ROR Subcommittee #03-4
Critical Skills / Retirement Bubble
SIS Critical Skills/Retirement Bubble Strawman Model

November 2005

Agenda

I. Kickoff, Objectives & Profiles - 10 minutes
   (Mark Doran)

II. Demographics – What we know - 10 minutes
    (April Cantwell)

III. Changing Workforce & What Does Your CEO Need to Know - 10 minutes
     (Ron Webb)

IV. Better Practices
    I. Managing Your Core Competencies – 10 minutes
       (Stewart Witzeman)
    II. Accessing Retiree Skills - 10 minutes
        (Mike Kostrzewa)
    III. Fast Tracking & Retaining “trough” personnel – 10 minutes
         (Robin Bergstrom & Scott Steinmetz)

V. Other better practices (Facilitated) - 60 minutes
   (Mark Doran/Scott Steinmetz)
Overview: ROR Subcommittee #03-4
Critical Skills / Retirement Bubble

- Objective/Scope: Determine how companies are planning for the upcoming bubble, skills succession planning & new methods to access skills.
- Dates  Start Fall’03  Finish ’05
- Key Deliverable: Special Interest Session (SIS)
- Value Proposition: Organizations are faced with a potential huge loss of knowledge as the boomers begin to retire – will companies be prepared or will suffer big impact?
- First – Brief review of the data
RD & E Age Profile
What does the upcoming bubble look like at your company?

Upcoming Retirement "Bubble"
Actual Example - R,D and E Resources
RD & E Age Profile
What does the upcoming bubble look like at your company?

Upcoming Retirement "Bubble"
Actual Example - R,D and E Resources
Demographics
Demographics of the US

US Birth Rate 1930-1996

Year

Births in Millions

Data from National Center for Health Services – CIMS MBA students
The projected labor force growth will be affected by the aging of the baby-boom generation – persons born between 1946 and 1964.

“The labor force will continue to age, with the annual growth rate of the 55-and-older group projected to be 4.1%, nearly 4 times the rate of growth of the overall labor force.”

from the U.S. Bureau of Labor Statistics, February 2004
*Monthly Labor Review*
Worldwide Birth Rates

- Across the globe, the birth rate has been declining since the late 1960’s.

- This trend is expected to continue at least through the year 2050.
Aging World Population

- The world population is aging.
- The Capability Crisis the US is facing will be faced by other nations as well.
- The graph on the next slide depicts aging trends (population age 65 and older) by world region.
Percent of Population Aged 65+ by World Region (2000, 2015 and 2030)

Source: US Census Bureau, International Database.
Impacts of Aging Population on Labor Force Participation

- In 6 countries examined, actual and projected data for the years 1950 – 2050 present a consistent trend of declining labor force participation.

- Of these countries, the crisis in the US is actually the least severe.
Projections for 2000 – 2050 assumes constant gender and labor participation in 5-year age groups at the 2000 level.

Data adapted from Figure 1.5 of the Organisation for Economic Co-operation and Development’s (OECD) Ageing and Employment Policies: Korea, (2004).
Immigration Data

- Industrial managers in the US should not think they will be able to hire technically trained immigrants from other countries. It won’t work out that way.

- The trend is toward decreasing or stable rates of immigration and migration rates, especially among highly skilled workers.

- In the countries studied, the immigration of highly skilled workers is offset by near-equal emigration.

- The countries currently benefiting most from immigration of highly skilled workers are the US, Australia, Canada, France and Germany. Achieving even more favorable ratios in these countries is unlikely.
Changing Workforce
## Forces and Factors in the 21st Century

