



SHRM Survey Findings: The Aging Workforce— Recruitment and Retention

Funded by the Alfred P. Sloan Foundation



**ALFRED P. SLOAN
FOUNDATION**


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Introduction

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

The 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 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 most value in older workers.



The following topics are included in the three-part series titled *2014 Older Workers Survey*:

- Part 1: State of Older Workers in U.S. Organizations
- Part 2: Recruitment and Retention
- Part 3: Basic and Applied Skills

Definition

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

- **Changes in retention, recruiting and general management policy practices in response to aging workforces:** Two-fifths of responding organizations indicated the increasing age of their workforce has *not* prompted changes in retention (42%), recruiting (42%) or general management policy practices (41%).
- **Recruiting methods to directly target older workers:** Of responding organizations that indicated the increasing age of their organization's workforce has prompted changes in their recruiting practices, the most commonly reported recruiting method to directly target older workers was through employee referrals (33%); one-quarter (24%) indicated they relied on networking.
 - Over one-half (54%) indicated they do not actively recruit older workers.
- **Use of social media to target older workers:** Of responding organizations that indicated they used social media to target older workers, three-quarters (74%) indicated they used LinkedIn, and one-half (49%) indicated they used Facebook.
- **Level of difficulty in recruiting older workers:** About one-fifth to one-quarter of HR professionals indicated it is easy/extremely easy to *recruit* exempt and nonexempt older workers (21% and 24%, respectively).
- **Level of difficulty in retaining older workers:** About two-fifths of HR professionals indicated it is easy/extremely easy to *retain* exempt and nonexempt older workers (45% and 42%, respectively).

- **Factors contributing to difficulty in retaining older workers:** Of HR professionals who indicated it is “difficult” or “very difficult” for their organization to retain older workers compared to other workers, the three most challenging factors cited included:
 - Inability to offer flexibility in work location (e.g., working from home, satellite offices) (47%).
 - Inability to offer career flexibility (e.g., reduced responsibilities, job change/occupation shift) (45%).
 - Inability to offer work hour flexibility (e.g., reduced hours, job-sharing, phased retirement, part-year employment) (44%).
- **Level of difficulty in recruiting older workers by employee type:** About one-quarter of HR professionals indicated it is difficult or extremely difficult to recruit older workers qualified for labor, skilled (25%), executive (25%), salaried individual contributor/professional (22%) and management (22%) positions compared to other workers.
 - Regardless of the type of position, a lack of or few applications from older workers for eligible positions was the most cited difficulty in filling positions with older workers who are qualified compared to other workers (46%-60%).

Key Findings (continued)

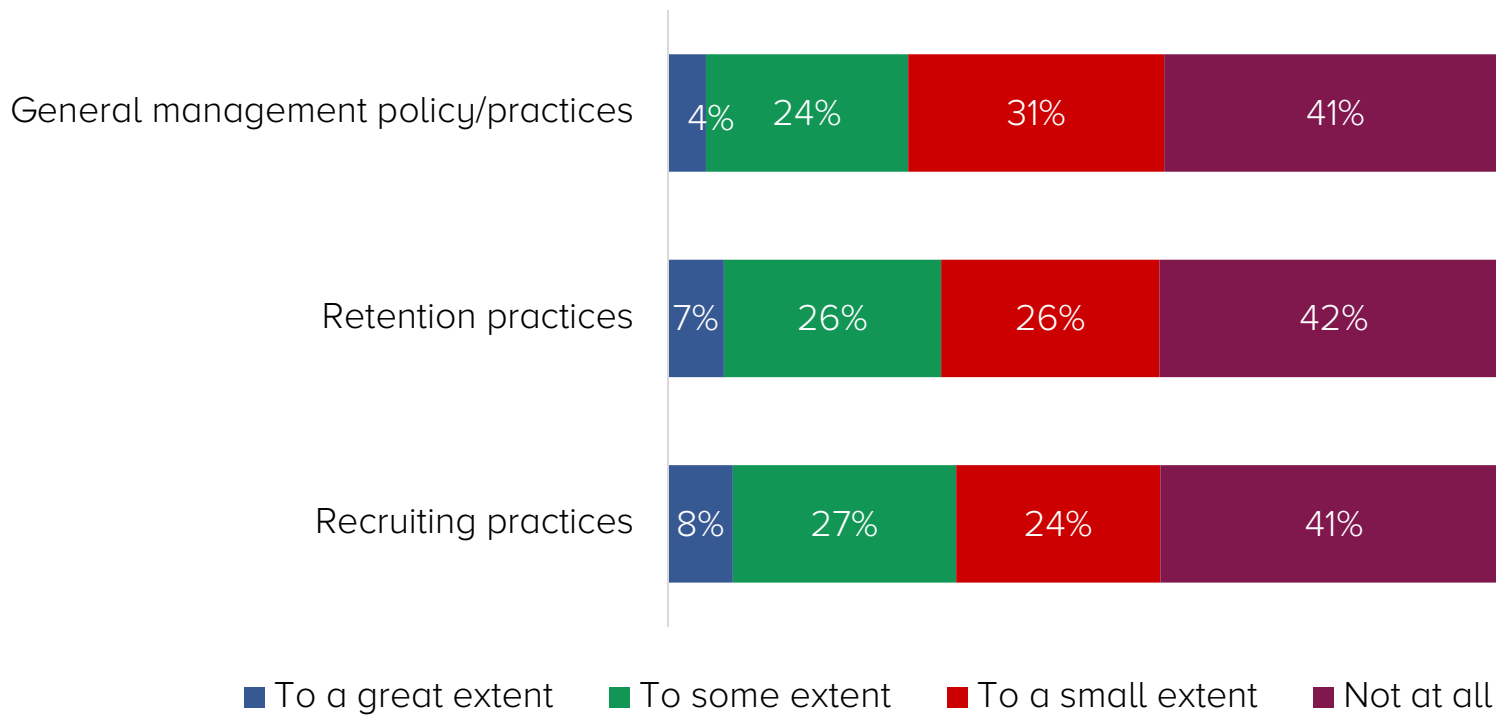
- **Older workers who were formerly retirees:** Two-thirds (66%) of responding organizations indicated their organization employs older workers who retired from other organizations or careers before joining their organization.
 - However, the vast majority (90%) indicated just 1%-20% of their organization's older workers were retirees before joining their organization.
 - Of responding organizations that indicated they employ older workers who were formerly retirees, about two-fifths (43%) indicated all of these employees were in full-time positions, and just 11% indicated they were all in part-time positions; almost one-half (46%) indicated they were mixed between full-time and part-time positions.
- **Factors in former retirees returning to work:** Almost three-quarters (72%) of HR professionals indicated money was a factor in former retirees returning to work; almost three-fifths (58%) indicated enjoyment/occupying time was a factor, and about two-fifths indicated health care benefits (45%) and social interaction (42%) contributed to the decision to return to work.
- **Capitalizing on and incorporating the experience of older workers:** Over three-fifths (61%) of HR professionals indicated their organization attempts to capitalize on and incorporate the experience of older workers to “some” or a “great extent.”

- **Formal strategies for retaining or recruiting older workers:** Very few responding organizations indicated they have a formal strategy for retaining (4%) or recruiting (3%) older workers. Of responding organizations that indicated they have a formal strategy to recruit or retain older workers:
 - About one-half (48%) indicated they offered reduced hours or part-time positions to older workers, two-fifths hired retired employees as consultants or temporary workers (40%) and/or started flexible scheduling (37%), and about one-third created positions/redesigned positions that allow bridge employment (30%) and/or offered phased/gradual retirement (30%).
- **Steps taken to recruit or retain older workers:** Of HR professionals who indicated their organization has taken a specific step(s) to recruit or retain older workers, the majority indicated hiring retired employees as consultants or temporary workers (67%), offering reduced hours or part-time positions to older workers (57%) and starting flexible scheduling (63%) were very effective in recruiting or retaining older workers.
- **Use of steps/methods implemented to recruit or retain older workers:** Of responding organizations that indicated they have taken a specific step(s) to recruit or retain older workers, less than one-quarter indicated that more than one-half of their eligible employees actually used reduced hours or part-time positions (21%), flexible scheduling (24%) or phased/gradual retirement (16%) programs for older workers.

