



SHRM Survey Findings: The Aging Workforce — Basic and Applied Skills

Funded by the Alfred P. Sloan Foundation



**ALFRED P. SLOAN
FOUNDATION**

January 12, 2015

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.

- **Top three advantages of older workers:** HR professionals indicated the top three advantages of older workers compared with other workers were:
 - More work experience (i.e., more knowledge or skills)—77%.
 - More mature/professional—71%.
 - Stronger work ethic—70%.
- **Top three strongest *basic skills* held by older workers:** HR professionals indicated the top three strongest basic skills held by older workers compared with other workers were:
 - Writing in English (grammar, spelling, etc.)—45%.
 - Reading comprehension (in English)—20%.
 - English language (spoken)—20%.

Key Findings (continued)

- **Top three strongest *applied skills* held by older workers:** HR professionals indicated the top three strongest applied skills held by older workers compared with other workers were:
 - Professionalism/work ethic—58%.
 - Critical thinking/problem-solving—28%.
 - Lifelong learning/self-direction—23%.


- **Steps taken to prepare for potential skills gaps resulting from the loss of older workers:** Responding organizations indicated the top two steps taken to prepare for potential skills gaps included:
 - Increased training or cross-training efforts—42%.
 - Succession plan development—33%.
 - One-third (34%) of responding organizations indicated their organization had not taken any steps to prepare for potential skills gaps as a result of the loss of older workers.

Key Findings (continued)

- Of responding organizations that indicated they had taken a specific step(s) to prepare for potential skills gaps as a result of the loss of older workers, about one-half (47%) indicated that offering flexible work arrangements to attract a broader range of applicants (e.g., job sharing, telework) was “very effective.”
 - One-third indicated increasing automated processes (e.g., use of robotics), increasing training and cross-training efforts, and creating new roles within the organization, specifically designed to bridge a skills or knowledge gap, were “very effective” (37%, 33% and 31%, respectively).
- More than one-half (54%) of responding organizations indicated their organization has implemented training or cross-training programs to transfer knowledge from older workers to younger workers; one-third (33%) implemented mentoring programs, and one-quarter (26%) implemented job shadowing.
- The vast majority of HR professionals indicated employees in their organization are receptive to working with older workers (92%), learning from older workers (91%) and being mentored by older workers (86%) to “some” or a “great extent.”

- Although 42% of responding organizations indicated they are increasing training or cross-training efforts to address potential skills gaps resulting from the loss of older workers, data from a 2014 SHRM employee benefits survey indicate that many training and development benefits are in decline. This disconnect could lead to problems with skills shortages in the years ahead.
- HR professionals will need to make the case to their organizational leaders that preparing for an aging workforce is a priority; one-third of organizations had not taken any steps to prepare for potential skills gaps.
- Employers identified several key advantages older workers bring to their jobs—more experience, maturity, a stronger work ethic and reliability—creating a strong incentive for companies to attract and retain older workers.
- Older workers seem to be particularly prized by employers for their English language and communication skills, especially writing in English, reading comprehension and spoken English. Fields where communication is central may therefore be the most focused on recruiting and retaining older workers.
- Professionalism and work ethic are the applied skills most associated with older workers compared with other age groups. Acting as mentors may be one way organizations ask older workers to pass on these skills to the generations that follow.

Implications for HR (continued)

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- A decorative horizontal bar with a gradient of colors from red to green, featuring a wavy, fluid pattern.
- Many of the steps organizations are taking to prepare for an aging workforce will appeal to workers of all ages, such as offering flexible work arrangements, increasing training and cross-training efforts and creating new roles within the organization, specifically designed to bridge skills or knowledge gaps.
 - Implementing training or cross-training programs to transfer knowledge from older workers to younger workers and mentoring programs may become increasingly popular forms of knowledge transfer.

