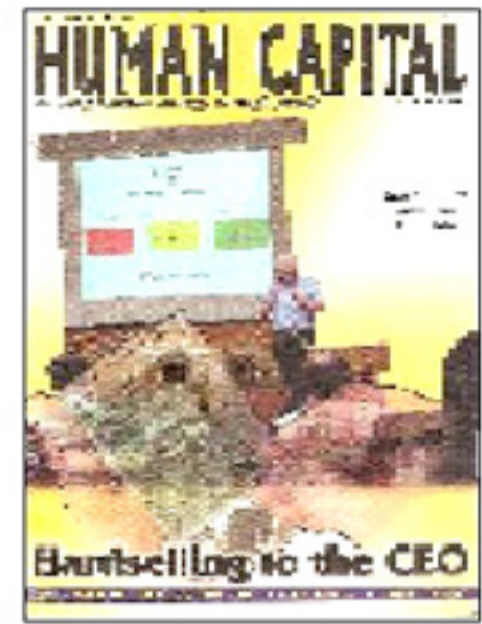




Lost and found-retired employees

By R. S. Jagdev



Twenty-five years ago, optical engineer Paramjeet Singh was a rarity. He retired from an optical engineering firm, with a party, a pension and a job-right back into the engineering lab he'd just left. Eager to keep working, he put in 15 more years as a contractor. When Paramjeet finally retired, he was 80 years old.

Back then, of course, fat pensions, job stability and rewarded company loyalty meant few retirees, like Paramjeet, were willing to trade golf clubs for a briefcase. Once retired, nearly all corporate workers stayed retired.

Times change. These days, many corporate retirees—particularly those who've been pressured into leaving with early retirement benefits now are unwilling to go gracefully into that good "retirement" night.

Moreover, in the next 15 years, baby boomers will reach retirement age. That means by the year 2016, the number of annual retirees will double to approximately four million.

Demographic trend-watches say companies need to think about giving these people something to do.

"There will be, and I guarantee it, many millions of boomers who will have to work beyond age 65 because they simply haven't saved enough

money to retire," says NK Ahuja, president of Retd. Employees Welfare Association, New Delhi.

The notion is enough to send shivers through human resources departments. How can companies rehire retirees when they're already hard-pressed to retire as many workers as possible?

The answer. It's not only possible, but in many cases, inevitable. Retiree-work programs, although still few in number, may grow in abundance as demographic trends merge with employees needs. On the employer's end, some companies have found the cutbacks and saved them money have cost them talent. Faced with bare-bones staffing, they need to fill staffing gaps with low-cost, experienced help. By rehiring retired employees, these human resources departments can gain back the experience and skills they lost—and often at substantial cost savings.

In any layoff situation, "My

rule of thumb is that at least three of four people [laid off] are those you need to get rid of," says KK Sharma. "But often every fourth person is one you really need. You may not need him or her full time, but you need his or her skills and knowledge of the technological aspects of what he or she was doing. It may be a situation in which this person was being paid, say Rs 3.5 lacs or 4.5 lacs a year. In fact, for Rs 1 lac or Rs 1.5 lacs you can get that person three or four times a month, which is when you really need him or her."

Retiree-work programs provide myriad benefits. Kashipur-based Pashupati Acrylon program for rehiring retirees, Pashupati, has been widely publicized as one of the first formal programs for rehiring retirees who want to work. Launched more than a decade ago, it's still one of the few programs of its kind around. The company boasts 200 available workers with 50 to 75 on the job at any one time.

By using its own job bank of retirees to fill temporary work needs, Pashupati saved more than Rs 50 lacs last year. The company also has found that hiring a retiree is a much more productive situation than hiring a new or temporary worker, says Deepak Pant, GM of corporate

In the wake of massive downsizing, companies are discovering that many of their best workers walked out the door with early-retirement packages. through retiree-work programs, you can reclaim their loyalty, experience and flexibility—with cost savings.

human resources. "There's no learning curve. These people know the environment, they know the systems, they know the culture."

This is one reason Hindustan Copper Ltd. gives for hiring back retirees as well, which downsized from 18,000 employees to 7,000, reopened its doors to an influx of retirees returning on a part-time basis. "We have retirees all over here," says Kuldeep Singh, former spokesperson for HCL. "They're often used in positions for which they have expertise or skill [gained] through tenure."

Another reason CM Adhikari cites for rehiring retirees is the flexibility they provide. A study commissioned by New Delhi based Personnel Network confirmed that 84 percent of retirees who are willing to work would accept part-time hours-72 percent would work alone, 68 percent would do seasonal work and 60 percent were willing to work for less pay. More

importantly, rehired retirees want to work - unlike many, say, reluctant students or young adults.

Conquer the myths. HLL, Pashupati & SRPR, which has its own program for hiring retired workers, have an advantage in setting up such programs - a large resource pool. At established companies such as these, it's not unusual for a veteran employee to have 30 years on the job before retiring.

