but with reduced time, and at the same time enable transition to the younger generation. Contracts are the best way to do this.

The problems we see are 1) long holiday entitlement, 2) insurance costs, and 3) huge severance costs if needed. A two-sided issue that needs less regulation and more individual flexibility.

The work ethic is slowly fading. Mutual respect and loyalty is but a distant virtue in the work place today. The younger generation of today is fed unrealistic expectations, but wanders aimlessly around for that unique job, with very high salary expectations, but not the ethic to earn it. They just expect it. Consequently, I find a youth demanding more for less, and delivering further less.

It is rather sad to see major companies screw themselves in their efforts to cut costs, by eliminating knowledgeable and dedicated staff, and export jobs to 3rd world countries to bolster bottom lines with indifferent and ambivalent service. It's sad.

There are lots of opportunities to do a better job of managing senior employees and most of them will be good for the bottom lines of the corporations that these people work in.

With the demographics of Canada the way they are, we will need people to work into their 70's in a few years.



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Table 2: (Q1) As you know, there is continuing talk about the role of older employees who stay on past normal retirement age. On a 7 point agreement scale where 7 means strongly agree and 1 strongly disagree, how much do you agree with the following opinions about keeping employees past the traditional age of retirement [RANDOMIZE]

	MEAN	7	6	5	4	3	2	1	DNK
It helps make available more individuals with knowledge and experience to mentor the young	5.8	32	39	13	11	1	3	1	0
Companies benefit because older workers who stay are more stable and knowledgeable	5.6	25	37	17	14	3	3	1	1
Companies are harmed by higher salary and benefit costs	3.8	8	8	20	22	11	17	13	1
Bringing in new blood and new thinking becomes difficult	3.8	6	11	20	20	13	20	9	1



3.0. Best Retention Strategies—Meaningful Work and Tailored Schedules, Not Money

In keeping with many of the verbatims reported above, panelists see scheduling flexibility and meaningful work as keys to keeping older workers, not money, as shown in table 3.

Table 3: (Q2) Suppose a large employer wanted to keep employees past traditional retirement age. To what extent should the company focus on each of the following types of inducements? Please use a 7 point scale where 7 means it is normally a very effective inducement and 1, the opposite [RANDOMIZE]

	MEAN	7	6	5	4	3	2	1	DNK
Provide tailored work schedules	5.7	30	38	17	5	4	3	3	1
Ensure that the work is perceived as meaningful	5.7	32	34	20	8	2	3	2	0
Make sure that the senior executives and managers are as respected and liked as possible	5.0	18	25	22	22	4	4	4	1
Offer a bonus for staying	4.4	10	15	25	22	11	11	6	1



4.0. Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted January 8 - 11, 2008. Respondents constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of 158 are deemed accurate to within approximate 7.8 percentage points 19 times out of 20. The principal and co-investigator on this study are Conrad Winn, Ph.D. and Tamara Gottlieb.

