

Global Talent and the Next Generation Workforce

A Thought Leadership Roundtable on Digital Strategies



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*An executive roundtable series of the
Center for Digital Strategies at the Tuck School of Business*

The U.S. Chapter convened for a discussion on global talent and the next generation workforce. This Roundtable on Digital Strategies was hosted by Eaton Corporation at Eaton House. Chief information officers were joined by their colleagues in human resources to discuss challenges and best practices related to recruiting, retaining and managing a global workforce. Executives and academics from 3M, Bechtel, Eaton, Eastman Chemical, General Motors, ING, Egon Zehnder International, the Defense Information Systems Agency, Rutgers University, Duke University and the Tuck School of Business at Dartmouth participated.

Key Insights Discussed in this Overview:

- Knowing how to best position the company to recruit, retain and retire a variety of workers on a global scale has become necessary in today’s business climate. Maintaining the right balance of older and younger employees is critical to corporate success. Well-managed corporations also rely on a blend of full-time employees, contingent workers and outsourcing of entire operations..... **4, 6, 8, 11**
- Smart firms often acquire talent without a specific job function or need in mind. This is an effective, albeit expensive in the short run, way to build bench strength. However, in the long run, it may prove an excellent talent development strategy..... **6**
- One size does not fit all; talented employees are demanding more flexibility in scheduling, advanced training and career opportunities in order to gain and retain their loyalty **10, 11**
- Managers should provide extra attention, training opportunities and support to the top 20% employees on their team in order to retain them. Successful corporations should base pay on performance and not be afraid to pay sales people well..... **8, 9**
- Providing younger and mid-level employees with “stretch assignments” along with solid managerial back up is critical for developing leadership and keeping top employees engaged, challenged, and motivated **9**
- Peer networking, online and in person, is gaining in strength and popularity as a recruitment tool. Companies are looking to prospect for new talent by spreading the word via current employees. Protecting and leveraging the corporate brand online and in print is critical to recruitment and retention in these hyper-competitive times..... **6, 7**
- Managers must adapt and learn to manage people they don’t see every day and may never meet face-to-face. Successful corporations are utilizing a “follow-the-sun” 24/7 work schedule to support global operations and moving critical operations to where the talent is based **4, 6, 9**
- Companies must do more to develop engineering talent if they need it. For example, Bechtel has established technology training centers in India and China and Eastern Europe because that is where the talent lives..... **3**

Introduction

The U.S. Chapter topic, **Global Talent and the Next Generation Workforce**, was especially pertinent given the juxtaposition of the weakening U.S. economy set against a strengthening global economy. Roundtable participants, CIOs and their colleagues in human resources said they are grappling with managing global talent at a time when competition for top talent, including information technology professionals and software/hardware engineers, is fierce.

While demand for computer engineers is high, Americans working in non-technical fields (primarily construction, manufacturing, financial services) are losing jobs. In June, the U.S. unemployment rate was 5.5%. The number of unemployed Americans in June reached 8.5 million, up from 7 million in June, 2007, according to the U.S. Department of Labor's Bureau of Labor Statistics (BLS). In June 2008, U.S. employers cut an additional 62,000 jobs, marking the sixth straight month of job losses related to the sluggish economy.

In contrast, participants said they are in an aggressive hiring mode. They are among the U.S. companies expected to create 324,000 new computer software, systems and applications engineering jobs between 2006 and 2016. There are currently 1.7 million computer-related engineering jobs with an average salary of \$75,000, according to BLS.

Corporations are relying on social networking sites including Facebook and LinkedIn to expand their recruitment efforts. Facebook, with 80 million registered users, is aimed at users 30 years-old and younger. It currently claims to have six million active user groups communicating in 15 languages. LinkedIn, believed to be the largest professional network with 20 million users, announced in late June that it received a \$53 million investment from Bain Capital Ventures, pushing its company valuation to \$1 billion. With more professionals creating profiles every day, unique visitors to the site have increased 361% over a year ago, according to Nielsen Online.

In addition to recruiting talent in a competitive market, corporations are under pressure from customers to operate on a 24/7 "follow-the-sun" global schedule. At the same time, companies are figuring out how to deal with finding new talent to replace the estimated 80 million Baby Boomers (born between 1946 and 1964) who are approaching retirement age. Rather than going out the door quietly, companies are reporting that Boomers are in some cases asking their employers to provide new challenges, including overseas assignments.

