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Retiring Boomers, diverse force challenging for HR

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Seasoned HR professionals say they've never seen it before: Four very different generations working side by side.

From those working well past retirement age to the young "Millennials," each group has vastly different preferences, needs and work styles. Meanwhile, the threat of losing valuable Baby Boomers to retirement has made matters even more complex for HR staff battling to recruit and retain staff during an all out war for talent.

Losing the boomers

"If your business is growing, your HR department better be good at doing two things very well," warns Carl Kleimann, president of Odyssey OneSource, an HR solutions outsourcing company. "The first is convincing Baby Boomers to postpone retirement, and the second is to promote mentoring and other work strategies that transfer their valuable knowledge to younger employees."

The retirement of the Baby Boomers represents the largest exodus of U.S. workers since the industrial revolution, Kleimann explains. And as luck would have it, the economy seems ill prepared to part with them and the skills they take with them.

"In today's knowledge-based economy, Baby Boomers control a sizable portion of our nation's knowledge reserves," he says. "HR departments are already dealing with the most age diverse workforce in history. We have four generations at work today -- traditionalists, Baby Boomers, Generation X and Generation Y -- and their needs, expectations and work styles are as different as night and day. They have very different views on everything from technology and company loyalty to compensation and health care."

Generational gaps

The ever-present iPods and cell phones of the 20-something "Millennials," as they are called (they are also called Generation Y or the Nintendo Generation), can be frowned upon by the more traditional Boomers, who often prefer face-to-face (or at least voice-to-voice) communication with clients and co-workers.



David Farias/HBJ

Pam Rhodes,
CHRISTUS Health Gulf
Coast: 'We're all
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"You have four generations with four different viewpoints, and they all want different things," says Pam Rhodes, vice president of human resources for Christus Gulf Coast, where she is responsible for 1,600 employees. "Some want flexible hours and some want to work from their laptops while others are in the office every day at 7 a.m. We have to look at offering a cafeteria plan of benefits."

Such flexibility with employees is necessary particularly in the health care industry, where competition for workers is particularly fierce in Houston.

"In the health care field," Rhodes says, "this is the most competitive market in the U.S. There are other markets that are large, too, but the Texas Medical Center itself is the international Mecca. Workforce shortages particularly affect health care. Basically, we're all fighting over the same people, and it drives up salaries."

Changing role of HR

Karen Hartnett, executive vice president and chief human resources officer of Guaranty Bank, is a Baby Boomer herself, with nearly 40 years of HR experience. She recalls vividly when payrolls were time-consuming monsters for HR staff and female workers were limited in their career goals. Today, however, with both outsourcing and automation of the more tedious tasks of managing employees, HR professionals are seen more as business strategists who must understand how their companies make money and plan how they can best use human capital.

"Thirty or 40 years ago, the HR department was the folks who did administrative and processing duties," she says. "Today, the effective HR professional is deeply involved in how the business runs. That's a standard that is there today that wasn't before. The more I can speak to a business manager in a language that he or she deals with, the more I can tailor the support I provide from human resources."

Kleimann views such a change in HR as its role becoming more strategic function rather than tactical one. Employee training, government compliance and "help desk" functions may be outsourced to allow for heightened internal focus on recruiting, employee development and retention.

"No company will ever be legendary for government compliance," he says, "but those that master the art of hiring, training and retaining the best employees will have reserved their place in the history books."

Succession and career planning are current goals in HR that require an overall focus. Those trends are perhaps what has led companies to another current one in HR -- outsourcing.

"There is a lot of outsourcing in things such as background checking and 800 numbers for benefit questions -- all so the staff can focus on meeting strategic goals," Rhodes says. "You can even outsource your unemployment claims."

Working on a bigger picture

J.P. Magill is president and founder of Achilles Group, a human resources firm that "becomes the HR director" for small and mid-sized businesses.

The increasingly common practice of outsourcing various aspects of employee management, Magill says, has freed internal HR personnel to create a development plan for employees, which has become particularly crucial recently.

"Companies have started losing their large pool of managerial talent offered by Baby Boomers," Magill says. "Consequently, the trend will be toward companies identifying key talent early and creating a development plan to help the younger employees become leadership in the future. Creating talent internally will become easier than hiring it from other companies."

Vying for recruits among companies has perhaps led to another trendy goal among businesses - clarifying and communicating a corporate culture.

"There are two factors driving this," Magill explains. "Companies can't continue to compete for employees solely on monetary rewards. Secondly, employees are looking for more than just a paycheck. They want a company that offers a career with a valuable learning experience that will make them better at what they do. The companies that can offer that, and communicate what they offer, will have better recruitment and retention rates."

Changes for the better

If competition for new hires has changed how companies see themselves, modern efforts to retain and keep employees happy and productive have also played a role in the evolution of the work place.

"Ethical issues are being reported more than ever before," Rhodes says, "and that is because we in HR encourage people to be whistle-blowers, whether through methods like an anonymous call to an 800 number or reporting a situation online. Granted, there are a lot of frivolous things reported -- but there are also a lot of important and potentially bad situations that you can address and prevent from blowing up."

Jill Lindquist, Houston branch manager for Art Squad, a recruiting and staffing agency, believes that recent events, in addition to technology, have played a role in highlighting office ethics.

"The downfall of Enron and WorldCom has placed business ethics in the forefront of every employer," she says. "Many more of our clients are requiring background checks, credit checks and thorough investigations of employees prior to an offer being made. Additionally, many of our clients have developed strong ethics policies with zero tolerance for breaches of those policies."

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