- As the workforce continues to age, the percentage of organizations prompted to make changes in general management policy/practices, retention practices or recruiting practices is likely to increase. Even HR professionals in industries and sectors that currently skew toward younger employees will need to consider how the aging population will affect them.
- The more highly skilled positions are likely to continue to be the most challenging for organizations to fill and are thus the jobs for which the greatest efforts to locate qualified older workers will be made.
- Currently, recruiting and retaining older workers are not seen as particularly difficult. However, this could change if skills shortages ramp up demand.
- Because employee referrals and networking are currently the most common ways organizations are targeting older workers, employees themselves are a central part of the recruitment of older workers.
- The recruitment of older workers is likely to become more integrated into overall diversity initiatives.
- The use of social media to target older workers could become more prevalent, especially if generational differences in the use of these kinds of technologies start to fade.

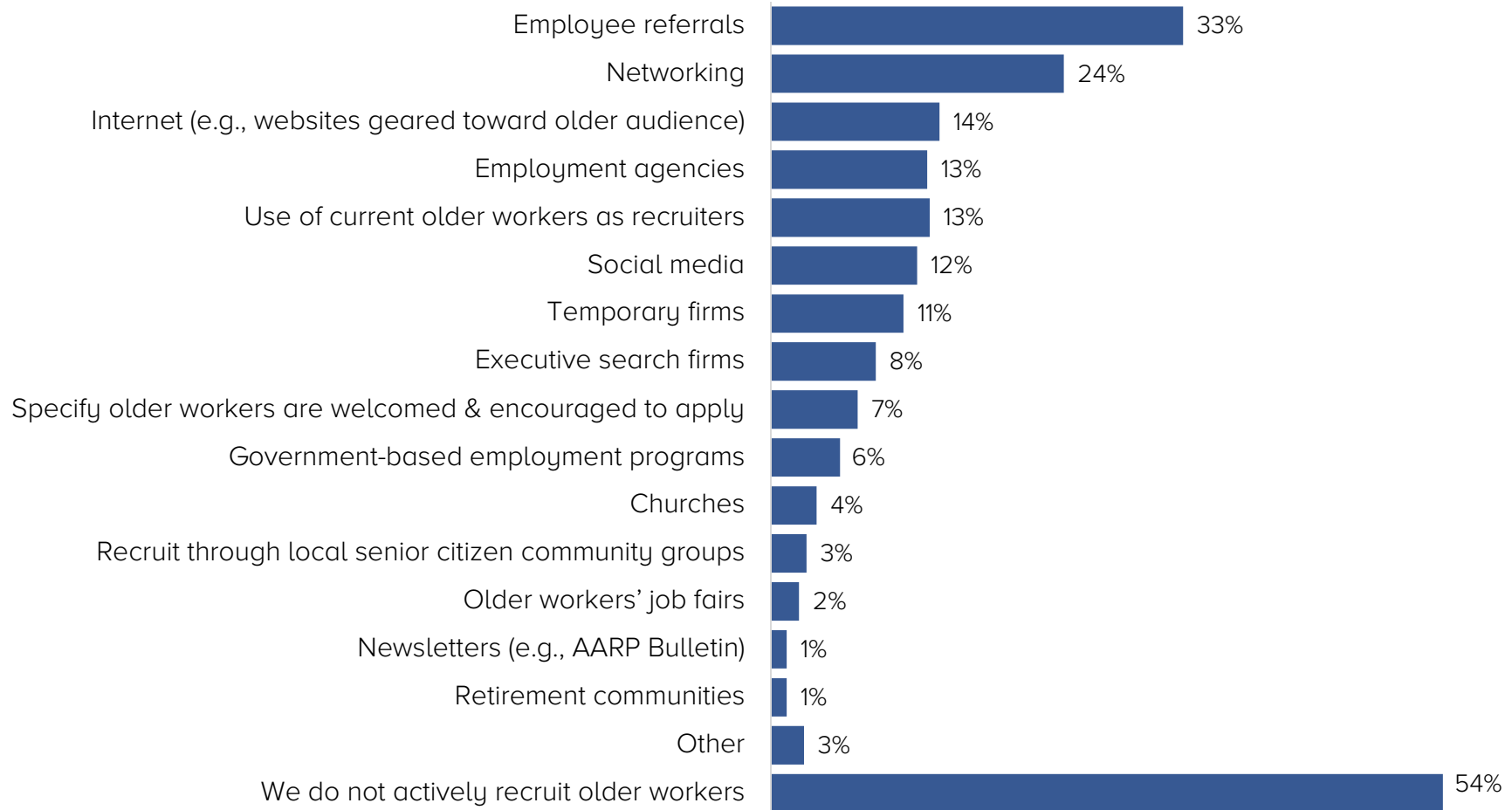
- Organizations that currently indicate that it is “difficult” or “very difficult” to retain older workers compared to other workers provided a sense of what factors play the biggest role in meeting the needs of this demographic: offering flexibility in work location, career structure, work hours and scheduling, and type of employment and benefits attractive to older workers.
- Although most organizations do employ older workers who retired from other organizations or careers before joining their organization, it remains a fairly small percentage of their overall workforce.
- As the workforce ages and especially if skills shortages intensify, learning the best ways to incorporate the experience of older workers will be considered a competitive edge. Thus, HR professionals will likely be increasingly focused on recruiting and retaining the best older workers. This could influence all aspects of the employment from the type of flexible work arrangements organizations offer to employee benefits.

Extent Increasing Age of Organization's Workforce Has Prompted Changes in . . .



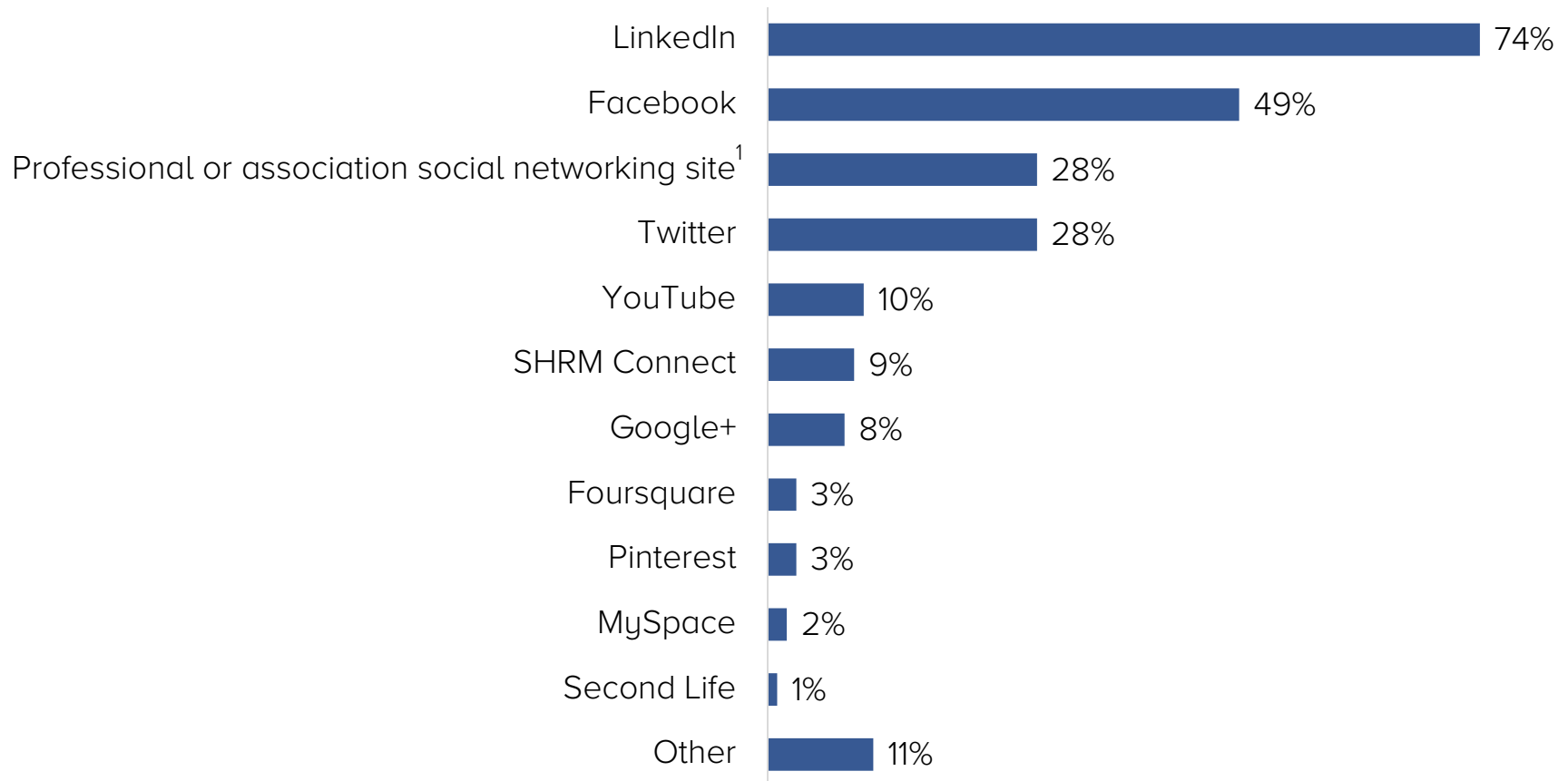
Note: n = 1,832-1,843. Respondents who indicated "Not applicable" were excluded from this analysis. Percentages may not equal 100% due to rounding.

