



A RESEARCH REPORT BY THE SOCIETY FOR HUMAN RESOURCE MANAGEMENT (SHRM)

Preparing for an Aging Workforce

GOVERNMENT INDUSTRY REPORT



Funded by



ALFRED P. SLOAN
FOUNDATION

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ABOUT SHRM

Founded in 1948, the Society for Human Resource Management (SHRM) is the world's largest HR membership organization devoted to human resource management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates. Visit us at shrm.org. For more information about the SHRM/SHRM Foundation Older Workers initiative, visit www.shrm.org/surveys and www.shrmfoundation.org.



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Table of Contents

ABOUT THIS RESEARCH REPORT	1
THE AGING WORKFORCE AND THE U.S. GOVERNMENT INDUSTRY	3
THE STATE OF OLDER WORKERS IN THE U.S. GOVERNMENT INDUSTRY	5
Proportion of Workers Age 55 and Older in the Government Industry	5
Awareness of the Changing Workforce Demographics in the Government Industry	6
Assessing the Impact of Changing Workforce Demographics.....	7
RECRUITING AND RETAINING OLDER WORKERS IN THE GOVERNMENT INDUSTRY	11
Recruiting Older Workers in Government.....	12
Retaining Older Workers in Government	12
CASE STUDY: UNITED STATES SOCIAL SECURITY ADMINISTRATION	16
SKILLS AND OLDER WORKERS	19
Capitalizing on the Value of Older Workers in Government	19
Perceived Advantages of Older Workers in Government.....	19
CONCLUSION AND IMPLICATIONS FOR GOVERNMENT HR PROFESSIONALS	27
METHODOLOGY	28
ENDNOTES	29

About This Research Report

SHRM and the SHRM Foundation have launched a national initiative to highlight the value of older workers and to identify—through original research—best practices for employing an aging workforce. This three-year initiative is generously underwritten by a grant from the Alfred P. Sloan Foundation.

The overall purpose of this research is to:

- Investigate the current demographics of organizations and their views on how the demographic breakdown of their workforces is likely to change in the future in both their organizations and their industries.
- Determine what, if any, actions organizations are taking to prepare for an aging workforce, including recruiting and retention strategies to specifically target older workers.
- Identify the skills and experience HR professionals value in older workers.

Definition

For the purpose of this survey, “older workers” were defined as employees 55 years of age or older.

The Aging Workforce and the U.S. Government Industry

According to the U.S. Bureau of Labor Statistics (BLS), by 2016 one-third of the U.S. labor force will be in the 50-plus age category, compared with 27% in 2007. Across industries, the U.S. workforce is getting older. The percentage of retired Baby Boomers has nearly doubled since 2010, when the U.S. Census Bureau found that only 10% of Baby Boomers were retired. Although this demographic shift will influence workplaces everywhere, each industry will be affected by this change in different ways, driven by current demographics, education trends and industry growth.

The BLS projects that the federal government sector will shrink from approximately 2.77 million jobs in 2002 to 2.4 million jobs in 2022 with an annual growth rate of -1.6 between 2012 and 2022. It projects that the state and local government sector will grow from approximately 18.75 million jobs in 2002 to about 20.03 million jobs in 2022 with an annual growth rate of 0.5 between 2012 and 2022.¹

According to the BLS, workers in government tend to have higher tenure rates than in other industries. Federal government workers had a median tenure of 8.5 years in January 2014 compared with 4.6 years overall. Meanwhile, state government workers had a median tenure of 7.4 years, and local government workers had a median tenure of 7.9 years. Overall government workers have an average tenure of 7.8 years.² The median age of workers the BLS classifies as belonging to the government sector, 45.6, is close to the median age of industries overall (42.4 years old).³ These economic and demographic factors are likely to influence the way the government industry responds to the challenges and opportunities of an aging workforce.

As part of the SHRM and the SHRM Foundation three-year initiative supported by a grant from the Alfred P. Sloan Foundation, SHRM Research conducted a survey of HR professionals to learn more about how different industries are preparing for an aging workforce. The survey examined the current demographics of industries and organizations as well as respondents' views on how the demographic

breakdown of their workforce is likely to change in the future. The survey was organized into three parts:

- The State of Older Workers in U.S. Organizations.
- Recruitment and Retention of Older Workers.
- Basic and Applied Skills of Older Workers.

This report is an overview of the survey findings on the government industry compared with all other industries.

The State of Older Workers in the U.S. Government Industry

Key Findings

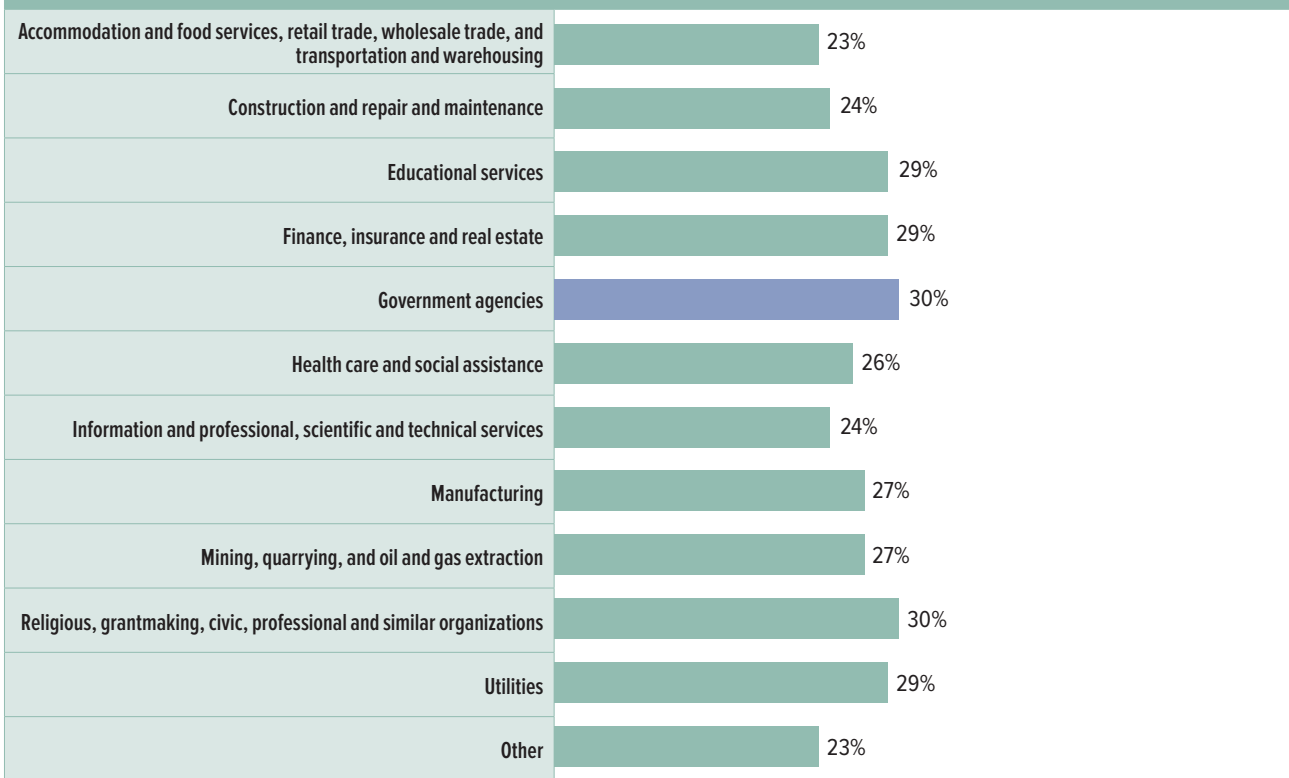
- **What percentage of workers in the government industry are age 55 and older?** Responding government agencies reported that 30% of their workforce was age 55 and older (see Figure 1).
- **Are government organizations preparing for an aging workforce?** HR professionals in government agencies were significantly more likely than HR professionals in other industries to say they were beginning to examine internal policies and practices to prepare for the aging workforce (45% compared with 35% in other industries); conversely, they were less likely to indicate they were not aware of this potential change (8% compared with 13% in other industries).
- **Do HR professionals in the government sector see the aging workforce as a potential problem for their industry?** More HR professionals in the government sector believed the impact of the potential loss of talent due to retirement of workers was considered a problem for their industry in the next one to two years than HR professionals in other industries (24% compared with 17% in other industries). Looking further out, more HR professionals in government agencies thought the aging workforce would be a problem for their industry in 11 to 20 years than in the more immediate future (45% considered it a problem or a crisis in the next 11 to 20 years).
- **Are government agencies taking any steps in response to an aging workforce?** More HR professionals from government agencies said their organizations had analyzed the impact of workers age 55 and older leaving in the next one to two years and in the next three to five years compared with other industries (43% compared with 33% in other industries and 42% compared with 30% in other industries, respectively). This indicates that HR professionals in the government sector may be more concerned with the impact of retirements in the next few years. Similar to other industries, 63% of government agencies had identified their future workforce needs, and 53% had identified future skills gaps in the next one to two years.

The first part of the Preparing for an Aging Workforce Survey explored the proportion of older workers in various industries, how aware HR professionals in these industries are of the impending demographic shift toward an older workforce and what, if any, actions organizations are taking to prepare for this shift.

