

The New Face of Retirement

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About 10, 000 people retire each day in the U.S. With a longer life span and an earlier retirement age, a greater fraction of life is spent in retirement. In fact, most retirees will spend 30 to 40 years in this stage of life. This is longer than any other phase of life! In recent years, the face of retirement has undergone a dramatic transformation. Instead of seeing retirement years as a time of withdrawal, rest, and/or disengagement, retirees are experiencing retirement as a time of renewal, exploration and growth. This new face of retirement has important implications not only for individuals, but also for organizations. From an individual perspective, retirement is a time for finding new meaning and purpose. No one “model” of retirement works for everyone. Taking time to reflect, explore and plan will be an important part of successful retirement. From an organizational perspective, finding ways to re-engage retirees in work will be vital. Attracting and retaining older workers can be useful for transferring knowledge across generations and dealing with the impending labor shortage.

Retirement and the Retiree

Retirement is generally thought of as a positive transition, but even positive transitions can come with challenges. Think about other positive transitions you may have experienced during your life. For example, getting married, getting a new job, changing careers or becoming a parent. Although many of these are considered positive transitions, you may also remember that parts of them were not easy. Planning for retirement helps retirees better prepare for this transition to a new phase of life.

Although each retiree chooses his or her own path, there are some typical phases that retirees experience during the transition to retirement. Keep in mind that some individuals will go through all of these phases and others will not.

- *Retirement Decision:* An individual's decision to retire can be influenced by a number of factors including health, finances and work attitudes.
- *Honeymoon:* Retirees in this phase relish their new freedom of time and space. This may be a time to enjoy activities that have been put on hold. Taking time to rest and relax is also common in this phase.
- *Disenchantment and Reorientation:* As retirees spend more time in retirement, it is natural to feel a sense of loss, missing the meaning and productivity provided to you by your pre-retirement job. A healthy

resolution to this stage involves exploring ways to fill your life with new purpose and meaning.

- *Renewed Satisfaction*: This phase occurs when individuals have found new or renewed purpose and meaning. Reaching this stage involves identifying and adjusting to new roles, finding things you enjoy doing, identifying how to best use your talents and deciding how to budget your income. Individuals in this stage report that it is a very rewarding time in their life where they can engage in activities that are fulfilling, fun and challenging.

Successfully transitioning to retirement and shaping a fulfilling retirement lifestyle requires much more than just financial planning. Research has shown that successful retirees have clear purpose and meaning, which stems from careful planning in a variety of life arenas (e.g., work, leisure, family, housing, health).

Retirement and the Organization

The mass exodus of retirees from the workforce will also have an impact on organizations. In anticipation of the impending labor shortage, organizations need to focus on how HR policies and organizational practices can attract and retain older workers. Recommendations for creating a positive work environment for older workers include:

- *Create a culture that values diversity*. Hire employees who value diversity. Provide diversity training to current employees. This training can focus on understanding generational differences in the work place and eliminating age biases.
- *Provide career counseling and pre-retirement programs*. These programs will guide individuals to find work or direction that is engaging and motivating to them personally.
- *Design jobs tailored to older workers*. Providing flexible work arrangements, job sharing, and phased retirement can make an organization more attractive to older workers. Furthermore, job sharing between older and younger workers can help facilitate the transfer of knowledge between generations.
- *Redesign benefit programs*. At some organizations, benefits structures may discourage or prevent older workers from working beyond retirement. Companies should identify which benefits are most valued by older workers and examine their current benefit programs.
- *Training designed for older workers*. It will also be critical to help older workers update their skill sets. Training for older workers is more effective when there is an emphasis on building confidence, when learning strategies are taught, and when there is an opportunity for hands-on learning and experience.