But at other firms that are only a fraction as old as HLL or SRPR, a typical engineer is more likely only 30 years of age. "Many high-tech companies haven't had enough years in business to even have people retire," says Rakesh Kher, HR-Head of Tata Indicom.

With all the well-established companies in this nation, one would think there'd be a greater number of these types of retiree-work programs around. But, even when a company has a large pool of retirees, programs for

hiring them back don't exist because, often, employers simply don't see the point of hiring older workers. Studies commissioned by both the Washington, D.C.-based American Association of Retired People (AARP) and TCF show employers are suspect of the abilities and attitude of retirees. (TCF is a philanthropic foundation that promotes improved health services).

Generally, managers rate older workers highly on their experience, commitment to quality, attendance, low turnover and punctuality, says Vinay Mitra of Titan Industries Ltd. But those same managers rate retirees low on learning flexibility, technological ability and the ability to learn new skills. "These are the things that managers care most about," he notes.

Moreover, retirees are perceived to suffer more health problems than younger workers. Companies often worry about absenteeism due to illness,

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physical limitations or costly medical coverage. Seniors often are perceived to have less energy than younger workers and often are unwilling and unable to make a long commutes or take on physical tasks.

Companies that force early retirement on unwilling workers may find those workers actively resentful once called back to the job. Little wonder, that for most companies, rehiring retirees happens on an ad-hoc basis, if at all. "It's not a formal program," says one employee relations director for a large insurance company, speaking of the company's retiree-hiring practices. Out of a temporary workforce pool of 250 people, only six workers are retirees.

Companies that explore retiree-work programs, however, may still find the benefits well outweigh the disadvantages. Many may find, for instance, that the myths about senior workers are simply that: myths. As VK Tyagi of Sohana points out, retirees who self select to keep working generally are healthier than seniors overall and often provide their own medical coverage through Medclaim.

Likewise, most senior workers turn out to be just as capable learning new computer skills as younger workers, and most easily adapt to changes in working conditions or hours.

"It's a positive experience for us," says Dalbir Singh of CSC India Ltd. at which seniors comprise approximately 10 percent of the total employee. Seniors aren't only reliable and capable, they spread their good influence to the department's younger workers. "What seniors do best is give us a good work ethic," says Dalbir. "They're on time; they show up; they care. They get to mentor young adults on these work ethics that we're really lacking in our workforce these days."

The challenge is worth the reward. Because experienced workers are getting harder and harder to find, retiree-work

programs will pique more interest in months and years to come, for both corporations and retirees. How best to do it, from the corporate standpoint, can present as many challenges as rewards. Three suggestions follow.

Start with heart. One major Northeast utility incurred employees wrath when laying off hundreds of service personnel two years ago. Though many early retirees signed up for the company's job bank, they remained bitter - and its' costing the company money as these workers are called back for duty. I'm sure companies are going to find they're being [taken advantage of] a lot by people coming back," says one retired worker. "Retirees are there for the money. They don't care if the service is done [well] or not. They'll just coast along."

Companies need to remember that those who leave today may become your critically needed employees tomorrow. Human resources departments should recognize the company's good employees and soften the blow when "retiring them," and then prepare to bargain with those workers when they return. Such workers might be given special training for a new position or an increased hourly wage to compensate for reduced hours.

A second suggestion is to recognize legalities. Retired workers risk losing their pensions by working more than 18 hours per week or 1,000 hours per year for the companies that hired them. That means retirees often can't take on very long-term projects or put in the kind of overtime needed to finish a task.

Companies can avoid the problem by hiring retirees as consultants or independent contractors - but these options have their own risks. Legally, independent contractors need multiple clients, as well as their own offices, staff and equipment. "Consultants" who work dictated hours, attend staff meetings and use company equipment attract

unwanted government attention. "The more you look like an employee, the more the IRS says, 'Yeah, you're an employee,'"

The third suggestion is to tackle the close-mindedness on the part of managers. No question, older workers are different from younger ones. At Motherson Sumi Systems Ltd. for instance, seniors ran into dexterity problems keying in reservations information. The Commonwealth Fund survey, moreover, showed that only 41 percent of older workers would take a job that involved standing all day, and only 37% would agree to an evening or weekend job.

Limitations such as these shouldn't prompt managers to rule out seniors. The Motherson's problem, for instance, was easily remedied through practice and training, which was compensated by the seniors' low turnover. And although some jobs - like waiting tables - clearly favour younger workers, many other employee concerns, such as technological adaptation, are usually nonissues.

The point is, just about any retiree can learn just about any job. "There needs to be less discrimination in training, better training and training that's more relevant to the way older people learn," says AK Singh. Because of their skill level, he says, older workers learn more easily through hands-on training than through academic-style training.

Importantly, HR managers need to train themselves to think differently about older workers. Retirees who don't need a job, who have the skill set, willingness and energy to continue working because they love working, are clearly some of the best employees around. "They put a patina on the workplace," says Thomas of Jindal Group. "That's not going to be there with a 20-or 30-year old." HC

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