Proportion of Workers Age 55 and Older in the Government Industry

HR professionals in the government sector reported that 30% of their workforce fell into the older worker category, similar to many other industries (see Figure 1).

FIGURE 1 | Percentage of Older Workers, by Industry



Note: Except for the “Other” group, the accommodation and food services, retail trade, wholesale trade, and transportation and warehousing industry employs significantly fewer older workers than the other industries. Government agencies employ significantly more older workers than any other industry.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

Awareness of the Changing Workforce Demographics in the Government Industry

Only 8% of HR professionals in government agencies indicated that they were not aware that the proportion of older workers was increasing, significantly fewer than in other industries (13%). The majority said they were in some stage of the process of learning more about this change and determining how it might affect their organizations. More than two-fifths (45%) of respondents from government agencies said they were beginning to examine their organizations’ policies and practices to determine what changes may be necessary—significantly more than in other industries (35%). However, 16% said they had reviewed their policies and practices and determined that no changes were needed (see Figure 2).

Except for the immediate future (one to two years), HR professionals from government organizations were not significantly different from other industries when it came to the impact they thought the potential loss of talent as a result of older workers retiring or leaving their organizations for other reasons would have on their industry (see Figure 3). In the one-to-two-year time frame, HR professionals in the government sector were more likely to say they thought the aging workforce was a problem than HR professionals in other industries (24% compared with 17% in other industries). More HR professionals in

the government industry viewed the aging workforce as a problem for their industry as they looked further into the future. Specifically, in the 11-to-20-year time frame, 30% said it will be a problem, whereas an additional 15% said it will be a crisis. Similarly, more HR professionals in government agencies saw the aging workforce as a problem for their organizations in the next one to two years than their counterparts in other industries (23% compared with 16% in other industries; see Figure 4). The same was true for the percentage that indicated it was a potential problem in the next one to two years (32% compared with 25% in other industries) and three to five years (46% compared with 37% in other industries). HR professionals in the government industry appear to be more concerned about the immediate short-term impact of retirements compared with other industries.

Assessing the Impact of Changing Workforce Demographics

Although HR professionals in many industries do not consider the aging workforce to be a major problem either currently or in the years ahead, more HR professionals in the government sector appear to be concerned. One reason may be because they seem to have collected more information on how and when their workforces will be changing. They were significantly more likely to indicate that their organizations had analyzed the impact of

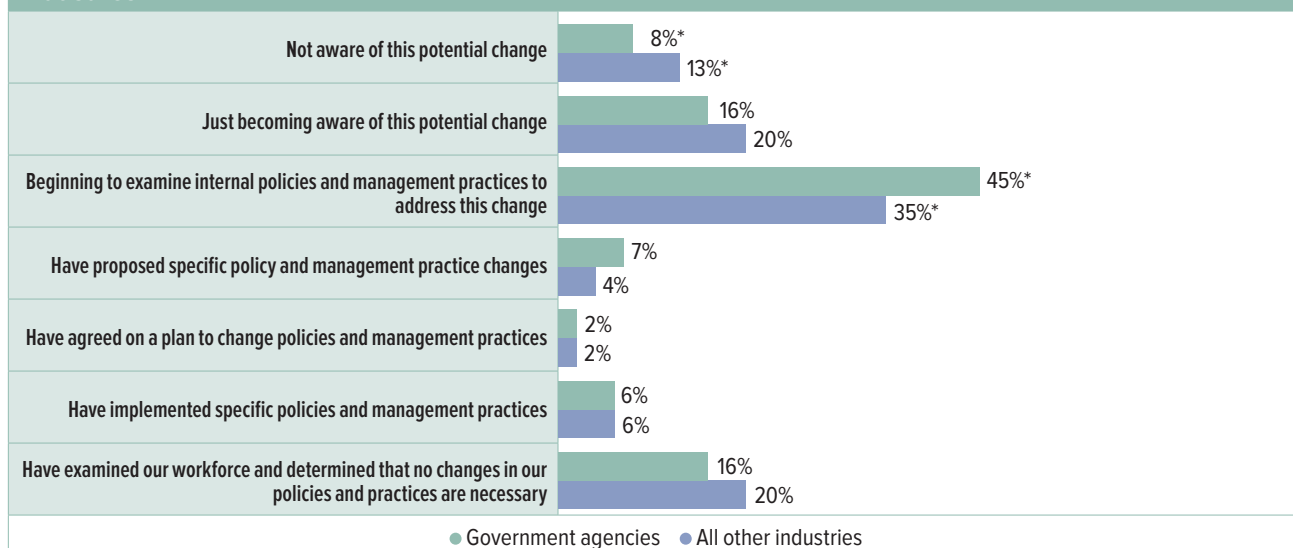
workers age 55 and older leaving their organizations in both the one-to-two- (43% compared with 33% in other industries) and three-to-five-year (42% compared with 30% in other industries) time frames (see Figure 5).

Similar to other industries, about three-fifths (63%) of HR professionals in the government industry said they had identified their future workforce needs in the one-to-two-year time frame; 44% had identified their future workforce needs in the next three to five years and 18% in the next six to 10 years, as shown in Figure 6. Over one-half (53%) of HR professionals in the government sector indicated

their organizations had identified their potential future skills gaps in the one-to-two-year time frame, 39% in the three-to-five-year time frame and 16% in the six-to-10-year time frame, similar to other industries (see Figure 7).

Overall, the findings suggest that many organizations may not be fully aware of the various ways this demographic shift will influence their organizations, but those that do are more focused on the immediate future (one-to-two-year time frame).

FIGURE 2 | How Government Organizations Are Preparing for an Aging Workforce Compared with Other Industries

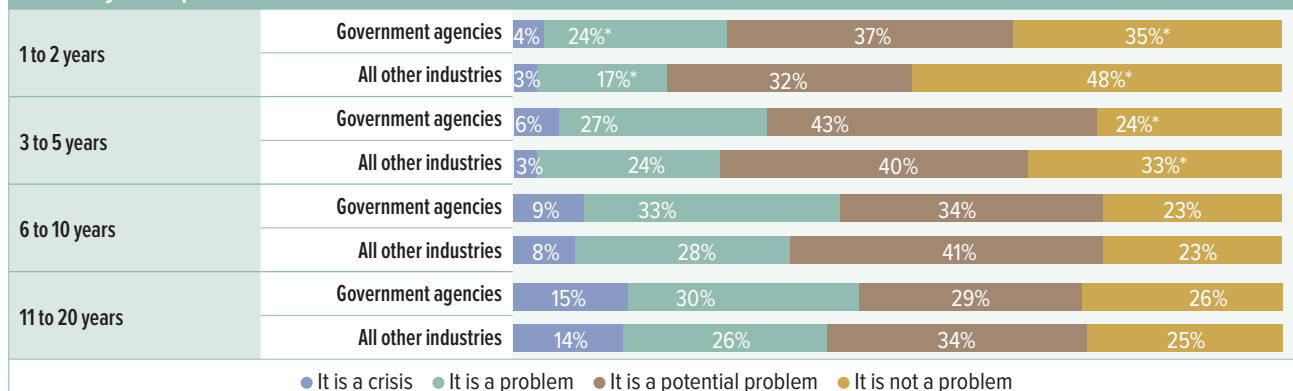


*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 206; all other industries n = 1,384.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 3 | Perceived Impact of the Potential Loss of Talent Due to an Aging Workforce on the Government Industry Compared with Other Industries

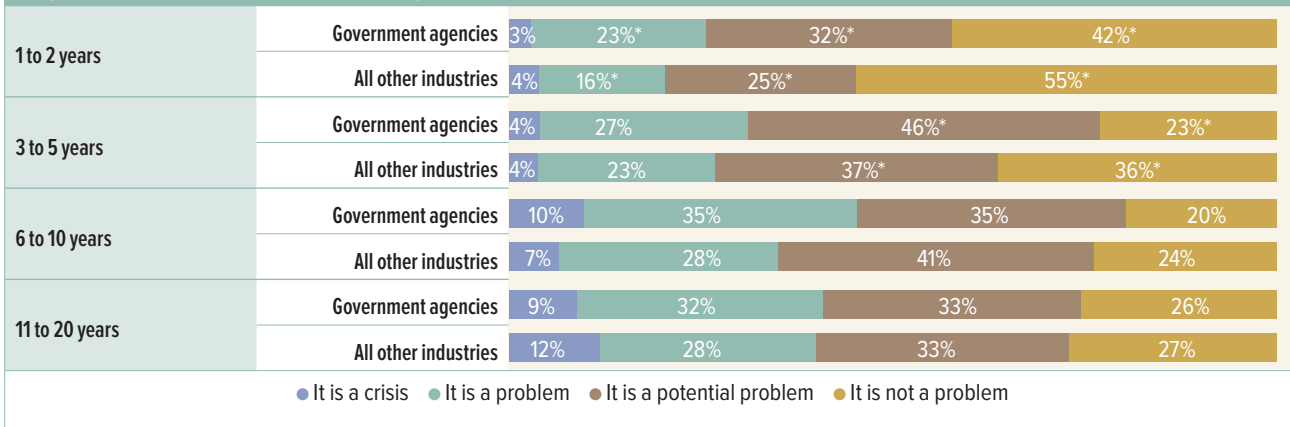


*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 163-194; all other industries n = 1,118-1,291. Respondents who indicated “Not applicable” were not included in the analysis. Percentages may not total 100% due to rounding.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 4 | Perceived Impact of the Potential Loss of Talent Due to an Aging Workforce on Government Organizations Compared with Organizations in Other Industries

