

Novel Ideas at Borders Lure Older Workers

Sixteen percent of Borders' workforce is over the age of 50.

By Jessica Marquez

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When Barbara Kinzer began computer training on her first day of work at Borders Group in 1992, she didn't know what to expect. Having been out of the workforce for more than 25 years, she couldn't remember the last time she had been in an office, let alone in front of a computer. "They said, 'OK, Barbara, let's get started,' but I didn't even know how to turn the computer on," she says.

To her relief, no one laughed. Kinzer, 62, attributes her quick rise in the ranks at Borders to the patience that managers had with teaching her the ins and outs of technology and how to work a register. "They recognized that my biggest strength was my knowledge of books," she says. Today, Kinzer runs the corporate training program out of Borders' headquarters in Ann Arbor, Michigan.

Recruiting and retaining older workers has been a strategy that consultants have been hammering into the heads of employers for years. The reason, they say, is that as the baby boomers begin to retire, there will be a shortage of experienced workers. According to Bureau of Labor Statistics data, the pool of U.S. workers ages 35 to 44 will shrink by 7 percent between 2002 and 2012.

But for Borders, the need to have older workers goes beyond that.

In the late '90s, when online bookselling was sweeping the nation, Borders took a hard look at the demographics of its customer base. From that research, it discovered that 50 percent of the books bought in the U.S. were purchased by consumers over 45. To reach out to those customers and differentiate itself from the impersonal online booksellers, Borders created a formal hiring and retention initiative aimed at older workers, says Dan Smith, senior VP for human resources. "We found that they better related to our customers," he says.

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Today, 16 percent of Borders' workforce is over the age of 50, up from 6 percent in 1998, when it started its recruitment effort. The book retailer has found other advantages to having older workers in its stores. According to Smith, the turnover rate for workers over the age of 50 is 10 times less than those under 30. Borders has seen its turnover drop 30 percent since it began its effort to recruit older employees. "These workers have a great passion to be connected to the community, and our bookstores provide them with that venue," Smith says. Also, since the work is often part time, it's a great fit for them.

To further attract and retain these employees, Borders recently added medical and dental benefits for part-time workers. Now the firm is planning to add a corporate "passport" program by which employees could work half the time in a store in one part of the country and the other half at a different store. The company already has a few instances where older workers live in a warm

climate, such as Florida, during the winter and then in the Northeast during the spring and summer. Borders accommodates those needs on a case-by-case basis. "Right now it's not easy for the employees because they have to do their own research and contact the stores on their own," Smith says.

To help these workers, Borders is creating a section on its intranet where employees will be able to sign up to work in different parts of the country. For example, employees could post that they are going to be in Florida for four months, and conversely the general managers could see if there are potential employees they could put in their stores, Smith says. Borders hopes to have the tool up and running this year.

Kathleen Rapp, national program consultant at AARP, predicts that once Borders introduces its corporate passport program, other companies will follow. AARP just named Borders to its recently launched Featured Employer Program, which allows selected companies to advertise job openings to older workers through the group's Web site. Borders is one of 13 employers named. "None of the other featured employers on our list have a program like this," Rapp says. "It really goes a long way to retaining older workers."

In another lure for older workers, Borders also is discussing adding an income annuity option to its 401(k) plan. This feature would allow employees to invest a portion of their salaries into a deferred-income annuity, which would guarantee them a set amount of monthly income after they retire for good.

Specifically, Borders is looking at Merrill Lynch's Personal Pension Builder, which the company recently introduced with MetLife Retirement Savings.

Smith would not say when Borders would make a decision on adding the option.