The Ayers Perspective - WHAT WILL YOUR LEGACY BE?

My colleagues and I have been meeting with senior HR decision-makers to discuss how their organizations approach mature workforce planning.

When we initiate the subject, what often follows is a “deer-in-the-headlights” moment. When I ask who is going to champion this internally, the initial response often is “I’ll be retired by the time this is a big issue, so it’ll be someone else’s problem.” After reflection, nine out of ten step up to the plate and say “we will” meaning HR.

That’s encouraging, because mature workforce planning needs a champion. This area is going to require tremendous attention and effort in terms of employee relations, succession planning, talent management and recruitment – as well as an attitude adjustment. It falls to those who currently head HR to own and sell the importance of these issues while there is time to get ahead of the curve.

Even today, with some 14 million people out of work, there are jobs that remain vacant because companies can’t find qualified workers to fill them. As mature workers exit the workforce in increasing numbers, the skill deficit is projected to increase. So now is the time to prepare for this future dilemma. And it’s going to take backbone to champion the cause to a C-suite reluctant to make it a priority.

A BOOMER CONUNDRUM

Succession planning is a key component of mature workforce planning. Joan Caruso addresses that elsewhere in this issue of The Ayers Report. Talent management is another.

Retirement of mature workers is a complex issue. Since the recession began, boomers have been frozen: unsure they can afford to leave or what their next steps should be. The Gen Xers behind them increasingly feel blocked, and their patience is wearing thin. Gen Y is not patient at all. So, how are you bringing the younger talent on? Are you finding ways to provide opportunities for growth and development? Or, are you going to watch them walk out the door when the job market improves?

Your boomer population inevitably will begin to leave. And it’s well-publicized that few intend to stop working when they leave full-time employment. Are you prepared to capture and transfer this knowledge? Do you have a strategy for phased retirement or other arrangements that let you continue tapping into key talent in this population? Or, will your mature alumni be taking their institutional knowledge and experience to competitors?

It’s a conundrum, and everyone seems to be getting stuck.

We’re hearing that senior management often is not open to the idea of phased retirement or interested in retaining mature workers. Your challenge is to help them recognize that valuable assets from across generations will be needed in the years ahead.

OPENING THE CONVERSATION

Another frustration our HR colleagues express is that even if they have done a demographic scan and skill assessment of the workforce, it’s difficult to plan for succession and recruitment without knowing who is retiring and when. And everyone is reluctant to have that conversation in such a litigious environment.

From the point of view of the mature worker, there is fear associated with being asked whether you are staying or leaving. Retirement – which connotes being put out to pasture – can be experienced as a four-letter word. Take a retirement package and you’re labeled.

Educating mature workers about this important life transition should immediately become part of talent management. Everyone needs to understand that they can’t start planning for the next phase of life on the day they decide to leave. It’s a process that needs to begin well before that day. Most are at sea about what they really need to consider as part of retirement. They think it’s simply about having enough income.

Some factor in the care of aging parents and perhaps the desire to be close to grandchildren. Fewer think about health over the long term. Few know how to weigh the whole issue of productive occupation and continued growth, the underpinning of self-worth – which is what has driven them in their careers.

We developed our Active Life Planning (ALP) program to help open the all-important-but-much-feared conversation. That conversation should start with the question, “Do you have a plan for what you’re going to do after you leave full-time work? No? We can help you.” Providing this kind of program helps normalize the transition by removing fear and stigma. And people will embrace something they perceive to have value.

This is similar to the situation with executive coaching in its early years. To gain acceptance, we had to educate people that it wasn’t about remediation. It was a reward for being among the best and an investment in making them even better. As in that case, the way to send the message that participation is encouraged is by starting with high-profile individuals.

This new decade is going to be a busy one for our colleagues in HR. It will take their leadership to create a strategy for mature workforce planning. You may be contemplating your own transition a few years down the road, but this is your opportunity to stop and think about what your legacy will be. It’s what you do in the end of your career that people remember most. As always, we’re here to help. You can reach me at bill.ayers@ayers.com.
From The Director’s Chair

SUCCESION PLANNING - TAKE ANOTHER LOOK

One of the hot topics at our recent Mature Workforce Planning Forum was succession planning. Some of the senior HR executives who attended commented that their management has been making assumptions for the future on the basis of employee demographics (i.e., age) rather than actual employee intent to stay or go. But as we and they are seeing, many retirement-age workers are not retiring on schedule – whether out of desire or economic necessity. Other attendees talked about how this delay in retirement creates a ceiling on the advancement of younger employees.