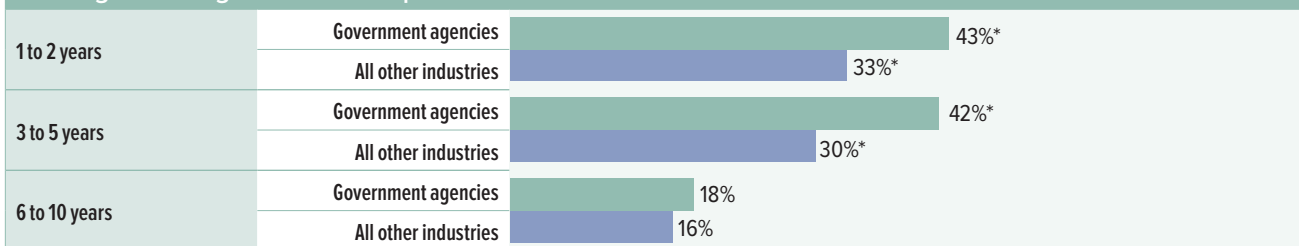


*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 172-213; all other industries n = 1,207-1,453. Respondents who indicated “Not applicable” were not included in the analysis. Percentages may not total 100% due to rounding.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

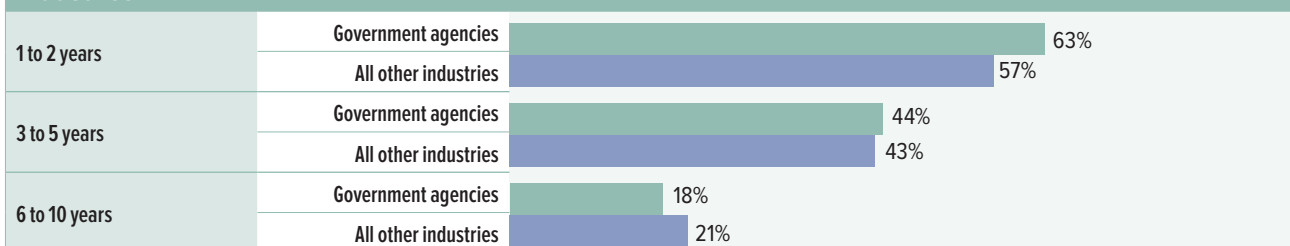
FIGURE 5 | Government Organizations That Have Analyzed the Impact of Workers Age 55 and Older Leaving Their Organization Compared with Other Industries



*The difference between government agencies and all other industries is statistically significant (p<.05).

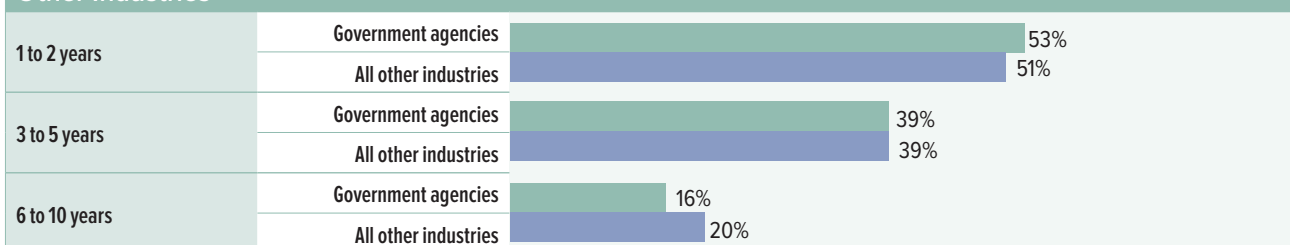
Note: Government agencies n = 182-192; all other industries n = 1,261-1,338.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 6 | Government Organizations That Have Identified Future Workforce Needs Compared with Other Industries

Note: Government agencies n = 179-198; all other industries n = 1,248-1,364.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 7 | Government Organizations That Have Identified Their Potential Skills Gaps Compared with Other Industries

Note: Government agencies n = 178-190; all other industries n = 1,241-1,351.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

Recruiting and Retaining Older Workers in the Government Industry

Key Findings

- Has the aging workforce prompted changes in recruiting and retention practices in the government industry?** HR professionals in the government industry were significantly more likely to report that the aging workforce had prompted changes to a small extent in their recruiting and retention practices. HR professionals in government agencies were less likely to indicate the aging workforce had not prompted any changes in general management practices compared with HR professionals in other industries.
- Do government industry organizations track impending retirements?** Government agencies were significantly more likely to track impending retirements of their workers in all the time frames measured compared with other industries.
- Do government industry organizations have formal strategies for attracting and retaining older workers?** Similar to other industries, very few government agencies said they had formal strategies for either retaining (4%) or recruiting (1%) older workers.
- What methods are used to recruit older workers in the government industry?** As in other industries, employee referrals were the most common method of recruiting older workers in the government sector (26%). However, over one-half (55%) of government agencies said they did not actively recruit older workers.

As shown in Figure 8, HR professionals in the government sector were significantly more likely than HR professionals in other industries to report that their organizations were making changes to their recruiting (30% compared with 23% in other industries) and retention (32% compared with 25% in other industries) practices to a small extent in preparation for an aging workforce. They were less likely to report that they were not changing general management practices at all compared with other industries (33% compared with 43% in other industries).

HR professionals in government agencies were significantly more likely to indicate they tracked impending retirements of workers in their organizations compared with other industries in all four time frames studied: one to two years (73% compared with 46% in other industries), three to five years (67% compared with 42% in other industries), six to 10 years (38% compared with 23% in other industries) and 11 to 15 years (28% compared with 16% in other industries), as shown in Figure 9. As in other

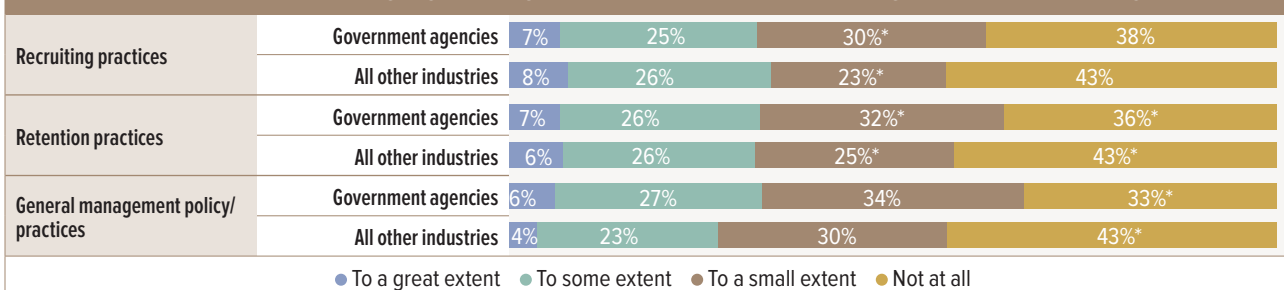
industries, very few government organizations reported that they had a formal strategy for retaining (4%) or recruiting (1%) older workers (see Figure 10).

Recruiting Older Workers in Government

Overall, HR professionals whose organizations recruit older workers said that employee referrals were the most common method of recruiting these workers. HR professionals in the government sector were also most likely to report using this method to recruit older workers, with 26% of HR professionals reporting that they used this method, followed by 18% who said they used networking and 15% who said they used the Internet via websites aimed at job seekers age 55 and older (see Figure 11).

As shown in Figure 12, HR professionals in government organizations did not differ from their peers in other industries in the levels of difficulty they reported in recruiting exempt older workers. However, they were more

FIGURE 8 | Extent the Increasing Age of Organization’s Workforce Has Begun to Prompt Changes in . . .

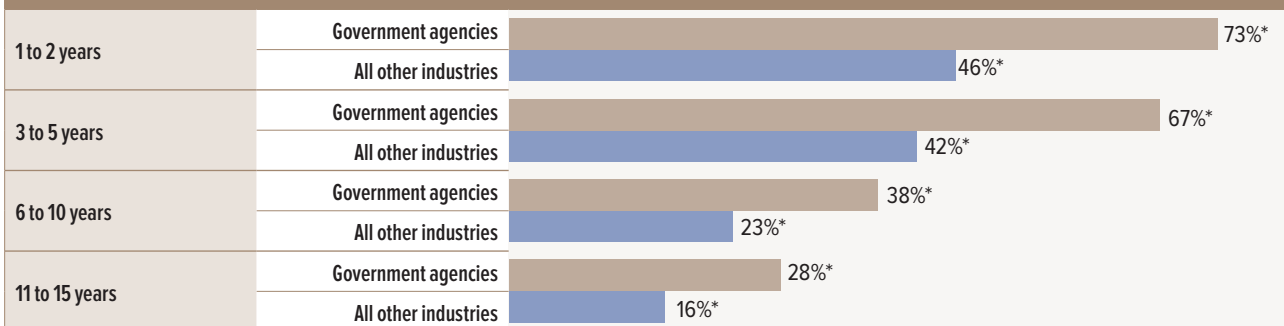


*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 210-211; all other industries n = 1,490-1,501. Respondents who indicated “Not applicable” were not included in the analysis. Percentages may not total 100% due to rounding.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 9 | Organizations That Track the Percentage of Workers in Organizations Eligible to Retire in the Next . . .



