



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

Preparing for an Aging Workforce

RETAIL AND HOSPITALITY INDUSTRY REPORT



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ALFRED P. SLOAN
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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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MEDIA CONTACTS

Kate Kennedy
kate.kennedy@shrm.org
+ 1.703.535.6260

Vanessa Gray
vanessa.gray@shrm.org
+ 1.703.535.6072

USA

SHRM Headquarters
Alexandria, VA 22314
+1.800.283.7476
SHRM@shrm.org

CHINA

Gateway Plaza
Chaoyang District
Beijing, 100027
+86.10.59231033
SHRMChina@shrm.org

INDIA

Gurgaon, Sector 26
Haryana 122002
+91.12.44200243
SHRMIndia@shrm.org

UNITED ARAB EMIRATES

Dubai Knowledge Village
Dubai, UAE
+971.050.104.6330
SHRM.MEA@shrm.org

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For more information, please contact:
SHRM Research Department
1800 Duke Street, Alexandria,
VA 22314, USA
Phone +1.703.548.3440 **Fax** +1.703.535.6432
Web www.shrm.org/research

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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. Retail and Hospitality Industry

The U.S. Bureau of Labor Statistics (BLS) forecasts that by 2022 more than one-quarter of the U.S. labor force will be in the 55-plus age category, compared with roughly one-fifth in 2012. The percentage of retired Baby Boomers has nearly doubled since 2010, when the U.S. Census Bureau found that 10% of Baby Boomers were retired. Each industry will be affected by this shift in different ways, driven by current demographics, education trends and industry growth.

For the purpose of this industry report, the “retail and hospitality” industry includes accommodation and food services, retail trade, wholesale trade, and the transportation and warehousing sector.

The BLS projects that the services-providing sector—which includes the retail and hospitality industry—will generate the majority of job growth in the U.S. labor force during the 2012-to-2022 time frame. Wholesale trade, retail trade, transportation and warehousing, and leisure and hospitality are all expected to have an annual job growth rate of slightly less than 1.0 percent from 2012 to 2022. The overall percentage of these jobs in the U.S. labor force, however, is expected to decline slightly from 2012 to 2022, outpaced by higher rates of growth in the professional and business services and health care and social assistance sectors.¹

According to the BLS, workers in retail and hospitality have lower tenures when compared with other major industries. BLS data show that workers in the leisure and hospitality sector had the lowest median tenure (2.3 years) in 2014 compared with all other major industries, with an average overall tenure of 4.6. The median age of workers in the leisure and hospitality sector (31.3) tends to skew younger as well, and this may affect the shorter tenures in that industry.² Although there may not be a high concentration of older workers in the retail and hospitality industry at the present time, future job growth in that sector may create opportunities for employers to recruit members of this growing demographic to meet demand.

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 retail and hospitality industry compared with all other industries.

The State of Older Workers in the U.S. Retail and Hospitality Industry

Key Findings

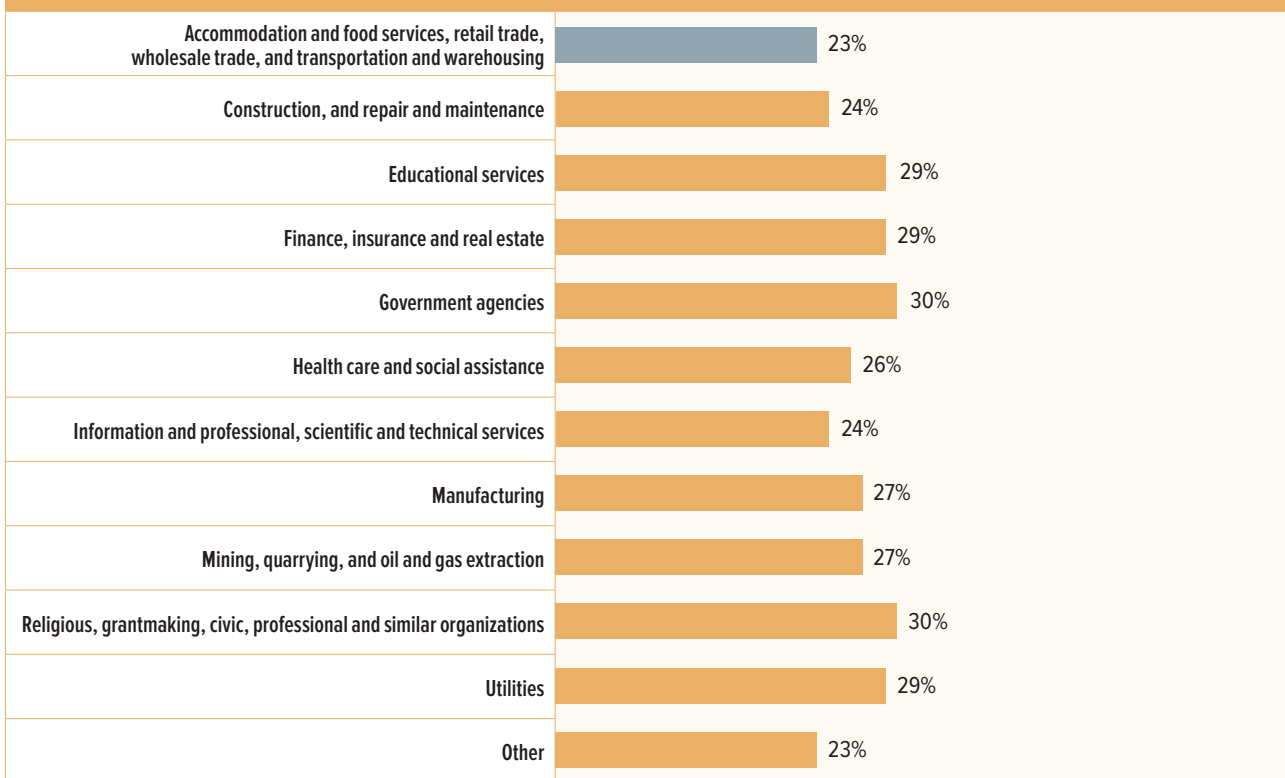
- What percentage of workers in the retail and hospitality industry are age 55 and older?** Responding retail and hospitality firms reported that 23% of their workforce were age 55 and older, lower than all other industries (except for the “Other” group, see Figure 1).
- Are retail and hospitality organizations preparing for an aging workforce?** HR professionals in retail and hospitality firms (12%) were as likely as HR professionals in other industries (12%) to say that they were not aware that the proportion of older workers was increasing and that older workers were projected to make up approximately 26% of the labor force by the year 2022. HR professionals in retail and hospitality were less likely to say their organizations had implemented specific policies and practices to address this change compared with other industries (2% versus 7% in other industries). Similar to other industries, 37% of HR professionals in retail and hospitality said their firms were preparing for the projected increase in the proportion of older workers in the labor force by beginning to examine internal policies and management practices to address this change. Similarly, approximately the same percentage (19%-20%) of HR professionals in retail and hospitality companies as in other industries reported that their organizations had examined their workforce and determined that no changes in their policies and practices were necessary (see Figure 2).
- Do HR professionals in the retail and hospitality sector see the aging workforce as a potential problem for their industry?** Significantly more HR professionals in the retail and hospitality sector believed the impact of the potential loss of talent due to retirement or older workers leaving their organization for other reasons was not a problem for their industry in the next one to two years (53% compared with 45% in other industries). Similarly, HR professionals in retail and hospitality were less likely to indicate it was a problem in the next three to five years (16% compared with 25% in other industries). However, looking further out, about the same percentage of retail and hospitality HR professionals foresaw the aging workforce as a problem in the next six to 10 years (27% compared with 29% in other industries) and 11 to 20 years (29% compared with 27% in other industries) for their industry; 5% considered it a crisis and 27% a problem in the next six to 10 years (see Figure 3).
- Are retail and hospitality firms taking any steps in response to an aging workforce?** HR professionals from retail and hospitality firms were about as likely to indicate their organizations were taking steps to prepare for an aging workforce as their counterparts in other industries. For example, over one-half of HR professionals in retail and hospitality indicated their organizations had identified their future workforce needs in the next one to two years (56%-58%, see Figure 6).

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 Retail and Hospitality Industry

HR professionals in the retail and hospitality sector reported that less than one-quarter (23%) of their workforce fell into the older worker category, lower than all 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 (i.e., retail and hospitality) employs significantly fewer older workers than the other industries.

Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

Awareness of the Changing Workforce Demographics in the Retail and Hospitality Industry

HR professionals in retail and hospitality firms were as likely as HR professionals in other industries to indicate that they were not aware that the proportion of older workers was increasing and that older workers were projected to make up approximately 26% of the labor force by the year 2022 (both 12%). However, they were less likely to say that they had implemented specific policies and practices to address this change (2% in retail and hospitality versus 7% in other industries). Elsewhere, retail and hospitality industry responses were largely similar to those of other industries. More than one-third of retail and hospitality respondents (37%) indicated their organizations were preparing for the projected increase in the proportion of older workers in the labor force by beginning to examine internal policies and management practices to address this change. One-fifth (20%) of retail and hospitality respondents reported their organizations had examined their workforce and had determined that no changes in their policies and practices were necessary; a similar percentage (22%) indicated their organizations were just becoming aware of the potential change in the ratio of older workers (see Figure 2).

HR professionals from retail and hospitality organizations were more likely to report that the impact of the potential

loss of talent due to retirement or due to older workers leaving their organization for other reasons was not a problem for their industry in the next one to two years (53% compared with 45% in other industries). Fewer HR professionals in retail and hospitality considered this trend a problem for their industry in the next three to five years compared with their peers in other industries (16% compared with 25% in other industries) (see Figure 3). Projecting 11 to 20 years out, similar to other industries, 9% of retail and hospitality HR professionals considered the aging workforce to be a crisis and 29% a problem.

