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Retaining Older Employees? Try Flexible Options and Rewards

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professional and give it to others," he explains. Cichanski's arrangement is one that's growing in popularity, as companies look to expand ways to help mature workers

with decades of experience transition into a newer, more flexible retirement – and leverage the knowledge and experience that older employees possess.

More Americans will turn 65 this year than in any other time in history. This surge, referred to by the Alliance for Lifetime Income as "Peak 65," is expected to continue through 2027.

But many of those aging employees aren't ready to completely hang up their work clothes. Instead, employees view

retirement as a slow transition away from full-time work — or not a hard quit at all, found the 2024 Annual Retirement Study

by Allianz life Insurance Co. of North America. How many older employees continue to work? A 2023 Pew Research Center study found that the share of Americans

age 75 and older will double by 2030. For employers, retaining older workers has become crucial as the talent market has tightened in recent years. Fully threequarters of 40,000 global employers surveyed by Manpower earlier this year have trouble finding talent to fill open roles. In response, employers are increasingly looking to reevaluate and revamp their age-focused workforce strategies, in

But not all employers are equally well-positioned to retain an aging workforce. "Like any person who decides whether to stay or leave a job, the work culture and the environment you're working in makes a huge difference in the decision," said Peter Berg, Ph.D., a professor and director of the School of Human Resources and Labor Relations at Michigan State University. "Engagement and flexibility are really important to older workers."

Creating Flexible Retirement Options

expected to continue through 2027.

previous generations. Others appreciate the mental challenge and social benefits they receive from work, and simply don't feel "old" enough to move fully into the retirement phase of life. Companies have been finding ways to satisfy the needs of these workers, through a range of formal and informal flexible

as consultants on a project-by-project basis, or providing more flexibility around time off or remote work for older workers.

lose half your benefits, but that's not true."

Employees are responding positively to these kinds of flexible arrangements: Nearly 40% of 1,002 hiring managers whose companies offer semi-retirement say that the number of employees choosing this option has increased in the past two years, and just 4% saw a decline, according to a survey by The Harris Poll for Express Employment Professionals. Principal Financial Group offers an informal program for phased retirement, through which employees work with their direct

"It's starting to pick up momentum," Couture said. "Our global HR team is working to amplify this program and start training managers and employees in how to engage in the conversation."

It's important for companies to make sure that workers are aware of such programs or benefits changes, said Lonnie Golden, Ph.D., a professor of labor and employment relations at Pennsylvania State University's Abington campus. "Companies don't always announce that they have a phased retirement, or inform employees," Golden said. "HR keeps it

In addition to boosting such awareness and education, Principal's HR team is partnering with its Employee Experience Team, which oversees the retirement journey for Principal employees, in an effort to make each worker's transition to retirement as successful as possible, Couture said. Golden said it is also a best practice for flexible retirement programs to be flexible in both directions — meaning that

walking away from the job entirely. **Adapting Benefits**

For companies that provide phased retirement programs, one key to making them work is ensuring that part-time workers have access to retirement benefits or health insurance, a driving factor for many who choose to continue working. Among workers age 50 to 64, the benefits they value most included quality healthcare and quality retirement savings, according to

While there are a handful of benefits — such as menopause support, 'grandternity' leave, and Social Security strategy assistance — that appeal specifically to workers of a certain age, forward-thinking total rewards teams are focused on creating a menu of benefits that satisfies the needs of all workers, at various times in their lives. So, for example, while parents of young children often benefit from family leave and caretaker policies, those can also be helpful to older workers caring for a sick spouse or parent.

"For later-career workers," he said, "they might be choosing between making a contribution or funding their children's college education or some other priority."

Moving to more flexible paid time off policies can also benefit older workers, many of whom may be looking to take additional time off to travel or assist with grandchildren. **Avoiding Knowledge Drain** In addition to looking for benefits to engage and retain their most experienced workers, companies are proactively looking

READ: Tapping into Retirees to Bolster Knowledge Transfer There's also a clear business reason to advance age-diverse policies: Organizations with more older workers than average are more productive overall, according to recent research by the Organisation for Economic Cooperation and

Development. In fact, raising the share of older workers by 10% would boost productivity by 1.1%, generating a one-off gain

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At SageView Advisory Group, more experienced workers who are going to retire soon can move into so-called "Ambassador" roles, where they help build the bench of employees who can continue to meet the needs of their clients. "They start to have warm hand-offs in their relationships," said Tara Egan, the consultancy's CHRO. "They're still employed, but their responsibility shifts to maybe not being the day-to-day client interface, but rather supporting the team as they take over those relationships and helping build that knowledge base with the team."

recruiting. If a position is vacant, we can use a re-employed annuitant to fill the role in the short term or to help with training the next person."