*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 206-215; all other industries n = 1,466-1,512.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

likely to report that they found it easy or extremely easy to recruit nonexempt older workers (30% compared with 23% in other industries).

Government organizations also did not differ greatly from other industries in the degree of difficulty they experienced in recruiting for various job roles with the exception of skilled labor. As shown in Figure 13, HR professionals in the government sector were more likely

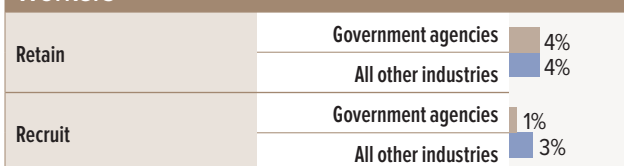
to report this job family as easy or extremely easy to fill than HR professionals in other industries (40% compared with 28% in other industries).

Retaining Older Workers in Government

There were no significant differences between the difficulty HR professionals in the government sector reported in retaining their mature workers in either the exempt or nonexempt categories. Like other industries, few HR professionals in the government sector found it difficult or extremely difficult to retain exempt older workers (10%) or nonexempt older workers (9%), as shown in Figure 14.

Similar to other industries, those HR professionals in the government sector who did report difficulty retaining mature workers were most likely to say that the main barriers had to do with workplace flexibility or offering benefits attractive to mature workers, as shown in Table 1.

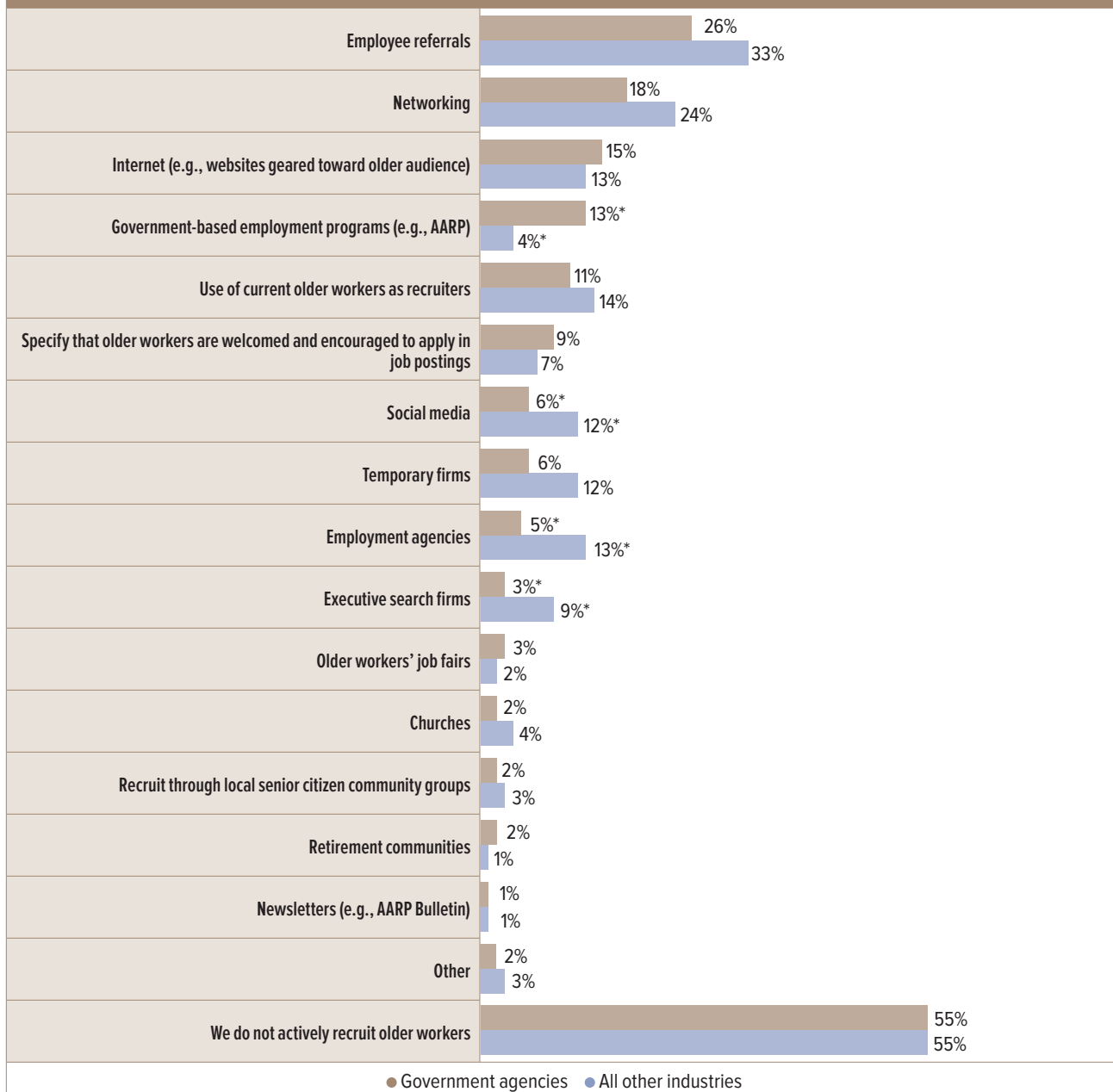
FIGURE 10 | Organizations That Have a Formal Strategy for Retaining and Recruiting Older Workers



Note: Government agencies n = 208; all other industries n = 1,498-1,499.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 11 | Methods Used by Government Agencies to Recruit Older Workers

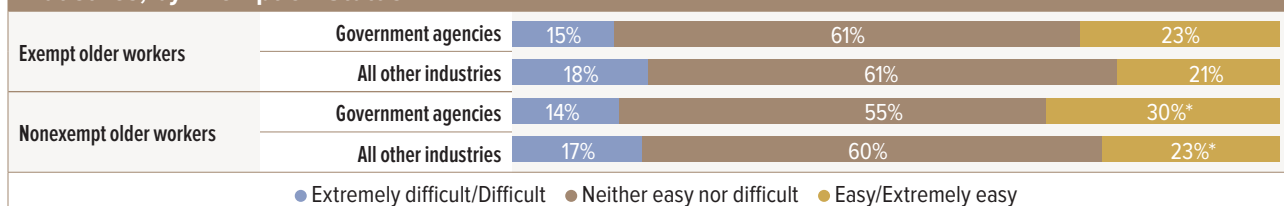


*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 131; all other industries n = 852. Only respondents who indicated that the increasing age of their organizations' workforce has prompted change in their recruiting practices were asked this question. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 12 | Ease or Difficulty in Recruiting Qualified Older Workers in Government Compared with Other Industries, by Exemption Status



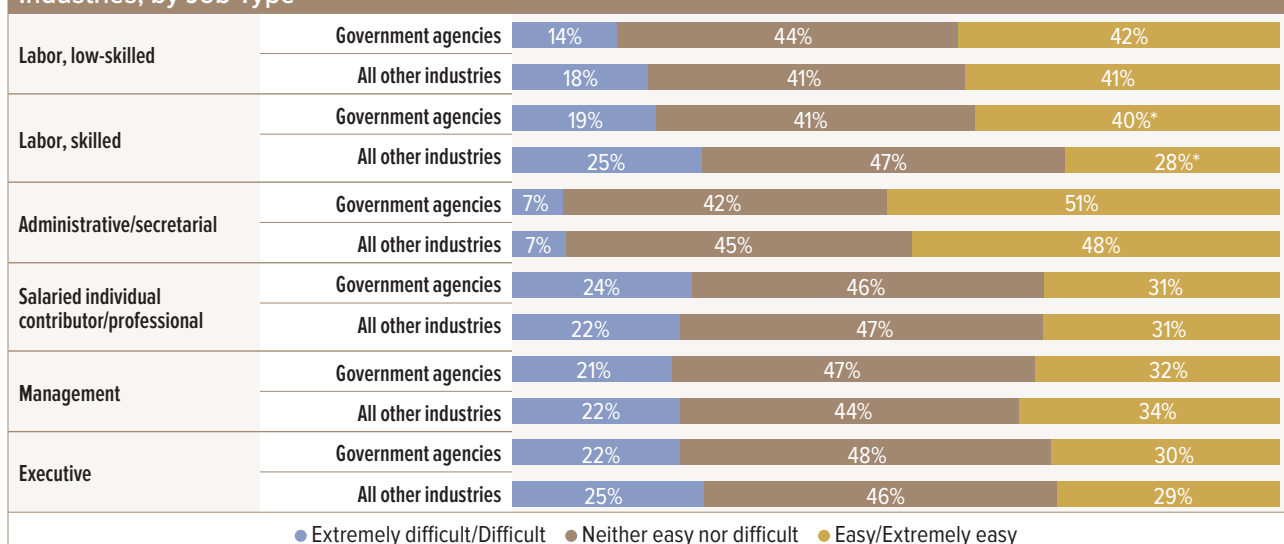
● Extremely difficult/Difficult ● Neither easy nor difficult ● Easy/Extremely easy