<table>
<thead>
<tr>
<th>Corporation</th>
<th>Traditional</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>Profit</td>
<td>PROFIT</td>
</tr>
<tr>
<td>Insulated</td>
<td>Competitive</td>
<td>Competitive</td>
</tr>
<tr>
<td>Hierarchical</td>
<td>Flat</td>
<td>Flat</td>
</tr>
<tr>
<td>Parent</td>
<td>Employer</td>
<td>Employer</td>
</tr>
<tr>
<td>Rich</td>
<td>Lean</td>
<td>Lean</td>
</tr>
<tr>
<td>Thorough</td>
<td>Fast</td>
<td>Fast</td>
</tr>
<tr>
<td>Stable</td>
<td>Hectic</td>
<td>Hectic</td>
</tr>
<tr>
<td>Employee</td>
<td>Specialized</td>
<td>Broad</td>
</tr>
<tr>
<td>Dependent</td>
<td>Empowered</td>
<td>Empowered</td>
</tr>
<tr>
<td>Comfortable</td>
<td>Stressed</td>
<td>Stressed</td>
</tr>
<tr>
<td>Loyal to Company</td>
<td>Loyal to self</td>
<td>Loyal to self</td>
</tr>
<tr>
<td>Entitled</td>
<td>Accountable</td>
<td>Accountable</td>
</tr>
</tbody>
</table>
So, what is success?

<table>
<thead>
<tr>
<th>Traditional</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perception</td>
<td>Performance</td>
</tr>
<tr>
<td>Level growth</td>
<td>Leverage</td>
</tr>
<tr>
<td>Job security</td>
<td>Employment Security</td>
</tr>
<tr>
<td>Length of service</td>
<td>Length of resume</td>
</tr>
<tr>
<td>Contentment</td>
<td>Confidence</td>
</tr>
</tbody>
</table>
What does your CEO need to know?
Future Workforce Capacity and Capability Issues

- Career-level retirements over the next 5 years could result in a significant loss in corporate knowledge base and technology competencies.

- Workforce growth may need to be managed today for the transition.

- Growth would require a significant investment.
What Will Your Organization Look Like In 10 Years If We Don’t Do Something?

- Excel-based P&G population flow model
  - All R&D employees identified by age, Band and business sector
- Algorithms used utilize input and output elements, rate controls and feedback loops (all variable that can be adjusted for modeling purposes)
  - Average rates of workforce growth, hiring, promotion and leaving
- A strategic model – most likely scenario we could encounter based on recent and historic trends
**Global Average Retirement Age***
(P&G)

<table>
<thead>
<tr>
<th>Average Retirement Age</th>
<th>Current Population Meets/Exceeds Average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Today</td>
</tr>
<tr>
<td>Officers</td>
<td>56.9</td>
</tr>
<tr>
<td>Band 5 M</td>
<td>57.2</td>
</tr>
<tr>
<td>Band 4 M</td>
<td>55.9</td>
</tr>
<tr>
<td>Band 3 M</td>
<td>55.6</td>
</tr>
<tr>
<td>Band 5 T</td>
<td>59.2</td>
</tr>
<tr>
<td>Band 4 T</td>
<td>58.4</td>
</tr>
<tr>
<td>Band 3 T</td>
<td>55.5</td>
</tr>
</tbody>
</table>

*these numbers include incentive-based early retirements
If we follow historic attrition and promotion trends and keep enrollment flat (i.e., no intervention and let the dynamics continue to move forward), by the end of 10 years:

**Positions Not Filled**

<table>
<thead>
<tr>
<th>Positions Not Filled</th>
<th>U.S.</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers</td>
<td>-30%</td>
<td></td>
</tr>
<tr>
<td>Band 5 M</td>
<td>-28%</td>
<td>Band 5 M -12%</td>
</tr>
<tr>
<td>Band 4 M</td>
<td>-18%</td>
<td>Band 2 T -32%</td>
</tr>
<tr>
<td>Band 3 T</td>
<td>-31%</td>
<td></td>
</tr>
</tbody>
</table>
In order to maintain the current management structure 10 years out, some interventions need to be put in place now.