As discussed earlier, fewer HR professionals in the retail and hospitality sector said their organizations had implemented specific policies concerning the aging workforce compared with other industries; this may be due to companies in this sector tending to employ workers with a younger average age than other industries. However, more than one-third (37%) of HR professionals in retail and hospitality said they had begun to examine internal policies in connection with this trend, suggesting that the aging workforce will be a concern for them in the long term.

Fewer HR professionals in retail and hospitality said the impact of the potential loss of talent on their organization due to an aging workforce was a problem in the immediate future (one to two years) compared with other industries (11% versus 17% in other industries). Similar to

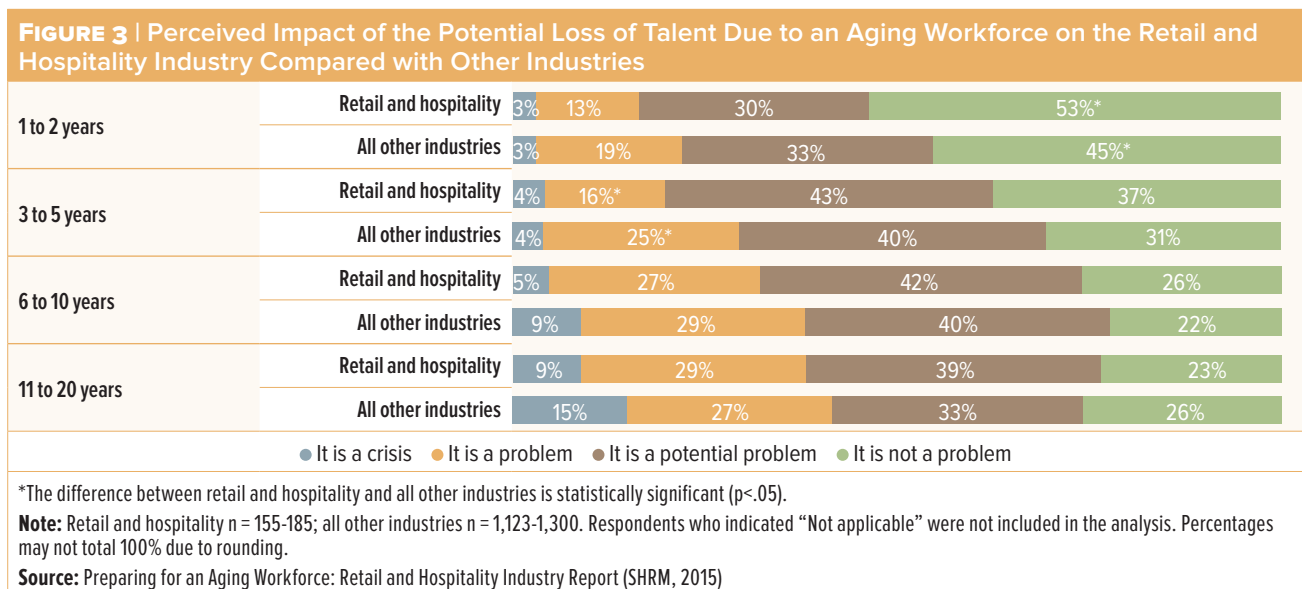
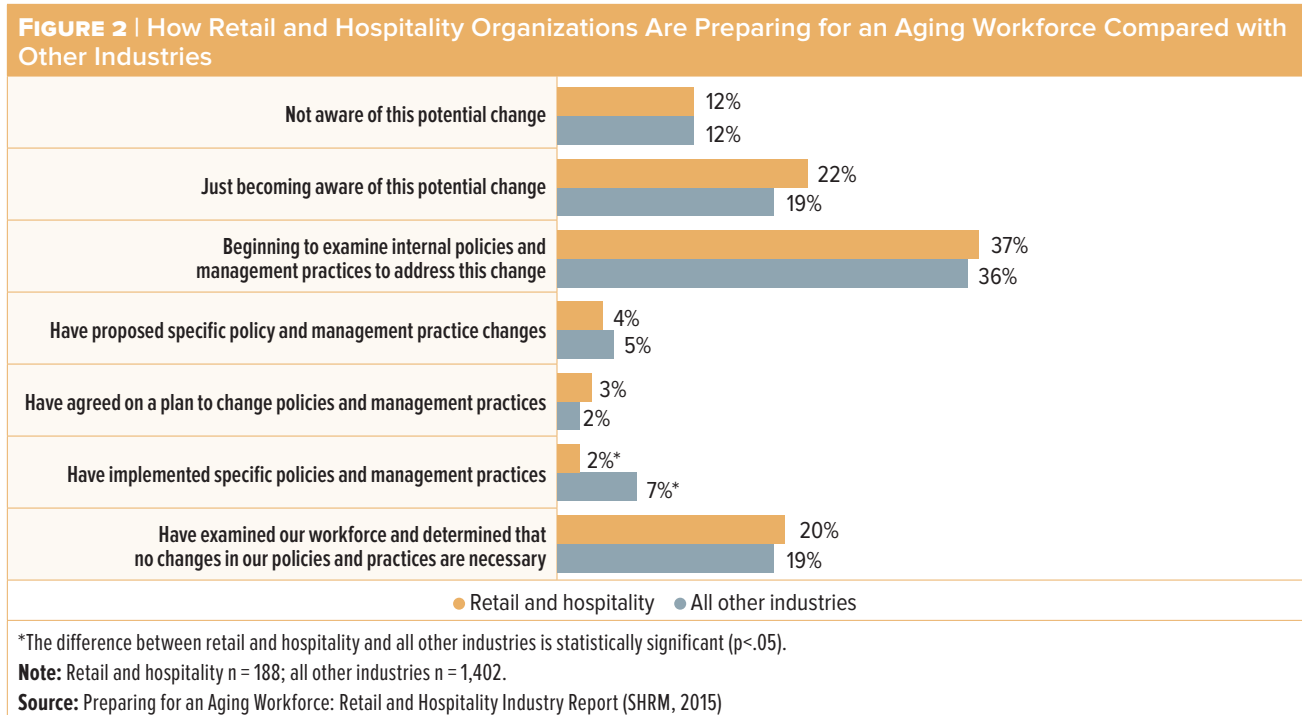
other industries, 12% of HR professionals in the retail and hospitality industry thought the potential loss of talent due to an aging workforce in the 11-to-20-year time frame was a crisis for their organization, and just over one-quarter (27%) believed it was a problem (see Figure 4).

Assessing the Impact of Changing Workforce Demographics

Areas in which there is a lack of concern may be due, in part, to missing information around precisely when and how these changes will take effect within a given

industry or organization. Although not statistically significant, there was a pattern of fewer HR respondents in retail and hospitality indicating their organizations had analyzed the impact of workers age 55 and older leaving their organizations, particularly in the one-to-two- and three-to-five-year time frames (see Figure 5).

Similar to other industries, over one-half (56%) of HR professionals in retail and hospitality indicated their organizations had identified their future workforce needs in the one-to-two-year time frame. Also similar to other industries, about two-fifths (44%) of retail and hospitality

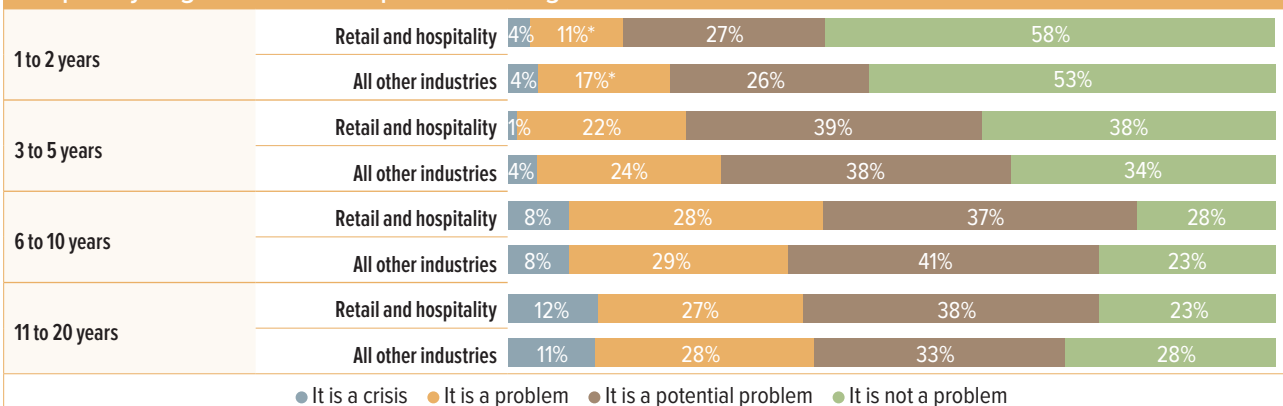


HR professionals said their organizations had identified future workforce needs in the three-to-five-year time frame, and 23% in the six-to-10-year time frame (see Figure 6). HR professionals in the retail and hospitality industry also appeared to be as mindful as their peers in other industries of potential skills gaps they could soon be facing; just over one-half (51%) said their organizations had identified their potential skills gaps in the one-to-two-year time frame. Over one-third (38%) of retail and

hospitality organizations had taken this step for the three-to-five-year time frame, and 20% for the six-to-10-year time frame (see Figure 7).

Overall, the findings suggest that although many organizations may not be fully aware of the various ways this demographic shift will influence them, many others appear to be cognizant of these changes and are taking steps to prepare for this shift.

