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## Employers Must Adapt To Retain Boomers

March 20, 2008 | Jody White



Canada will soon be facing the most severe labour shortage since the Second World War and most companies are not prepared to deal with it, according to Barbara Jaworski of the Workplace Institute.

At a breakfast presentation organized by the Employee Assistance Program Association of Toronto on Thursday, she painted an alarming picture of Canada's future labour landscape and suggested Canadian businesses must prepare for a sea change in employee demographics within the next five to 10 years. Jaworski said that as the sizeable baby boomer generation begins to retire there won't be enough workers from generations X and Y to fill the gap, leaving employers desperate to attract workers. Her solution: keep the boomers happy and they'll work well past retirement age.

"We are moving into the type of crisis that Canada has really never seen before, and there's just not going to be enough middle managers moving up," explained Jaworski. "And never mind the Gen Xs and Gen Ys, they're really not all that interested in taking over. It's going to be very difficult for companies to fill these positions."

According to her, baby boomers have moved into very refined positions, making it difficult to replace an individual because they may be the only one who knows how to do that particular job. As a result, she says the hiring calculus has shifted and is no longer defined by hiring one person after another retires.

"We will need three people to replace two boomers because over the years people have become extremely productive, and it takes a long time to replace somebody and help them get up to speed in terms of their job," Jaworski said. "People in their 50s are at the most productive point in their careers."

In addition, she suggested that the talent pool is drying up due to Canada's low birth rate, pointing to Statistics Canada's forecast of an annual birth rate of close to zero by 2016. Jaworski said that for every two people retiring there will be less than one person to take their place.

She compared today's labour market to a retail market in which workers have the upper hand when negotiating terms such as compensation and benefits. "We're moving from a buyer's market into a seller's market where employees are in many ways going to be able to write their ticket if they've got the kinds of skills that you need in your organization."

Phased retirement is something Jaworski thinks all Canadian companies should be looking into. Since the younger generations are in no hurry to replace the boomers, listening to your older workers can go a long way with regards to retention. "Many organizations are beginning to look very carefully at using their pay and benefits to attract employees," Jaworski said. "But attracting them is one thing, keeping them is something else."

Jaworski used HSBC Bank Canada as a model of how to engage and retain senior workers. She outlined how the firm approached their older employees and asked them what they could do to retain their services. The workers communicated their desire to collect their pensions while working part time, without being penalized. HSBC adjusted its pension plan to account for this, and the workers stayed on.

"This is something organizations should be thinking about," said Jaworski. "Otherwise people will move to your competitors who are willing to offer phased retirement options."

She said businesses who don't acknowledge the shift in labour dynamics do so at their

own peril. "Change happens when employers feel pain, and they're not feeling nearly enough pain yet," Jaworski said. "Boomers are only just beginning to retire now and they're saying by 2010 organizations will begin to understand the issue. By 2015 they're going to be well aware of the issue and doing what they can to meet their business needs by keeping hold of the people who drive the value in their business."

As far as she's concerned, employees are now in the driver's seat. "We often talk about the war for talent. Well, the war for talent is over, and the workers have won."

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