

Is Ageism Stealing from Your Bottom Line?

A Worksheet for Business



Outdated attitudes about people over 50 create problems most of us don't see. Put a check in front of the following statements that are true for you or your company. Then go to the next page to explore how your assumptions are affecting your profitability.

EMPLOYEE PERFORMANCE:

- Do you assume all older workers want to retire as soon as they can?**
- Do your supervisors assume older workers can't be as productive?**
- Is your tech training geared to the geek learning style?**
- Are you using your older workers the same way you use new hires?**

CUSTOMER SERVICE:

- Do you have young employees providing service to older customers?**
- Are you discounting the value of older customers' business?**
- Do you ignore the quality of the experience when selling your product?**
- Do you assume employee/customer interaction is fine without coaching?**

STRATEGIC PLANNING:

- Is your product pipeline attractive to your 'over 50' customer base?**
- Do you assume senior customers live less active, more reclusive lives?**
- Are you losing key expertise once employees are eligible to retire?**
- Do you assume one mindset for all customers, regardless of age?**

Discounting people because of their age is one of the few forms of discrimination that's still socially acceptable. We think we are being kind, benevolent, maybe even loving in the way we treat "older people." But the truth is we marginalize them in this culture. In business, this can be far more costly than you realize. As we gain experience, we do the work differently. As we become seasoned consumers we make our buying choices from a different set of criteria. As we step away from full time work, we still need to be relevant and have positive challenges in our lives.

HOW someone does that is going to be unique though. Many want to continue to have some kind of work in their lives and need significant challenges to remain healthy.

If you are making generalized assumptions about "old people," you're missing the boat —and probably losing money.

EMPLOYEE PERFORMANCE:

- **Assuming all workers want to retire as soon as they can**

Isn't that like assuming everyone who lives in Boston is a hockey fan? The myth of retirement—that 100% leisure is satisfying—is strong, but even now many question whether totally giving up work is what they really want to do.

But if they are being passed over for promotions and the plum assignments are going to others because you're assuming they're "going to retire soon," you lose twice. That employee is less motivated to do the current job well and the project must be completed without the experience and insight that it could have benefited from.

I recently heard about an architect who came back to work part-time at age 67 after retiring to care for a sick family member. He did quality control—and caught a lot of errors the computer-reliant younger generation consistently missed. His involvement resulted in significant annual savings to the company. He did that work for thirteen years, only stepping away at age 80.

In your organization, what expertise would you be wise to try to keep?

Who has it?

Are you sure they really want to retire? Is there an innovative way to keep him or her involved anyway?

You may totally re-energize an employee you've spent decades training simply by letting them know you're interested in finding a way to keep him or her involved.

- **Assuming older workers can't be as productive**

Unless you workers are manually lifting hundred pound barrels all day long, this idea is way out of date. Most people are healthier at retirement age today than their parents were 10 to 15 years younger. Mental acuity is not as much a function of age as a function of use. (Right, that good-hearted effort to send people home to do nothing is NOT a kindness.)

Rather than assuming someone can't do the work, take an honest look at who is doing what. You might be surprised. Quite often older workers fix younger workers mistakes without mention. They finish work that wasn't theirs in the first place because they know the consequences of leaving it undone. They solve problems within context because their experience provides it. And their work habits are better. In a study done by Development Dimensions International, workers over 55 were rated higher than average on safety awareness and much higher on reliability/follow-through, attendance, punctuality, and avoidance of disciplinary actions. Those new hires (less than 26) that you're so ready to replace them with? They rated below average in all five of those categories plus a sixth--work standards. There's a reason you can hire them for less—they can't do the job as well.

In your work context, how do you know the salary savings of a new hire is worth the loss of experience of the older worker?

Are you encouraging your older talent to leave?

Can younger workers advance fast enough to maintain your competitiveness?

You may be saving payroll dollars at the expense of quality control, customer service, and problem solving ability.

- **Gearing your tech training to geek learning style**

Tech guys can teach tech guys without much trouble. They know the jargon and have a head start because they've probably been talking to each other about the content even before the training became available. Older workers come from a different learning environment. Assuming they can't learn new things because they are taught by geeks for geeks is poorly designed training and a ridiculous waste—of company time and of experienced brain power.

Find instructors who both grasp the fine points of the new technology and can explain it IN ENGLISH (or whatever language you workers speak).

How effective is your tech training with older employees?