This reluctance to stop working is creating a so-called "Gray Ceiling," a term coined by researchers at Babson College. The "Gray Ceiling" is believed to be hampering the career advancement of about 44 million Generation Xers (those born between 1960 and 1980) and 75 to 80 million so-called Millennials (born between 1980 and 1996).

Millennials pose a completely different set of challenges to corporations. These energetic, collaborative, risk-taking young people are extremely tech-savvy and used to staying connected 24/7 via mobile phones, instant messaging and other communication technologies. Younger workers object to not being able to work where and when they want to, as long as they can get the job done. Remote workers, workers in other countries and workers who frequently travel are forcing managers to learn how to supervise employees they rarely see in the office.

Companies are also expanding and tailoring global operations to meet market demand. For example, GM is moving manufacturing to Australia and China because it is now selling 60% of its vehicles overseas.

Moving manufacturing operations overseas moves product closer to customers, but then companies must recruit top engineering talent outside the U.S. On the positive side, China has an estimated one million engineering students enrolled and India and China are producing about 400,000 engineers a year, according to Rutgers Prof. Dick Beatty. However, U.S. engineering schools granted only 81,610 B.S. degrees in 2006, according to the National Center for Educational Statistics (NCES).

In 2006, Master of Science degrees granted in all engineering disciplines totaled 33,530 and doctoral degrees totaled 7,864, according to NCES. Demand is far exceeding supply. For example, Lockheed Martin alone is hiring about 5,000 engineers a year, Beatty said.

Despite a shortage of U.S.-trained engineers and a domestic economic slump, Prof. M. Eric Johnson said the Tuck Business School at Dartmouth has had “our second best year ever in terms of placement. It’s right back there with dot com boom time. It’s kind of bizarre. A key metric for us is placement by graduation. 94% of Tuck’s 2008 graduates had accepted jobs or had a firm offer before graduation. So, on one hand, we are seeing some slowing in parts of the economy, but yet pieces of talent are in such high demand.”

Recruitment Challenges and Opportunities: Domestic and Global

Roundtable participants emphasized how their companies are grappling with attracting talent of all ages in a dynamic and changing global environment. Bechtel Corporation, a global engineering, construction and project management firm with 40,000 employees operating in 60 countries, takes a truly global approach to recruiting talent, according to CIO Geir Ramleth. He said his challenge is filling the pipeline with qualified workers who are ready to step in when older workers retire.

“Bechtel as a whole has an interesting scenario: In the western world, meaning Europe and the Americas, for every hundred people that retire, we only have 60 available,” said Ramleth. “So, what you have to do is constantly chase down labor forces around the world and find them where they do educate engineers. And that’s quite challenging.”

To deepen its talent pool, Ramleth said Bechtel has set up training centers in Shanghai, Taipei, Bangkok, New Delhi, Mumbai and Warsaw. Meanwhile, “we operate in India today with totally local management,” emphasized Ramleth. But, he said paying local employees less than those in the U.S. is a thing of the past. “On the top level, you’re paying about the same as you’re paying in the U.S. and even down to mid-level people you’re paying 65 to 75 percent of the cost.”

To move product closer to its customer base, America’s largest car-maker, General Motors, is shifting manufacturing out of the U.S., according to Mark Hillman, director, global computing centers for GM. Hillman said GM has moved manufacturing operations to Australia and China

because they are selling more cars in those countries than in America. He said moving operations abroad makes sense because, “about 60% of our vehicles are sold outside the U.S.”

The good news, according to participants, is that there is no lack of talent abroad, at all levels. Ray Huber, CIO of Eaton Corporation’s electrical group, said in the last three or four years, his group has grown from \$2 billion to \$8 billion in revenues, with most of the growth coming from outside North America. “There’s certainly a lot of opportunity for us to acquire strong talent globally to help us manage the business.”

Managing and Recruiting for a Global Organization

Roundtable participants said once talent is onboard, managers must deal with multiple language and cultural issues. They also have to establish policies and procedures to protect intellectual property and instill “corporate DNA” in far-flung operations in a way that does not conflict with or offend local management.