*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 210-213; all other industries n = 1,499-1,509.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 13 | Ease or Difficulty in Recruiting Qualified Older Workers in Government Compared with Other Industries, by Job Type



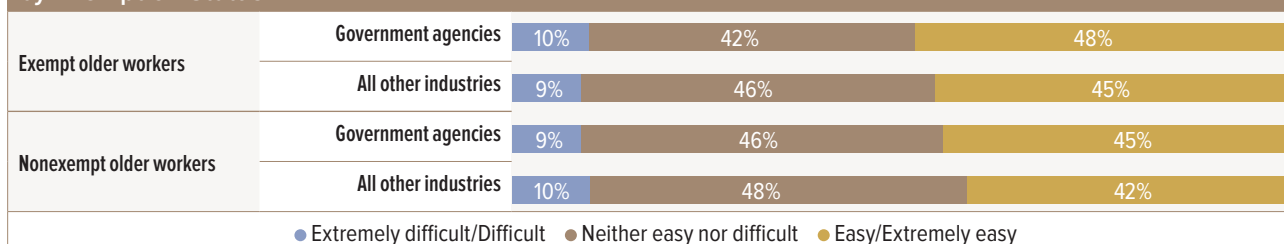
● Extremely difficult/Difficult ● Neither easy nor difficult ● Easy/Extremely easy

*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 145-194; all other industries n = 870-1,339. Respondents who indicated "Not applicable" were not included in this analysis. Percentages may not total 100% due to rounding.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 14 | Ease or Difficulty in Retaining Older Workers in Government Compared with Other Industries, by Exemption Status



● Extremely difficult/Difficult ● Neither easy nor difficult ● Easy/Extremely easy

Note: Government agencies n = 211-213; all other industries n = 1,498-1,519.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

TABLE 4 Factors That Contribute to Difficulties in Retaining Older Workers		
My organization is unable to offer . . .	Government Agencies	All Other Industries
Flexibility in work location (e.g., working from home, satellite offices)	48%	47%
Work schedule flexibility (e.g., changing starting and ending times periodically, compressed workweek)	44%	44%
Flexibility in type of employment (e.g., consultant work, temporary work)	44%	38%
Career flexibility (e.g., reduced responsibilities, job change/occupation shift)	37%	45%
Work hour flexibility (e.g., reduced hours, job-sharing, phased retirement, part-year employment)	37%	46%
Benefits attractive to older workers (e.g., different health care benefits, wellness benefits)	41%	33%
Other	15%	15%
<p>Note: Government agencies n = 27; all other industries n = 198. Only respondents who indicated it is “Difficult” or “Very difficult” for their organization to retain older workers compared with other workers were asked this question. Percentages do not total 100% due to multiple response options.</p> <p>Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)</p>		

CASE STUDY:

United States Social Security Administration

There is no mandatory age at which one must stop working at the U.S. Social Security Administration (SSA), but that rule has done little to stabilize the payroll at this sizable federal agency. Each year, nearly 3,000 employees leave the SSA, and the bulk of those are due to retirements.

Of the agency's approximately 64,000 workers, 25% belong to the 55-and-older demographic, said Dr. Reginald Wells, the SSA's deputy commissioner for human resources. Many employees do stick around for decades, but back in the late 1990s, constant churn among the ranks prompted the SSA's leadership to truly emphasize workforce planning for its experienced personnel, he said.

"This is a large demographic for us and we pay close attention to it," Wells said. "It's pretty well spread out over our agency. The baby boomers are working a lot longer, but we also do a 'retirement wave' analysis every year. We look at everyone's retirement [benefits] eligibility, and it has led us to building a number of programs devoted to things like knowledge transfer and employee development for those who are early in their careers."

Some of the trickier duties to navigate for newly hired SSA workers include administration of the Title II and Title XVI programs, which provide benefits to disabled dependents of SSA-insured persons and to disabled individuals with limited income, respectively. Knowing that, the agency developed a mentoring program, available for all workers at the agency's 1,400 locations—which include regional offices, field offices, service centers and related operations—around the country. In some instances, group mentoring is provided, and it "has gotten rave reviews" from employees, Wells said.

Elsewhere at the agency, when an employee announces an intent to retire, the SSA offers a "gradual retirement" benefit. It allows the employee to use his or her remaining leave time "a little more liberally" while the SSA devises a plan to retain that worker's institutional knowledge, Wells said.

"With these employees, who are winding down their service, their supervisors may allow them a little more time off to slow down," he said. "We identify somebody to come in and start taking their assignments and responsibilities, and it eases the transition." For those who have second thoughts about retiring from the SSA, the agency also offers a "trial retirement program," in which employees can request to return to work within their first year off the SSA's payroll, as long as management can feasibly accommodate the request. Many employees come back in a part-time arrangement, Wells said, because they want to make more contributions after they retire—and some simply feel that they retired too soon.

Returning retirees are also eligible for the government's dual compensation waiver program, which allows them to draw salary with no impact on their retirement savings that they already receive. That particular perk drew the ire of some U.S. lawmakers at one point, but Wells said it helped him illustrate the importance of older workers for the SSA's operations.

"About three or four years into my job, we had some people use this program," he said. "At the time, there was some controversy in Congress, they were questioning why the government would be allowing employees to retire and come back. They were suggesting that the government was doing bad workforce planning.

"I asked to respond to those allegations directly because of a visit I made to an SSA field office. I addressed the staff, and two of the younger, newer staff members stood up and thanked me for the program. I was curious about why, and they said, one of the program's participants in their office was an expert in Title XVI. The intricacies of that program were such that, if this woman was not there to help navigate, it would take twice as much time for these younger workers. So these twentysomethings were talking about how valuable this woman in her sixties was for knowledge transfer."

Swings in federal spending have also had their way of disrupting the SSA's workforce. The agency had a hiring

freeze from 2010 to 2014, at a time when its budget proposals were not fully funded. Before that, the Great Recession had ramped up the public's demand for SSA's services, and it became even more crucial to hang onto mature workers' institutional knowledge, Wells said.

"When we can't replenish our workers, we lose ground," he said. "We had long lines at all of our field offices, and it was attributed to losing staff. When the economy went down, people with disabilities and chronic ailments were not as easily employed, and they were using our disability services. That made things much tougher with less staff."

With a recent federal initiative to hire more veterans, the demographics are changing—ever so slightly—in SSA's offices, Wells said. The agency's average age of hire is 36, but the SSA continues to employ thousands of workers with 30-plus years of service, and some with as many as 60 years' tenure.

"Our belief, certainly, is that the employees who have spent 30 to 35 to 40 years with the agency have mastered whatever their responsibility is," Wells said, "and we've seen challenges when they retire if we have not prepared for it as well as we should have. The adage we use in HR is, 'all ages, all stages.' It's our intent to support them from their entry into the organization until their retirement."

Skills and Older Workers

Key Findings

- **Do government organizations capitalize on and incorporate the experience of older workers?**

Two-thirds (67%) of respondents from government agencies indicated that their organizations attempted to capitalize on and incorporate the experience of older workers to some or to a great extent. HR professionals from government agencies were more likely to report that their organizations attempted to capitalize on and incorporate the experience of older workers to some extent than HR professionals in other industries. Few (11%) reported that their organizations did not capitalize on and incorporate the experience of older workers at all.

- **What basic and applied skills do government organizations value in their older workers?** Similar to their counterparts in other industries, HR professionals in government agencies were most likely to report that they valued the more extensive work experience (74%), greater maturity and professionalism (68%), and stronger work ethic (66%) of their older

workers. HR professionals in the government sector were significantly more likely to indicate they valued older workers' institutional knowledge compared with other industries, but were less likely to say they valued the loyalty, commitment/engagement, and established networks of contacts and clients of older workers.

- **What steps are government organizations taking to prepare for potential skills gaps resulting from the loss of older workers?** HR professionals in government agencies were most likely to report that they were increasing training and cross-training efforts (49%) and developing succession plans (34%) to prepare for potential skills gaps. Responding government agencies were significantly more likely to report that they had increased training and cross-training efforts and developed processes to capture institutional knowledge than organizations in other industries.

In the future, more and more organizations will build a competitive advantage by capitalizing on the skills and experience of older workers. The final section of the survey looked at the skills HR professionals value in their mature employees, including basic and applied skills, and what efforts, if any, they are making to transfer the skills and knowledge of older workers to the rest of their workforce.

Capitalizing on the Value of Older Workers in Government

As shown in Figure 15, 22% of HR professionals in government agencies said they were making the most of the skills and experience of older workers to a great extent and 45% to some extent (significantly more than in other industries—38%). Only 11% said their organizations were not at all attempting to capitalize on and incorporate the skills and experience of older workers.