- Allow the organization to grow 1% per year for six years. One way to do this would be to increase recruiting:

<table>
<thead>
<tr>
<th>Band</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band 1 T</td>
<td>60</td>
<td>105 (+90%)</td>
</tr>
</tbody>
</table>

- Increase advancement rates each year for these levels:

<table>
<thead>
<tr>
<th>Band</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band 2 T</td>
<td>6.3%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Band 3 M</td>
<td>3.8%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Band 4 M</td>
<td>3.3%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>
What are the critical issues

- Declining # of technical students, total and domestic
- Harder for foreign students to access US academic institutions
- More difficult for foreign students to gain temporary employment in the US and Permanent Residency status
The Job Market: Supply of Doctorates

NSF, Survey of Earned Doctorates, 1980-2003

Number of U.S. Doctorates Awarded

- Biology & Health
- Chemistry
- Engineering


Values: 0, 1000, 2000, 3000, 4000, 5000, 6000, 7000, 8000
The Decline of US Citizens Earning Doctorates

NSF, Survey of Earned Doctorates, 1980-2003
What are the critical issues

Lost networks and lost skills go with retiree

Long learning curve for technical and management positions
You should not wait to address this issue!
Better Practices
Managing Your Core Competencies

Dr. Dante Rutstrom
Eastman Chemical Company
Presented by: Stewart Witzeman
Objectives

• Identify Critical Technical Skills and Competencies
  – Agree on Core Skills
  – Agree on Strategic Importance

• Staff Planning Tool
  – Identify Current Experts
  – Identify Gaps/Propose plans to fill
Step 1 - Agree on Critical Skills &
Step 2 - Rate Staff

<table>
<thead>
<tr>
<th>Core Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 = Expert</td>
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</table>

<table>
<thead>
<tr>
<th>Technical Skills</th>
<th>Tom</th>
<th>Mike</th>
<th>Valerie</th>
<th>Lisa</th>
<th>Steve</th>
<th>Bill</th>
<th>Laurie</th>
<th>Joe</th>
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<tbody>
<tr>
<td>Skill 1 - Polymer Synthesis</td>
<td></td>
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<tr>
<td>subskill 1.1 Condensation Polymers</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
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<tr>
<td>subskill 1.2 Addition Polymers</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2+</td>
<td>3</td>
<td>1</td>
<td>1</td>
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<tr>
<td>...</td>
<td>3</td>
<td>1</td>
<td>2+</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
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<tr>
<td>Skill 2 - Polymer Structure/Property</td>
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<tr>
<td>Polymer Characterization (DSC, Density, FTIR, NMR, Microscopy, etc.)</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
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<tr>
<td>Mechanical Characterization (toughness, Modulus, Thermal, Creep, Aging, etc.)</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<td>Rheology</td>
<td>1</td>
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| Skill 3 |     |      |         |      |       |      |        |     |
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| ...... |     |      |         |      |       |      |        |     |
| ...... |     |      |         |      |       |      |        |     |
| ...... |     |      |         |      |       |      |        |     |
## Step 3 - Summarize Data

<table>
<thead>
<tr>
<th>ID#</th>
<th>Status</th>
<th>Critical Skill Area</th>
<th>Current Experts (3 Rating)</th>
<th>Possible future experts (plan in place for names in red)</th>
<th>Anticipated Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Skill 1 (e.g. Polymer Synthesis)</td>
<td>Bill, Tom, Steve</td>
<td>Laurie, Tim</td>
<td>Tom</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Structure Property</td>
<td>Mike</td>
<td>Valerie, Lisa, Joe</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Skill 3</td>
<td>Peter</td>
<td>John</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Skill 4</td>
<td>Susan</td>
<td>Stan, Tammy</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Skill 5</td>
<td>Perry</td>
<td>Brad, Jim, Terry</td>
<td></td>
</tr>
</tbody>
</table>
### Step 4 and 5 - Strategy Connect