“How do you really manage a global organization in the most efficient way according to our business strategies?” asked Paul Groth, 3M’s head of workforce management and planning. He said 3M has “been moving away from a (business) model we had, which was highly centralized, to a very localized one.”

Groth said another challenge is to “hire local talent that is ready.” And, once you find good local talent, how to keep them from leaving “because everybody wants to take fully-trained talent away from you. What’s keeping us awake at night now as part of this new strategy, is that we are seeing a significant shift in the center of gravity,” said Groth. “So, while we are global...it’s more about ‘where are you going to invest most of your resources?’”

Larry Milan, senior VP of human resources for ING Americas, said he has talent management responsibility for ING across North and South America, which includes over 40,000 employees (worldwide, ING has 120,000 employees). Milan said “a major challenge ING leadership faced in the US was building a ‘one ING’ culture after acquiring a half dozen large companies in the US during the mid 1990s – early 2000. This culture integration occurred across the US and included over a dozen cities. Steady progress is being made in culture integration and in developing and acquiring talent.”

The group asked Chris Patrick, a partner at Egon Zehnder International, a global executive recruitment firm, to share his thoughts about recruiting globally, using internal and external recruiting programs. “What we’re seeing is a great demand for truly global searches,” he said. “I’d say five years ago it was probably a quarter of what I did. Now, it’s easily half. We’re looking globally and that could be taking talent from Europe to Asia or the U.S. or vice-versa...and it’s that 20% that everybody is going for. It’s the top talent that’s a limited resource and wherever they sit, they’re fair game so we’re going after them anywhere in the world.”

He said in recent years, as companies have expanded operations in the U.S. and abroad, many have set up internal recruiting teams to keep up with demand. He indicated, for example, that Apple, Dell and Microsoft use both internal and external recruiters to fill positions. “Microsoft

has done it quite well. They've got an internal recruiting capability where their objective is to solve 60% to 70% of their needs internally and only go outside with firms like ours on those 30% that are either so global in nature or so nasty and complex that they don't want to do them, so that's where we come in," said Patrick.

At ING Americas, Milan said the company is taking a three-tier approach to talent management: "The early career level where we build relationships with colleges/universities, the middle career level (emerging talent), and the executive level where selective search firms are utilized."

Milan also indicated that ING is trying to groom more talent from within to increase current retention rates. "We were way out of line in terms of bringing in external hires and we're now focused on developing internal talent and improving the internal placement rate. In 2007 the rate was 70% external hires and 30% internal, we'd like to get that shifted...ideally to 50/50, but realize that's quite a challenge to achieve."

"The recruiting industry is still just going gangbusters," said Patrick. "The demand (for talent) is remaining quite strong and maybe that's because some of these developing economies are filling in some of where the U.S. economy is starting to sputter."

In addition to building plants and training new employees in their home countries, some companies are trying to encourage nationals, known as "sea turtles," to return home after working abroad. These experienced workers are ideal candidates for managing local operations, but it isn't easy getting them to move back home. "Clients say, 'get me the Chinese national who spent ten years in the U.S. or the UK, speaks the language, was educated in a Western style, but now wants to come back on a local package and can build a team'," stated Patrick, "but they say, 'I'm not going to take a 50% pay cut,' so there is a complete disconnect between what my clients want and the talent pool that is out there."

Diversifying and Managing the Talent Pool Here and Abroad

Maintaining a diverse workforce is a challenge for most companies. "We are still trying to get our arms around people of color," said Larry Milan. "They are going out the door more rapidly than they're coming in and the reason for that is the same as all employees leaving: the manager is the top reason and lack of career opportunities is number two."

Keith Sturgill, VP and CIO, said Eastman Chemical has tried to create a deep local talent pool so "we see less of a need to move people than we did five years ago. We can do the job from where the people are happy to be, and for us, that's Kingsport, Tennessee."

Paul Montgomery, VP for talent management at Eastman, indicated that his biggest challenge is "getting the right talent, right place at the right price." Eastman's rural location poses challenges for maintaining a diverse workforce. "We probably have a little bit more of a challenge than you do because we're in a rural setting (in Tennessee), which is detriment, but also a plus once you get there."

