According to recent trends and demographic data, organizations across the globe are facing the impending retirement of a large population of their workforce. These employees, commonly referred to as “baby boomers”, have long been stalwarts within their organization’s talent pipeline, and often occupy integral roles within the entity. However, as this population ages and abdicates their positions, many organizations face the arduous task of managing a diverse and dynamic workforce that is ripe with challenges; but also rich with opportunities for transformation. Within many organizations, there currently exists an influx of new, younger talent into the fold; while concurrently possessing older workers whom have long established and cemented their place within the organization’s hierarchy. When these groups are intermingled and asked to collaborate on a myriad of projects, numerous inherent conflicts concerning work style, communication methods, and overall preferable approach to getting work done arise; and if these issues are not properly mitigated, they threaten to adversely impact the speed and quality of production. Fortunately, when progressive and strategic HR initiatives that support collaboration and leveraging the abilities of each employee are implored, a majority of issues can be counteracted. However, while many HR leaders’ efforts to create an environment in which employees from different generations have been able to co-exist and work harmoniously despite their inherent differences; many still struggle with optimizing multi-generational skill transfer and knowledge management within their firm.

As more experienced workers exit the organization, they often take with them company-specific skills, institutional knowledge, and relationships that have been forged over a career with them. As organizations begin the process of acquiring new talent based on their experiences and general skills, there is often a neglect of considering what was lost as a result of the exit of the position’s previous holder. Potential consequences of ineffective management of skills and knowledge can be a reduction in market share, productivity, and competitive advantage that resulted directly from the contributions of employees, as well as increased costs associated with talent acquisition as firms often cannot replicate the skills and experiences that are needed in the position until a period of time has passed and the previous worker has left the role. This is due to the occasional lack of saliency of the role in which the previous holder of the role possessed, and the subsequent understanding by the organization of the skills necessary to perform this role.

In order to counteract this trend, it is imperative for organizations to behave in a strategic manner that proactively addresses the challenges that are faced, and possess innovative methods to optimize these transfers. Within the United States and many other industrialized nations, retirement generally entails a permanent separation from the employee and the Company; sacrificing opportunities for the creation of a mutually beneficial relationship. According to a recent study from CNN; nearly 45% or respondents indicate a desire and willingness to remain with their organization in some capacity following their formal retirement if their organization were to express interest and provide autonomy to meet their personal transitions needs as well. By extending this opportunity of a “phased retirement”, organizations can better position themselves to absorb the shock felt when many key contributors decide to retire. This phased retirement consists of allowing workers who have reached a certain threshold and that have been identified as key contributors to serve with the organization on a part-time basis, and to continuously work on tasks and projects on an as needed basis. This approach also allows for the organization to retain some of its institutional knowledge which on an aggregate basis can help
to maintain viability and also be a cost-effective measure; as the value added and retained by each employee will exceed their cost to the firm. This measure also requires leveraging insights and analytics to ensure that the best talent is being utilized in one of these positions. Amongst the potential projects for the recently retired to pursue include the formation of trainings, supplemental reading materials, and electronic delivery methods designed to resonate with younger workers containing their insights and some of the methods which led to their success.

In addition, organizations can leverage and expand upon an existing practice in many firms in order to optimize results. In recent years, formal mentoring programs have been in place within nearly 95% of Fortune 500 Companies, to varying degrees of success. A potential innovative change to this program would be continuing the practice of pairing workers from different generations, as well as incentivizing the mentor in the relationship to produce extraordinary results. Through a variety of evaluations, business-simulations, and real-world evaluations, organizations can gauge how well mentors are disseminating information to their mentee, and promoting the skill and knowledge transfer. Successful mentors would additionally be judged on how their direct efforts with their mentee helped to instill usable institutionally knowledge that helps the organization advance its mission, and both parties would be compensated with a combination of pecuniary (bonuses, options, etc.) and non-pecuniary (recognition in newsletter, reserved parking space, etc.) rewards. This would not only increase the knowledge transfer, but increase engagement levels amongst the team.

In conclusion, as firms evolve, it is incumbent upon them to consistently seek to improve the organization in order to maximize the strength of its talent going forward.