The maturing workforce certainly is one major reason why companies need to renew their focus on succession planning. But there are other factors that make a compelling case for revisiting your company's succession plan, including the following:

- **Replacement** – At some point, the recovery begins driving turnover. People at all levels who have not been able to leave will rush for the door, and a new war for talent will begin. The high-potentials who are your next generation of leadership may be among the first to leave in search of the new challenges and opportunities they feel are long overdue.

- **Change** – Succession planning is very often done three to five years out. Given what the last few years have been like, plans that made sense for where a company was before the recession are likely to be out of alignment today. Your succession plan needs to be aligned with the changes that have occurred in your organization, your marketplace and the overall business environment.

- **Growth** – Many companies have not been able to grow in the last few years. Now is the time – as you assess where you are and where you want to go – to think about the kind of leadership that will be needed at all levels to achieve growth and sustain it in the future.

In light of these factors, even companies that have been doing a good job of planning for succession all along need to take stock and reevaluate those plans.

COACHING – A STRATEGIC COMPLEMENT TO SUCCESION PLANNING

As some of our forum attendees pointed out, no matter how good your planning process and plan might be, simply identifying candidates on paper is not enough. We recommend a development plan and goals for each candidate. The candidates and their managers need to be held accountable for achieving those goals, and there have to be metrics. Development is a process that takes time. Yet all too often, candidates are plugged into jobs for which they are not prepared.

That’s where executive coaching comes in. Strategic coaching can support your succession planning process and, when established within the organization, can even accelerate planning in response to rapid or unexpected change.

Executive coaching provides the opportunity for assessment, enabling your organization to reevaluate potential candidates and the plans you have for them. The assessment feeds into individual development plans that should be aligned with the strategic direction of the organization. Part of the process is looking at what it will take to succeed in a particular job in the future and what the candidate needs to do now to be ready when that job opens up.

Many candidates may feel they can prepare themselves, but it is not as easy as it sounds. Decades worth of research from institutions such as the Center for Creative Leadership show that the best classroom is the job. Development comes through experience. An executive coach can help candidates identify the best opportunities for focusing on the development issues they face as they prepare for future responsibilities and help them leverage those opportunities to maximize their growth and development. As the research shows, the experience of an assignment on its own is not developmental. The key is to take away the developmental learning.

Investing in the development of key employees has many benefits. With mature workers not moving out as quickly as expected, the leaders-in-waiting become restive. Being included in the succession plan and being given an executive coach and a development plan are signals that the company is committed to them, even if they are not advancing as quickly as they would like. Investing in their development and their future with the company helps ensure engagement and loyalty, making it less likely that those individuals included in the succession plan will walk out the door.

A company that demonstrates a commitment to employee development also enhances its reputation as a good place to work, making it easier to recruit and retain top talent.

Continuous succession planning – paired with strategic executive coaching – minimizes disruptions from management changes and makes for smoother transitions. It puts your organization in a position of being pro-active rather than reactive. It can improve accountability throughout the organization. And it helps ensure that you have the right talent in place, cost-effectively.

The Ayers Group is prepared to help with any facet of this process.

For information about our Executive Coaching & Development services, contact Managing Director Joan Caruso at 212.889.7788 or joan.caruso@ayers.com
Mastura Diana Jaffar has joined The Ayers Group as Director, Career Transition Services.

Based in the Kuala Lumpur office, she will support the practice throughout the Asia-Pacific (APAC) region.

“We are very excited about having Mastura as part of our team,” says Terry Ebert, who heads the firm’s Career Transition Practice. “She will be working with Anthony Devadoss, Senior Director, APAC for Kelly’s Outsourcing and Consulting Group (OCG), to grow the local and regional practices. Mastura has an exceptional background that combines industry knowledge; management, marketing and career transition experience; and strong client relationships. She will be a real asset.”

The Ayers Report talked with Mastura about her role and the challenges she sees. Following are excerpts from that conversation:

“The Ayers Group is still rather new in the region, competing against more established brands. Part of my role is to raise awareness of our brand – that we have been around for more than 30 years and have excellent capabilities for supporting a company’s management and workforce. We will need to leverage our presence in the region – the offices in Thailand, Indonesia, Malaysia and Korea – and the fact that we are part of the larger networks of our parent company, Kelly Services, and Career Partners International (CPI). We also will reinforce our presence through thought leadership: articles, presentations, interviews and so on.