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

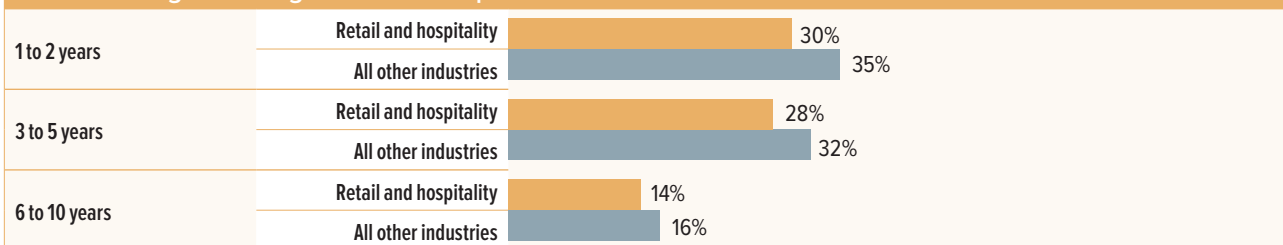


*The difference between retail and hospitality and all other industries is statistically significant (p<.05).

Note: Retail and hospitality n = 169-204; all other industries n = 1,210-1,458. 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: Retail and Hospitality Industry Report (SHRM, 2015)

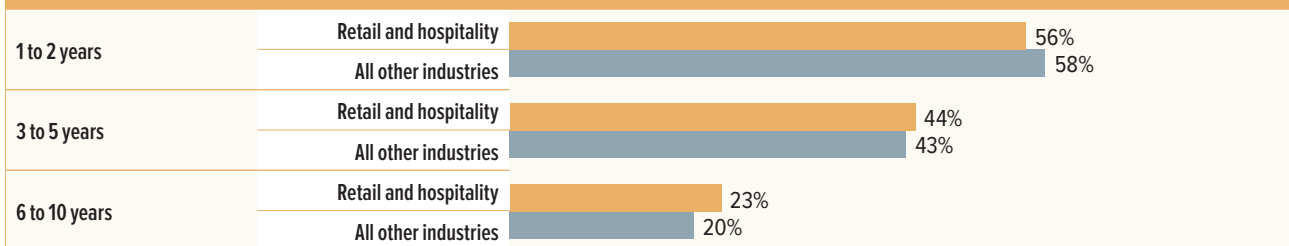
FIGURE 5 | Retail and Hospitality Organizations That Have Analyzed the Impact of Workers Age 55 and Older Leaving Their Organization Compared with Other Industries



Note: Retail and hospitality n = 166-178; all other industries n = 1,277-1,352.

Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

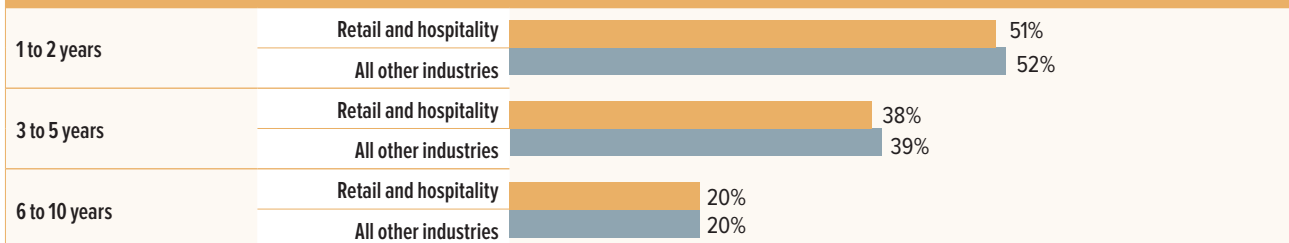
FIGURE 6 | Retail and Hospitality Organizations That Have Identified Future Workforce Needs Compared with Other Industries



Note: Retail and hospitality n = 172-191; all other industries n = 1,255-1,371.

Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

FIGURE 7 | Retail and Hospitality Organizations That Have Identified Their Potential Skills Gaps Compared with Other Industries



Note: Retail and hospitality n = 166-187; all other industries n = 1,253-1,354.

Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

Recruiting and Retaining Older Workers in the U.S. Retail and Hospitality Industry

Key Findings

- Has the aging workforce prompted changes in recruiting and retention practices in the retail and hospitality industry?** HR professionals in the retail and hospitality industry were about as likely as HR professionals in other industries to report that the aging workforce had prompted changes in their recruiting and retention practices and in their general management policy and practices to at least a small extent (see Figure 8).
- Do retail and hospitality organizations track impending retirements?** Retail and hospitality organizations were significantly less likely to track impending retirements of their workers in the long term (six to 10 years and 11 to 15 years) than other industries (see Figure 9).
- Do retail and hospitality organizations have formal strategies for attracting and retaining older workers?** Very few retail and hospitality organizations said their firms had formal strategies for either retaining (5%) or recruiting (3%) older workers, similar to other industries (see Figure 10).
- What methods are used to recruit older workers in the retail and hospitality industry?** Similar to other industries, employee referrals were the most common method of recruiting older workers in the retail and hospitality industry (36%). However, HR professionals in the retail and hospitality industry were less likely than their peers in other industries to use the Internet (8% compared with 14% in other industries) and more likely than HR professionals in other industries to use churches (7% compared with 3% in other industries) to recruit older workers (see Figure 11).

With many organizations appearing to be relatively unconcerned about the impact of demographic changes on their workforces and the potential impending loss of a large number of their most experienced workers, it is not surprising that many responding HR professionals said their organizations were not making changes to their management or recruiting and retention practices

in preparation for these shifts. About two out of five (40%-44%) responding HR professionals in the retail and hospitality industry said their organizations were not making any changes to management or recruiting and retention practices in response to the increasing age of their organization's workforce, similar to other industries (see Figure 8).

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

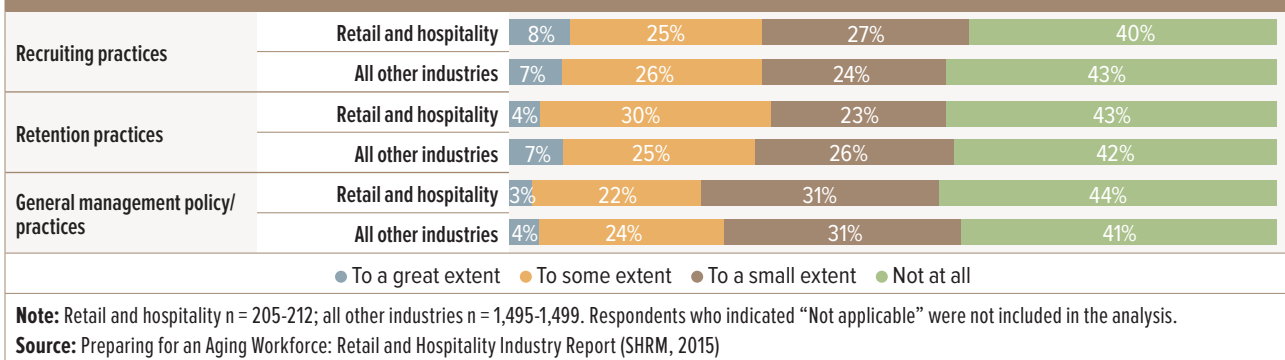
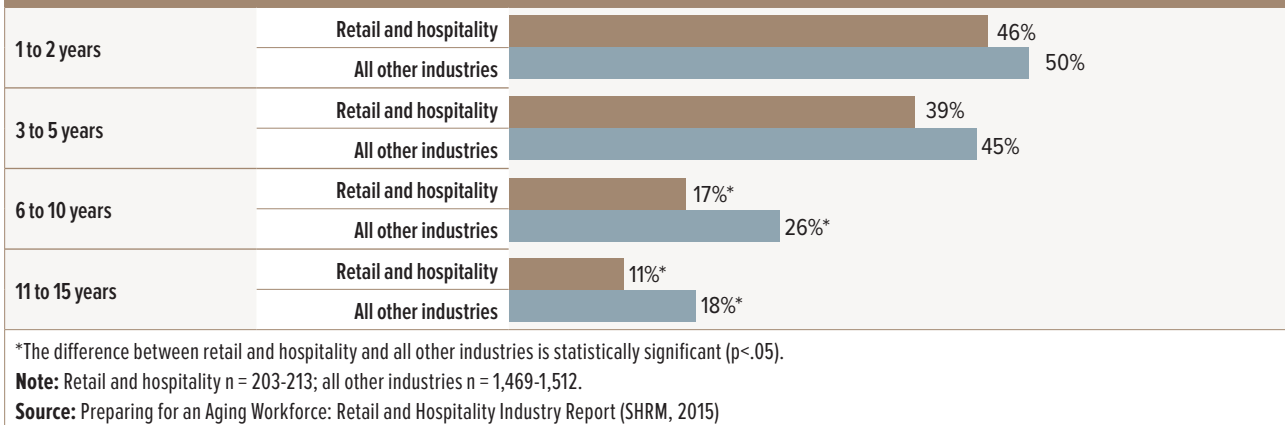


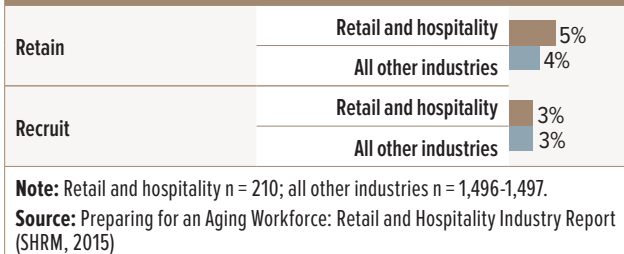
FIGURE 9 | Organizations That Track the Percentage of Workers in Organizations Eligible to Retire in the Next . . .



Although retail and hospitality organizations were about as likely to track impending retirements in the short (one to two years—46%) and medium (three to five years—39%) term, they were less likely than other industries to do so in the long term (six to 10 years—17% compared with 26% in other industries, and 11 to 15 years—11% compared with 18% in other industries) (see Figure 9).

Similar to other industries, very few retail and hospitality organizations reported they had a formal strategy for retaining (5%) or recruiting (3%) older workers, as shown in Figure 10.

