

Going to the Company Elders for Help

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NYT March 10, 2008 SANTA CLARA, Calif. — On a recent Saturday afternoon, John Toppel, a retired Hewlett-Packard sales manager, did not spend his leisure time golfing or mowing the lawn. He spent it at a local electronics store extolling the virtues of H.P. laptop computers to customers.

He was not paid by the store or by Hewlett-Packard, for that matter. Mr. Toppel, 62, left the technology company four years ago, but he remains a volunteer cheerleader for H.P., one of thousands of its retirees whom the company is trying to galvanize into an auxiliary army of senior marketers, good-will ambassadors and volunteer sales people. None of them get paid; they do it, they say, because of their affection for the company.

“I feel like I have two marriages: a wonderful marriage at home for 36 years and a wonderful marriage at H.P.,” Mr. Toppel said. “I guess that’s now a former marriage, but I still have strong feelings for it.” Across the country, companies are making use of retirees as part-time or temporary workers. They are taking advantage of not only their expertise, but also their desire to stay involved and engaged with the world through work.

Hewlett-Packard’s twist is particularly unusual in Silicon Valley, where long-term company loyalty is as rare as a pinstripe suit. Here, people switch jobs and companies on Internet time, chasing the latest technology developments and the chance to cash in stock options or catch an initial public offering.

But Hewlett-Packard, founded in 1939 before there even was a Silicon Valley, has tens of thousands of alumni, many who spent decades at the company, based in Palo Alto, Calif. Old-timers express a familial loyalty, telling stories of eating meals and drinking coffee with the founders, David Packard and William Hewlett, or receiving a baby blanket from Mr. Packard’s wife, Lucile, on the birth of a child.

In a move it says reflects a renewed emphasis on grass-roots marketing in the Internet era, Hewlett-Packard is seeking to turn its retirees into a valuable asset that other, younger tech companies lack.

“We’re moving forward with an effort to capitalize on the fact we have these great brand stewards,” said Michael Mendenhall, chief marketing officer of Hewlett-Packard. “When you look at the importance of great word of mouth and great third-party endorsement — who better to do that than your own employees?”

Mr. Mendenhall appeared last Monday at the retirees’ annual gathering with Hewlett-Packard’s chief executive, Mark Hurd. They urged more than 500 retirees who had gathered at the Computer History Museum in Mountain View, Calif. — hundreds more watched over the Internet — to do volunteer sales, join local alumni clubs, get involved in legislative issues the company cares about and represent Hewlett-Packard in philanthropic and community events. The company’s goal is to inspire involvement from as many as 40,000 retirees.

Mr. Toppel, who did a recent stint as a volunteer salesman at Circuit City, said he gladly is participating because he feels great loyalty to the company. He and others also say they still own shares in the company, giving them a financial incentive to contribute. And, Mr. Toppel said, the company is giving a renewed sense of purpose to retirees.

“It makes them feel good, makes them part of it, makes them feel wanted,” said Mr. Toppel, who spent 31 years at Hewlett-Packard and now is a professor of management at the business school at Santa Clara University.

The idea of encouraging retirees to work for free has inspired some criticism. Susan Ayers Walker, founder of SmartSilvers Alliance, which offers consulting services to business looking to connect with older consumers, says she is offended that Hewlett-Packard can't find some way to compensate volunteer workers, particularly salespeople.

The company said participation is the reward. “It’s about being part of the H.P. community and its rich heritage,” said Mr. Mendenhall. “That’s what they get.”

Their involvement can be bittersweet, say some of Hewlett-Packard retirees. The oldest among them — now into their 90s — are the last of the generation that helped build Silicon Valley, watching it evolve from endless fields of almond, plum and cherry orchards into laboratories, semiconductor companies and software makers.

They also are workers from a bygone era of paternalistic employers that promised lifelong employment. That era is largely gone across the country, including at H.P., which broke a tradition of avoiding layoffs and has terminated more than 30,000 workers over the last five years.

The contrast between the Hewlett-Packard of yesterday and the typical Silicon Valley company of today is especially pronounced, said Joe Schoendorf, 62, who spent 18 years at H.P. and is now a venture capitalist. “If I look at a résumé today, it says two years at Netscape, two years at Google, two years at Amazon, and then Facebook. That used to be a bad résumé that meant the person couldn’t keep a job,” said Mr. Schoendorf. “There is no institutional loyalty.”

Leslie Berlin, a project historian for the Silicon Valley Archives at Stanford, said the ethos has probably changed today at Hewlett-Packard, which now has 172,000 employees. But in Silicon Valley’s history, the loyalty engendered by Hewlett-Packard stands alone, she said.

“This is quite a unique phenomenon,” she said. “They represent the collective past of this place,” she said of the older retirees.

To be sure, companies like I.B.M. and Lockheed Martin have loyal retiree groups. So do relatively newer entrants into the Valley’s economy and culture, like Intel. A tight-knit network of retirees in the area, alumni from places like SRI International and Xerox Palo Alto Research Center who helped build the Valley, have an enormous sense of tradition. But they often are tied not to a company but to their work on specific projects or technical standards.

In the case of Hewlett-Packard, retirees talk about how the company treated them with respect. The company was, historians say, the first to adopt flexible work hours, and it put an early emphasis on ideas rather than titles.

Last Monday, Chuck Ernst, 91, a former customer service manager, attended the retiree meeting with Frank Musso, 75, who spent 25 years at H.P. They said they might not have too much time or energy to get involved in volunteer projects, but they liked the way the company was reaching out. They said the company’s embrace of its retirees started in earnest several years ago and has been intensifying.

“H.P. wants us to feel connected, and they’re doing all this work to keep us connected,” said Mr. Ernst. He said he thought the company probably ought to pay retirees to get involved in sales, but it’s not something he feels strongly about. “We’re proud of the company, and we don’t hesitate to let people know it.”

Some former employees also do not hesitate to let the company know how it might do better. One of them is Art Fong, 88, who joined Hewlett-Packard in 1946 after being recruited by Mr. Hewlett over a spaghetti dinner. Every few years, Mr. Fong sends the company a technical suggestion, as he did on the day of the retiree meeting.

“I suggested some improvements to their new TVs,” said Mr. Fong, who spent 50 years at the company, 40 of them full time, and, thanks to stock ownership, retired a wealthy man.

He said he has another suggestion for the new Hewlett-Packard: “Be nice to your employees. Treat them like family.”