“Unlike in more mature markets in Europe and the U.S., a large part of our job here is educating employers about the importance of workforce management. We need to make them understand the value of engaging a partner to help with that during organizational change, whether M&A, downsizing, rightsizing, restructuring, relocating or closing facilities. They need to appreciate that while it is important to pay attention to onboarding new placements, it is also important to take care of people who lose their jobs as part of these various changes. In my experience, organizations tend not to place too much importance on that part.

“My role is to help employers understand that people who have contributed to the organization need to be taken care of when they leave it. If joining an organization is like marriage, leaving it can be like divorce. People will experience all kinds of emotional reactions to the separation, and it is in the company’s best interest to manage these. If you want to be perceived as an employer of choice and if you want to maintain the integrity of your brand, you have to create good will. Former employees should be the company’s ambassadors. Their networks include people who may be the company’s current or future customers, employees or competitors. And then there is the issue of potential legal fallout from not managing transitions properly.

“Another aspect of my role will be adding to our pool of trained consultants to help us expand not only in career transition but also into other areas. These include executive coaching and development and Active Life Planning. APAC still has a relatively young workforce, but there are pockets of more mature workforces. And Malaysia has a relatively young retirement age: 55. So we are looking to send the message that caring organizations help mature employees prepare for this next phase of life. We are working with Terry and his team in New York to adapt Ayers’ Active Life Planning program and CPI’s New Horizons program for the Asian market.”

Prior to joining Ayers, Mastura spent 11 years at DBM partnering with Fortune 500 companies undergoing organizational change. She has worked in multinational companies covering markets in Malaysia, Singapore and Brunei, and in publicly listed companies where she was involved in marketing, strategic planning and business and product development. Her corporate experience includes a senior management position in Avon Products Malaysia. She received an MBA from Southern New Hampshire University, Manchester, NH and is a graduate of the Chartered Institute of Marketing in the U.K. 
MATURE WORKFORCE PLANNING

This January 1st marked more than the beginning of a new year. It was the day the first baby boomers turned 65, the traditional age of retirement. Over the next 19 years, an average of some 10,000 American boomers will reach that milestone daily. The Ayers Group is committed to helping clients address issues pertaining to this maturing workforce.

Career Partners International (CPI), of which Ayers is a partner firm, conducted a survey in the latter part of 2010 about the impact of a maturing workforce on client organizations. More than 1,600 individuals – primarily HR, senior executives and managers – responded. Early this year, Ayers hosted a facilitated forum where senior HR leaders shared insights, concerns and best practices around the issues.

Loss of critical knowledge/experience and shortage of skilled workers were the top concerns identified in the survey. This was echoed in the forum, with participants adding concerns about the impact on succession planning, talent management and recruitment; organizational culture/identity; operations; risk-control and compliance; and maintaining longstanding client relationships.

While there is concern about mature workers leaving, there is also concern about the numbers who are deferring retirement because of the recession’s impact on their finances. This is creating a ceiling on advancement of younger employees.

“On one hand, companies need to stop the outflow of intellectual capital and critical skills. On the other, they need to make room for the next generation. The challenge is to achieve balance and find ways to keep key employees of all ages engaged.”

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Although 64 percent of respondents to the survey thought retiring workers would have a significant impact on their organizations, only 34 percent anticipated instituting changes over the next two years.

Most companies represented at the forum are engaged in some form of workforce planning. For those that are not, blockers include the following:

- Lack of awareness and recognition of the need to make this a critical imperative at the highest levels of the organization.
- Resistance to flexible work arrangements, making it difficult to plan for phased retirement.
- Lack of recognition among managers that they need to help employees be proactive, not reactive, about career management.
- The need for language around mature workforce issues – and more awareness of what they encompass – so we can talk about it comfortably and non-litigiously.

“Studies show that the vast majority of mature workers want more flexibility,” says Silberberg. “By presenting opportunities for phased retirement and flexible work arrangements, companies can open the dialogue with mature workers who are likely to be responsive. We designed ALP to open that dialogue and present attractive options.”

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“The majority is actively evaluating demographics and engaged in succession planning at the top level, but less so below that,” Silberberg observes. “A small percentage is beginning to engage alumni and provide generational education and awareness.”
Among the best practices that came out at the forum were the following:

- Ask all managers, “Who is your number two?” to start them thinking about succession.
- Perform a “flight risk analysis” on key employees.
- Assess key roles and key people not included in formal succession planning.
- Implement phased retirement concepts and re-engage retired alumni.
- Promote internal recruiting to stem defections, including blind internal mobility programs that enable employees to apply for jobs internally without notifying their managers.
- Create a multigenerational special interest group to leverage different skills from different generations while helping them work together more effectively.
- Establish a formal program to increase women in regional and divisional management.
- Align the timing for “sunsetting” legacy systems with anticipated retirement of the key employees who work on those systems to avoid skill gaps.