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

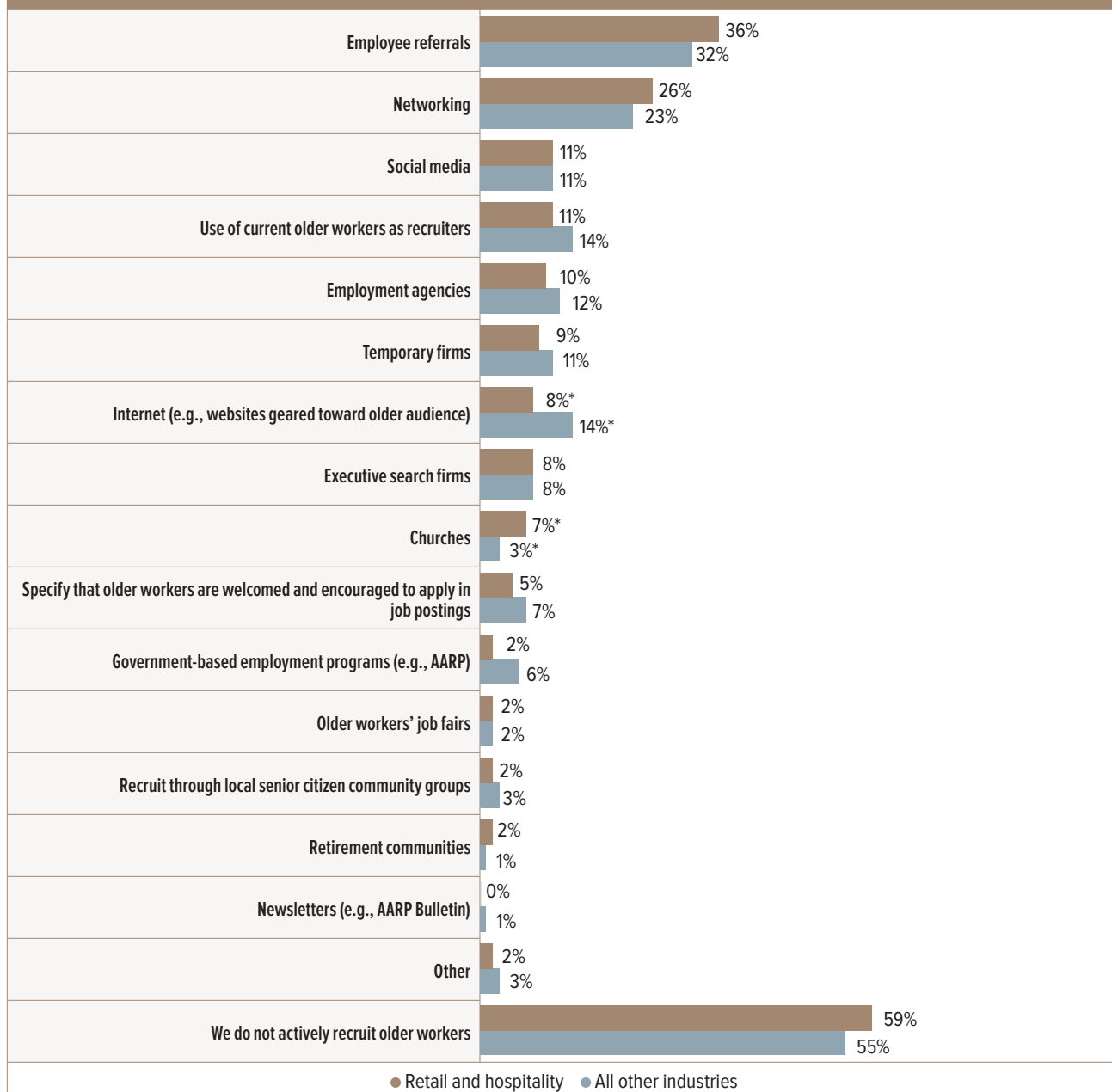


Recruiting Older Workers in Retail and Hospitality

Retail and hospitality HR professionals whose organizations recruit older workers said that employee referrals were the most common method of recruiting this demographic (36%). This was followed by networking (26%), social media (11%) and using current older workers as recruiters (also 11%). Slight differences in recruiting methods between the retail and hospitality industry and other industries included the use of Internet websites geared toward older workers (8% compared with 14% in other industries) and churches (7% compared with 3% in other industries) (see Figure 11).

HR professionals in retail and hospitality organizations were similar to their peers in other industries in terms of their reported difficulty in recruiting qualified older workers, with about one-quarter (26% for exempt and 27% for nonexempt employees) indicating it was easy or extremely easy to recruit this demographic. For nonexempt older workers, fewer HR professionals in retail and hospitality organizations than in other industries indicated they found it neither easy nor difficult to recruit older workers than their counterparts in other industries (52% compared with 60% other industries) (see Figure 12).

FIGURE 11 | Methods Used by Retail and Hospitality Companies to Recruit Older Workers



*The difference between retail and hospitality and all other industries is statistically significant ($p < .05$).
Note: Retail and hospitality $n = 128$; all other industries $n = 855$. 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: Retail and Hospitality Industry Report (SHRM, 2015)

For most job types, retail and hospitality firms reported similar levels of difficulty to recruit older workers, with 28% to 43% indicating it was easy or extremely easy. For salaried individual contributor or professional positions, HR professionals in retail and hospitality were significantly less likely to indicate it was difficult or extremely difficult to recruit older workers than HR professionals in other industries (15% compared with 23% in other industries) (see Figure 13).

Retaining Older Workers in Retail and Hospitality

Looking at the retention of older workers, HR professionals in retail and hospitality reported a higher rate of difficulty than other industries with retaining exempt older workers (14% compared with 9% in other industries) and nonexempt older workers (17% compared with 9% in other industries). More than two out of five HR professionals in retail and hospitality said it was easy or extremely

Figure 12 | Ease or Difficulty in Recruiting Qualified Older Workers in Retail and Hospitality Compared with Other Industries, by Exemption Status

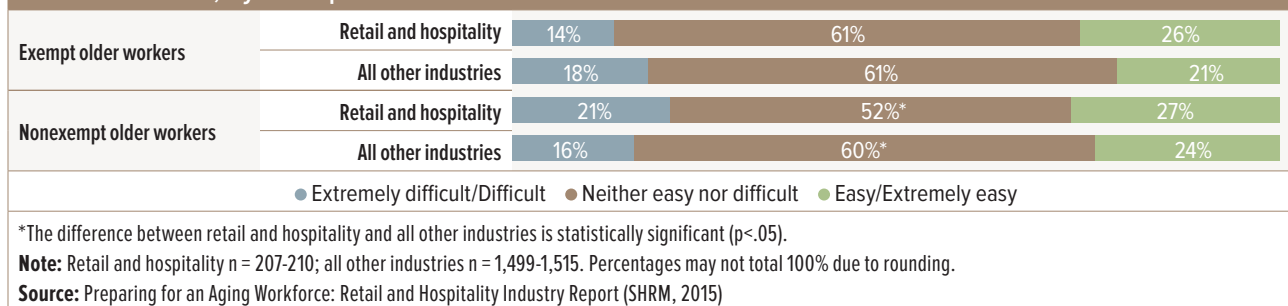


FIGURE 13 | Ease or Difficulty in Recruiting Qualified Older Workers in Retail and Hospitality Compared with Other Industries, by Job Status

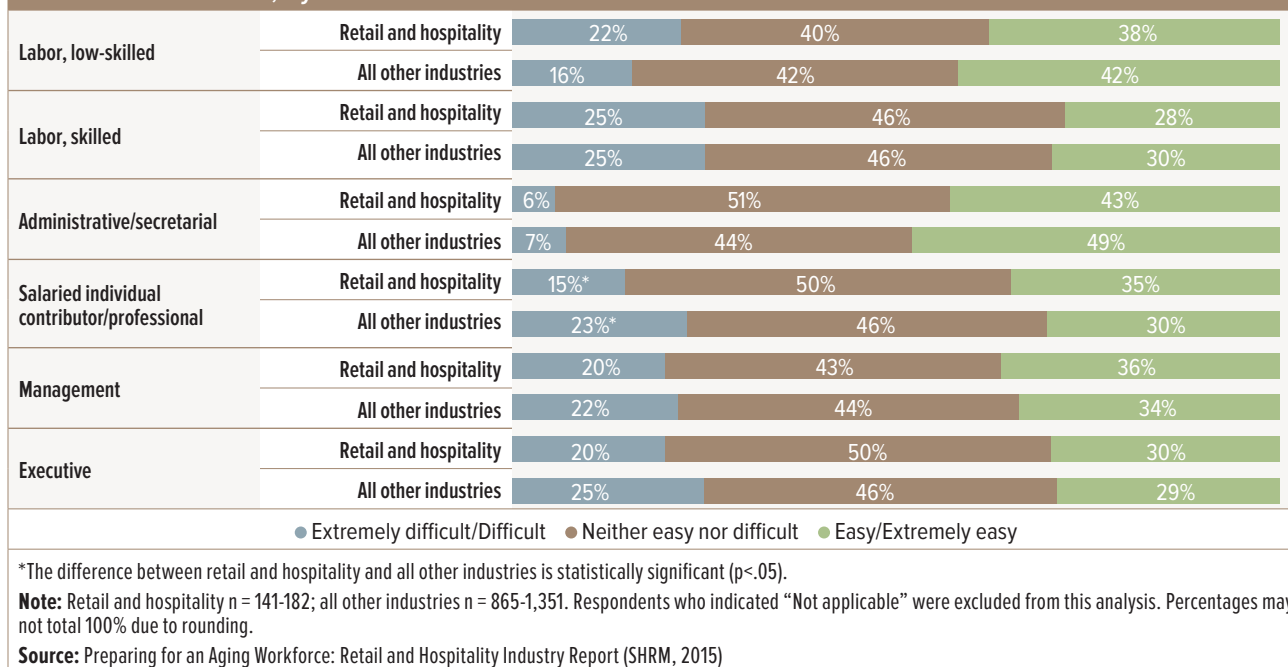
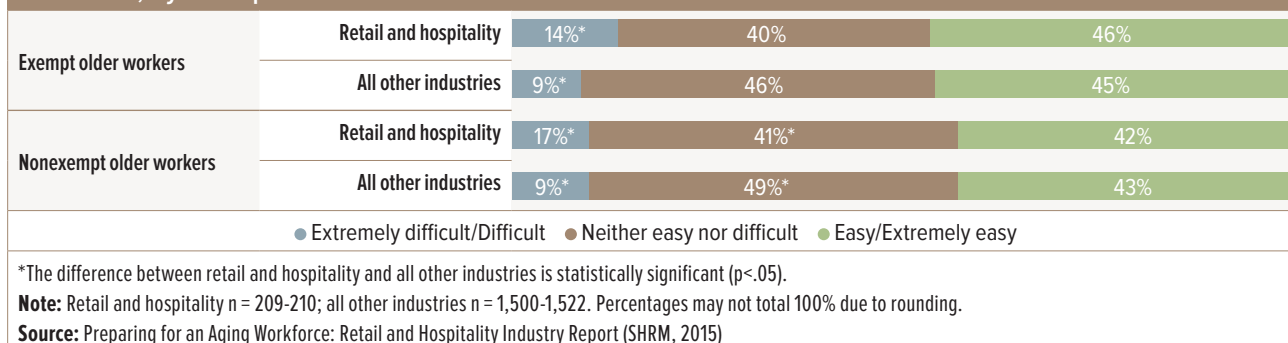