How do you reinforce and support the training on the job?

Do you seek input from older learners when you are designing tech training?

The best teaching is not always done by the smartest person on the subject. Your trainers and training program developers need to be passionate about helping people understand the material as well getting the content out there. This is true for all training, not just what's offered to older workers.

- **Using older workers the same way you use new hires**

Kinda like using the heirloom tablecloth as an oil rag, isn't it? You've spent decades training these people. They've spent decades learning the trade, the ropes, customer peculiarities/preferences, and the real short cuts.

If you're not trying to optimize how you use all that, maybe it's time to wake up.

Are you facilitating younger workers access to older workers expertise and wisdom?

Are you using your experienced talent to trouble shoot?

Have you taught your young lions to value and include experienced talent in setting up project teams?

Diverse teams may take some initial facilitation to assure that everyone has the same focus, but they offer far greater potential for understanding consequences, anticipating potential problems, and envisioning enhancements.

CUSTOMER SERVICE:

- **Young employees providing service to older customers**

Of course you're going to have this. At least it's highly likely. And it's just fine as long as those younger workers are given good training on how to provide good customer service. This is especially necessary with those newest to the workforce, who communicate socially largely through text messaging. There's not much room to learn

to read nonverbal cues if you're getting your information off a cell phone screen. And those cues are a big piece of sensing what your customer needs.

This problem isn't just for retail and restaurants, though those two arenas have to deal with it most. I have a book marketing arrangement with my publisher whereby they arrange for me to do stock signings at bookstores in cities to which I travel. I recently spent an afternoon driving to a small town 60 miles out of the way because the 23-year old college graduate who administers that contract didn't look at a map.

Customer service needs to be taught. When you leave it to chance, a key piece of your success is resting on what you are assuming that employee knows.

Do you monitor customer service and coach to improve when needed?

Do you use older workers to help younger workers understand what older clientele might find objectionable?

Do you have an ongoing program to create awareness and increase knowledge of good customer service?

Enhancing your customer service can be done via training or an employee newsletter or a daily thought that's posted in the lunch room. To be sure your customers are being treated well, you need to do SOMETHING to highlight its importance again and again.

- **Discounting the value of older customers' business**

The stereotype we have going of older people suggests they are all within a few dollars of destitute and, thus, of no interest as a market. But researcher Ken Dychtwald laid out a very different picture in his 1999 book *Age Power*. American workers older than 50 earn close to \$2 trillion annually, own 70 percent of all of the financial assets in the US, and are the source of 50 percent of the discretionary spending.

Can you really afford to ignore the 50+ market?

How do you currently pursue their business?

What assumptions are you making about what they will buy?

The challenge with this segment of the buying public is that they are not easily categorized and blanket assumptions about what the entire segment will like are rarely on target. They are also less influenced by the "herd" mentality that drives younger consumers. ("I don't need an iPod just because my best friend has one.") To add to the mystery, they often buy for others, so even knowing what they like themselves isn't going to guarantee you get their business.

- **Ignoring the quality of the experience in how you sell**

How DO you get older buyers' business? By providing a positive buying experience. As consumers mature, they tend to place more value on the buying experience itself. It's not just a matter of buying that THING. They also want to feel good about how they were treated when they bought it.

When they don't, you might not even know it. They vote with their feet. If your company drops the ball in terms of courtesy or helpfulness, they will look for it

elsewhere. This is particularly treacherous to root out in retail environments since the drop off in business might be gradual.

The best way to be sure it isn't happening at YOUR store is to look for it.

Do you have a program in place to observe and evaluate customer interactions?

Do you train employees to treat older customers cordially and respectfully?

Are older customers ignored in favor of younger customers?

Yesterday, my sister, who's in public health, mentioned she'd discovered staff were taking personal cell phone calls while with clients. That's unthinkable in that profession, but her well-meaning employees were doing anyway. They didn't know it was wrong until she told them. How do you know you don't have something similar going on?

- **Assuming employee/customer interactions are adequate**

Right, right. You don't have time to watch everybody do everything all the time. That's why those seasoned veterans on your team need to be used as more than interchangeable pieces with the new hires. Fostering a positive coaching environment can make a huge difference in how fast new hires get up to speed.

Do you assign an experienced worker to be each new hire's coach?

Do you show these coaches how to provide positive feedback and constructive critiques of problem interactions?

