

Opinion: Get ready for the new workforce

By Ron Ashkenas, Harvard Business Review

I recently heard a stunning statistic: For the next 19 years, 10,000 people per day will turn 65 years old, and (presumably) retire shortly thereafter. While this graying of the Boomer generation certainly has implications for health care and social policy (and for me personally, as one of those eventual retirees), it may have even more significance for the nature of the workforce and the job of the manager.

First, there will be a shortage of workers for key jobs. This may sound hard to believe at a time when U.S. unemployment hovers around 8 percent and parts of Europe have 25 percent of their people out of work. Yet as millions of boomers leave the workforce, there are far fewer younger people to replace them. In the trucking industry alone, for example, it's estimated that there will be a shortage of over 100,000 drivers in just a few years.

Moreover, the replacements will have far less experience and know-how, and will need considerable training to get up-to-speed. This will lead to significant gaps in areas such as engineering, petrol-chemicals, utilities, defense manufacturing, education, healthcare, and air traffic control.

Perhaps equally significant for managers is that the new workers – no matter how many of them there are – will operate differently than their predecessors. According to Dan Schawbel who has studied Millennials extensively, they differ from Boomers in a number of ways: They want immediate feedback and attention, and prefer the instant gratification of texting to the slow response of email; they prefer casual attire so they can “be themselves” at work; they want more flexibility with

scheduling and work location; they value the nature and importance of the work over the pay and benefits; and they want to be involved in strategy and not just told what to do.

Some recent studies also suggest that growing up with so much media and technology is creating a generation of people with shorter attention spans and less willingness to dig deeply into subjects.

Given these implications, managers (whether you're a Boomer or a Millennial) should take steps now to deal with the new workforce. Here are a few thoughts about what you can do:

Conduct a demographic risk-analysis of your team or organization. Not long ago I worked with a software firm that supported hundreds of legacy applications for the telecommunications industry. When they created a long-range plan to roll-up the applications, they realized that many of the experts – the only ones who knew the code – were going to retire before the planned integration dates. The management team revised the entire plan so that they wouldn't get caught without the needed expertise.

Accelerate training and transition planning. Most companies have some sort of yearly process for assessing talent and creating succession plans – but don't follow through on these plans with a sense of urgency. If you realize however that much of the knowledge and skill in your organization will be walking out the door – and not returning – in just a few years, it might change the way you think about it. For example, I recently made a presentation about best practices for acquisition integration to a company that was struggling with the aftermath of some recent deals. What's regrettable is that many of the best practices I discussed had already been developed in this company – and then lost as people retired.

Create an environment in which the new guard will thrive. Finally, build on the experience of high-tech and start-up

firms and begin creating a different work environment in traditional organizations – with more flexibility, transparency, engagement, and fun. As my colleague Robert Schaffer wrote in HBR, we need to make the job a game so that Millennials will be attracted to join and stay, and commit the same energy to work that they expend on other activities. In the coming competition for talent, this might become one of the keys to creating a winning organization.

The current generation of Boomers, of which I am a charter member, has held sway over the work place for much of the past 20 years. But like an inevitable wave, the new workforce is on its way, and may already be here. And for our organizations to continue to thrive, all of us need to get ready.