<table>
<thead>
<tr>
<th>Status</th>
<th>Competency</th>
<th>Strategic Importance</th>
<th>Capability Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watch</td>
<td>Skill 1 (e.g. Polymer Synthesis)</td>
<td>5</td>
<td>7.00</td>
</tr>
<tr>
<td>Critical</td>
<td>Polymer Structure/Property</td>
<td>4</td>
<td>4.00</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 3</td>
<td>6</td>
<td>3.00</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 4</td>
<td>5</td>
<td>6.30</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 5</td>
<td>4</td>
<td>5.00</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 6</td>
<td>7</td>
<td>5.70</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 7</td>
<td>6.5</td>
<td>6.65</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 8</td>
<td>5.6</td>
<td>2.80</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 9</td>
<td>7</td>
<td>2.80</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 10</td>
<td>4</td>
<td>5.60</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 11</td>
<td>5</td>
<td>4.90</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 12</td>
<td>6</td>
<td>3.50</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 13</td>
<td>6</td>
<td>4.00</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 14</td>
<td>4</td>
<td>2.20</td>
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<td>Skill 15</td>
<td>5.5</td>
<td>4.00</td>
</tr>
<tr>
<td>Watch</td>
<td>Skill 16</td>
<td>6.5</td>
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<td>Watch</td>
<td>Skill 18</td>
<td>6</td>
<td>4.00</td>
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<tr>
<td>Watch</td>
<td>Skill 19</td>
<td>4.9</td>
<td>5.00</td>
</tr>
<tr>
<td>Watch</td>
<td>Skill 20</td>
<td>6.8</td>
<td>7.00</td>
</tr>
<tr>
<td>Watch</td>
<td>Skill 21</td>
<td>6.3</td>
<td>7.00</td>
</tr>
<tr>
<td>Watch</td>
<td>Skill 22</td>
<td>7</td>
<td>6.50</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 23</td>
<td>6</td>
<td>5.90</td>
</tr>
<tr>
<td>Critical</td>
<td>Skill 24</td>
<td>5</td>
<td>4.00</td>
</tr>
</tbody>
</table>

**Step 4-Business Organization Assigns "Strategic Importance" based on discussions with Technology**

**Step 5- Technology Assigns "Capability Score" based on comparison between # Current Experts and Perceptions of Ideal levels**
Look for Disconnects Between "Strategic Importance" and Current "Capability"

Watch these areas for disconnect

Watch these areas for disconnect

**Skill 1 (e.g. Polymer Synthesis)**
## Step 6- Develop Action Plans

<table>
<thead>
<tr>
<th>ID#</th>
<th>Status</th>
<th>Critical Skill Area</th>
<th>Current Experts (3 Rating)</th>
<th>Possible future experts (plan in place for names in red)</th>
<th>Anticipated Losses</th>
<th>Status</th>
<th>Plan?</th>
<th>Author (person asked to write)</th>
<th>Plan Being Executed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Skill 1 (e.g. Polymer Synthesis)</td>
<td>Bill, Tom, Steve</td>
<td>Laurie, Tim</td>
<td>Tom</td>
<td>staffing improved with new hires</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Watch</td>
<td>Stucture Property</td>
<td>Mike</td>
<td>Valerie, Lisa, Joe</td>
<td>Need training plan for Lisa, Joe, and Valerie</td>
<td>Yes</td>
<td>Bill</td>
<td>Plans have been developed and are being implemented</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Critical</td>
<td>Skill 3</td>
<td>Peter</td>
<td>John</td>
<td>Need Hiring Plan</td>
<td>Yes</td>
<td>Steve</td>
<td>need approved requisition</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Skill 4</td>
<td>Perry</td>
<td>Brad, Jim, Terry</td>
<td>in career development plans for Brad and Jim</td>
<td>Yes</td>
<td>Bob</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Skill 5</td>
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</tbody>
</table>

**Color Coding is quick reference indicating overall health:**

- **Red** = in need of immediate action
- **Yellow** = OK for now, but one "bus accident" away from trouble
- **White** = properly staffed to meet current and future business needs
Major Process Steps

- Step 1 - Agree on Critical Skills
- Step 2 - Assess EVERY individual's ability for EACH Critical Skill (Rate Staff)
- Step 3 - Summarize Data
- Step 4 - Assign "Strategic Importance" values
- Step 5 - Assess Overall Health of Organization (assign "Capability Assessment" values)
- Step 6 - Develop Action Plans to address gaps.
Taking it to Another Level.....