Another shared challenge for executives is managing a “blended workforce” comprised of a variety of different types of workers, according to Patrick DeRenzo, director, human resources, North America, Eaton Corporation. “IT has a much more blended hiring pattern around regular full-time, contingent workforce, subcontract, outsourcing of entire services,” said DeRenzo. “IT pushes the envelope on all of this, including creating a gray space” between all the groups.

Recruiting a Vibrant Mix of Older and Younger Employees

Finding the right mix of older and younger professionals is critical for success, according to roundtable participants. The biggest challenge is dealing with a variety of work styles adopted by different age groups. The discussion centered on how older workers may be resistant to adopting new technologies, while younger workers who have grown up with video games, iPods and cell phones are used to being connected with friends and coworkers 24/7.

At the Defense Information Systems Agency (DISA), managers are dealing with the needs of employees ranging from 16 years-old to valued workers in their mid-eighties, according to Jack Penkoske, DISA’s director of manpower, personnel and security. “We call it a really blended approach; actually bringing in people from the age of 16 years-old all the way up through the very senior level, but then at the same time having a real good plan and strategy in place to develop the existing workforce and trying to find that right balance...”

“We have a workforce plan in place and it looks out maybe the next three to five years, but you have to recognize that everything is going to change within the next three years, so you constantly have to update it,” cautioned Penkoske.

Building Bench Strength: Hiring Talent Without a Specific Job in Mind

DISA, which provides information technology support and services to the Department of Defense, creates a robust supply of top talent by hiring college graduates without having a specific job in mind. “At any one time, we have about 350 recent college graduates that we have (hired) and they’re not against an identified position,” said Penkoske. “They have a three-year (training) program and then the commitment is at the end of the three-year program we’ll have a position to move them into.”

DISA’s John Garing, CIO and director of strategic planning and information, said this “bring them in early” model has been successful in the military, where young officers are often assigned to a general. “They run calendars and things like that, but get exposed to everything. Then you pluck them back out to fly a fighter or command a battalion or something like that.”

Penkoske and others discussed the pros and cons of “warehousing talent,” which means hiring people in advance of having a specific job for them. Paul Groth said he was aware that American Express is experimenting with having senior managers mentor their replacements for two or three years. He said this strategy is expensive, but results in a smooth transition and the protection of corporate DNA and intellectual property.

“Our workforce is about two-thirds civilians, one-third military and another 14,000 to 15,000 contractors,” said DISA’s Garing. “The challenge we have is how to attract people to the government in this highly dynamic and changing environment that Web 2.0 has brought to us?”

Social Networking Sites as a Recruitment and Retention Tool

Much of the discussion focused on how companies can take advantage of powerful new online tools to recruit talent. Facebook.com and LinkedIn.com have become essential corporate recruiting tools, according to Ed Steinike, CIO, ING Americas and ING U.S. Financial Services. “If you go to the younger talent side of things, they will communicate with each other about companies and opportunities through Facebook,” he said. When he was with a major consumer brand company, hiring executives actually “seeded (job) opportunities in that environment,” then waited for Facebook users to “talk about it amongst each other and develop some interest in roles and jobs.”

“We had millions of college students that were part of these networks and provided feedback that started with just 600 people getting Facebook accounts and using those for the company. We would put discussions out there through the networks, very targeted, and allow those conversations to push out globally around the company. It worked very well,” Steinike said.

“They listen to each other more than they listen to their parents, and more than they listen to the companies themselves,” said Steinike, adding that younger people tend make decisions collaboratively and are influenced strongly by their peers. “I think we all have to think about what the future looks like when they’re collaborating about roles, jobs and companies. They’re discussing your companies, our companies.”

Professor M. Eric Johnson, director of the Center for Digital Strategies at Tuck, said Accenture (a consulting firm) moved “pretty aggressively into the Facebook community” by having their new hires open Facebook.com accounts. “As soon as they start building a group of people who have signed in on campus, they start building a community and then start inviting their friends into that...they build a buzz around that through their own recruits.”