FIGURE 14 | Ease or Difficulty in Retaining Older Workers in Retail and Hospitality Compared with Other Industries, by Exemption Status



easy to retain exempt older workers (46%) and nonexempt older workers (42%, see Figure 14).

The most significant challenge for HR professionals in retail and hospitality when retaining older workers is the inability to offer work hour flexibility, cited by nearly half (48%) of those surveyed (see Table 1). Work hour flexibility may include perks like reduced hours and phased retirement, which are frequently desired by members of the 55-and-older demographic as they approach retirement or perhaps need only part-time work for a second

career. About two-fifths (41%) of HR professionals cited flexibility in work location, such as working from home, as a challenge in retaining older workers. Given the 24-hour nature of operations at many retail and hospitality organizations—and the constant demand for services that are provided onsite and that prevent work-from-home opportunities—flexible scheduling may not be a viable option to increase retention, and it may require organizations to become more creative with benefits offerings to retain older workers.

TABLE 1 | Factors That Contribute to Difficulties in Retaining Older Workers

| My organization is unable to offer . . . | Retail and Hospitality | All Other Industries |
|--|------------------------|----------------------|
| Work hour flexibility (e.g., reduced hours, job-sharing, phased retirement, part-year employment) | 48% | 45% |
| Flexibility in work location (e.g., working from home, satellite offices) | 41% | 49% |
| Career flexibility (e.g., reduced responsibilities, job change/occupation shift) | 36% | 46% |
| Work schedule flexibility (e.g., changing starting and ending times periodically, compressed workweek) | 36% | 46% |
| Flexibility in type of employment (e.g., consultant work, temporary work) | 32% | 40% |
| Benefits attractive to older workers (e.g., different health care benefits, wellness benefits) | 32% | 35% |
| Other | 18% | 14% |

Note: Retail and hospitality n = 44; all other industries n = 181. 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.

Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

CASE STUDY:

Michelin North America

Older workers make up more than one-third of the payroll at Michelin North America, a \$10 billion tire corporation with more than 16,000 employees at manufacturing, retail and wholesale operations in the United States. But their value to the company is not measured in size alone—they are also the face of the organization.

“What comes to mind for me is that, if we look at the company and how we have grown in the U.S. from 40 years ago, our success in North America has been built on people that ‘took that chance’ on us,” said Susan Borcherts, manager of personnel communications for Michelin North America. “Those are the ones that are retiring right now, and they built the company from the ground up. They’re representatives of our culture and our respect for our customers and our shareholders. If we look at who really lives out our mission, it’s the workers that have been with us for so long and helped build the company.”

Michelin’s staffing management strategy is, in fact, centered on the premise that employees will remain with the organization for the bulk of their careers. Older workers have an average tenure of 23.6 years with the company, Borcherts said.

Among the perks are continuing education for midcareer development and a variety of wellness and financial services benefits that are geared toward preparing workers for retirement and keeping them healthy as they get older.

“We’re cognizant that we have a workforce that has a good number of people with a large base of knowledge and long tenure,” Borcherts said. “We have a good retention strategy, therefore people stay here. One thing we always tell people when they’re hired is, ‘You don’t come here for a job. You come here for a career with the opportunity to grow over time.’”

For salaried employees, Michelin offers “dedicated career management,” in which they have assigned managers to help them grow and progress with the company, she said. The long-term path is viewed as a triangle that includes the employee, his or her manager and his or her career manager. Those three stakeholders are “all involved in driving one job to the next,” she said.

An annual engagement survey is also used to gauge employees’ opinions and address their concerns. In some instances, older employees have used the survey to request different workstations with ergonomics more suited

to their needs, and Michelin follows through “to make them more productive and comfortable,” Borcherts said.

“There are a number of things employees tell us, whether through the survey or anecdotal feedback,” she said.

“Their opinion is valued, and Michelin is flexible in the way it operates in terms of developing people’s careers all the way to the end.”

Union workers at Michelin have their own health and retirement plans through a collective bargaining agreement, but the company also lends a hand to its nonunion employees, Borcherts said. A comprehensive health program that tests those workers for metabolic risk factors, such as high blood pressure and cholesterol, is available along with a “condition management nurse” provided by the company.

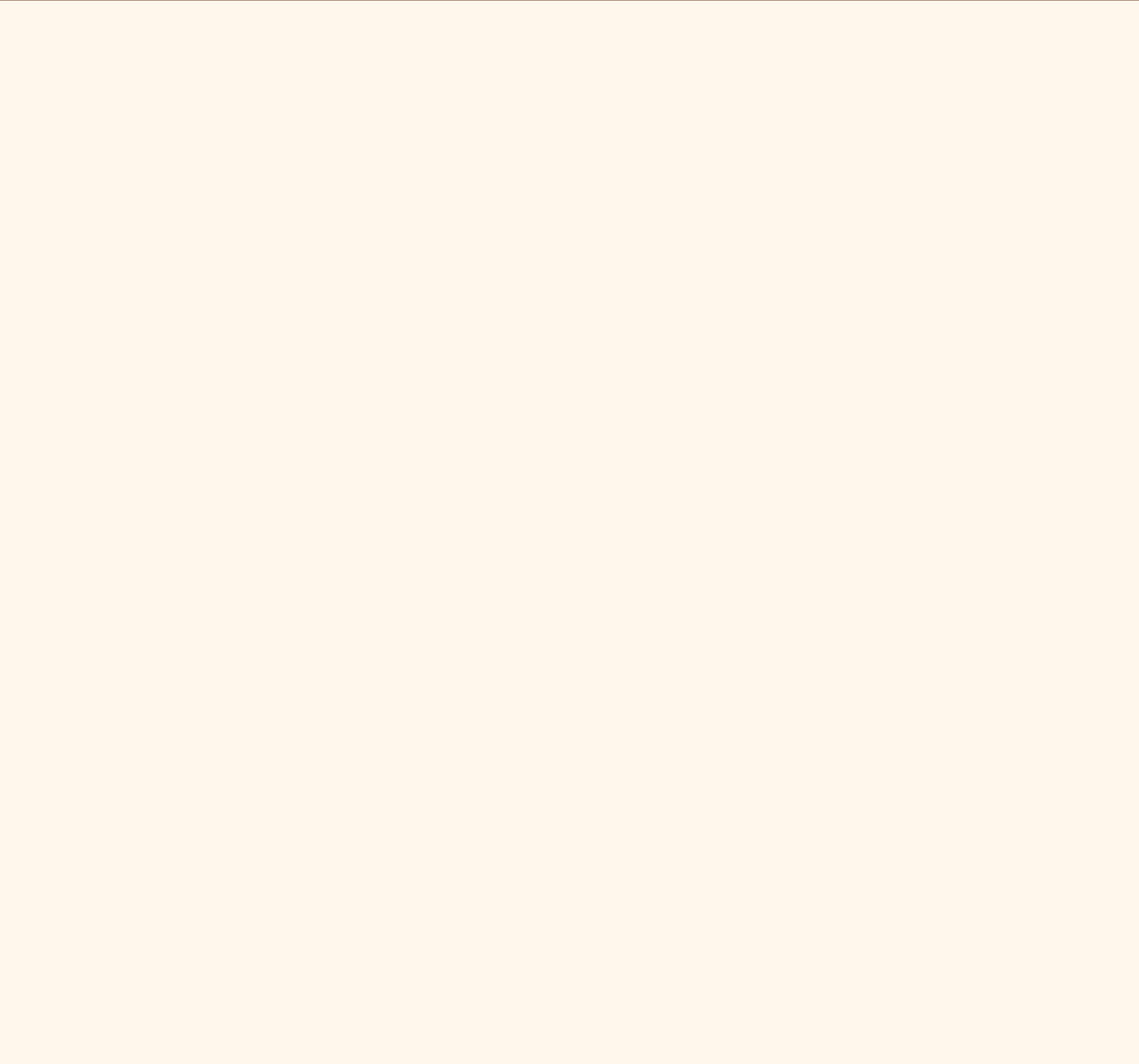
Additional benefits include discounts on Weight Watchers programs and fitness center memberships, and other things that are complementary to keeping a healthy lifestyle as workers approach retirement.

“It gets harder for many people to maintain good health as you get older, so we offer as much as we can,” Borcherts said. “Many of them have really gotten into it. We see people at work with fitness trackers, and some are engaged in competitions with their co-workers.”