Recruiting Methods Used by Organizations to Directly Target Older Workers



Note: n = 1,074. Only respondents who indicated the increasing age of their organization's workforce has prompted changes in their recruiting practices were asked this question. Percentages do not equal 100% due to multiple response options.

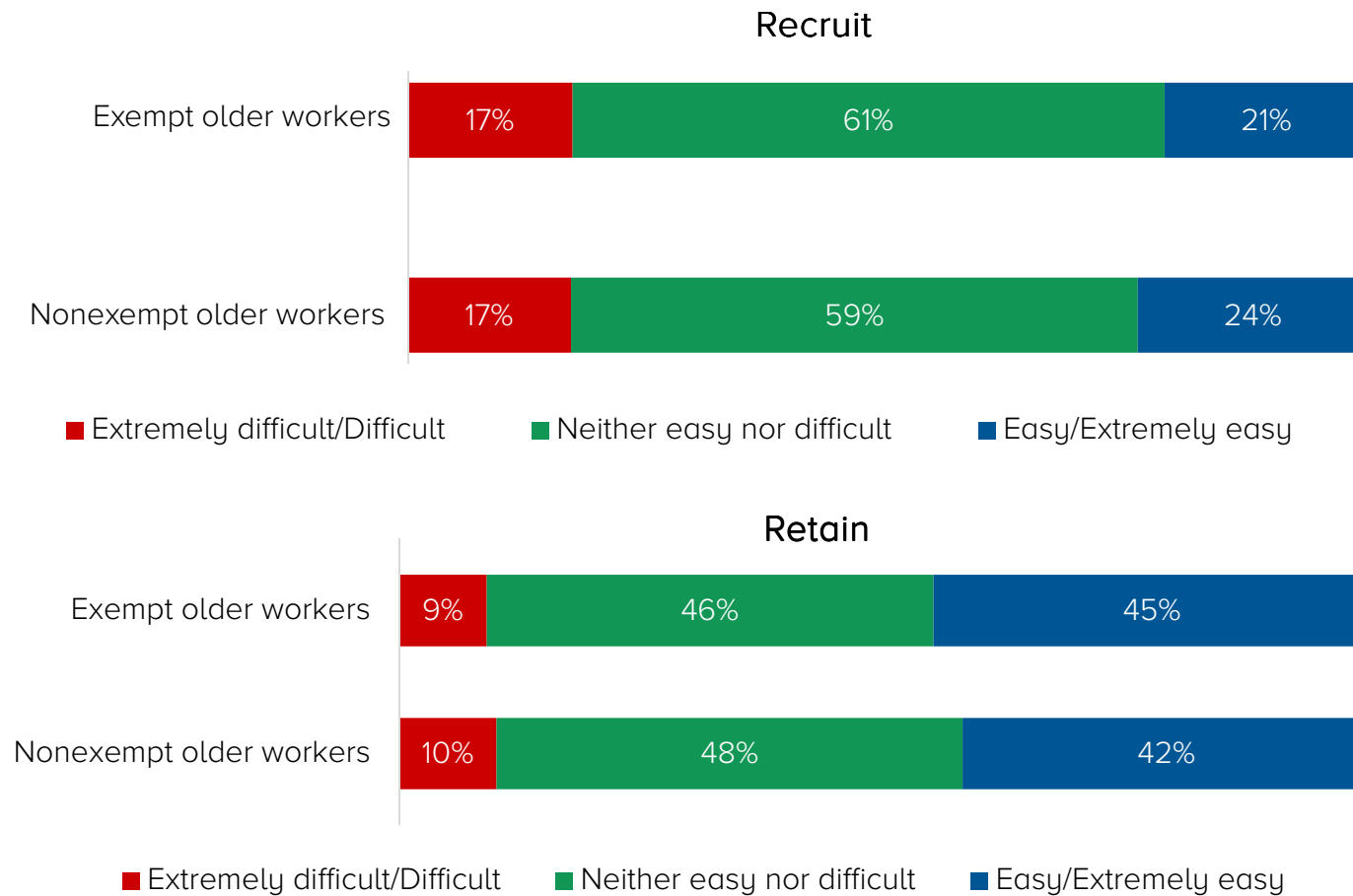
Social Media Resources Used by Organizations to Directly Target Older Workers in Their Recruiting Efforts



Note: n = 115. Only respondents who indicated their organization uses social media to target older workers were asked this question. Percentages do not equal 100% due to multiple response options.

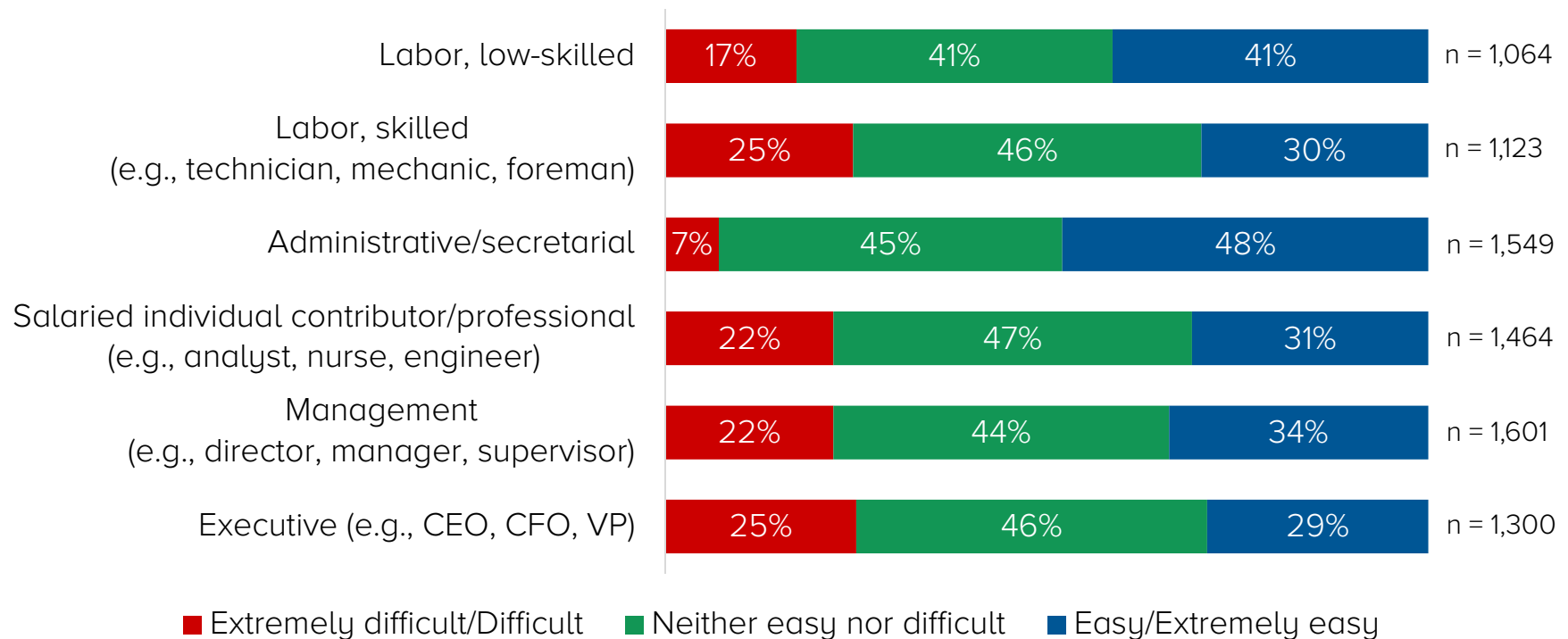
¹ Other than SHRM Connect

Difficulty Level to Recruit and Retain Qualified Older Workers Compared with Other Workers, by Exempt Status



Note: Percentages may not equal 100% due to rounding.

