

## ENTERPRISEZONE

# CHANGING OF THE GUARD

## Preparing Gen X managers to take over as baby boomers retire

**M**uch has been discussed about the effect the looming baby boom retirement wave will have on the American workplace as 22.5 million leave their posts during the next 10 years. What will happen when these senior managers walk out the door and take their skills, institutional knowledge and expertise with them? Is the next generation of leaders ready to fill their shoes?

My company recently surveyed the competencies of nearly 24,000 mid-level managers in 20 skill areas. Here's what we found:

- Baby boom managers were more likely to receive higher ratings in "knowing the business" (18% higher) and "coaching and development" (15% higher). They were more likely to receive lower ratings in "analyzing issues" (6% lower) and "demonstrating adaptability" (6% lower).

- Gen X managers were more likely to receive higher ratings in "developing oneself" (10% higher) and "showing work commitment" (7% higher). They were more likely to receive lower ratings in "managing execution" (12% lower) and "using technical/functional expertise" (10% lower).

The competencies of both generations are valuable tools in the marketplace. Indeed, our study indicated that both boomer and Gen X managers were able to meet performance outcomes — although they arrived at those outcomes very differently.

The data from the survey offers a road map to smart companies seeking to prevent the loss of institutional knowledge, especially in "pivotal talent pools."

Pivotal talent pools consist of the individuals being groomed for work functions that are crucial to a specific business' success. Identifying your firm's pivotal talent pools, however, can be tricky.

Take the case of a passenger airline car-



### MANAGEMENT INSIGHTS

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rier. A pilot's takeoff and landing skills are obviously crucial to business

success. But pilots have these skills by definition, and there's little to gain from working to "improve" them.

On the other hand, customer relations, gate operations and baggage system workers can range from substandard to superior in their skills, and improvements here can have a definite impact on the bottom line. In this example, superior ramp worker and ticket agent skills are more important to business success than superior pilot skills.

Once you have determined which talent pools are pivotal in your organization, you need to do three things to ensure continuity in the face of generational transition:

- Take an inventory of the boomers that will be exiting in the next three to five years. What specific strengths, such as "knowing the business" and "managing execution," will be walking out the door with them?

- Identify Gen X leaders in your pivotal talent pool, or a feeder talent pool, that have high potential to replace the exiting boomers. A systematic process, as opposed to one relying on "gut," works best here, and generally involves a battery of tests designed to reveal cognitive ability, personality, leadership experience and personal aspirations.

- Develop these individuals through on-the-job assignments and training in those crucial areas where they are weak. Identify where gaps exist in these individuals' skills versus those skills critical to business suc-

cess, and develop a plan to close these gaps.

### Passing the baton

This brings us to how a company can ensure that critical skills are successfully passed to the next generation of leaders. Plans should be implemented that involve assignments for those being groomed for leadership with senior-level mentors in several different skill areas identified as critically important.

Future leaders could have one assignment a month to help them gain expertise in an area where they are lacking. Perhaps it's identifying soft spots in budgets, or appreciating how various different business units fit together as a functional whole. These activities can be done one-on-one or as group efforts.

Will the retirement of the baby boom generation be as dire for American business as some are predicting? Or will we look back on it after the fact as we look back at the Y2K crisis today?

Truly, it's hard to predict. If baby boomers retire "on schedule" and sever all ties with their former employers, the transition may well be rough even with major efforts to facilitate critical knowledge transfer.

But some predict that boomers will be more amenable than previous generations to making a more prolonged exit from the work force. Some may opt to retire later than they're eligible to, while others may be open to staying on part-time in an advisory capacity.

If these career moves become more common over the next decade or two, the transition to Gen X leadership will be greatly eased.

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