

## Out With the New, In With the Old

### Those older than the conventional retirement age are an untapped employee resource.

*By Richard W. Oliver  
for Office.com*

Sept. 15, 2000— I recently went to a favorite restaurant for lunch. I was stunned to find it closed with a sign on the door: "Closed for lack of employees and management." Although this sign is the first of its kind that I have ever encountered, this state of affairs is becoming all too common for many small businesses. With a 4 percent national unemployment rate, it is tough for businesses — especially small businesses — to attract and keep qualified employees.

Part-time retail workers had an average turnover rate last year of 124 percent, according to a survey by the National Retail Federation. The turnover of full-time workers was a still-hefty 74 percent. Many industries, among them call centers, elderly-care nursing, trucking and car sales, are replacing the equivalent of their entire work force each year — turnover of some 30 million people.

No wonder that a survey last year by the American Management Association put turnover at the top of the list of managers' worries. And according to a study in which I participated last year, we are headed for even more acute labor shortages. (See [www.sbtrends2QQO.com](http://www.sbtrends2QQO.com).)

### Smaller, Older and Diverse

America's work force is getting smaller, older and more diverse. Fewer people are entering the work force, and older workers are leaving in record numbers. If you think it'll get better in a few years, think again.

There are many strategies to use to overcome labor shortages. A longer-term solution is substituting technology for labor. Another is something called "pay the price." It calls for small businesses to match big-company salary and benefits. But both of these plans have limitations.

One of the most promising ideas is for businesses to find ways to keep productive older workers in their

companies. Just look at the numbers regarding the aging work force:

1. Every eight seconds, somebody in America turns 50; one in three U.S. workers is 45 or older.
2. The oldest of America's 76 million baby boomers will reach 55 in 2001. Look for a flood of retirees after that.
3. Most manufacturing companies have a work force whose average age is in the mid-40s. In many of these firms, as many as a third of the workers are already eligible for retirement.
4. By 2025, the whole of America will be as gray as Florida is today.

### Older is wiser.

Savvy business owners have turned to older workers who are often more loyal, more experienced and more dedicated. Most importantly, they're available. Many older Americans are more than willing to work past retirement age.

According to a 1998 survey, 80 percent of aging baby boomers express interest in working at least part time during their retirement. The good news for many employers is that money is usually not the main reason. More than one-third of the survey respondents said they want to work mainly for the interest and enjoyment. Many miss the fellowship and mental stimulation that can't be gained from the golf course or a cruise ship.

Older workers who have left the executive ranks — by choice or by force — often have experience, perspective and diplomacy that younger workers can't hope to duplicate. Many older executives blossom in new careers as consultants, trainers or focused account reps if offered the proper environment.

### A Few Accommodations

Yes, some adjustments are necessary. A long-standing perception is that older workers don't learn as quickly as younger ones do. The reality is that they respond better to training that involves hands-on practice and guided learning rather than lessons and lectures. Workplace lighting must be adequate; workspaces should have proper sound absorption to eliminate background noise; cash register or computer keys must be easy to reach and use. Work hours should be flexible; and, machinery and chairs should use the latest ergonomic designs.

Before last year, the government actually encouraged retirees to stay retired, effectively

capping their earnings before Social Security penalties kicked in. But as of January 2000, the Retirement Earnings Tax has been eliminated for individuals age 65 to 69. Now these older workers can keep their Social Security benefits, despite what they're earning in the working world.

In the United States, only half of the men aged between 60 and 64 are still in the labor force. The percentages decline rapidly after that. Many older men and women would jump back in if offered the chance, especially if they could do it part time. This age group contains engineers who have programmed from IBM punch cards through Java, sales reps who have sold everything from tube radios to ERP systems, and customer service reps who have been helping customers since neighborhoods shared rented rotary phones hooked up to party lines.

If you're coming up short in your hiring goals, are you missing the most obvious source of qualified employees?

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