Michelin’s Road to Retirement program includes a variety of seminars and educational initiatives for employees of all ages, regardless of their proximity to retirement. Workers also have an option to buy into the company’s health care plan after they retire.

One of Michelin’s most popular offerings is an “interactive retirement modeler.” Once an employee determines what type of lifestyle he or she wants to have after retirement, based on financial conditions, the modeler tells the employee what he or she needs to do to reach that goal. The program is based on a traffic light system: green (ready for retirement), yellow (not quite prepared), and red (not ready at all).

“All of these things are designed to educate our employees, whether they’re at the beginning of their career or toward the end of the road,” Borcherts said. “We want employees to have the awareness, education and investment in their future, so that when they get to retirement they are financially ready.”



Skills and Older Workers

Key Findings

- Do retail and hospitality organizations capitalize on and incorporate the experience of older workers?** One-half (50%) of retail and hospitality respondents indicated their organizations attempted to capitalize on and incorporate the experience of older workers to some or a great extent. However, fewer HR professionals in retail and hospitality indicated their organizations attempted to capitalize on and incorporate the experience of older workers to some extent than HR professionals in other industries (32% compared with 40% in other industries), but more HR professionals in this industry indicated their organizations attempted to do the same to a small extent (33% compared with 23% in other industries) (see Figure 15).
- What basic and applied skills do retail and hospitality organizations value in their older workers?** HR professionals in retail and hospitality organizations, similar to other industries, were most likely to report they valued the more extensive work experience (78%) of older workers (see Figure 16). They were more likely to cite older workers as more reliable when compared with other industries (68% compared with 58% in other industries); the same was true for stronger basic skills, such as reading comprehension (38% compared with 30% in other industries). However, HR professionals in retail and hospitality were less likely to cite institutional knowledge as a valued skill in their older workers compared with their counterparts in other industries (38% compared with 49% in other industries); the same was true for the value of established networks of contacts and clients (31% compared with 40%). They were more likely to report they valued older workers' applied skills in professionalism and work ethics (66% compared with 57% in other industries) and teamwork/collaboration compared with other industries (12% compared with 7%) (see Figure 18).
- How are retail and hospitality organizations transferring the knowledge of older workers?** Similar to HR professionals in other industries, more than one-half (57%) of HR professionals in retail and hospitality firms indicated their organizations had increased training or cross-training efforts to transfer knowledge from older workers to younger workers; about one-third (32%) used mentoring programs, and 28% used job shadowing (see Figure 20).

The final section of the survey looked at how organizations capitalize on the skills and experience of older workers, the basic and applied skills they value in this worker demographic, 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 Retail and Hospitality

As shown in Figure 15, fewer HR professionals in retail and hospitality companies said their organizations were making the most of the skills and experience of older workers to some extent when compared with other industries (32% compared with 40% in other industries).

Conversely, more HR professionals in retail and hospitality said their organizations were capitalizing on the value of older workers to a small extent than their counterparts in other industries (33% compared with 23% in other industries).

Perceived Advantages of Older Workers in Retail and Hospitality

More than three-quarters (78%) of HR professionals in retail and hospitality organizations indicated they valued older workers' work experience, similar to their peers in other industries. However, there were significant differences in other categories. HR professionals in retail and hospitality organizations were less likely than HR

professionals in other industries to report the following as advantages of older workers: institutional knowledge of long-term workers at their organization (38% compared with 49% in other industries) and established networks of contacts and clients (31% compared with 40% in other industries); they were significantly more likely to cite older workers as more reliable (68% compared with 58% in other industries) and more likely to value stronger basic skills (reading comprehension, writing and math) among older workers (38% compared with 30% in other industries) (see Figure 16).

There were many similarities on the perceived strongest basic skills of older workers according to HR professionals in retail and hospitality compared with their peers in other industries. Writing in English was the most frequently cited valued basic skill attributed to older workers in retail and hospitality as well as in other industries (40%-46%). About one-fifth of HR professionals in retail and hospitality and in other industries indicated they valued reading comprehension in English (20%-22%) and spoken English (both 20%) (see Figure 17).

A higher rate of HR professionals in retail and hospitality firms said they valued the applied skill of professionalism/work ethic of older workers than HR professionals in other industries (66% compared with 57% in other industries). They were also more likely to cite teamwork/collaboration as an applied skill (12% compared with 7% in other industries) they valued (see Figure 18).

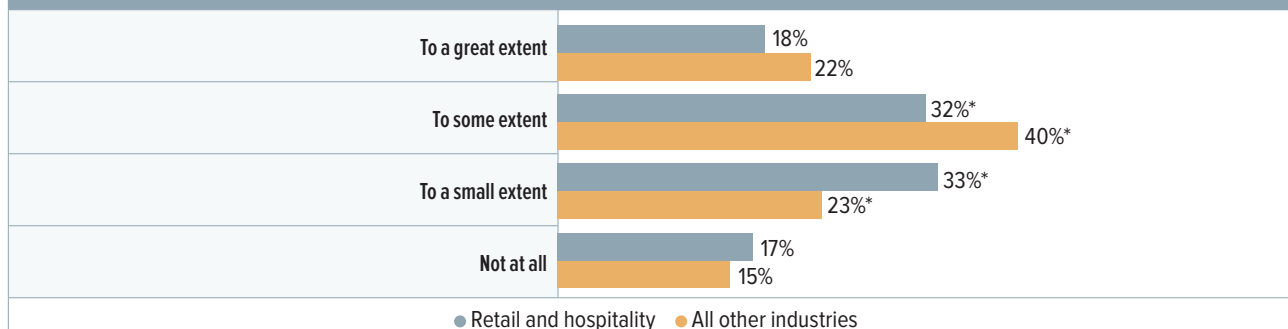
Similar to other industries, just over two-fifths (44%) of HR professionals in retail and hospitality firms indicated their organizations had increased training and cross-training efforts to prepare for potential skills gaps as a result of the loss of older workers; about one-third (32%) developed succession plans. Few indicated their organizations had offered flexible work arrangements (e.g., job-sharing, telework) (11%) or increased automated processes (e.g., use of robotics) (9%) (see Figure 19).

When it comes to strategizing how to transfer knowledge from older to younger workers, the approach of retail and hospitality firms appears to be on par with their peers in other industries. Almost three-fifths (57%) of HR professionals in the retail and hospitality industry indicated their organizations were using training or cross-training programs; about one-third (32%) had mentoring programs in place, and just over one-quarter (28%) had implemented job shadowing (see Figure 20).

As retail and hospitality organizations seek to make the most of their mature workforces through the transfer of skills and knowledge to workers in other generations, it will be imperative that younger workers be receptive to learning from older workers. The majority of respondents from the retail and hospitality industry reported that employees in their organizations were receptive to working with older workers (86%), learning from older workers (85%) and being mentored by older workers (78%) to some or a great extent. This, along with the steps many retail and hospitality organizations are taking to capitalize on the knowledge and skills of older workers, is a positive sign that there is an overall awareness of the value of learning from older workers (see Figure 21).

However, HR professionals in the retail and hospitality industry were less likely to indicate their employees were receptive to working with older workers to a great extent than HR professionals in other industries (44% compared with 55% in other industries); the same was true for the receptiveness of employees to be mentored by older workers (33% compared with 45% in other industries). Although very few (2%-4%) of the respondents indicated employees in their organization were not at all receptive to working with, learning from and being mentored by older workers, HR professionals in retail and hospitality were significantly more likely to indicate their employees were not at all receptive to being mentored by older workers than HR professionals in other industries (4% compared with 2% in other industries) (see Figure 21).