Perceived Advantages of Older Workers in Government

HR professionals in government organizations were most likely to indicate they valued older workers' work experience (74%), maturity and professionalism (68%), and stronger work ethic (66%). HR professionals in government agencies were significantly more likely than HR professionals in other industries to report that they valued the ability of older workers to pass on institutional knowledge (65% compared with 45% in other industries). However, they were significantly less likely to report that more loyalty (46% compared with 53% in other industries), commitment/engagement (42% compared with 53% in other industries), and established networks of contacts and clients (33% compared with 40% in other industries) were valued attributes of their mature workforce, as shown in Figure 16.

As shown in Figure 17, writing in English was the top basic skill attributed to older workers in government organizations (50%). This was followed by government/economics (25% compared with 11% in other industries—a significant difference) and reading comprehension (22%). HR professionals in government agencies were significantly less likely to indicate technical knowledge as one of the strongest basic skills of older workers compared with their peers in other industries (8% compared with 14% in other industries).

Similar to their peers in other industries, HR professionals in government agencies reported they valued the applied skills of professionalism/work ethic (52%) of their mature employees, followed by critical thinking/problem-solving (26%) and lifelong learning/self-direction (23%), as shown in Figure 18. Responding HR professionals from government agencies were significantly more likely to indicate written communication was one of the strongest applied skills of older workers compared with other industries (17% compared with 9% in other industries).

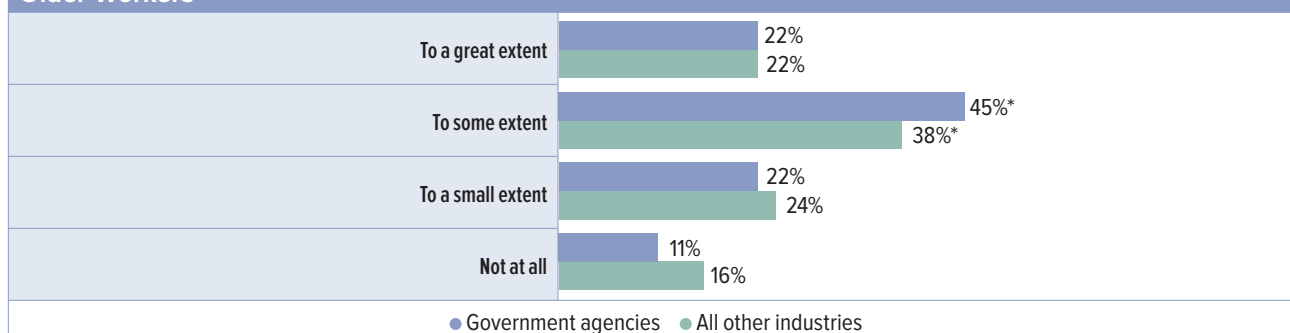
HR professionals in government organizations were most likely to say they were increasing training or cross-training efforts (49%, significantly more than other industries at 41%) and developing succession plans (34%) to address potential skills gaps as a result of the loss of older, experienced workers. In addition to increasing training and cross-training efforts, they were significantly more likely to indicate their organizations had developed processes to capture institutional knowledge than their counterparts in other industries (29% compared with 16% in other industries). As shown in Figure 19, HR professionals in government agencies were significantly less likely to say that their organizations had not taken any steps

compared with other industries (27% compared with 35% in other industries).

Three-fifths (60%) of HR professionals in the government industry reported that their organizations were using training or cross-training programs to transfer knowledge from older workers to younger workers. About one-quarter reported their organizations used job shadowing (27%) and mentoring programs (26%), significantly less than in other industries (34%). They were significantly more likely to say that their organizations developed skill transition plans to facilitate transfer of knowledge from older to younger workers (18% compared with 13% in other industries), as shown in Figure 20.

Similar to HR professionals in other industries, the majority of HR professionals in government agencies reported that employees in their organizations were receptive to working with older workers; 94% said employees were receptive to working with older workers to a great (51%) or to some (43%) extent. In addition, 91% said that employees were receptive to learning from older workers to a great or to some extent. Although 82% of HR professionals in the government sector said their employees were receptive to being mentored by older workers to a great or to some extent, significantly fewer indicated their employees were receptive to being mentored by older workers to a great extent (36% compared with 45% in other industries). Almost none (1%-3%) of the respondents in the government sector indicated that employees in their organizations were not at all receptive to working with, learning from and being mentored by older workers (as shown in Figure 21). As in other industries, these findings suggest that there is an overall awareness of the value of learning from older workers within the industry.

FIGURE 15 | Extent to Which Organizations Attempt to Capitalize on and Incorporate the Experience of Older Workers

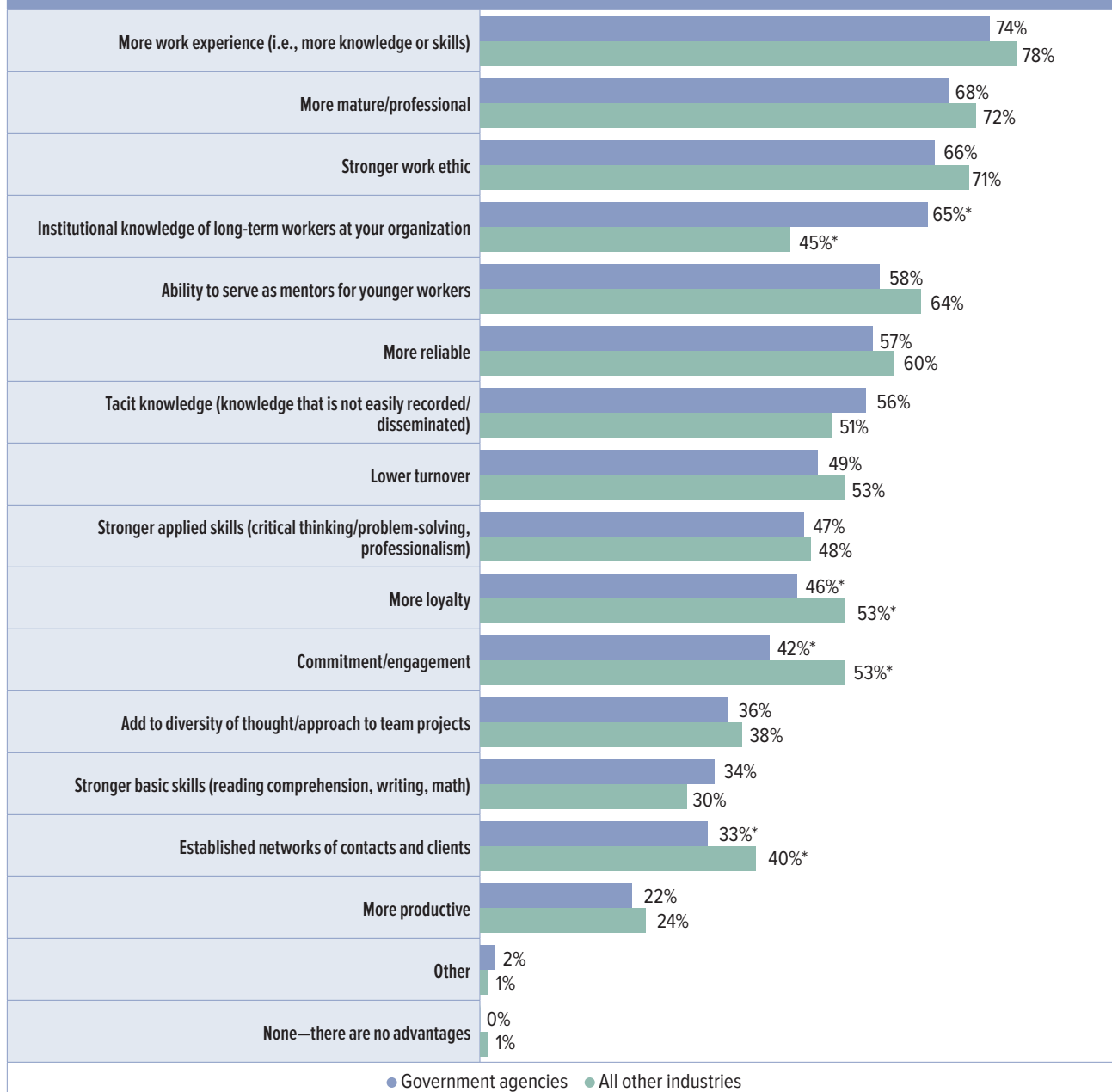


*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 209; all other industries n = 1,484.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 16 | Main Advantages of Older Workers Compared with Other Workers^a



