KNOWLEDGE MANAGEMENT PRACTICES IN RESPONSE TO WORKFORCE RETIREMENT PLANNING

Momentum

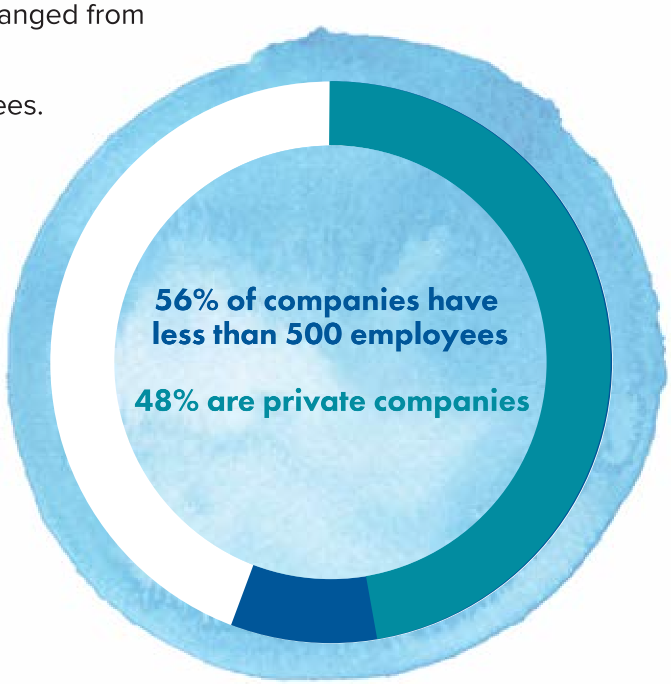
CLARKSTON CONSULTING

How is your company preparing for the transfer of knowledge as your most experienced resources transition to retirement? According to a **Bureau of Labor Statistics** report published in September 2020, 25% of workers in the United States will be 55 years or older by 2029. This poses a rising issue for business leaders as they consider the effects that an aging workforce can have on knowledge management and talent retention. To better understand this issue and how it's beginning to affect different industries, Clarkston partnered with researchers at North Carolina State University (NCSU) to survey executives and employees in our business network on change management, knowledge transfer, and organizational performance concerns related to workforce retirement planning.

Survey Details

Beth Ritter, a professor of Human Resource Management at NCSU, crafted this survey to learn more about how executives are prioritizing this issue and potentially making changes to their retirement planning and knowledge management processes. This survey aimed to answer questions such as: How have employees' plans for retirement changed due to the global pandemic? What are the challenges that retirement poses for knowledge management? What concerns, if any, do executives have about the aging workforce?

This survey included individuals from companies in various industries across the United States. The size of the companies surveyed ranged from large to very small, with 56% percent of all respondents indicating that their company has less than 500 employees. A mix of private and public companies was also included, with 48% percent of all respondents coming from private companies. Most insights were gained from companies in **manufacturing industries** (such as consumer products, paper goods, and machinery) and **service industries** (such as hospitality, healthcare, and business services). We highlight several differences in responses between these industry groupings below.



How concerned are firms about the aging workforce?

With our clients, we've seen time and again that the long-term performance of your organization is deeply tied to your people practices and knowledge management. Survey results indicated that executives across industries are becoming more highly aware of knowledge management issues as they relate to an aging workforce. In the survey, 52% of respondents said their concerns about a loss of talent due to an aging workforce are on the same level as concerns about other labor market risks. Overall, 19% of respondents said that concerns over a loss of talent due to an aging workforce were greater than concerns over other labor market risks.

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Are organizations concerned with the knowledge transfer risk that may be associated with employee retirements?

In fast-paced industries, robust processes around knowledge transfer can make the difference when it comes to keeping pace with steadily changing job roles and responsibilities. Overall, 57% of all survey respondents agreed or strongly agreed that their organization is concerned with the knowledge transfer risk that may be associated with employee retirements. No matter the trajectory of retirement rates due to an aging workforce, we know from our experience working with clients that knowledge management often goes beyond supporting simple one-way transfers from retiring employees to those that fill their positions. Building strong knowledge management practices around retirement processes can provide a momentum-driven template for talent management that uplifts the entire organization.

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Which of the following Knowledge Management practices are organizations using to avoid loss of knowledge related to an aging workforce?

Organizations are employing a multitude of knowledge management practices to avoid loss of knowledge related to a changing workforce. The most heavily utilized practices as reported by survey participants are Knowledge Repositories, One-to-One Mentoring, and On the Job Training. What these practices look like in action can vary greatly by industry – for example, respondents in manufacturing industries indicated that they more heavily use After Action Reviews and do not utilize Expert Systems. Nonetheless, understanding the value of diverse knowledge management practices can help maintain orderly retirement processes. These in turn uphold employee productivity and mitigate the risk of knowledge loss.

PRACTICE	OVERALL	MANUFACTURING	SERVICE
KNOWLEDGE REPOSITORIES	67%	71%	75%
MENTORING (ONE TO ONE)	50%	14%	75%
ON THE JOB TRAINING	45%	29%	50%
COLLABORATIVE SOFTWARE	33%	29%	38%
MENTORING (ONE TO MANY)	26%	14%	50%
COMMUNITIES OF PRACTICE	21%	29%	38%
AFTER ACTION REVIEWS	21%	43%	13%
EXPERT SYSTEMS	12%	0%	19%
NONE OF THE ABOVE	12%	29%	6%

How Can Upskilling Aid in Workforce Retirement Planning?

As an aging workforce is transitioning to retirement in greater numbers, upskilling presents a productive solution to avoiding skill shortages. HR management can look within the organization to source untapped talent of employees whose roles do not make full use of their skills. The best candidates for upskilling include those early in their career, who understand the business and/or already possess some of the skills. Investing in employees through corporate training improves workforce productivity and talent retention while alleviating the knowledge transfer risk from retirement. Organizations like **Momentum** offer custom technology training for teams to meet digital and knowledge management needs.

To learn more about this growing challenge and other diverse workforce topics, check out our Taking Stock podcast episode where Beth Ritter shares tips on managing a diverse workforce in the midst of changing labor conditions.

Listen Now:
Managing a Diverse Workforce

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For more information about how we can help your company, please contact us.

ABOUT MOMENTUM

Momentum partners with corporations of all sizes to build a resilient workforce with an always-learning personal and professional growth mindset, providing a host of services to identify talent, cultivate talent, train talent, apprentice talent for career readiness, and finally, scaffold talent for success. With Momentum, you can keep your team ahead of the demand for digital skills.

For more information on partnering with Momentum, please contact us.