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

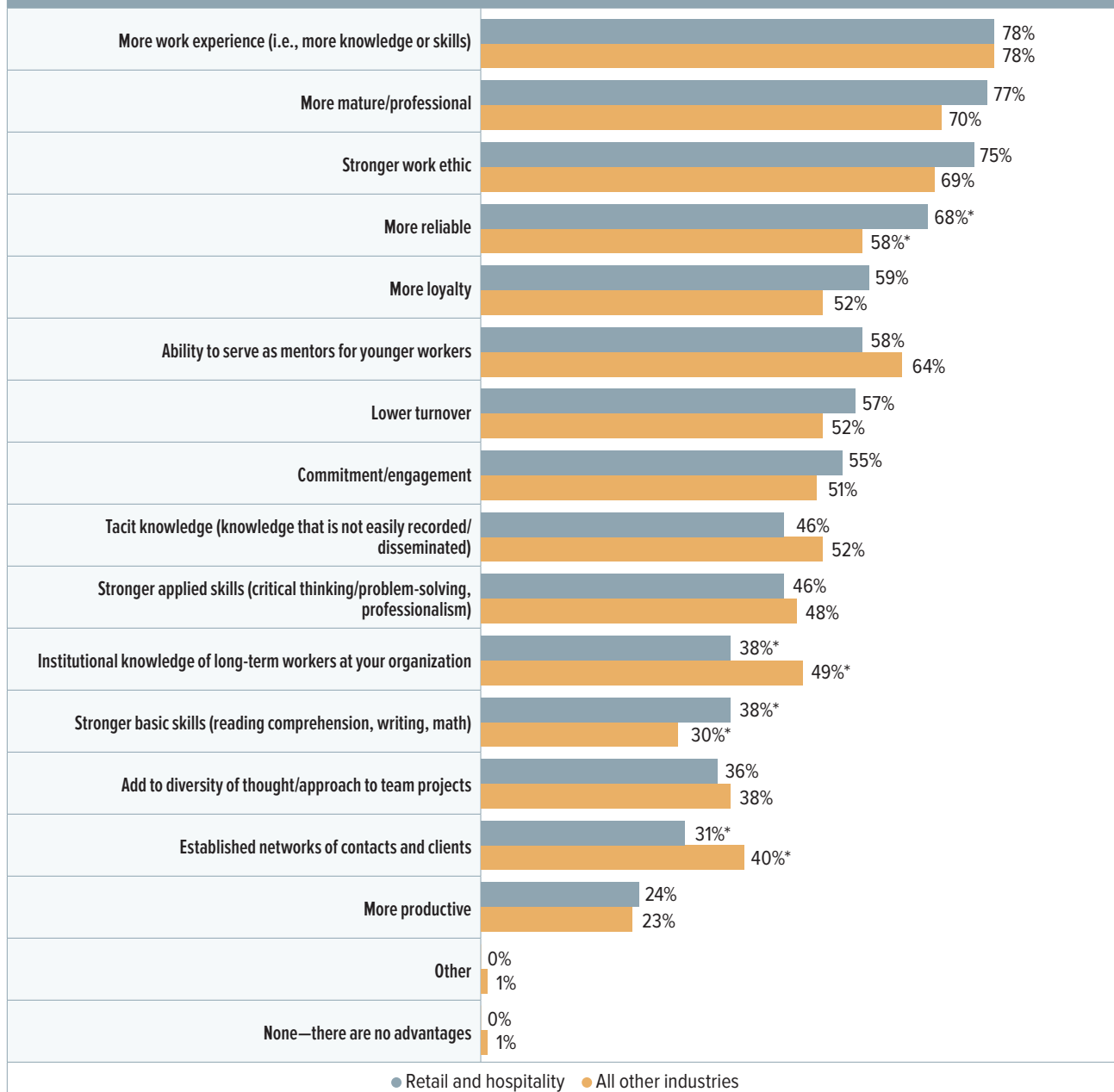


*The difference between retail and hospitality and all other industries is statistically significant (p<.05).

Note: Retail and hospitality n = 205; all other industries n = 1,488.

Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

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



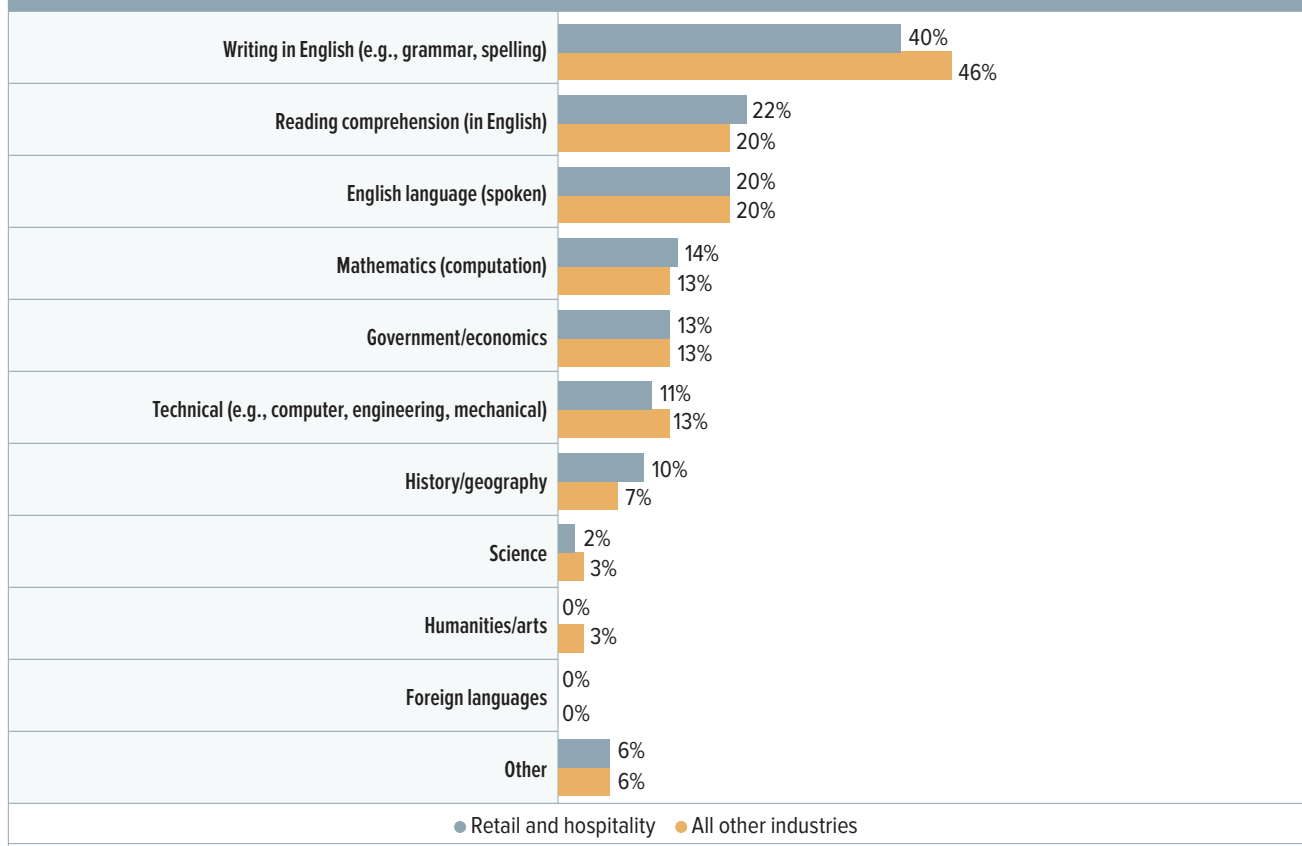
[^]Survey question was worded as follows: “In your professional opinion, what are the main advantages workers age 55 and older bring to your organization compared with other workers? (Check all that apply).”

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

Note: Retail and hospitality n = 210; all other industries n = 1,498. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

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

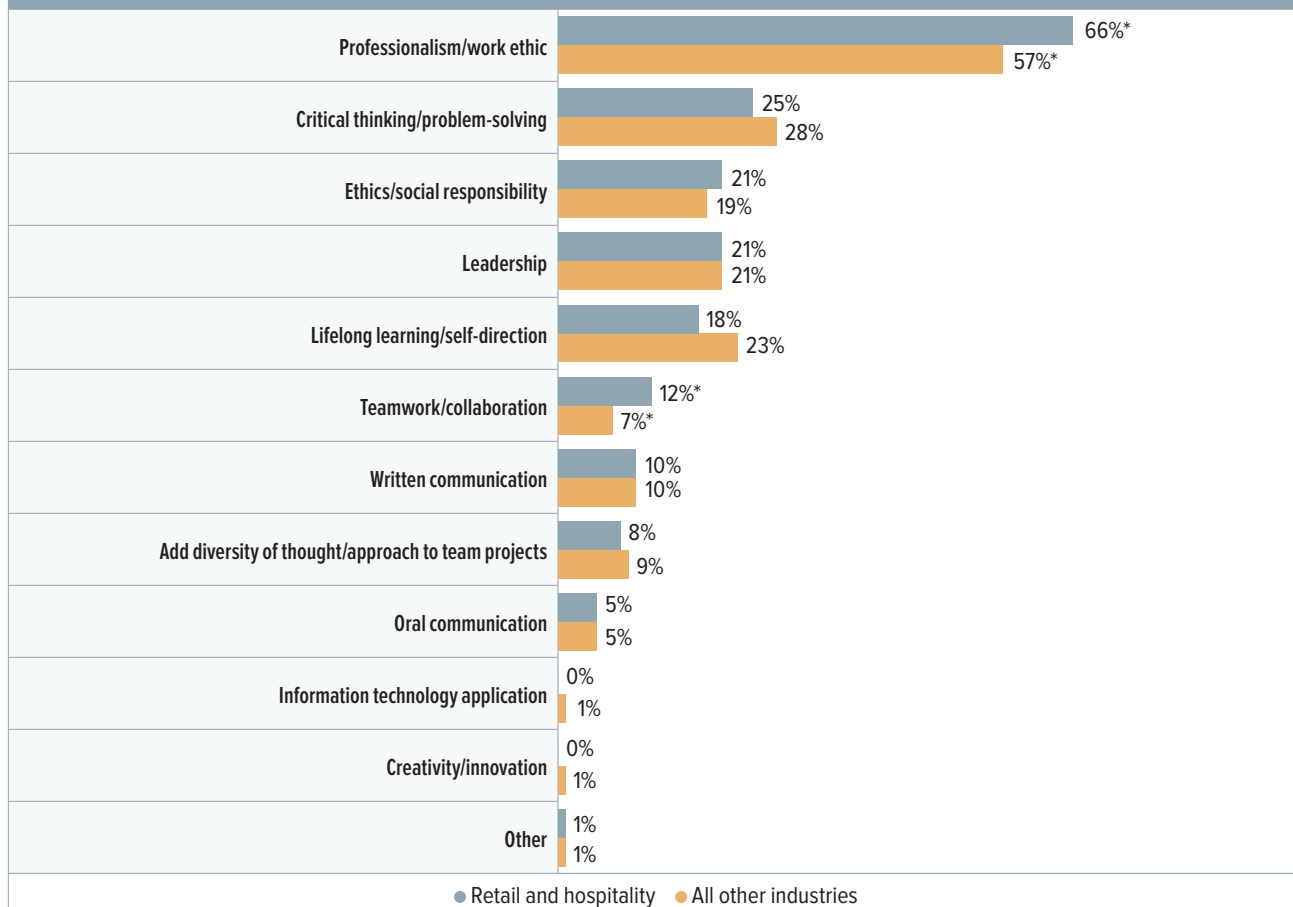


[^]Survey question was worded as follows: “In your professional opinion, what are the strongest basic skills held by workers age 55 and older compared with other workers? (Check the top two choices).”