• Focus so far had been an internal view of capabilities

• Can also analyze versus competition
  – How critical are certain skills in given markets
  – How good at we at these skills versus competition
Structured List of Technology Competencies

Now Ask 2 Questions for each Skill-

Industry Impact/Advantage (how much of a competitive advantage does a given skill afford?)

And

Our Position (how good are we?)
## Definitions of Competitive Impact and Position

<table>
<thead>
<tr>
<th>Competitive Impact</th>
<th>Characteristics</th>
</tr>
</thead>
</table>
| **Emerging**       | - Early research stage or emerging in another industry  
                     - True potential is hard to assess  
                     - Competitive impact is therefore unknown  
                     - They hold the promise of change the basis of competition or radically transforming the industry |
| **Pacing**         | - Often adapted from different industries  
                     - Occasionally permitting entry of a new class of competitor |
| **Key**            | - The most critical to competitive success today  
                     - Yield a clear competitive advantage to those who master them better than competitors  
                     - The most successful companies in an industry will be those |
| **Base**           | - Benefits are not important to the customer or are easily replicated, bought, or otherwise matched by competitors |

### Competitive Impact: The inherent impact of a Technology / Competency in the market

<table>
<thead>
<tr>
<th>Competitive position: Position in mastering a Technology / Competency relative to competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current position</strong></td>
</tr>
</tbody>
</table>
| **Weak**           | - Unable to sustain quality of technical output versus competitors  
                     - Short-term fire-fighting focus |
| **Tenable**        | - Continuously in a "catch-up" mode  
                     - Unable to set an independent course |
| **Favorable**      | - Able to sustain competitiveness in general  
                     - No distinct advantages versus competitors |
| **Strong**         | - Able to express independent actions and set new directions  
                     - Gives a competitive advantage. |
| **Clear**          | **leader** | - Sets the pace and direction of “best practice” development and are recognized for such in the industry  
                     - Willingness and ability to adopt ideas coming from outside own industry exist |

**OLED'S**

**Material Science**
## Technology Competency Map

<table>
<thead>
<tr>
<th>Competitive Impact</th>
<th>Competitive Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weak</td>
<td>Tenable</td>
</tr>
<tr>
<td>Emerging</td>
<td></td>
</tr>
<tr>
<td>Pacing</td>
<td></td>
</tr>
<tr>
<td>Key</td>
<td></td>
</tr>
<tr>
<td>Base</td>
<td></td>
</tr>
</tbody>
</table>

*Opportunity to leverage for strategic business advantage.*
Accessing Retiree Skills

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Two Types of Retirees…

- **Yours or someone else’s**
  - Proven track record; low risk
  - Innovation or knowledge retention
  - Governance processes

- **Common motivations for staying involved**
  - From “70 mph to zero”
  - On their terms
  - Relinquish management role
Consulting seems attractive...

- Leverage professional network
- Balanced lifestyle
- Extra $ for “indulgences”
- Avoid company “aggravations”

But has downside...

- LLC formation, liability
- Proposals and invoicing
- Seek while delivering
- Chasing receivables
Using outside Retirees

Benefits
- Richly-experienced innovation leaders
- Non-traditional approaches, fresh perspectives
- Access to Best Practices from multiple industries

Challenges
- Confidentiality and IP security (in-bound and out-bound)
- On-boarding governance
- Contracting and compensation framework
Returning your own Retirees

Benefits

- Know the lexicon, culture, systems and structure
- Have critical knowledge to share
- Sense of loyalty; organizational citizenship
- Immediately productive

Challenges

- ERISA, IRS, ADEA confusion and risk
- Engagement and compensation framework
ERISA

- Employee Retirement Income Security Act -- 1974 law established legal guidelines for private pension plan administration and investment practices
- Framework for Defined Benefit plans—participation requirements, vesting, benefit formula, benefit eligibility, etc.
- DB plans may encourage long-term employees to retire early
- Returning may jeopardize DB plan as well as reduce individual benefits
- Shift to more portable Defined Contribution plans (401k)
- Conflicting rules with IRS tax code on in-service distribution of benefits
ADEA

- **Age Discrimination in Employment Act** -- prohibits arbitrary discrimination against workers over the age of 40 in any employment decision, especially firing. The ADEA also provides that no worker can be forced to retire.

