

Confronting the Threats – and Opportunities – of an Aging Workforce: ...A Framework for Action

by Dr. David DeLong

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David DeLong & Associates
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www.LostKnowledge.com

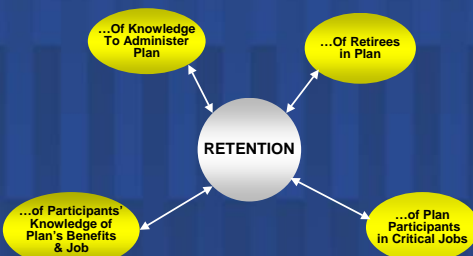
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Costs of Knowledge Loss for DC Plans

- Increased Retirements Drive Other Employees Out Faster
e.g. More plan assets at risk
- Decreased Capabilities to Manage Plans, Maintain Relationships with TPAs
- Plans Have Hard-To-Fill Roles
- Industry Side More Limited in Servicing Retiree Pop.
- Loss of Capabilities Needed to Innovate in Time of Major Change

2

Different Retention Objectives



3

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What Can You Do?

1. Raise Awareness of Lost Knowledge Costs
2. Link Lost Knowledge Costs to Performance Impacts
3. Recognize Critical Knowledge You Control
4. Identify Retention Needs Where DC Plans are Part of the Solution

4

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1. Raise Awareness of Lost Knowledge Costs

- A. Exercise
- B. Work to Reduce Unanticipated Knowledge Loss
- C. Educate Management on This Issue

5

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EXERCISE:

How Could Lost Knowledge Impact Your Organization's Performance?

- Identify one person, group of people, or process in your organization where you are most concerned about losing knowledge. What knowledge/capability is at risk?
- How would this loss impact the organization's performance? Be specific!
- Share your example with others. Notice similarities & differences between them.

6

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2. Always Link Costs of Lost Knowledge to Performance Impacts

- How Would LK Impact Costs, Growth, Innovation?
- Link to Strategy Execution
- Evaluate for Seriousness of Impacts

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Probability vs. Seriousness of Lost Knowledge Impacts

<u>Seriousness of Performance Impacts Caused by Knowledge Loss</u>	<u>Major</u>	III e.g. Nuclear power plant operations emergency	IV e.g. Metals refinery maintenance of processing tank disrupts operations
	<u>Minor</u>	I e.g. Management decision making delayed by loss of paper files	II e.g. Database operations disrupted by failure to train successor properly
		<u>Low</u>	<u>High</u>
		<u>Probability of Performance Impacts if Knowledge Lost</u>	

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3. Identify Critical Knowledge Your Group Possesses

- How Would Performance Be Impacted If Lost?
- What Are You Doing to Retain It?
- Capturing Knowledge is Not Enough!

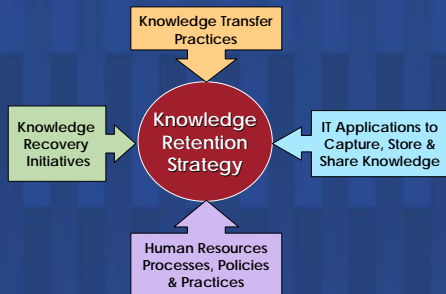
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4. Identify Where DC Plans Are Part of Retention Solution (and Vice Versa)

- Is the Value of Retention Built Into Your Business Case?
- Do Retention Initiatives Support Both Current Performance & Future Needs?
- Do Employees/Retirees Have the Ability to "Absorb" Your Messages?
- Are Retention Efforts Focused on Critical Roles & Tasks?
- Recognize Key Resources for Preserving Organizational Knowledge.

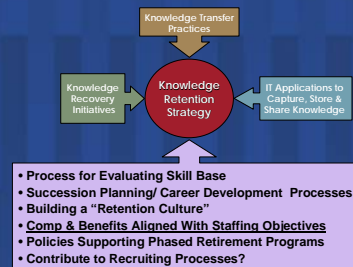
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DC Plans are Part of the Solution for Knowledge Retention



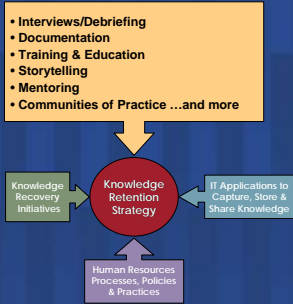
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Human Resources Processes, Policies & Practices



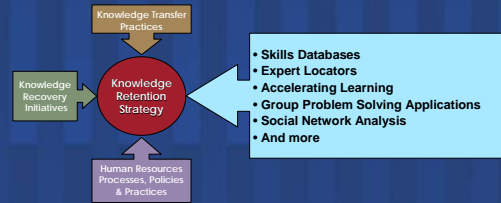
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Knowledge Transfer Practices



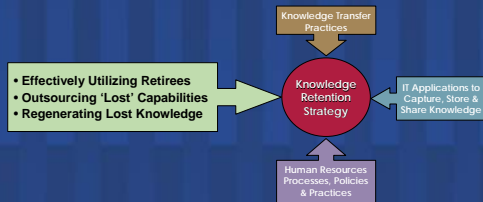
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IT Applications to Capture, Store & Share Knowledge



14
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Knowledge Recovery Programs



15
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Four Practices for Retaining Older Employees

- Are organization's pension calculations aligned with retention objectives?
- Are older workers educated about realities of retirement planning?
- Is phased retirement publicized as an option, in either formal or informal programs?
- Is the organization's real attitude towards older workers actively discussed?

16
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What's Your Plan to Address Changing Workforce Demographics?

- Have You Identified the Strategic Risks of Attrition?
- Have You Calculated the Economic Costs & Risks of Doing Nothing?
- Do You Have an Integrated Approach for Retention of Retirees and Their Knowledge?
- Get Started Now!

17
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