Difficulty Level to Recruit Qualified Older Workers Compared with Other Workers, by Job Category



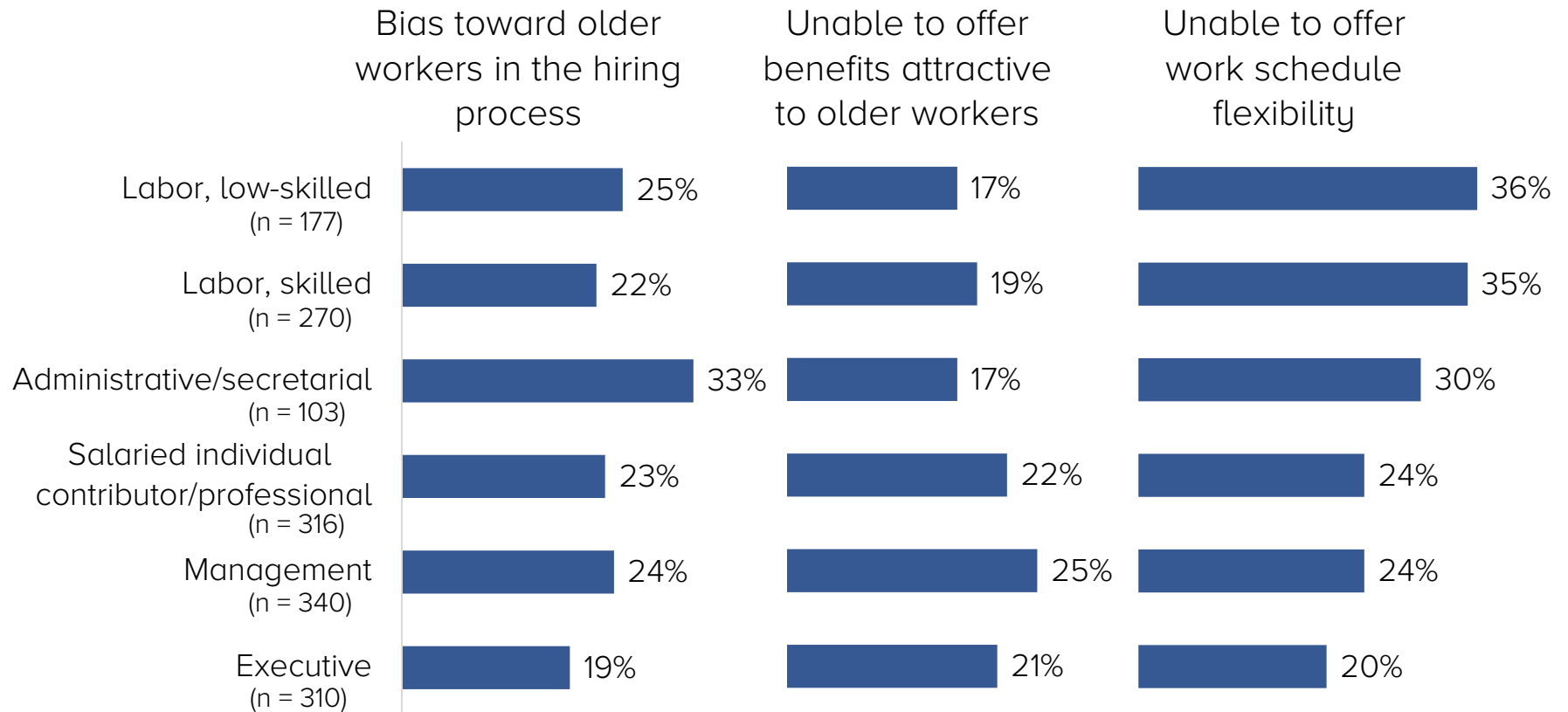
Note: Respondents who indicated "Not applicable" were excluded from this analysis.

Factors That Contribute to Difficulties in Retaining Older Workers

My organization is unable to offer . . .	
Flexibility in work location (e.g., working from home, satellite offices)	47%
Career flexibility (e.g., reduced responsibilities, job change/occupation shift)	45%
Work hour flexibility (e.g., reduced hours, job-sharing, phased retirement, part-year employment)	44%
Work schedule flexibility (e.g., changing starting and ending times periodically, compressed workweek)	43%
Flexibility in type of employment (e.g., consultant work, temporary work)	38%
Benefits attractive to older workers (e.g., different health care benefits, wellness plans)	34%
Other	15%

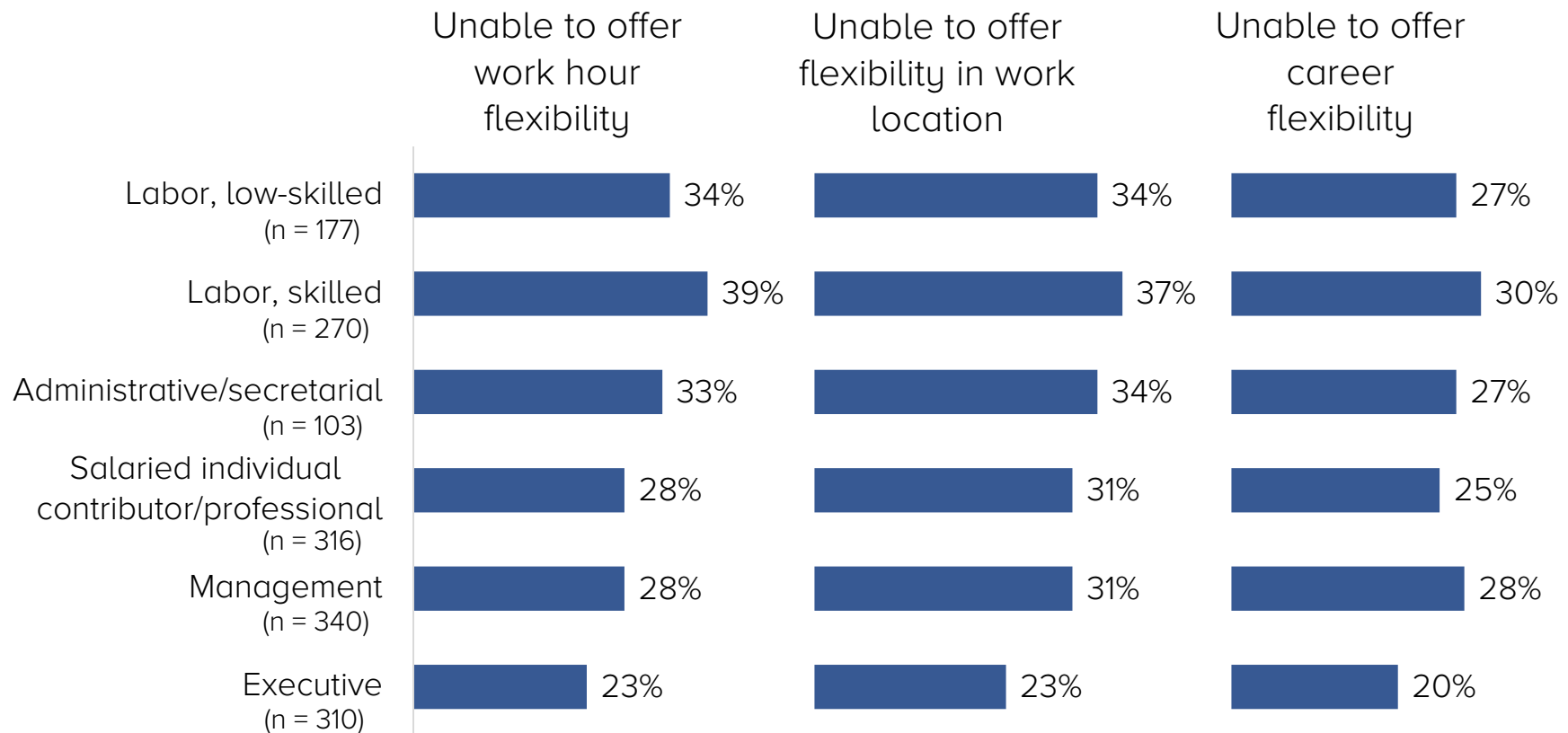
Note: n = 242. Only respondents who indicated it is "Difficult" or "Very difficult" for their organization to retain older workers compared to other workers were asked this question. Percentages do not equal 100% due to multiple response options.

