

For On The Floor: Retirement Roulette

Written by Rick Carter, Executive Editor
Monday, 13 June 2011 13:16



How do today's maintenance professionals cope with retirement issues in the 21st century? Ask 10 workers and you'll get 10 different answers.

According to our Maintenance Technology Reader Panelists, modern retirement issues are as likely to be a mixed-bag of muted expectations and deferred goals as an anticipated part of the career path. While stability and high hopes remain, retirement is no longer the predictable career end-point everyone would have anticipated a generation ago. For every company that addresses the challenge of growing retirement numbers—*both for its tenured workers and for its own survival*—there's one that doesn't.

As former security blankets like matched 401(k) plans and guaranteed pensions disappear, so have beliefs that the sunset years would, could or should commence at 65. Some Panelists indicate they'll work past that age because their company needs them and they need the income. But with the average age of this month's respondents at 54.6, and their average years of service at 22.7, how long they will do that is an unknown—*and one more retirement-related variable*.

The company perspective

Not every company is in dire straits over pending maintenance-department retirements. A maintenance engineer for a Western-state water utility, for example, tells us that while retirement issues present "a moderately serious problem" because 20% of his company's workforce is due to retire within five years, most of these workers are not in maintenance. Coupled with his department's successful work-practice documentation program, this means "training new employees isn't as bad as it could be," he says. The program's success also means that when this 43-year-old Panelist retires "they'll replace me with a qualified employee."

A similar program is underway at an East Coast utility. "Retirement is a big deal with maintenance folks here because many of us are close to retirement," says a 65-year-old

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mechanical journeyman at the plant. “But the company saw this coming and created an apprenticeship program to meet these needs. I’m happy to say we’re on target to have a skilled workforce ready to replace us when we retire.”

Another Panelist reports that while his company’s average maintenance-staff age of 50 will cause “a serious exodus of talent and experience leaving around the same time,” his company is also addressing the problem by incorporating an apprentice program for all trades in its plants. This production support manager for maintenance and reliability in the Midwest notes that his company works with state and local tech colleges to administer the program, which has “graduated many apprentices to date.”

For other Panelists, the absence of such programs is causing trouble. A former senior facility manager who now consults in the South, for example, calls pending industrial retirements “very serious in the companies I have consulted for. Experienced maintenance personnel are working longer because of the economy, and when they go, they take much of the maintenance knowledge in their heads without leaving it to remaining technicians.” His clients “try to hire experienced technicians,” he adds, “but usually end up hiring young men without experience. The equipment suffers, especially in the lubrication area when a new hire does not follow established PM procedures.” Another result: “They keep older workers on the job,” he says, offering as an example a 73-year-old master technician he encountered whose talent for rebuilding machinery has made him indispensable to one large company.

Others voice similar frustration. A maintenance trainer in the South, for example, regrets his company’s policy that prevents him from hiring “until there is an opening, so there is not much time with the retiree before they leave.” And a maintenance manager in the Midwest who notes that “75% of our workforce is over 50 years old” adds that “it is impossible to find someone who is under 50 and knows the older machinery. If something happens to me,” he observes, “the maintenance department will be worthless.”

Staying or going

For workers, the pressing issue is about how and when they can realize their retirement dreams. Of those near retirement, some expect their pensions (from current or previous employers) and savings to carry them through, especially when they can include military benefits. But many—including those with and without such benefits—see uncertainties ahead.

“I do not plan to retire in the foreseeable future,” states the former facility manager/consultant.

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At age 68, he is “still in good health,” and wants to keep working, but explains that he still needs the money, given the economy.

The production support manager in the Midwest tells a similar story. At age 43, he says, “I am least 25 years until retirement and don’t hold any hope in retiring any earlier. It might be longer if government policies don’t change.” The maintenance trainer in the South plans to retire at the traditional 65, but says he had long expected to retire earlier.

Another Panelist reports that his company has at least three people of retirement age who worry they don’t have enough savings and investments left to cover their retirement years. This 65-year-old maintenance manager in New England has already delayed his own retirement for financial reasons. “I had planned to retire this year,” he says, “but due to devastating losses in my investments, I had to forego retirement to get into a better financial position.” He now hopes to retire at the end of next year.

Solutions

While the personal-finance side of retirement may be unsettled indefinitely, companies can take steps to mitigate their own retirement complications. To this end, most Panelists suggest solutions that are a familiar part of today’s ongoing industrial dialogue: greater and more sophisticated outreach to students, for example, and better mentoring and training at the factory level.

But not all of our respondents believe these tactics will be enough. “Manufacturers have ignored the impact of retiring trades to their peril,” says a Canada-based consultant. Especially in the packaging industry, he notes, many original machine makers have folded, “leaving end-users without any technical support, and few maintenance manuals with sufficient details to give an [untrained] newcomer hope of getting a broken or worn machine up and running.”

The maintenance manager in New England believes he knows why management often appears to ignore retirement issues: “Most of the executives in business today are either marketing or financial experts and lack the skills to make informed decisions concerning engineering and maintenance,” he laments. “As far as the aging workforce affecting our manufacturing competitiveness, I believe the higher-ups in most companies don’t even look at this as a problem. There are people in decision-making positions who insist they can just hire outside companies to handle the everyday problems, but have yet to realize that when a problem arises, they will be at the mercy of a vendor and may have to wait to have the problem solved.

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Then, and only then,” he cautions, “will they realize that there will be significant cost associated with this type of scenario.” **MT**

About the MT Reader Panel

The Maintenance Technology Reader Panel is comprised of working maintenance practitioners who have volunteered to answer bimonthly questions prepared by our editorial staff. Panelist identities are purposely not revealed, and their responses are not necessarily projectable. The Panel welcomes new members: Have your comments and observations included in this column by joining the Reader Panel. [Click here](#), and follow the instructions. If accepted, you will automatically be entered into a drawing for a cash prize after one year of active participation.