- Employers returning retirees run risks relative to discrimination and conflict with ERISA benefit eligibility; tax code further confuses the issue.

*Bottom Line:* Consult qualified labor counsel re: risks in returning your own retirees; third-party hiring of retirees mitigates these risks.
YourEncore: the Source for Retired Science and Engineering Experts

Robust network of richly experienced, highly-skilled experts covering most S&E disciplines

On-demand talent for critical challenges in discovery, development and commercialization

Rigorous confidentiality and IP security processes; comprehensive on-boarding governance

Simple, transparent engagement and compensation terms; success and satisfaction metrics in place

“It was like having the best of both worlds -- the enthusiasm and passion of a new-hire, with the depth of experience of a seasoned veteran”

…YourEncore Member Company Project Manager
Fast Tracking & Retaining “through’ personnel
Objective Today

- Pursuing the silver bullet solutions
- What does your business look like?
- Understand the hidden costs of “lost knowledge”
- Learn about better practices.
Analyze Your Business

- Look at your workforce.
  - What knowledge/skills must be retained?
  - Do your currently have a competitive advantage?
  - Knowledge that is vulnerable?
  - Could knowledge go to the competitor?

Resourced from “Lost Knowledge: Confronting The Threat Of An Aging Workforce” by David Delong
Analyze Your Business

Do you support knowledge retention?

“Do your employees believe the company is being managed in a way that considers their interest as well as those of the shareholders?”

Taken from “Lost Knowledge: Confronting The Threat Of An Aging Workforce” by David Delong
RD&E Age Profile

Upcoming Retirement "Bubble"
Actual Example - R,D and E Resources

Number at each age

Age
Facts

- Diversity
- More options for new hires
- Economics of Retiring

Resourced from “Chemical Industry Leaders: Are You ready For The Workforce of the Future?” by David W. De Long
Hidden Costs of Lost R&D Knowledge

- Reduced capacity to innovate
- Ability to pursue growth strategies is threatened
- More costly errors
- Less efficiency

(Resourced from “Uncovering the Hidden Costs of “Lost Knowledge” in Global Chemical Companies by David W. DeLong, Accenture Institute for Strategic Change)
Better Practices

- Take Action Now
- Rotational programs
- Incubator
- Homeroom/ Global Skill Resource Mgt.
- Case Studies on Lessons Learned
- Communities of Practice
- Storytelling

1 Resourced from "Better Practices for Retaining Organizational Knowledge: Lessons From the Leading Edge" by David W. De Long
Better Practices

- Mentoring
- Training/Education (Shadowing)
- Strengthened Recruiting Relationships
- Accelerated Development Planning
- Phased Retirement
- Effective Use of Retirees

1 Resourced from "Better Practices for Retaining Organizational Knowledge: Lessons From the Leading Edge" by David W. De Long
Retention Strategies

- Understand your organization's current skill and knowledge base.

- Develop succession planning for your key employees.

- Retain Employees\(^1\) [LHH Strategic Framework]

- Understand what motivates your top performers. Do you have development plans in place for these people?\(^2\)

  - Challenging work
  - Level of responsibility
  - Career Advancement
  - Salary / wages
  - Job security

1 Taken from Lee Hecht Harrison
2 Resourced from Employee Resource Council 2005 Job Attribute Importance Survey Results
Retention Strategies

How do we encourage highly skilled older employees to stay?¹

- Pension plan regulations
- Respect from younger workforce

Resourced from “Lost Knowledge: Confronting The Threat Of An Aging Workforce” by David Delong
Final thought

Top Performer asked why he was leaving the organization during the exit interview.

Response was....

“No one asked me to stay.”

Taken from Employee Resource Council
Questions ?
Facilitated Better Practices Development

What are other “Better Practices”? 

- Break into tables of 5 - bring back and present to entire group:
  - Two “Better Practices”: that have not been covered.

- Final Deliverable: Share “Better Practices” with those who attend SIS.