Factors That Contribute to Difficulties in Recruiting Qualified Older Workers Compared with Other Workers, by Job Category



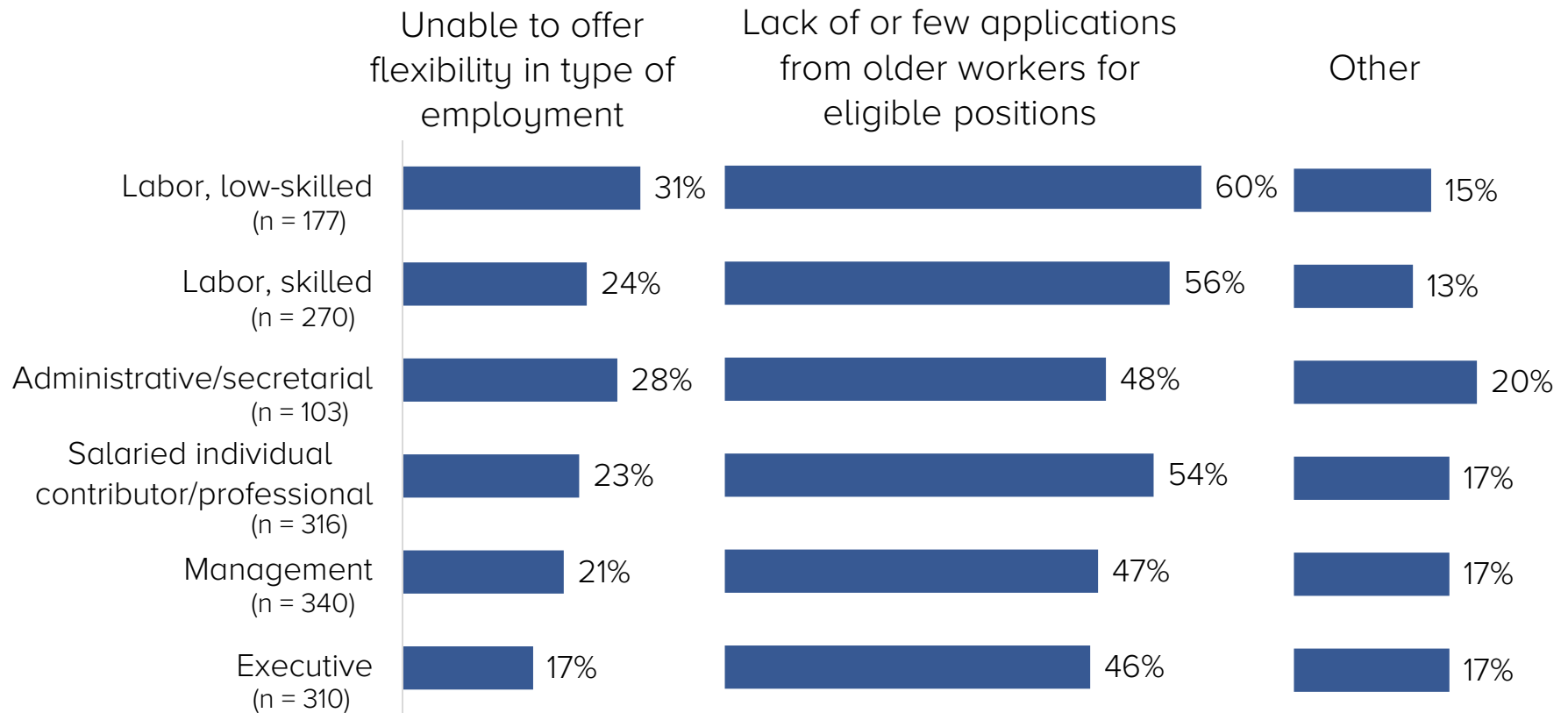
Note: Only respondents who indicated it is "Difficult" or "Very difficult" for their organization to recruit older workers compared to other workers were asked this question. Percentages do not equal 100% due to multiple response options.

Factors That Contribute to Difficulties in Recruiting Qualified Older Workers Compared with Other Workers, by Job Category (continued)



Note: Only respondents who indicated it is "Difficult" or "Very difficult" for their organization to recruit older workers compared to other workers were asked this question. Percentages do not equal 100% due to multiple response options.

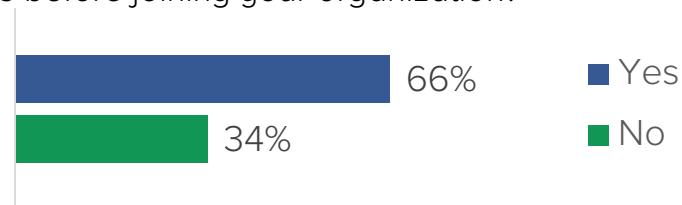
Factors That Contribute to Difficulties in Recruiting Qualified Older Workers Compared with Other Workers, by Job Category (continued)



Note: Only respondents who indicated it is "Difficult" or "Very difficult" for their organization to recruit older workers compared to other workers were asked this question. Percentages do not equal 100% due to multiple response options.

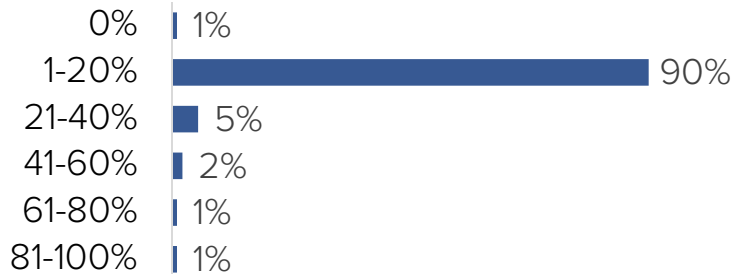
Older Workers Retiring from Other Organizations or Careers Prior to Joining Current Organization

To your knowledge, in your organization, are there older workers who retired from other organizations or careers before joining your organization?



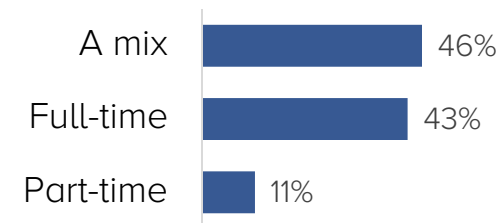
Note: n = 1,528. Respondents who indicated "Don't know" were excluded from this analysis.

What percentage of older workers at your organization previously retired from other organizations or careers before joining your organization?



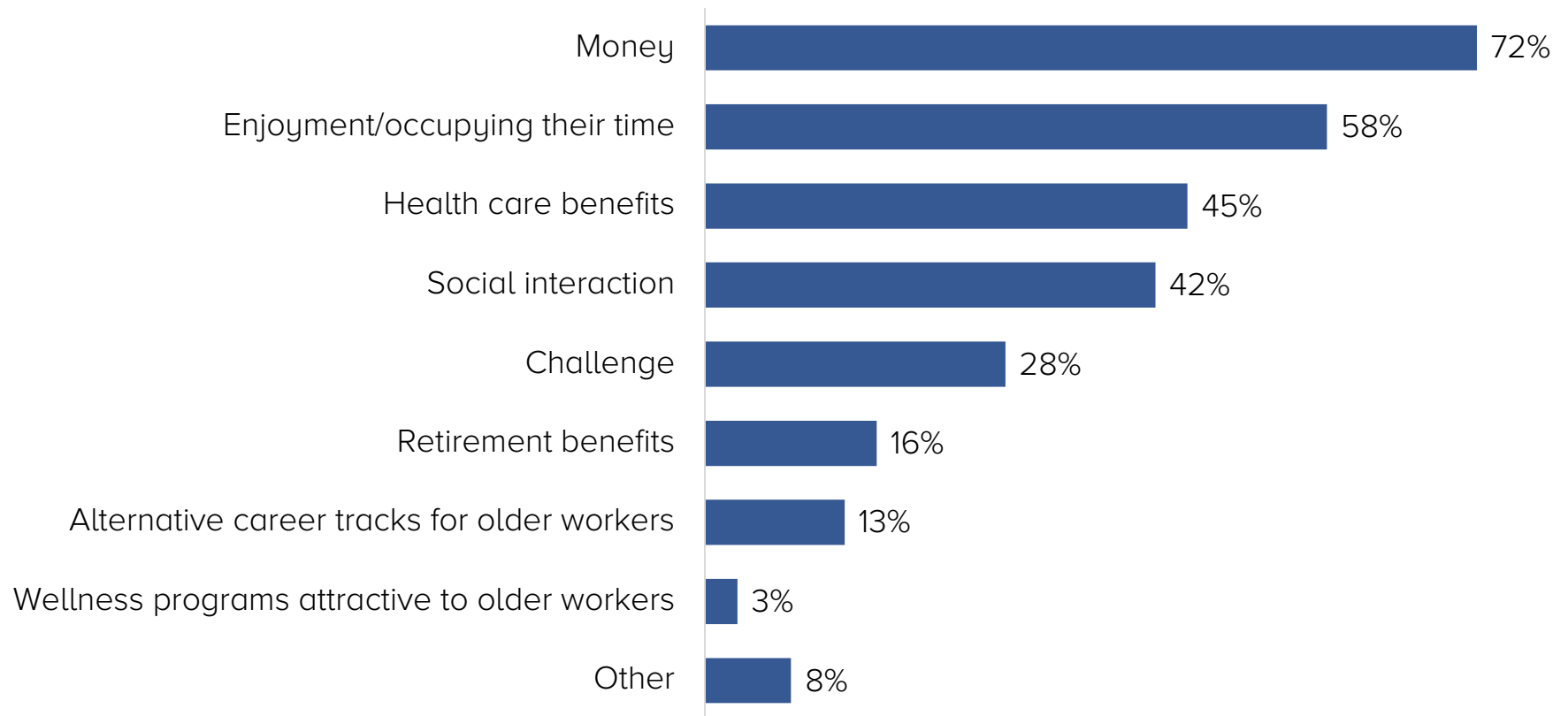
Note: n = 925. Only respondents who indicated their organization has older workers who retired from other organizations or careers before joining their organization were asked this question. Respondents who indicated "Don't know" were excluded from this analysis.