“With all these changes and issues – with the need to tap into broader talent resources going forward and the need to effectively rejuvenate organizations – companies need to think through their workforce planning to make sure it addresses all the factors,” Silberberg says. “Our objective at Ayers is to be your partner, whether through ALP, succession planning or intergenerational management.”

“Career activists accept that they cannot trust their wellbeing to others,” he says. Their dedication to excellence is their trademark. “They don’t go to work as Me, Inc., but rather as Me™. And that signature brand positions them as the extraordinary contributors in an organization.”

The Career Activist Republic is a modern marketplace that replaces the labor mentality of the American industrial era with “an economy of talent, by talent and with talent.” Career activists take responsibility for developing their talent and their careers, even while being employed by someone else.

Ayers Regional Manager Joan Learn has known Weddle for many years. “He is known for being forward-thinking, and many of our attendees follow his newsletters,” she said. “The idea of managing your own career is not new. But Peter’s message is that we can use the talent we all have to make ourselves adaptable and valuable to the marketplace, enabling us to seize the many opportunities available in this country. That will enable us to create our own job security even in tough times. His new republic is a workplace where supreme power lies not with employers but with people of talent.”

This presentation was the second in a series of invitational seminars on key workplace issues. It follows on Carleen MacKaye’s seminar on how boomers are changing the workforce dynamic.

**NAVIGATING THE CHANGING WORLD OF WORK**

“A revolution is beginning to sweep across the American workplace,” Peter Weddle told HR executives who gathered at The Ayers Group office in Norwalk for a client breakfast seminar. This revolution is based on the concept that every human being is endowed with talent, which Weddle defines as a capacity for excellence. When they choose to work with their talent – developing, nurturing and using it to its maximum capacity – they set themselves up to become career activists.


For more information about our Active Life Planning Services, please contact Managing Director Terry Ebert at 212.726.6672 or terry.ebert@ayers.com

**HR IN CHINA – OPPORTUNITIES AND CHALLENGES**

HR executives from across industries came together at an Ayers client breakfast seminar in November to gain an overview of doing business in China from a human resources perspective. Presenting were:

- Walter Schwab, Director of Learning & Development at ReSourcePro, a privately held-American business-process outsourcing company based in China that serves the insurance industry
- Yangyang “Sean” Xiao, formerly an HR specialist at a publicly listed American company in China and currently a full-time honors MBA candidate in HR management at Baruch College
HR IN CHINA – (CONTINUED)

Opportunities Balanced by Challenges

Schwab and Xiao emphasized the “astounding opportunities” China offers, among them:

- The world’s largest labor market
- A fairly well-developed education system
- Major second-tier cities with well-developed infrastructure, large talent pools and lower labor costs that have not been tapped
- An orientation toward people rather than rules and laws, creating an environment that is more open and less restrictive, legalistic and litigious than in the U.S.
- Few labor unions

They also outlined the challenges, which include:

- Shortages of skilled workers, which requires an investment in training, and of management talent, which increases competition and raises recruitment costs
- More change in employment regulations than in the U.S. because the labor laws are more recent and still evolving
- More mandated interaction with local government in regard to layoffs
- A generally higher cost associated with downsizing than in the U.S.
- Increasing attrition

Impact of Cultural Differences

Cultural differences create their own challenges. Unlike American individualism and directness in communication, Chinese culture is more hierarchical and group-oriented. Communication is indirect. There is no open disagreement or questioning, especially with superiors. The Chinese will talk more freely and openly in small groups than in large ones. They tend to wait for all the details before they will weigh in or provide feedback. “It takes more effort to find out what their objections and issues really are,” Schwab said. “You need to understand what they’re really saying and be clear in how you ask questions.”

Innovation comes from debate, disagreement and initiative, which is difficult in a culture that is conflict-averse and adverse to challenging authority.

The Chinese are also hesitant to put forward ideas. According to Schwab, “You need to create an environment where they feel comfortable. Have a Chinese manager ask the first question, for example. You need interactive training sessions that reinforce the importance of open questioning and feedback.”