Bechtel’s Joan James, VP human resources for a global Bechtel business unit, agreed that peer networking can be powerful, but companies have to be careful that all that information shared online doesn’t backfire. “You really do have to be careful about this community that you are going to use to network and make sure they have the right face on the company and are feeling positive about their own experience or you can really run into difficulty.” Steinike agreed with James, saying good buzz about your company can be great, but negative comments can be devastating. “(Information) is no longer contained,” he said. “It’s going to spread to millions of people within a day and it’s very difficult to battle. That’s the new world we live in. It has an effect on recruiting people because it’s a very powerful network.”

Best Practices for Retaining Your Top Employees

A lively discussion took place around the issue of retaining key employees. Everyone agreed that careful attention should be paid to the top 20% performers. Steinike said good managers know how to separate high performers from poor performers. “Make sure that you spend enough time to push out the people who aren’t performing, or as they said, know where the value-add is. Know the critical roles in your organization. If you’re spending a lot of time managing non-critical roles, I think you’re wasting some cycles.”

Knowing when to let someone go is a challenge, especially when they are a star performer. Ramleth said he rarely makes a counter-offer when an employee tells him that he or she has been offered a new job. That’s the best position to take, according to Prof. Dick Beatty. “There’s a bunch of research that says people who receive counter-offers usually leave within two years anyway and it’s usually because we’ve mismanaged the system in the past,” said Beatty.

Beatty also offered that presenting your most talented employees with a clearly-defined path to a rewarding career has tremendous value and smart companies realize this. “I still hear a lot of young people say, ‘what I want from a firm is pay me, grow me and keep me marketable,’” said Beatty. He said old career development models, like those used by Colgate-Palmolive, are back in favor. “Colgate has four strategic capabilities and for every one they have a career development model,” he said. He also indicated they give prospective employees booklets that describe how to achieve your personal career goals.

Keeping current employees happy with a variety of reward programs is a top priority for Eaton, according to Ray Huber. Eaton’s online “E-Star” software program encourages people to give each other stars for work well done. Managers can “go on the site and give points or you can give them a monetary award. We’ve really taken advantage of it in IT, so if it’s a big project and someone has really put in a lot of time, they can get up to \$10,000,” said Huber.

Managing Talent for the Long-Term

One way to keep the top employees you have is to offer them a chance to advance in the company. Hans Brechbühl, executive director of Tuck’s Center for Digital Strategies, posed this question: “How many of the companies in the room use an internal marketplace that helps proactively seek interested internal talent, rather than just shifting people from one position to another when a position comes open?” He wondered whether companies are letting employees “self-select” and express interest in a job even before the position is created and posted.

Several participants said they rely on career advancement software programs like Brass Ring and company intranets to keep employees informed about available positions. DISA’s Penkoske said they work with line managers to identify talented employees “to make sure we know where they think the sources of talent are going to be.”

Bechtel’s Joan James said the company is creating a “talent dashboard” tool that enables managers to keep track of who is doing well, how they are handling their projects and where they might be headed in the future in terms of promotions. Bechtel also encourage employees to

“create their own self-portfolio” with skills and competencies they’ve picked up. This is in the early stages of development and “very conceptual,” but “there’ll be a career development conversation with their functional manager, their line manager and then the employee can check boxes indicating where they would like to move in the organization.”

Jill Fitzsimmons, human resources manager for Bechtel’s Information Systems and Technology group, added that her challenge is grooming new leaders, “figuring out how we can be innovative, pinpoint that one person in the middle of Timbuktu and make sure that they’re included in our processes. We need to be able to identify and mentor them, pushing them to the next stage in their career. That’s our struggle—finding that diamond in the rough and doing the right thing once we find it.”

Sometimes delaying when a new employee begins a new job can be a powerful recruiting incentive, according to Schon Beechler, academic director of Duke Corporate Education. She said Teach for America, a Peace Corps-like program which places college graduates in schools in underserved neighborhoods, works closely with Google and Goldman Sachs to recruit teachers who are heading into technology companies. “If you were to apply to Google and also get invited to Teach for America, you could take the Teach for America job for two years and still have the Google job when you leave,” said Beechler.

Leadership as a Retention Tool

Beatty of Rutgers, raised a provocative topic he called “de-recruiting” and how a lack of leadership can push talent out of an organization. “The reality is you are not going to get top talent if you don’t have top leaders for them to work for...Clearly, people join organizations because of the brand, but if you look at what are the top 10 reasons people leave, number one is ‘my boss’...You have to look internally and say, ‘what do we really have to do to attract, to grow, to develop, to reward, to maintain the workforce you want?’”