Are the older workers in your organization who retired from other organizations or careers working in full-time, part-time or a mix of full-time and part-time positions at your organization?



Note: n = 984. Only respondents who indicated their organization has older workers who retired from other organizations or careers before joining their organization were asked this question.

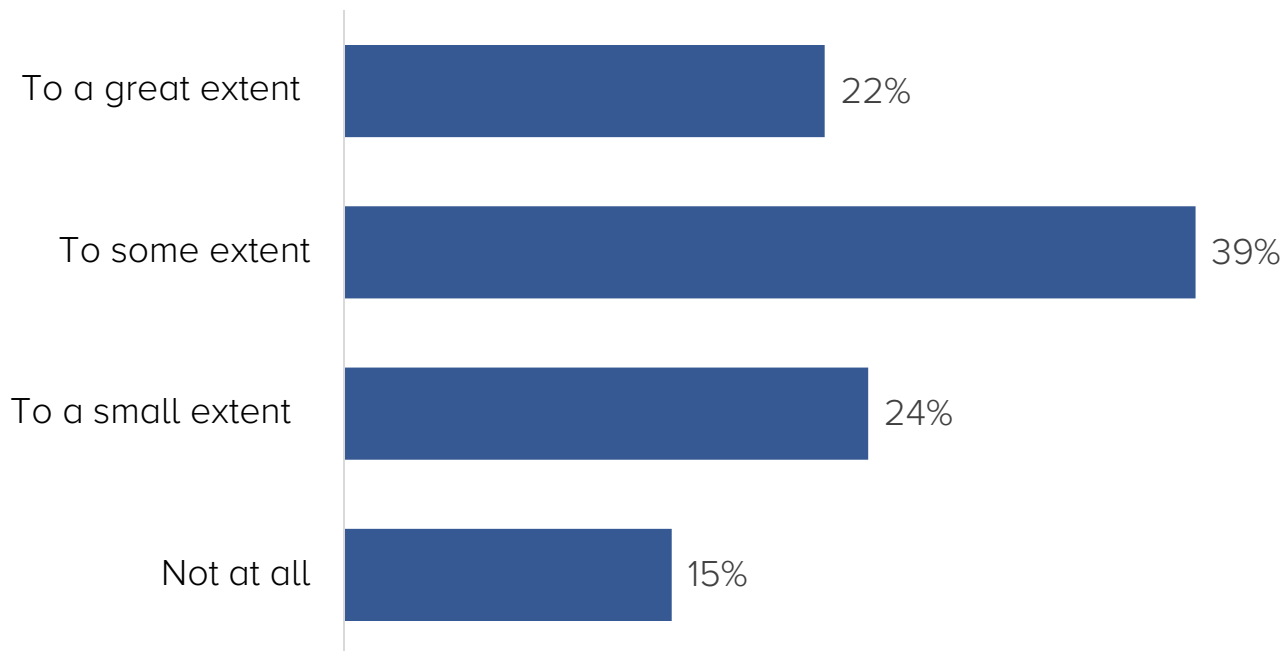
Reasons Retirees Return to Work¹



Note: n = 994. Only respondents who indicated their organization has older workers who retired from other organizations or careers before joining their organization were asked this question. Percentages do not equal 100% due to multiple response options.

¹ Survey question: "In your view, why have these former retirees returned to work? (Check all that apply.)"

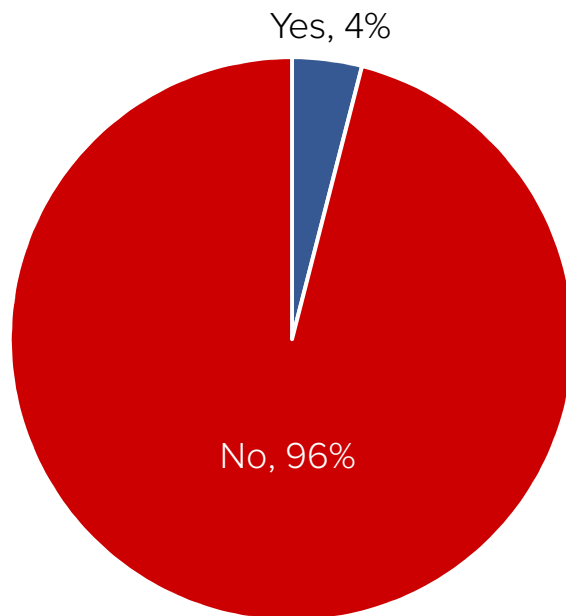
Extent Organization Attempts to Capitalize on and Incorporate the Experience of Older Workers



Note: n = 1,737.

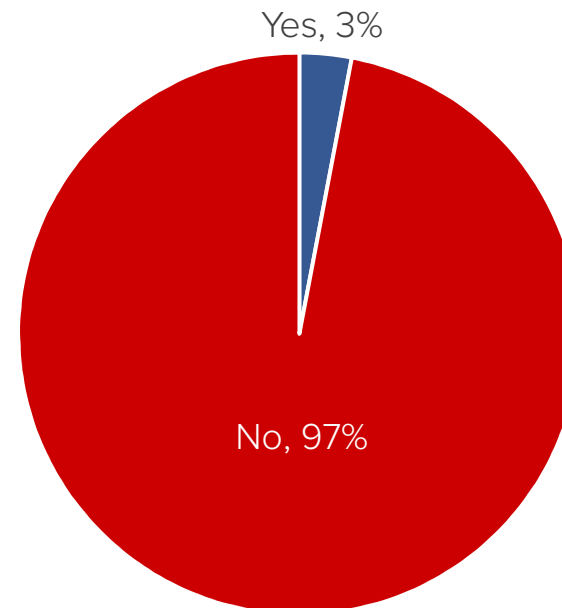
Organizations That Have a Formal Strategy for Retaining and Recruiting Older Workers

Retain



Note: n = 1,739

Recruit



Note: n = 1,740

Steps Taken to Recruit or Retain Older Workers

	Percentage
Offered reduced hours or part-time positions to older workers	48%
Hired retired employees as consultants or temporary workers	40%
Started flexible scheduling (e.g., telework, alternative work schedules)	37%
Created positions/redesigned positions that allow bridge employment ¹	30%
Offered phased/gradual retirement	30%
Provided training to upgrade skills of older workers	29%
Provided opportunities for older workers to transfer to jobs with reduced pay and responsibilities	27%
Increased training and cross-training efforts to induce older workers to stay with or join the organization	24%
Increased recruiting efforts aimed at older workers who have the skills being lost due to retiring employees	23%
Offered wellness programs to attract and retain older workers	23%

Note: n = 99. Only respondents whose organizations have a formal strategy to recruit or retain older workers were asked this question. Percentages do not equal 100% due to multiple response options.