Note: Retail and hospitality n = 210; all other industries n = 1,498. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

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



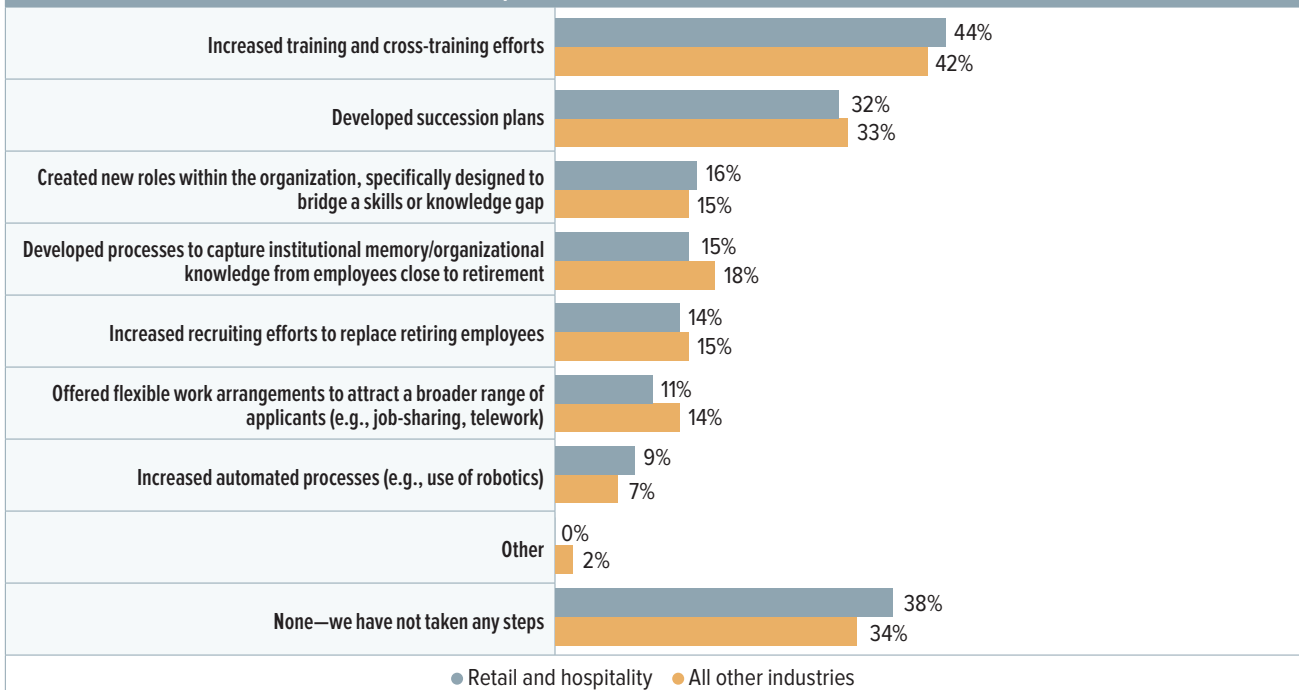
[^]Survey question was worded as follows: “In your professional opinion, what are the strongest applied skills held by workers age 55 and older compared with other workers? (Check the top two choices).”

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

Note: Retail and hospitality n = 210; all other industries n = 1,498. Percentages do not total 100% due to multiple response options.

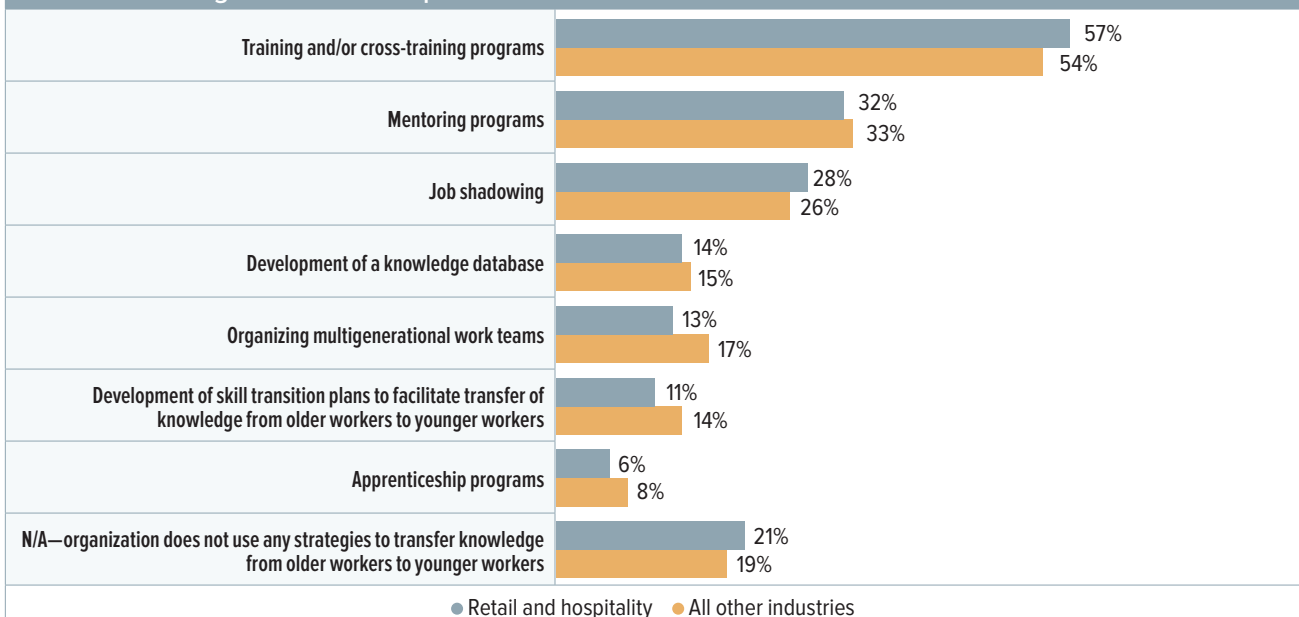
Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

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



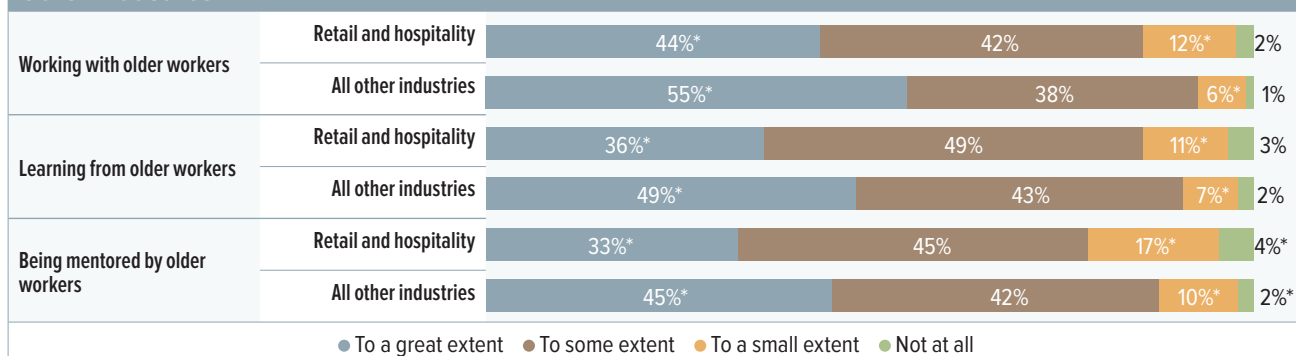
Note: Retail and hospitality n = 210; all other industries n = 1,497. Percentages do not total 100% due to multiple response options.
Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

FIGURE 20 | Strategies Retail and Hospitality Organizations Use to Transfer Knowledge from Older Workers to Younger Workers Compared with Other Industries



Note: Retail and hospitality n = 210; all other industries n = 1,496. Percentages do not total 100% due to multiple response options.
Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)

FIGURE 21 | Receptiveness of Retail and Hospitality Employees Related to Older Workers Compared with Other Industries



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

Note: Retail and hospitality n = 207-209; all other industries n = 1,473-1,482. Percentages may not total 100% due to rounding.

Source: Preparing for an Aging Workforce: Retail and Hospitality Industry Report (SHRM, 2015)



Conclusion and Implications for Retail and Hospitality HR Professionals

Just like their counterparts in other industries, HR professionals in the retail and hospitality industry will be at the forefront of their organizations' efforts to meet the challenges and opportunities that will accompany the aging of their workforces and to fully use the valuable skills and experience of their older workers. There may be less urgency in retail and hospitality to consider the impact that the 55-and-older demographic will have on the labor force, given the fact that tenures are often shorter and average ages are lower in this industry when compared with other types of businesses. However, many of the sectors surveyed in this report—retail trade, wholesale trade, and leisure and hospitality, for example—are expected to have steady job growth for the next several years due to increased demand for their services. During that time, the proportion of older workers in the labor force is also expected to increase, and members of the retail and hospitality industry should consider this demographic as a potential resource for staffing management needs and subsequently meeting the increased demand for their services.

HR professionals in retail and hospitality can help their organizations build a culture that supports and engages workers of all ages. A strong organizational culture that clearly shows how workers of all ages are respected and valued will reap lasting benefits.

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 retail and hospitality 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 Bureau of Labor Statistics. (2013, December 19). Employment projections: 2012 -2022. Retrieved from <http://www.bls.gov/news.release/pdf/ecopro.pdf>
- ² Bureau of Labor Statistics. (2014, September 18). Employee tenure in 2014. Retrieved from <http://www.bls.gov/news.release/pdf/tenure.pdf>

Project Team

Project leaders:

Jen Schramm, M.Phil., SHRM-SCP, manager, Workforce Trends and Forecasting, SHRM Research

Karen Wessels, MA, researcher, Workforce Planning, SHRM Research

Project contributors:

Evren Esen, MSW, SHRM-SCP, director, Survey Programs, SHRM Research

Joseph Coombs, senior specialist, Workforce Trends and Forecasting, SHRM Research

Copy editing:

Katya Scanlan, copy editor

Design:

Mari Adams, senior design specialist



1800 Duke Street
Alexandria, VA 22314
USA