Quality time spent with top managers ranks high on a satisfied employee’s list, according to participants. Beechler said a recent survey of employees in India was nearly identical to answers given by U.S. workers. The top five priorities are: the boss, challenge, learning opportunities, responsibility and respect, Beechler said.

Ramleth said he works very hard keeping in close touch with his 65 top employees. “I respond to them before anyone else to assure they know we are engaged,” said Ramleth. In addition to responding quickly to his top employees’ emails, he also avoids what he calls “dome time” with them. He said that means when he is meeting with them, he is focused on what they are saying—not letting them see the top of his head while he’s checking email or doing other tasks.

He also believes in giving his top employees “stretch assignments,” with his full support. “If it doesn’t work, you backstop them and you don’t kill them, because if you kill them you can’t get anybody else to go there. So you have to see that they have safety nets for being able to stretch more.”

Steinike said executives have to make sure their actions reflect the corporate brand or risk losing new talent. “What if you get inside...and maybe you’re not working for a wonderful leader and that wasn’t clear in the interview process...then the employee turns around and leaves in less than a year.”

Prof. Johnson agreed with Steinike. “Among young people, there is also kind of a thing going on around what I call fame...It’s not so much about the money, it’s not so much about the food in the cafeteria, but it’s this kind of fame...that they think they’re going to achieve in that environment.”

While working for a “cool” company is especially important to younger workers, participants said, being able to chart a dynamic career path and feeling free to make a real difference is also critical to retaining great employees. 3M has taken a bold approach to encouraging creativity, according to Groth. “At 3M, we have been leveraging that 15% of your time can be free for you to do whatever you want,” he said. “That’s more for the R&D community, so that’s what’s attracted lots of the engineers into our company.”

Eaton’s VP and CIO, Bill Blausey, said his company also stresses job flexibility. “You can go to work in other parts of the world, you can work in supply chain, you can go into finance, so you have diversity of roles.”

Save the Children’s CIO, Ed Granger-Happ, added that younger workers want to work for companies that match their values. His grown children, for example, want to work for companies who are sensitive to environmental concerns. “Their expectations are ‘the organization I work for is going to have a sensitivity about being green and what are they doing?’ I think it’s the same for other social concerns as well. It’s been more of a part of the culture and the upbringing of the next generation. We’re seeing that now impacting the workforce.”

Flexible Schedules, Tele-Work and Work-Life Balance Programs

At Save the Children, Granger-Happ said he’s hiring more people who are willing to accept a lower salary in exchange for a more flexible work schedule. “We can’t give bonuses and stock options, but we can certainly promote all sorts of flexibility on time, which I call self-directed flex time.”

One productivity-boosting program that has had great success at DISA is a wellness program, “where people can exercise on duty three times a week...It’s amazing how many people say those kinds of things are what help attract them when they are looking for organizations,” said DISA’s Penkoske. “Three years ago, there were 80 people registered...now there are 2,700 in the program...more than 50% of the agency.”

In some cases, offering employees flexible working hours, a wellness program, a great brand, top pay and career advancement isn’t enough to keep your best employees. 3M’s VP and CIO, Ernie Park, shared a personal example with the group. “In our generation, supporting the family was very important and we would actually work in a job we may not be 100% satisfied with because it pays the bills,” said Park. “The younger generation has a totally different attitude towards that.

In fact, my daughter used to be in investment banking, making \$130,000–\$140,000 (a year). One day, she said ‘well, I don’t like this profession and I want to go into fashion’ and took a huge, 40% pay cut and moved to another part of the country.”

Chris Patrick said in today’s competitive hiring market, performance-based pay is making a comeback. During the dot com boom, potential employees wanted equity in start-ups. “With that meltdown, we definitely saw a flight to cash....now, it’s ‘I’ll work for cash and if you give me a little equity, it’s probably a good thing,’” said Patrick, who encourages his clients to pay their top sales people well—or face losing them to the competition. “I will often have very interesting conversations with a CEO who says, “I don’t want my sales guy or gal to be the highest paid person in the company.” Patrick says he tells them “you’ve got it completely wrong. That’s the best possible scenario because they’re nailing it and bringing in tons of revenue. They should be the highest paid person in this company.”

