

FlexBulletin #114 – “There must be 50 ways to leave your last job”

By Paul Rupert

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Well, there may not be quite 50 ways to ease out of working. But surely there are many more ways than habit, tradition and arbitrary expiration dates suggest. We are beginning to see creative ways that companies and their mature workers are designing and executing “respectful exits.” To put this change in context, let’s take stock of some of the barriers to and drivers of innovative endings for those who have contributed to their companies, their families and the economy for decades.

First, some numbers. In my last, closely-read **FlexBulletin #113 – “Telecommuting” Trumps Field at 40+**, I cited recent survey numbers contrasting the strong and steady growth of telework with the anemic progress of what’s commonly called Phased Retirement. (BTW, I know the Bulletin was read attentively because so many alert and kind readers pointed out the error in these numbers.) Quick quiz: find the error.

- ✓ *In 2016, 11% of companies offer “informal phased retirement” (SHRM survey)*
- ✓ *In 2016, 5% of companies offer “informal phased retirement” (SHRM survey)*

That’s right. The correct reading is “**5% of companies offer “formal phased retirement.”**” Yet the real story here is not so much the difference between the type and numbers of career exits, but the markedly low numbers for both. The flip side of these anemic employer offerings to long-term employees is a tsunami of statistics. Undergirding them is a fact seldom mentioned in these Millennial-centric days:

The Bureau of Labor Statistics says the 55-and-older age group is the fastest growing segment of the American workforce.

What happens when today’s irresistible force meets yesterday’s immovable object?

Older workers are a large cohort with a strong point of view. Just a few facts illustrate the point:

- *“64% of workers age 18-64 envision a phased transition into retirement” (Transamerica survey)*
- *A majority of workers age 50+ consider formal phased retirement programs ‘very important’ or ‘somewhat important’ (AARP/SHRM survey)*
- *27% of Americans plan to “keep working as long as possible.” (Federal Reserve study)*
- *Another 12 percent say they don’t plan to retire at all (Same)*

This desire for what’s often called “phased retirement” is not new. For many years it has been understood by millions of employees and thousands of employers in traditional terms – a range of individual deals and small-scale programs with limited use by pre-retirees. For employers, these limitations have been fueled by skeptical attitudes toward older workers, perceived pension obstacles and negative views of part-time work. Employees have faced modest access, contractor-only options and short tenures.

The persistent imbalance between demand and supply above shows signs of shifting. This is due in part to what I would call “tactical” changes: successful employer experience, sensible resolution of the seeming pension barriers and growing skilled labor shortages. The drivers for older workers are in part tactical as well. Many are postponing retirement due to the lost income, greater debt and decreased retirement savings that grew out of the Great Recession.

When “Respectful Exits” become a social and business strategy

There was a time when mass telework was inconceivable. But the changing nature of the workplace and workforce, technology and growing public pressure led to the irreversible adoption of what had been individual arrangements. Comparable forces are at work with older workers. Foremost among these is a steady transformation in life span. With the average US male living until 76 and women until 81, it will take far more than golf to fill the 10-20 years after mandatory retirement. In addition, these decades will require quality healthcare, many forms of caregiving and healthier pensions.

For the last couple decades we have seen major employers assume some responsibility for the social demands of “work-life” or “work-family.” If we did a word association exercise, most likely the affected family caregiver – whether male or female – would be assumed to be young or middle-aged with young children. The older workforce will increasingly press companies to meet its needs. Importantly this is not a demand for better eldercare (which is needed), but for *elder self-care, including continued employment and mutually respectful exits*. We might think of it as work-life for the rest of us.

If a new approach is needed, how do companies proceed?

In undertaking the assessment, design and implementation of a Respectful Exits program, it is crucial to recognize that our collective attitudes toward older workers and the retirement process are steeped in habits and assumptions. That said, what follows is a proven and effective process used by one client for exploring phased retirement of a new type.

- For the **company**: retention of valued employees and their contributions beyond “retirement age”
 - o The options had to be diverse enough to appeal to many employees
 - o Work needed to be re-prioritized to align with reduced schedules
 - o Knowledge transfer and mentoring had to be well-designed and executed
- For the **retiree**: continuation of employee status and benefits with a path to full retirement
 - o Assurance of continued employment on a reduced schedule
 - o Receipt of prorated benefits with no negative impact on pension terms
 - o Opportunity to eliminate low-value work and engage in mentoring

Implementing a Phased Retirement Initiative

This effort required a good deal of hard work, both thoughtful and comprehensive. Internal and external resources were used to conduct extensive benefits redesign, creation of collaborative implementation tools and crafting of a broad communications campaign. Among the crucial activities were:

1. **Pre-retiree research** Employee focus groups enabled the company to design a customized menu to maximize satisfaction and retention in a cost efficient way. And they helped identify employees in specific roles or with specialized skills whose loss posed great risk to the organization.
2. **Creative comp and benefits design** A cross-functional team collaborated on a rewards redesign. They achieved a major goal of allowing continued participation in defined benefit and contribution pension and savings plans under the same terms and conditions as full-time employees.
3. **Work redesign process** Phased retirees worried that they would end up working full-time for reduced pay; managers were concerned that critical work might not get done. The solution was a tool and process for collaborative work redesign. It charted the elimination of low-value work.
4. **Transferring knowledge** A great gap can exist between the hope for the transfer of knowledge by retirees and its fulfillment. Once more a collaborative tool and process enabled managers and employees to work together to define outcomes, timelines and metrics for the desired transfers.
5. **Superior communications** The messages introducing the program need to be clear, across multiple channels and careful to offer a voluntary program, not make it appear mandatory. The company did a particularly good job of preparing managers to explain the program and process proposals.
6. **Online guidance and training** There are many “moving parts” in this program, and the end users – potential retirees and managers – benefitted from easily accessible, online one-stop shops for understanding the program and using its tools well.

The next Bulletin will focus on the diverse and ground-breaking initiatives that are illuminating new territory for older workers. They represent a few of the “50 ways....mentioned at the outset. For those who may or may not remember the Paul Simon song, we close with the rest of his lyric:

*The problem is all inside your head
She said to me
The answer is easy if you
Take it logically
I'd like to help you in your struggle
To be free
There must be fifty ways
To leave your [last job]*

Best regards,
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