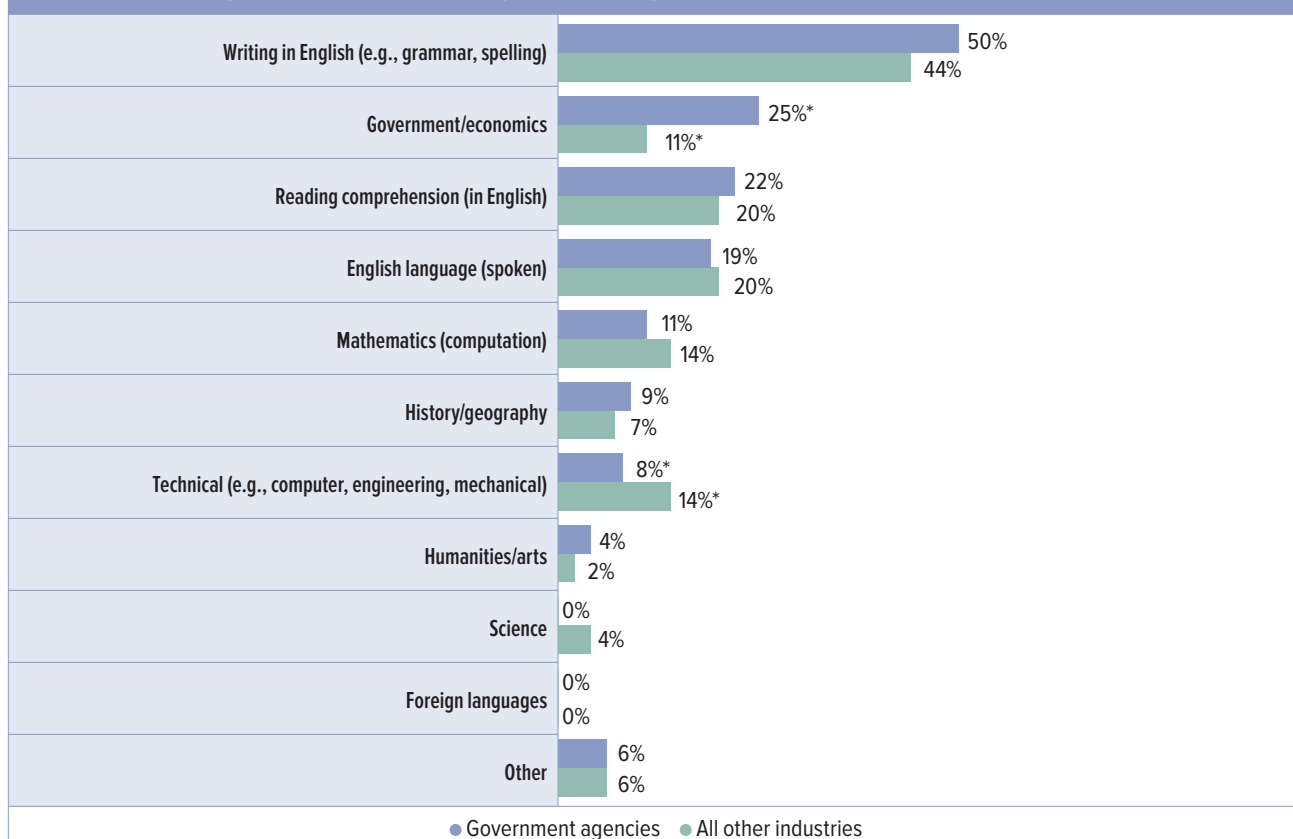
^aSurvey question was worded as follows: “In your professional opinion, what are the main advantages workers age 55 and older bring to your organization compared with other workers? (Check all that apply)”

*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 207; all other industries = 1,501. Percentages do not equal 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 17 | Strongest Basic Skills Held by Workers Age 55 and Older Compared with Other Workers[^]



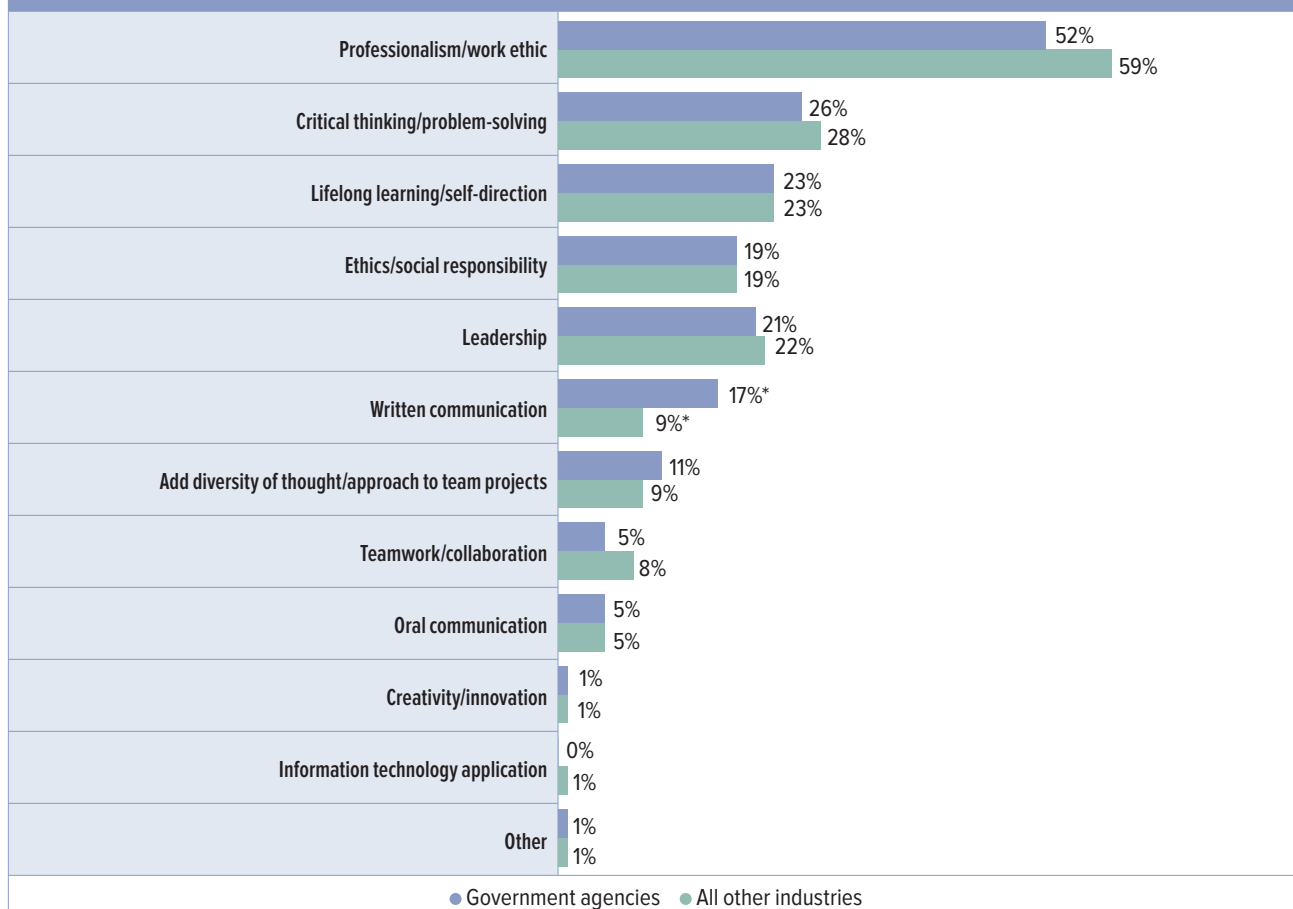
[^]Survey question was worded as follows: “In your professional opinion, what are the strongest basic skills held by workers age 55 and older compared with other workers? (Check the top two choices)”

*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 207; all other industries = 1,501. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 18 | Strongest Applied Skills Held by Workers Age 55 and Older Compared with Other Workers[^]



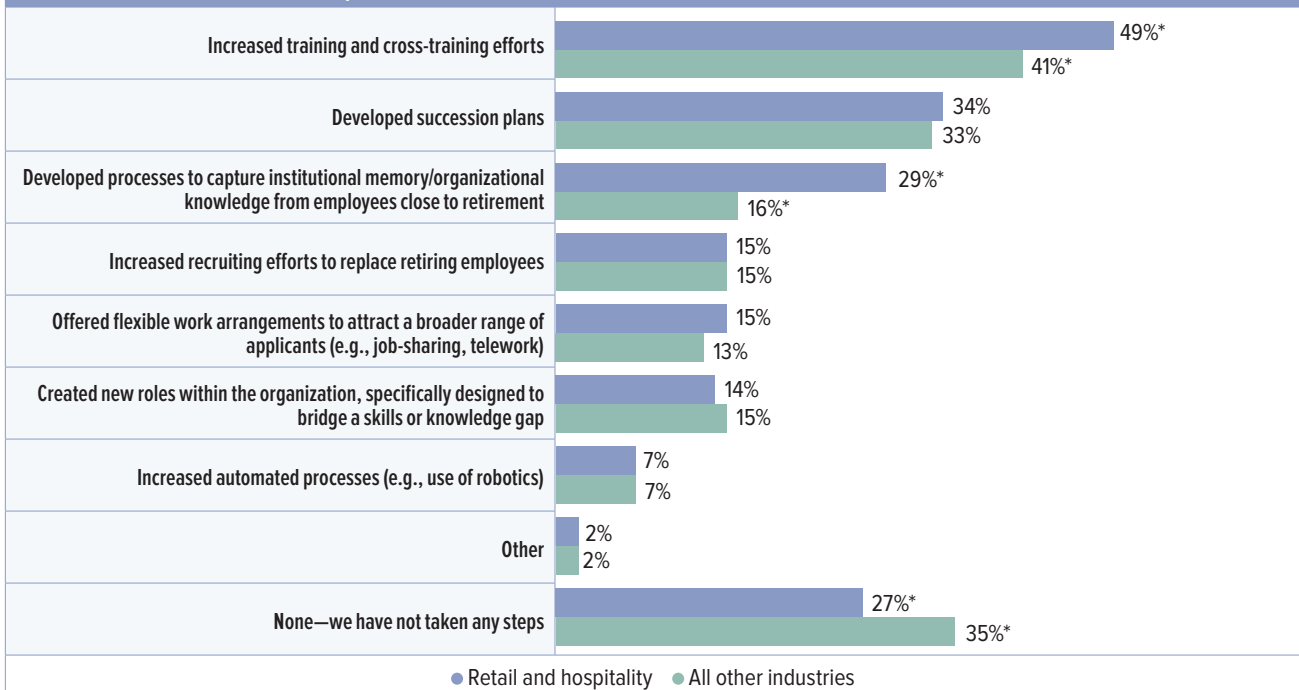
[^]Survey question was worded as follows: “In your professional opinion, what are the strongest applied skills held by workers age 55 and older compared with other workers? (Check the top two choices)”

