

Addressing the Challenges of an Aging Workforce

In a recent Global Workforce Survey* conducted by the Career Partners International (CPI) Group**, the loss of critical knowledge and the shortage of skills resulting from an aging workforce ranked highest among concerns.

Based on a sample of more than 1600 respondents from 26 countries:

- 64% thought retiring workers would have a significant impact on their organisation
- At least 90% of respondents in every sector expect retirements to significantly increase the loss of knowledge and expertise
- Yet, only 34% anticipated making changes to employment practices or benefits, or making their organization more attractive for current employees or recruits
- Large and small firms had different expectations about the impact of retiring workers, with 73% of large organisations expecting at least a “significant impact” on their entity, but only 59% of their smaller counterparts
- Sectors most concerned about their loss of competitive edge due to retirements included manufacturing and utilities

Dr. David DeLong, author of *“Lost Knowledge, Confronting the Threat of an Aging Workforce”* and noted expert on strategic impacts of changing workforce demographics, observed that the dangers posed by the retirement of highly skilled “baby boomers” may have recently been masked by the global recession.

He also said that “what is most concerning is that industries that expect the most serious impact from retirements seem least likely to change their recruitment and retention programmes.”

Whilst addressing the skills shortage in South Africa is not a new challenge, a number of our current recruitment and search assignments have transpired from the approaching retirement of managers and executives whose qualifications and experience have become a scarcity over recent years and are critical to the continued success of their organisations, irrespective of the effects of the recession.

From a succession planning perspective, some clients are able to identify internal successors as understudies to those who are soon to retire. This internal approach offers the benefits of:

- A more seamless transition
- Enhanced company morale
- Reduced attrition
- Retention of high performers

These internal candidates also enjoy the benefits of:

- Learning from highly skilled and experienced individuals
- Participating in skills development and retention programmes

In the absence of an internal appointment, other clients have attracted outside candidates to fill the skills gap created by a maturing workforce, which, if done timeously, offers the benefits of:

- The introduction of new approaches, skills and techniques not previously enjoyed by the company
- Insights to competitor methods and activities
- A fresh approach and new ideas

These challenges created by the loss of critical knowledge and shortage of skills, exacerbated by a maturing workforce, have successfully been addressed through the spectrum of Sourcing, Retention and Outplacement services offered by the DMA Group. For more information, visit www.dma-group.co.za or contact Derek or Ross on 011 678 2009.

For research, articles and other information relevant to the HR fields of Sourcing, Retention and Outplacement, follow us at www.twitter.com/dmapeople.

** More than 1600 individuals from 26 countries, including 560 senior executives and 700 HR executives and managers participated in their Global Workforce Survey last year.*

*** Established in 1987, the CPI Group is one of the world's largest providers of talent management solutions with more than 160 offices in over 20 countries around the world.*