Instead of asking for a raise, Penkoske said current and prospective DISA employees ask the agency to pay off their student loans. “Not just the people coming out of college...but a big push now from either prospective applicants or current employees...(to be used) as a retention tool...”

Best Practices and Strategies for Retirement and Knowledge Transfer

Taking advantage of the years of experience and knowledge possessed by retiring workers provided a great topic of conversation. 3M’s Groth said “one of the topics I’m most concerned about is knowledge transfer. When you have a retiring workforce and a new generation of Gen X’s and Gen Y’s who have very different learning style, how will you make sure you have appropriate knowledge transfer?”

In addition to discussing how to retain control over corporate information and intellectual property, participants discussed several strategies for keeping older workers around long enough to train younger ones. For example, Groth said American Express has set up a transitional program for retiring workers to mentor their replacements for two or three years. It’s an expensive process, but a great way to bring new executives up to speed smoothly and efficiently, he said.

Relying on exiting workers to mentor upcoming employees is critical for smooth management transitions, according to Beechler. “There are lots of very healthy older workers who’ve got tremendous troves of resources available to companies,” said Beechler. 3M’s Park said another way to keep older workers around is to hire them back as consultants after they retire. “They have industry knowledge so they can work as many hours as they want to.”

Eaton’s Bill Blausey said older workers can contribute a lot at the end of their careers because they are not distracted by caring for young children. “Some of the best ex-pats we’ve had were in the last two or three years of their career because of that mentorship role...and they wanted a totally new experience. They weren’t tethered because of children in any way, so they just took off and landed somewhere else. That was really a big part of ‘sun-setting’ their career...that one final big assignment. So, it’s not that they actually wanted to wind down...a couple of them accelerated in the last couple of years before they retired.”

Creatively blending older and younger workers will be a major challenge in the years ahead, according to participants. “I think we can’t overlook the fact that you’re going to have 19 and 20 year-olds that are going to be working with 75 and 80 year-olds, not just people in their sixties,” said DISA’s Penkoske. “Whether they are working part-time or whatever, you are going to see a huge range in the (age of people) entering the workforce and the exit point.”

Conclusion

Managing a global workforce in today’s global economy proved to be a provocative topic for roundtable participants. There were striking similarities in the challenges faced by every participant, no matter whether they were managing major construction projects, producing chemicals or providing financial services.

Executives shared best practices and many innovative strategies aimed at managing a global workforce, 24/7. They discussed the fiercely competitive market for top talent and how to keep those top performers happy. They are all dealing with a wide range of generational, cultural and age differences. Participants agreed that successful executives must “lock arms” with their human resources counterparts to meet the challenges ahead.

Participant List
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Dick Beatty	Professor of Human Resource Management School of Management and Labor Relations Rutgers University
Schon Beechler	Professor and Academic Director Duke Corporate Education
Bill Blausey	Senior VP and CIO Eaton Corporation
Hans Brechbühl	Executive Director Center for Digital Strategies Tuck School of Business, Dartmouth College
Patrick DeRenzo	Director of Human Resources, North America Eaton Corporation
Jill Fitzsimmons	IS&T Human Resources Manager Bechtel
John Garing	CIO and Director of Strategic Planning and Information Defense Information Systems Agency (DISA)
Ed Granger-Happ	CIO Save the Children
Paul Groth	Director of Workforce Management and Planning 3M
Mark Hillman	Director, Global Computing Centers General Motors
Ray Huber	VP IT & eBusiness Eaton Corporation
Joan James	VP, Human Resources Bechtel Systems & Infrastructure, Inc. Bechtel

M. Eric Johnson	Professor of Operations Management Director, Center for Digital Strategies Tuck School of Business, Dartmouth College
Dave Margulius (moderator)	Technology Analyst and Consultant Enterprise Insight
Lawrence E. Milan	Senior VP, Human Resources ING Americas
Paul Montgomery	VP, Talent Management Eastman Chemical Company
Ernie Park	VP and CIO 3M
Chris Patrick	Partner Egon Zehnder International
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Geir Ramleth	CIO Bechtel
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Keith Sturgill	VP and CIO Eastman Chemical Company