*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 207; all other industries = 1,501. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 19 | Steps Government Agencies Have Taken to Prepare for Potential Skills Gaps as a Result of the Loss of Older Workers Compared with Other Industries

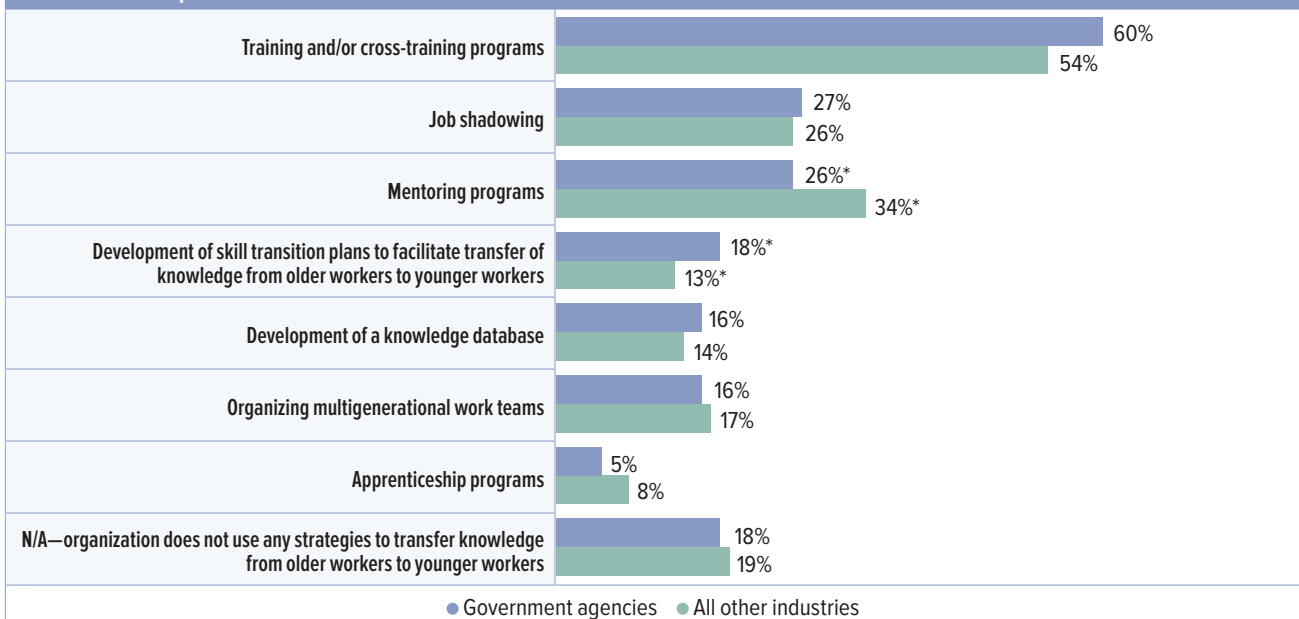


*The difference between government agencies and all other industries is statistically significant ($p < .05$).

Note: Government agencies $n = 207$; all other industries $n = 1,500$. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 20 | Strategies Government Agencies Use to Transfer Knowledge from Older Workers to Younger Workers Compared with Other Industries

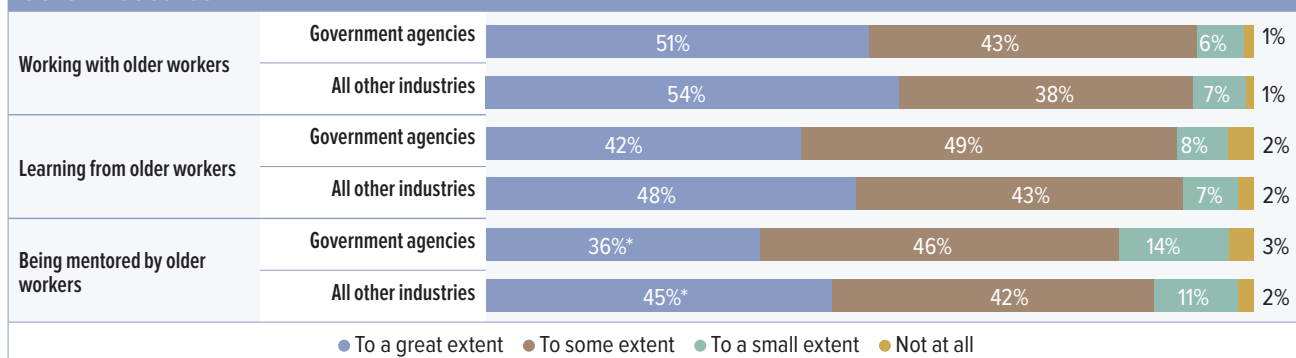


*The difference between government agencies and all other industries is statistically significant ($p < .05$).

Note: Government agencies $n = 207$; all other industries $n = 1,499$. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)

FIGURE 21 | Receptiveness of Government Industry Employees Related to Older Workers Compared with Other Industries



*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 206-207; all other industries n = 1,474-1,484. Percentages may not total 100% due to rounding.

Source: Preparing for an Aging Workforce: Government Industry Report (SHRM, 2015)



Conclusion and Implications for Government HR Professionals

The government sector appears to be ahead of other industries in preparing for an aging workforce in a few key ways. First, government organizations were more likely to report that they are tracking the demographic changes in their workforces, at least in the short to medium term, and are therefore less likely to be taken by surprise by large waves of retirements happening in rapid succession. In addition, HR professionals in the government sector appear to be more focused on capturing the institutional knowledge of mature workers than their counterparts in other industries. However, many HR professionals in government agencies report similar levels of awareness of the issue and progress in preparing for these changes as HR professionals in other industries.

HR professionals in government will be taking a leadership role in the coming years as they prepare for the aging of their workforces. As in other industries, they must learn as much as they can about how these demographic shifts are likely to affect their workforces and must work with their leadership to implement programs that capture and transfer the knowledge of their mature workers. The use of flexible work practices may be particularly important for organizations in the government industry to encourage their most productive and valued older workers to remain in the workforce longer, especially as a way to extend the time frame available to capture the valuable institutional knowledge of such workers.

Methodology

The SHRM Preparing for an Aging Workforce Survey, conducted by the Society for Human Resource Management and supported by a grant from the Alfred P. Sloan Foundation, collected responses from 1,913 HR professionals. The purpose of this research was to a) investigate the current demographics of organizations and respondents' views on how the demographic breakdown of their workforces is likely to change in the future in both their organizations and their industries; b) determine what, if any, actions organizations are taking to prepare for an aging workforce, including recruiting and retention strategies to specifically target older workers; and c) identify the skills and experience HR professionals value in older workers. Statistically significant differences ($p < .05$) between government and all other industries, when applicable, are noted throughout the report.

An e-mail including a link to the online survey was sent to 18,000 randomly selected SHRM members from private-sector and nonprofit organizations and 2,000 randomly selected SHRM members from government agencies. The survey was fielded from May through July 2014. During the data collection period, several e-mail reminders were sent, and a small incentive was offered to increase the response rate. Of the 20,000 e-mail invitations, 19,308 were successfully delivered, and 1,913 HR professionals responded, yielding a 10% response rate and a +/- 2% margin of error.

Endnotes

- ¹ U.S. Bureau of Labor Statistics. (2013, December 19). Employment by major industry sector, 2002, 2012, and projected 2022. Retrieved from <http://www.bls.gov/news.release/ecopro.t03.htm>
- ² U.S. Bureau of Labor Statistics. (2014, September 18). Employee tenure summary. Retrieved from <http://www.bls.gov/news.release/tenure.nr0.htm>
- ³ U.S. Bureau of Labor Statistics. (2014, April 25). Employed persons by detailed industry and age, 2013 annual averages. *Current Population Survey (CPS)*. Retrieved from http://www.bls.gov/cps/industry_age.htm
- ⁴ Paullin, C. (2015). *The aging workforce: Leveraging the talents of mature employees*. Alexandria, VA: SHRM Foundation. Retrieved from <http://www.shrm.org/about/foundation/products/pages/the-aging-workforce-leveraging-the-talents-of-mature-employees.aspx>

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