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How does your organization approach the transition of long-term employees from regular full-time work to retirement? Many of you will already be pro-actively planning for succession and supporting managers in ensuring critical knowledge is shared and passed on before the impending retirement date. However it is becoming increasingly common for retirees to want to make the transition to retirement a gradual one, perhaps working reduced hours, or seeking an on-going position within the organization to maintain a connection with their employer and a source of income post retirement age.

This trend brings with it some unique challenges. Discussions around how the retiring employee transitions out of the organization can frequently be clouded with emotion, particularly when the retiring employee has a long history with the organization. This typically results in decision making which lacks strategic long-term vision around what is in the best interest of the organization.

The result of such emotionally charged decisions is demonstrated in the following real world examples:

One organization was reluctant to cut ties with a long-serving senior employee. At the employee's request, the organization retained him on an indefinite casual contract, which in this case ensured that he retained employment benefits beyond his official retirement date. The amount of work he engaged in after being re-hired was very limited, but the financial cost to the organization was significant, and led to some difficult discussions when the situation was eventually challenged during a period of downsizing and lay-offs.

Another organization retained a retiring senior employee on a part-time basis, partly as a way to retain his knowledge and business contacts, and partly as management's 'feel good' response to the employee's request to phase into retirement. However, the organization proceeded in hiring a full-time replacement for the retiring employee. The ongoing presence of the retiring employee in the organization, even on a part-time basis, limited the effectiveness of his successor, and inevitably led to failure.

If you find yourself faced with management asking you 'How can we just cut all ties with someone who has given the organization so much?', the following suggestions may help focus your discussions and create a positive outcome for both parties:

- Does retaining the departing employee make good business sense or is it based on a sense of duty to the long serving employee, or fear of losing some unquantified or unspecified skills or knowledge?
- What is the actual cost to the organization of continuing the employment relationship, and what is the organization getting in return?
- Will the presence of the semi-retired employee impact on the transition of new leadership, the new manager, or the new employee hired to replace the retiree? Consider if there an alternative approach to ensure mutual benefit without creating obstacles for the new person. For example: Can the retiree take on a coaching or support role to the new employee rather than still be engaged in the day-to-day operation? Or if succession

planning has resulted in an internal employee stepping up to replace the retiree, consider creating a short-term well-defined transition period.

- Are there alternative types of engagement that fit the situation – e.g. can the employee be engaged as an Independent Contractor for a specific purpose or project?
- If staying connected is desirable for both parties, an alumni program could be a mutually beneficial alternative to continued employment, affording an opportunity to tap into the wealth of knowledge and experience of former employees (both retirees or those who have left for other opportunities).

This is not intended to be an exhaustive list of considerations, rather suggestions to help frame retirement discussions with a goal of finding a mutually beneficial arrangement, and perhaps longer-term strategy for engaging retirees beyond their official retirement date.