Do you give immediate feedback—positive as well as negative--when you do observe an employee's interaction with a customer or client?

Good customer service has been a US hallmark in the past. We need to return to that greatness if we want to make money.

STRATEGIC PLANNING:

- **Ignoring the 50+ segment in product development**

The older market is changing. People in that age range are more active and seeking ways to stay engaged. They are not simply looking for a nice motor home and the right long term care policy.

We've been assuming that's all they need for way too long. Look at the numbers. In the year 2000 approximately 76 million Americans were over 50. The baby boom—whose youngest members will reach age 50 in 2014--is 78 million strong, Gen X, which follows them has only 40 million. You need to sell to those over 50.

What could products you offer meet the needs of those over 50?

Do you use focus groups and surveys targeting this age group to gain insight?

Do you seek input from experts in your industry who are older themselves?

This is not a cut-and-dried process. If you want to sell them stuff, you have to figure out what they want. Figuring out how and where to get accurate information about products you could design for this market segment should be an ongoing part of your strategy.

- **Your decisions about 50+ assume the “life of leisure”**

When 2,300 baby boomers were surveyed by the Merrill Lynch Foundation in 2005 (BEFORE the financial meltdown) 83% of them wanted to do some kind of work for pay in retirement. But only 6% wanted to continue to work full-time. Another 16% wanted to work part-time and 13% wanted to start their own businesses. The surprise was that a whopping 42% wanted to cycle in and out of work.

That means there are people out there with the skills you need to make your company shine who might be willing to do project work, piece work, seasonal work, or overflow work if you figure out who they are and create programs for tapping their talent. But it requires taking a fresh look at how you SHAPE the work. We’ve been doing the assembly-line show-up-in-the-same-place-at-the-same-time version of job design for over 100 years. There are other options.

Is the traditional workweek with everyone at the same location the only way you can get the work you do done?

Is there a particular aspect of the company’s work that you could convert to a more flexible approach as a pilot project?

Do you have key employees considering retirement with whom you might innovate to keep their expertise available to the company?

There’s an extra benefit to being on the leading edge with work design. Gen Y tends to be less willing to accept the rigidity of traditional work design, so as the war for young talent heats up again, your company will have more appeal to them as well.

- **Just letting key expertise go when retirement becomes an option**

The “brain drain” is a real issue. A major forest products company I spoke with last year admitted they were on the brink of losing 65% of their Research and Development department to retirement in the next five years. They are rare in that they had at least taken the time to assess the problem.

Right now, encouraging people to retire when they can—or even to retire earlier than they were planning—seems like a better strategy than laying people off. Two years from now when the economy has perked back up, those decisions might look a little less enlightened.

Do retirement procedures at your company include an assessment of the critical knowledge and skills that will be lost?

How can you get the company to allow you to experiment with flexible work designs to keep key expertise available?

Do you know how much key expertise you are going to lose and when?

The recent economic downturn has made a lot of older workers rethink their plans for retirement. You need to know what their new plans involve, both for accurate traditional workforce planning and to keep needed knowledge where you can access it.

- **Assuming the 50+ population thinks like everyone else**

The cultural stereotype of people over 50 is such that it's easy for them to become invisible. They want to be relevant and need to stay engaged, but there is very little in place to encourage that once they step into retirement. Learning what's important to them can take your company a long way both in attracting their business and in benefiting from their expertise as employees.

Does your long term strategy include ways to learn more about this segment of the population?

Do you consciously seek the opinions of your 50+ employees in expanding your understanding of this population?

Do you have programs in place to assess how your company is treating both older customers and older employees?

Consciously addressing these issues in your strategic planning is essential to an effective approach

Age 50 is less than two-thirds of the way through an average life span. These people need products and services. They need challenges and opportunities to use the knowledge and experience they've amassed. The companies who embrace these needs soonest are the ones who will profit the most. And the ones who keep ignoring the potential will have to make do with what's left once they finally get it.

*Mary Lloyd is a professional speaker, consultant, and the CEO of Mining Silver LLC. Her book, **Supercharged Retirement: Ditch the Rocking Chair, and Trash the Remote**, released April 2009, helps individuals chart a more meaningful course after retirement, in part, by including work in the balance. She was an executive-level manager in the energy industry before retiring early herself—and failing at it. She can be reached at 253-208-0059 or mary@mining-silver.com. For additional information, see the Mining Silver website: <http://www.mining-silver.com>.*