Another difference, according to Xiao, is that HR in China hasn’t gone beyond taking care of basics and making sure policies are in effect. “HR is not the strategic business partner that it has become here,” he said. “It does not have the same authority.”

Observations

In a country where a career fair for recent college graduates can draw 15,000 attendees, Xiao advises companies to “target the campuses that have the best programs in your field and hold recruiting/information sessions there.”

Xiao said that as they entered the job market, he and his peers ranked potential employers. “Number one were state-owned Chinese companies because they are monopolies and very stable with good compensation. Second were foreign companies. They pay more attention to employee loyalty and it’s easier to do your job there. American companies, however, had a reputation for laying off. Third were privately owned Chinese companies. Those of us interested in Western culture and using English gravitated toward Western companies.

“People tend to stay within the categories they’ve selected,” he continued. “It’s hard to go from a foreign company to a state-owned company because of the cultural differences, but easier to go from state-owned to foreign. Brand equity is important to Chinese workers, so are stability and the opportunity for professional development. They’re willing to stay with a well-known brand for less compensation.”

“In China, everything centers around relationships,” Schwab said. “Companies need to establish relations with government and universities. It is part of the culture to socialize for business.”

This Seminar proved so popular, it will be reprised on March 22nd to another capacity group of invitees.
Successful Landings

The market continues to pick up slowly but surely with a noticeable increase in the number of openings posted online. Even though we continue to stress networking as the best strategy for job seekers, postings do provide a quantified indicator. Openings and landings are occurring at all levels and in all industry categories.

Case Study 1: After his seven-year stint as Senior Portfolio Manager at a global financial services firm ended, the candidate sought a similar position with an emphasis on client interaction. Working with his Ayers consultant, he came up with a full campaign. Thorough preparation for interviews helped him develop a strong understanding of how to present his accomplishments.

The candidate was a diligent networker who made extensive use of the strategic, forward-looking Networking Profile from the Career Partners International (CPI) Workbook. Although he answered postings, his real focus was on networking into target companies. He brought his habitual thoroughness to interviews with the global financial institution that would soon be his new employer. He worked with his consultant to align his background to the company’s needs, identify and address perceived obstacles to his hiring, research each person he would be meeting and prepare to comment intelligently on the institution’s investment strategies.

The result: After a four-month search, he is now Senior Portfolio Manager. The offer met all his goals including compensation. He is very comfortable with his new colleagues and the institution’s investment philosophy. His new employer accommodated his preference to remain in the New York City area rather than report to the home office in another state.

Lesson: Thorough preparation for interviews pays off.

Case Study 2: The former HR Director of a firm serving the financial service industry decided to remain in HR but shift sectors. The candidate wanted something more closely aligned with his personal interests. Having once interrupted his HR career to teach and consult for two years, he decided to focus on education and not-for-profits, knowing that those fields would pay less. He worked with his Ayers consultant to reposition himself, accepting a consulting assignment that would provide credibility in his target fields. They leveraged that experience to demonstrate the transferability of his skills, focusing also on networking and interviewing skills.

When the candidate found himself with multiple offers, his consultant helped him with the evaluation process. He ended his three-month search as HR Director of a not-for-profit that provides leadership training for educators. As expected, it represented a pay cut. But, aided by advice from his consultant, he negotiated an improved compensation package that exceeded his expectations.

Lesson: You can find a new role aligned to your interests if you follow and communicate your passions and understand how to translate your skills to a new environment.

Case Study 3: A Credit Research Director knew the time had come to leverage his 20 years of experience in credit to another area within financial services. He worked with his Ayers consultant to identify potential targets: commercial banks, hedge funds and rating agencies. His challenge was to reposition himself for each of these, addressing perceived weaknesses and differentiating himself against candidates with a more precise fit. He actively networked over a three-month period, attending conferences and using online social networking tools such as LinkedIn.

One day, a hiring manager the candidate had worked with early in his career found him online and reconnected. The result was an interview for the Research Director position at a start-up rating agency. In preparation, the candidate and his consultant developed strategies for demonstrating a good fit with the entrepreneurial environment in terms of personal style, as well as background and skills. The effort paid off with an offer. Although the salary is lower, the position carries good upside potential and the candidate is excited about his new role.

Lesson: Make yourself visible in your market and people will find you. It is critical to demonstrate a good fit with the environment, people and culture.

To arrange a conversation with any of these candidates regarding their career transition experiences, contact Terry Ebert @ 212-726-6672 or terry.ebert@ayers.com. (Names are withheld to respect privacy.)