

Reward Older Workers With What They Really Want

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By Sylvia Ann Hewlett

It's Labor Day. Do you know who your workforce is?

Don't be surprised if it's looking a little more mature. The percentage of working Americans aged 65 and older rose to 16 percent by the end of 2009, up from 12 percent a decade earlier. With the 78 million Baby Boomer cohort — whose leading edge just celebrated its 62nd birthday — expect major changes.

Boomers are poised to retire traditional notions of retirement. According to a new study by the Center for Work-Life Policy, "Bookend Generations: Leveraging Talent and Finding Common Ground," 62 percent of working Boomers expect to stay in the labor force in their so-called "golden years." Not surprisingly, the economic downturn and its devastation to 401(k) portfolios is a major reason in the determination not to ditch the job; more than half of Boomers in our national survey plan to delay retirement by nine years as a direct result of savaged retirement savings. Another factor in staying on the job is the wish to support their children, either those now approaching college age or young adults whose own employment prospects have been frozen by moribund market.

Yet financial need is just one element as Boomers reconsider when to clean out their desks. Nearly a quarter of the cohort say they will keep working full-time until 65 or beyond because they enjoy their jobs. As one focus group participant put it, "I like what I do. I have more time and more promotions to come. Why leave now?"

Boomers, in short, feel they have a lot left to give. Their enthusiasm largely puts to rest the much talked-about specter of a Boomer-instigated mass knowledge exodus. In fact, 47 percent of Boomers — whose median age is currently 54 — see themselves as mid-career! Additionally, 68 percent feel that there is still time for them to earn a promotion.

Rather than going gently into that good night, the generation that sang along with "Forever Young" and "You Say You Want A Revolution" is ready to reinvent itself in order to continue to make a difference. Our study showed that Boomers, as much as their Gen Y children, yearn for a lifelong odyssey, a fluid journey in search of meaning, stretched by challenges and stimulated by constant learning. Less than 5 percent say that retirement means "doing nothing." Instead, 85 percent desire a range of new experiences — and the older the Boomer, the more determined they are to explore their passions.

Furthermore, they not only want their employers to recognize their enthusiasm; they expect them to support it by shelving outmoded shibboleths about where, when and how work gets done. Boomers overwhelmingly want modular work that is deeply flexible in terms of hours, location and even life stage.

As they opt out of the old ways of work, Boomers are remapping old ideals of success and are willing to accept a radically "remixed" set of non-monetary rewards to achieve it. They rate four other forms of compensation — a range of new experiences, a great team, challenging assignments and recognition for a job well done — as at least as important as money. The most recent data from January 2009 found that even in a world of rising job insecurity and mounting economic pressures, Boomers continue to prize psychic satisfaction over money.

This "rewards remix" is both challenging and liberating for talent managers. It's challenging because it means letting go of cash as the prime motivator and tangling with the difficult task of redesigning incentives to include more complex, holistic rewards. It's liberating because non-financial rewards are less expensive than raises and bonuses. In a global recession, that's good news indeed for cash-strapped companies.

Through 2020, 80 percent of the native-born workforce growth in North America — and even more in Western Europe — will be from employees over age 50. Smart employers will retool to take advantage of Boomers' drive, experience and talents. After all, to quote from the song "It's Never Too Late To Fall In Love" from the musical *The Boy Friend*:

"The modern artists of today may paint their pictures faster.
But when it comes to skill, I say, 'You can't beat an old master.'"