Editor's Note: Additional Content

Total Rewards

• Employee Benefits

For more information and resources related to this article see the pages below, which offer quick access to all WorldatWork content on these topics: • Workforce Engagement

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Beth Braverman is a freelance writer for Workspan,

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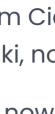
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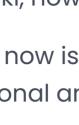
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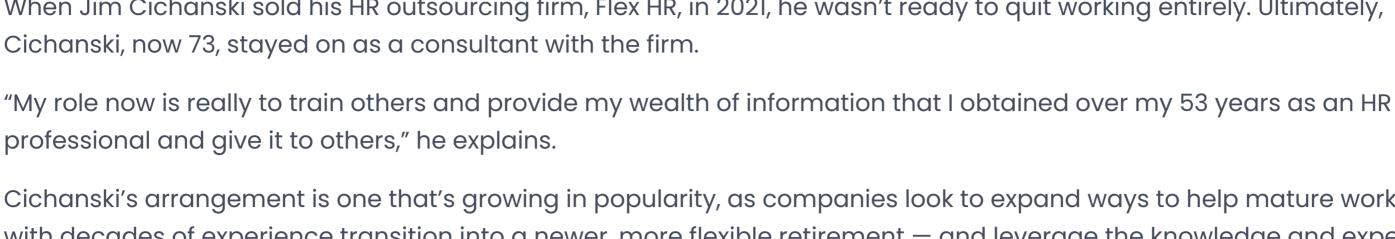
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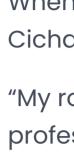
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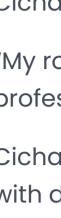




























working beyond retirement age has nearly doubled in recent decades, and Census data shows that the number of workers recognition that baby boomers are a valuable talent pool.

More Americans turn 65 this year than in any other time in history, beginning a surge

There are many reasons older workers may opt to remain in the workforce. For some, there's a financial need, as they recognize that their current retirement nest egg may not stretch through a lifespan that's significantly longer than that of retirement programs. These take many shapes, including allowing older workers to move into part-time roles, hiring retirees

supervisors to negotiate a part-time schedule and adjust their salary and benefits accordingly. While it's been available on a case-by-case basis, the organization is looking to expand the program, says CHRO Jon Couture. under wraps, until someone asks, as opposed to saying, 'Let me educate you about the fact that you think you're going to

LEARN: WorldatWork Course: **Strategic Communication in Total Rewards** employees who shift to part-time work have the option to return to full-time if the arrangement doesn't work out. That approach may allow more employees to try out the program, rather than simply working to the point of burnout and then

a 2023 report by the Employee Benefit Research Institute.

Along those lines, KPMG recently introduced back-up eldercare services as a benefit that employees can use if they have a short-term, unexpected need to help care for an elder relative — which could include an older employee's spouse. The accounting firm also offers college planning counselors who assist employees' children through the college application process. And it recently changed its retirement benefit program so that workers get a company contribution regardless of whether they put their own money into the plan. While this change applies to all workers, it may appeal particularly to older employees, said Jason LaRue, a managing partner of talent and culture at KPMG.

for new ways to ensure those workers pass along as much proficiency as possible to their younger peers. These efforts can benefit older employees as well as the organization. Programs such as mixed-age teaming, mentoring and job shadowing help older workers feel engaged and connected to younger associates while allowing the latter group to soak up the some of the former's wisdom and institutional knowledge about the market, industry and navigating the company internally.

that's worth a bit more than one year of growth, the study found.

READ: Generational ERGs: Engaging Employees of Every Age National Institutes of Health (NIH) also recognizes the value of its highly experienced cadre of mature professionals, and it often leans on recent retirees, on a part-time basis, to prevent the loss of intellectual capital. "We hire a lot of re-employed annuitants to help with knowledge transfer and mentoring," said Bonnie Snyder, deputy director of client services in the NIH's Office of Human Resources. "It also has allowed NIH to bridge the gaps when

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