¹ *Opportunities that allow near retirees to ease into retirement while allowing the organization to retain good employees.*

Steps Taken to Recruit or Retain Older Workers (continued)

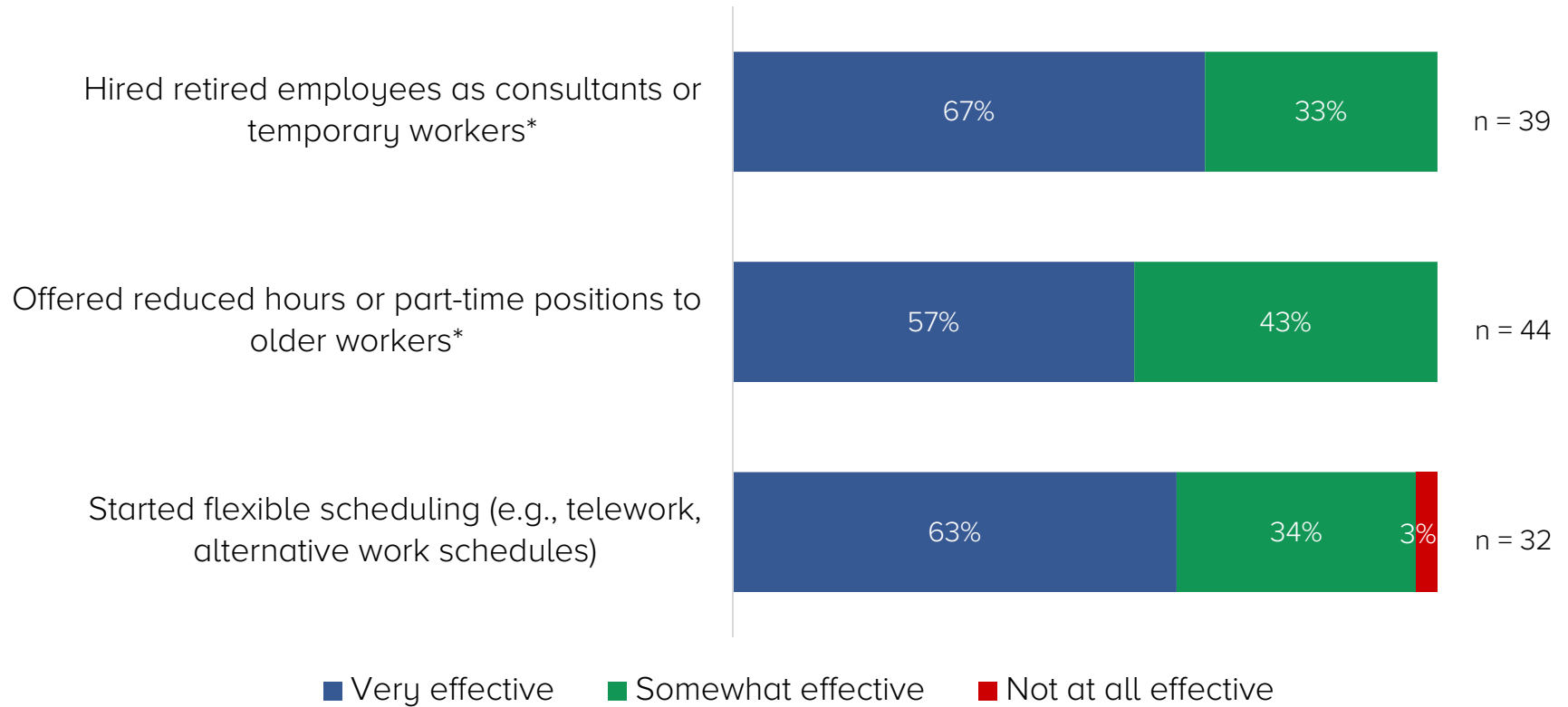
	Percentage
Asked older workers for feedback via survey or other mechanism about what would encourage them to join or stay with the organization	23%
Started remote location programs to enable workers to work at the location most convenient for them ²	14%
Started job-sharing	13%
Changed health care benefits to attract and retain older workers	10%
Established alternative career tracks for older workers	9%
Have not done/do not plan to do anything	8%
Changed retirement benefits to attract and retain older workers ³	7%
Created new benefits to induce older workers to stay with or join the organization	6%
Put it on the radar screen, but essentially have done nothing else	3%
Other	5%

Note: n = 99. Only respondents whose organizations have a formal strategy to recruit or retain older workers were asked this question. Percentages do not equal 100% due to multiple response options.

² *E.g., at home, “snowbird” employees who work in different locations at different times of the year.*

³ *E.g., offering deferred retirement option plans (DROPS), which allow workers who reach retirement age to continue working while receiving contributions to a retirement fund equal to the pension benefit they would receive if they were retired.*

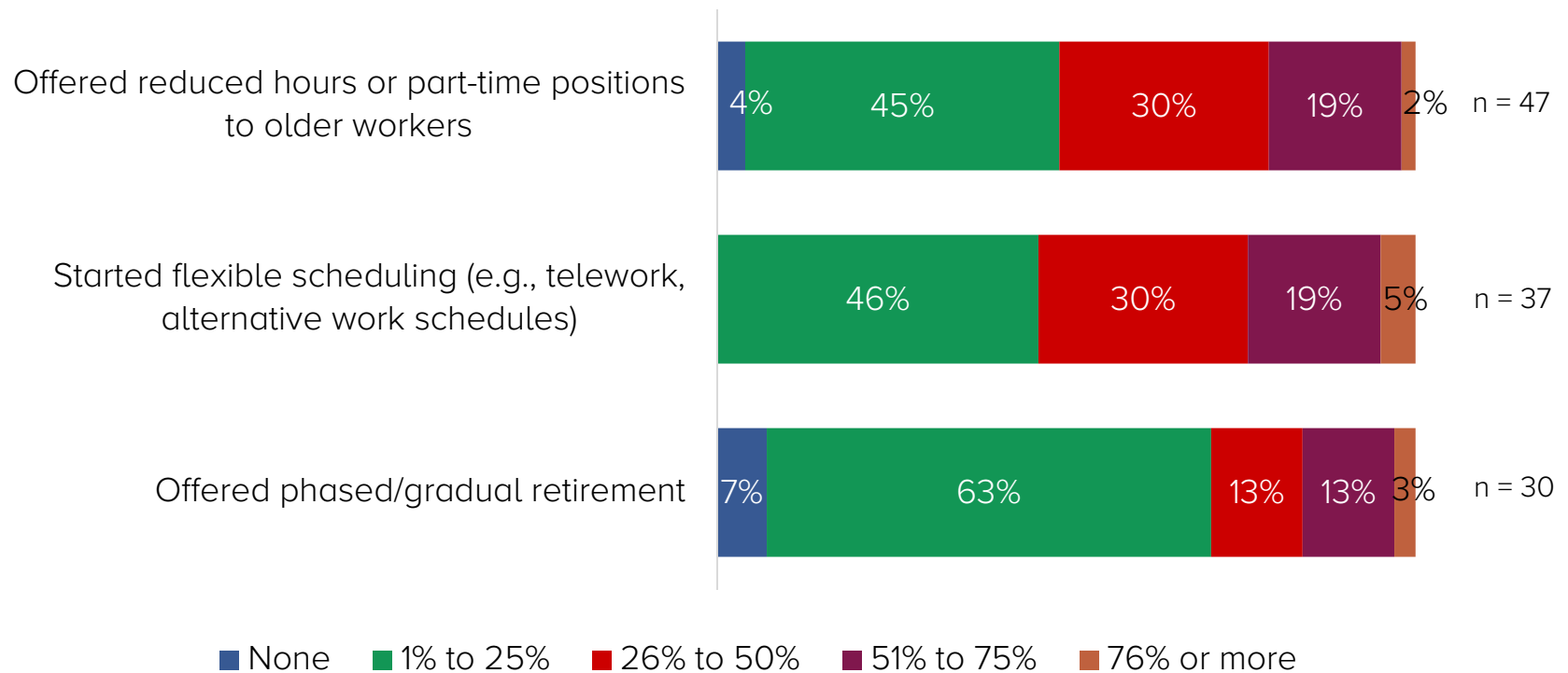
Effectiveness of Various Steps Taken to Recruit or Retain Older Workers



* 0% indicated "Not at all effective."

Note: Only respondents who indicated their organization has taken a specific step(s) to recruit and/or retain older workers were asked to evaluate the step(s) taken. Response options (i.e., steps taken) with n < 30 are not reportable (NR). Respondents who indicated "Too soon to evaluate" were excluded from this analysis.

Percentage of Eligible Employees Using Each Option/Program Implemented by Organization



Note: Only respondents who indicated their organization has taken a specific step(s) to recruit or retain older workers were asked to evaluate the step(s) taken. Percentages may not equal 100% due to rounding. Response options with n < 30 are not reportable (NR).



