

Improving Workforce Effectiveness and Tackling the ‘Brain Drain’ of the Retiring “Baby Boomers”

Employees in the UK and US are costing businesses £18.7 billion a year because they do not fully understand their jobs, according to market research firm IDC.

In the face of significant business challenges such as emerging skills shortages, employee productivity, and the need for product and process innovation, companies are looking for ways to enhance workforce effectiveness. By providing solutions for employees to better understand business processes, job functions, and company policies, organizations can improve employee productivity and address an aging workforce.

Organizations must address workforce effectiveness to remain competitive in the marketplace.

- According to the Bureau of Labor Statistics, the proportion of “older” workers (over age 55) will increase steadily from 12% in 2000 to 20% by 2025.
- Ineffectiveness in the workforce costs millions. For example, in the oil and gas industry - 1 hour of wasted time/day/year = \$7,500/employee for a total of \$485M/year for the industry.
- Employee disengagement results in a largely unproductive workforce.
- Many industries will experience a growing shortage of knowledge and experienced workers, including leaders, caused by the aging of the baby boomer workforce.

Preparing for the Aging Workforce

The 76 million “baby boomers” are growing older and our workforce is graying with them. Organizations must be aware that the result of rebuilding the knowledge that will be lost from retiring workers will cost them millions of dollars. Many are not prepared for the ‘brain drain’ that will occur when these skilled workers leave the workforce. A knowledge gap will sink in leading to loss of strategic intellectual assets, loss of productivity, and a less effective and disengaged workforce.

To head off this landslide, organizations must put processes in place before their organizational knowledge walks out the door. Capturing this information is critical for succession planning for an aging workforce. Many industries will not have the same amount of skilled workers entering the workforce from Generation X and Y as they have from baby boomers leaving. Organizations must then effectively and efficiently convey this vital information from employee to employee in a way that keeps the business and projects going at full speed in the face of employee attrition.

By leveraging the knowledge across the enterprise, the critical knowledge holders can transfer strategic information as well as business processes to ensure a knowledge gap does not occur. Ultimately, by capturing this intellectual property, companies can enhance their quality of products or services, continue to increase revenue with satisfied customers, and stay ahead of their competition.

Cultivating Knowledge Transfer Increases Productivity

Between 2008 and 2025, 29 percent of the U.S. workforce will reach retirement age. This issue is greater internationally, where the percentage will reach 36 percent on average for industrialized nations and greater than 50 percent in some countries. Because of these significant demographic shifts, the potential for critical knowledge loss in the workplace is significant and gaining momentum.

Increasing Employee Productivity

While maximizing knowledge transfer is critical, optimizing employee productivity is just as important. With such an evolving workforce, organizations must keep on top of the learning curve of new hires. The business impact of having an onboarding program that takes 6 weeks vs 12 weeks can equate to revenue and market share loss, product quality and service issues, as well as employee morale concerns.

The productivity impact of employee transition is felt throughout the organization and it can take a period of months until the new employee is fully effective. Getting new employees to quickly understand their job function, business processes, and company policies increases productivity and prevents the knowledge gap experienced with most new hires.

By introducing best practices to execute product and process innovation, organizations can address any productivity challenges and bring products and services to market faster. Applying best practices can also reduce operating costs by as much as 15% even with staff reductions. Developing standards provides guidance for new hires and employees to become productive and ensures consistent definition of job roles. After all, employee productivity is a key determinant of success – every organization should have a goal for increasing it to succeed.

Enabling Employee Self-Service

Capturing, retaining, and disseminating critical knowledge enables employee self-service and reinforces knowledge transfer. By deploying role-specific information and training, employees learn only what they need to know to be effective in their job. And, providing just in time in-application support increases productivity and gets the right information to the employees at the time they need it.

The new workforce entrants, Generation X and Generation Y, are much more mobile and focused on work/life balance than the baby boomers. They learn differently and demand self-service models in the work environment. For this workforce group to be effective and to capitalize on their knowledge, organizations need to enable employee self-service.

Overall, when employees are provided with the right resources to be effective and productive in their job, organizations can realize efficiencies and reduce costs.

About Oracle User Productivity Kit & Oracle Tutor

Oracle User Productivity Kit is a synchronized content development platform that enables organizations to capture, retain, and disseminate critical organizational knowledge. Through knowledge transfer, Oracle User Productivity Kit decreases the time of onboarding programs and enables new hires to quickly learn their job function and business processes. Combined with Oracle Tutor, the business process documentation tool, these products are catalysts for ensuring end user adoption, speeding time to competency and execution of job roles- allowing organizations to improve workforce effectiveness and tackle the ‘brain drain’ of the retiring baby boomers.

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