Demographics

	Percentage
Professional, scientific, technical and information services	21%
Manufacturing	20%
Government agencies	17%
Health care and social assistance	10%
Retail and wholesale trade, and accommodation and food services	10%
Educational services	8%
Real estate and leasing, and finance and insurance	8%
Transportation and warehousing	6%
Construction	5%
Administrative and support, and waste management and remediation services	4%
Utilities	4%

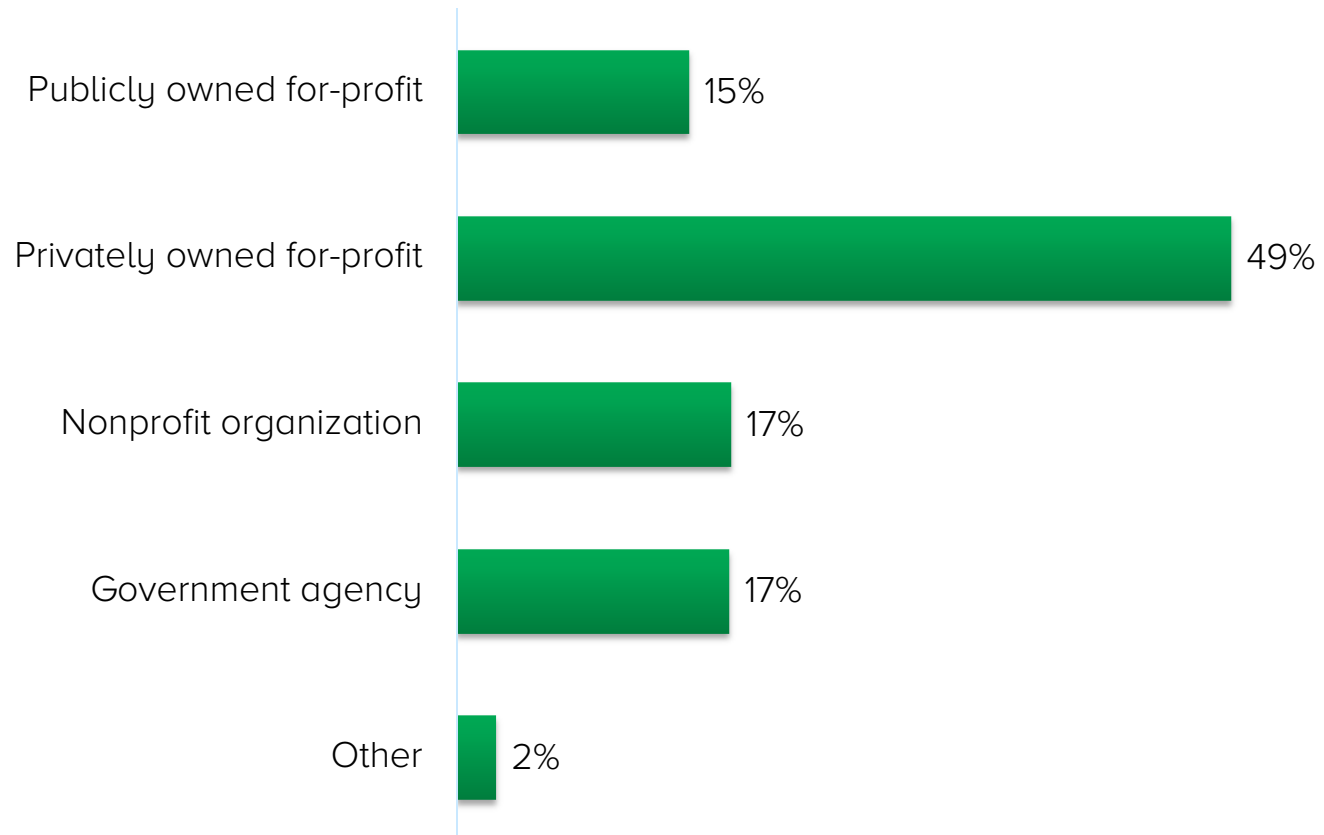
Note: n = 1,784. Percentages do not equal 100% due to multiple response options.

Demographics: Organization Industry (continued)

	Percentage
Arts, entertainment and recreation	3%
Mining, quarrying, and oil and gas extraction	3%
Religious, grant-making, civic, professional and similar organizations	3%
Repair and maintenance	3%
Agriculture, forestry, fishing and hunting	2%
Personal and laundry services	1%
Other industry	10%

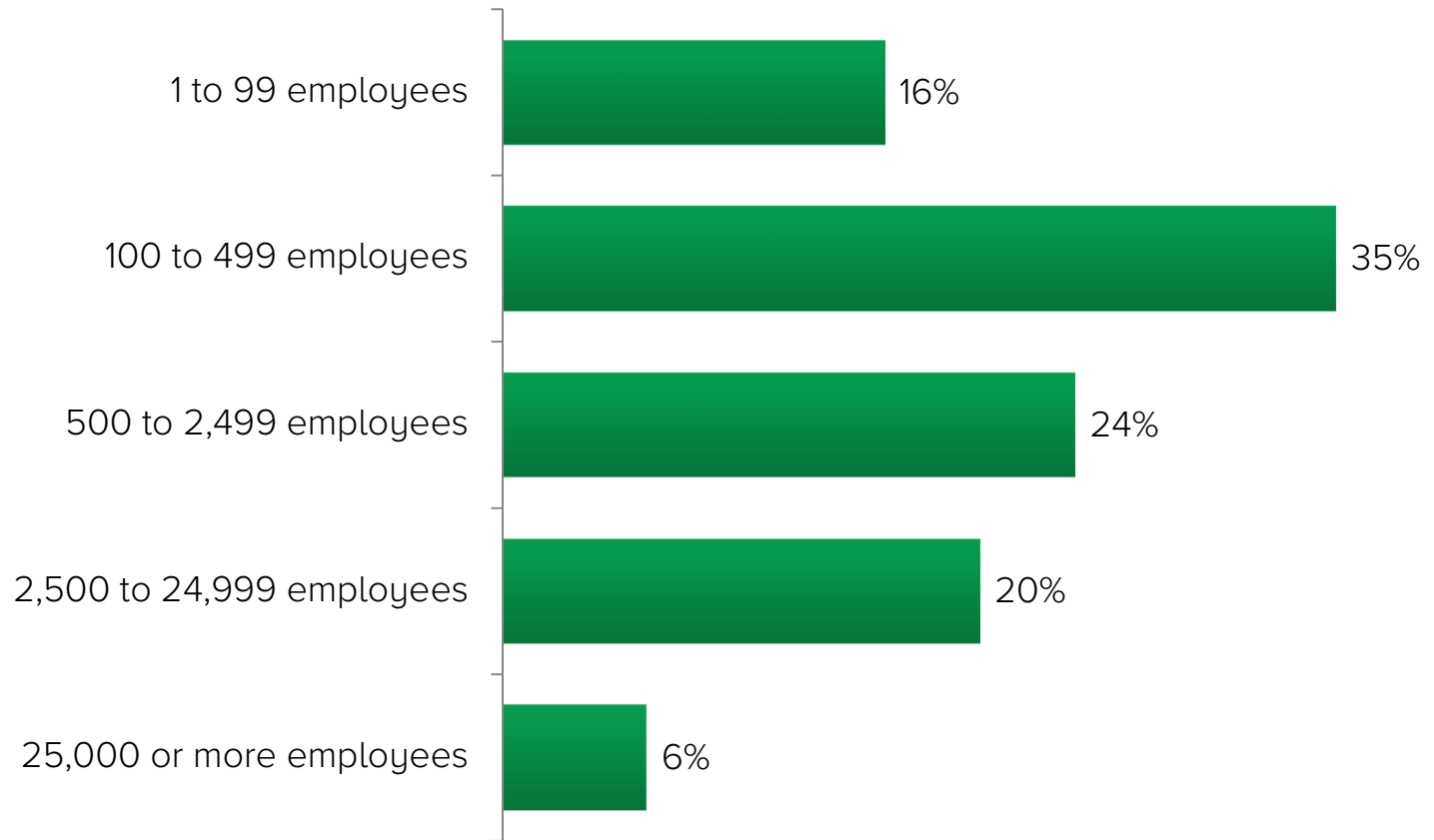
Note: n = 1,784. Percentages do not equal 100% due to multiple response options.

Demographics: Organization Sector



Note: n = 1,696

Demographics: Organization Staff Size



Note: n = 1,011

Does your organization have U.S.-based operations (business units) only, or does it operate multinationally?

U.S.-based operations only	77%
Multinational operations	23%

n = 1,717

What is the HR department/function for which you responded throughout this survey?

Corporate (companywide)	69%
Business unit/division	15%
Facility/location	16%

n = 1,101

Is your organization a single-unit organization or a multi-unit organization?

Single-unit organization: An organization in which the location and the organization are one and the same.	39%
Multi-unit organization: An organization that has more than one location.	61%

n = 1,722

For multi-unit organizations, are HR policies and practices determined by the multi-unit headquarters, by each work location or by both?

Multi-unit headquarters determines HR policies and practices	53%
Each work location determines HR policies and practices	4%
A combination of both the work location and the multi-unit headquarters determines HR policies and practices	43%

n = 1,102



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Survey Methodology

- Response rate = 9.9%
- 1,913 HR professionals from a randomly selected sample of SHRM's membership participated in this survey
- Margin of error +/-2%
- Survey fielded May-July, 2014



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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.



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