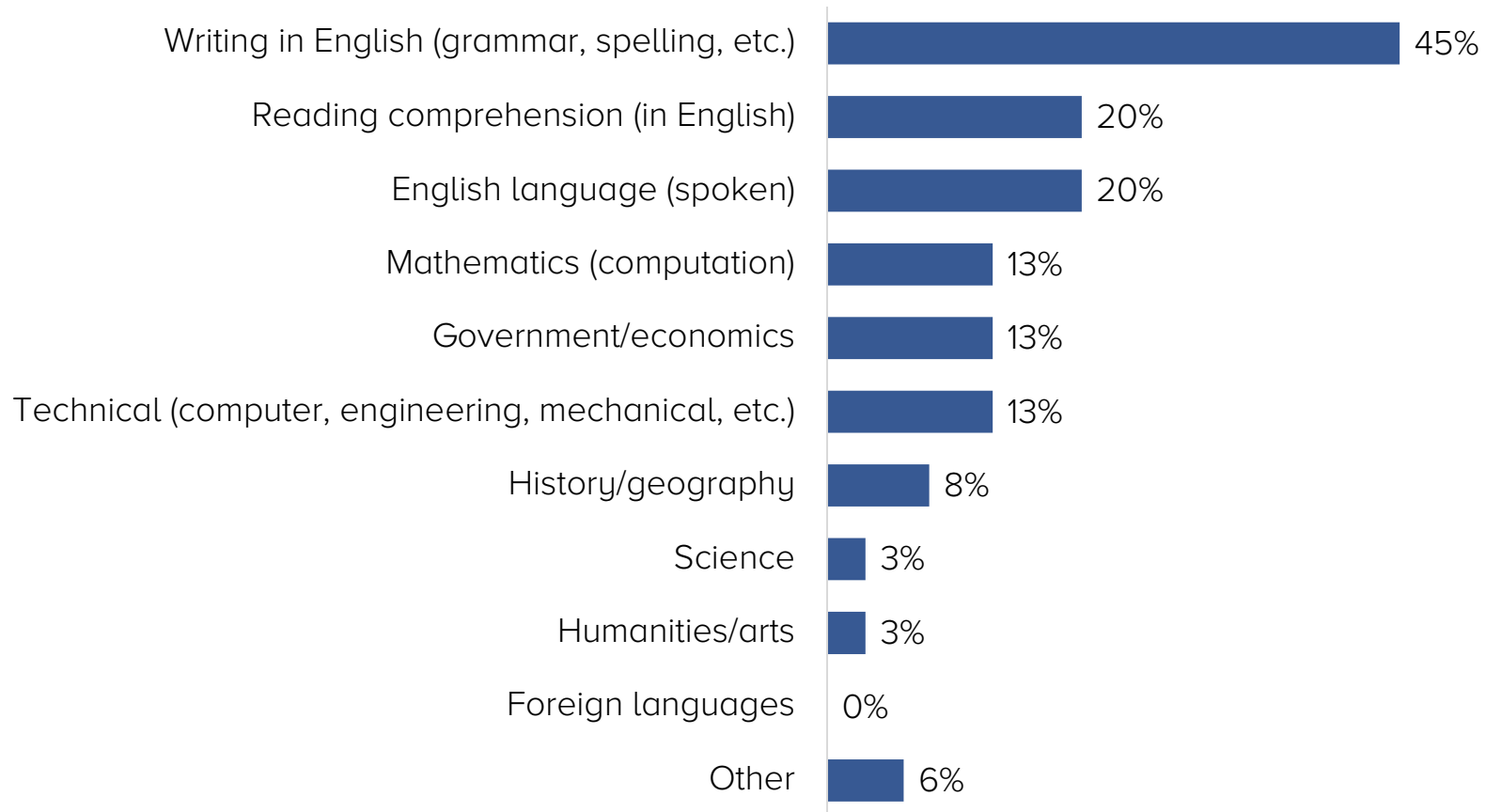
Main Advantages of Older Workers Compared with Other Workers*

Main Advantages	Percentage
More work experience (i.e., more knowledge or skills)	77%
More mature/professional	71%
Stronger work ethic	70%
Ability to serve as mentors for younger workers	63%
More reliable	59%
More loyalty	52%
Lower turnover	52%
Tacit knowledge (knowledge that is not easily recorded or disseminated)	51%
Commitment/engagement	51%
Stronger applied skills (critical thinking/problem-solving, professionalism)	48%
Institutional knowledge of long-term workers at your organization	47%
Established networks of contacts and clients	39%
Add to diversity of thought/approach to team projects	38%
Stronger basic skills (reading comprehension, writing, math)	31%
More productive	23%
Other	1%
None—There are no advantages	1%

Note: n = 1,736. Percentages do not equal 100% due to multiple response options.

** 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)"*

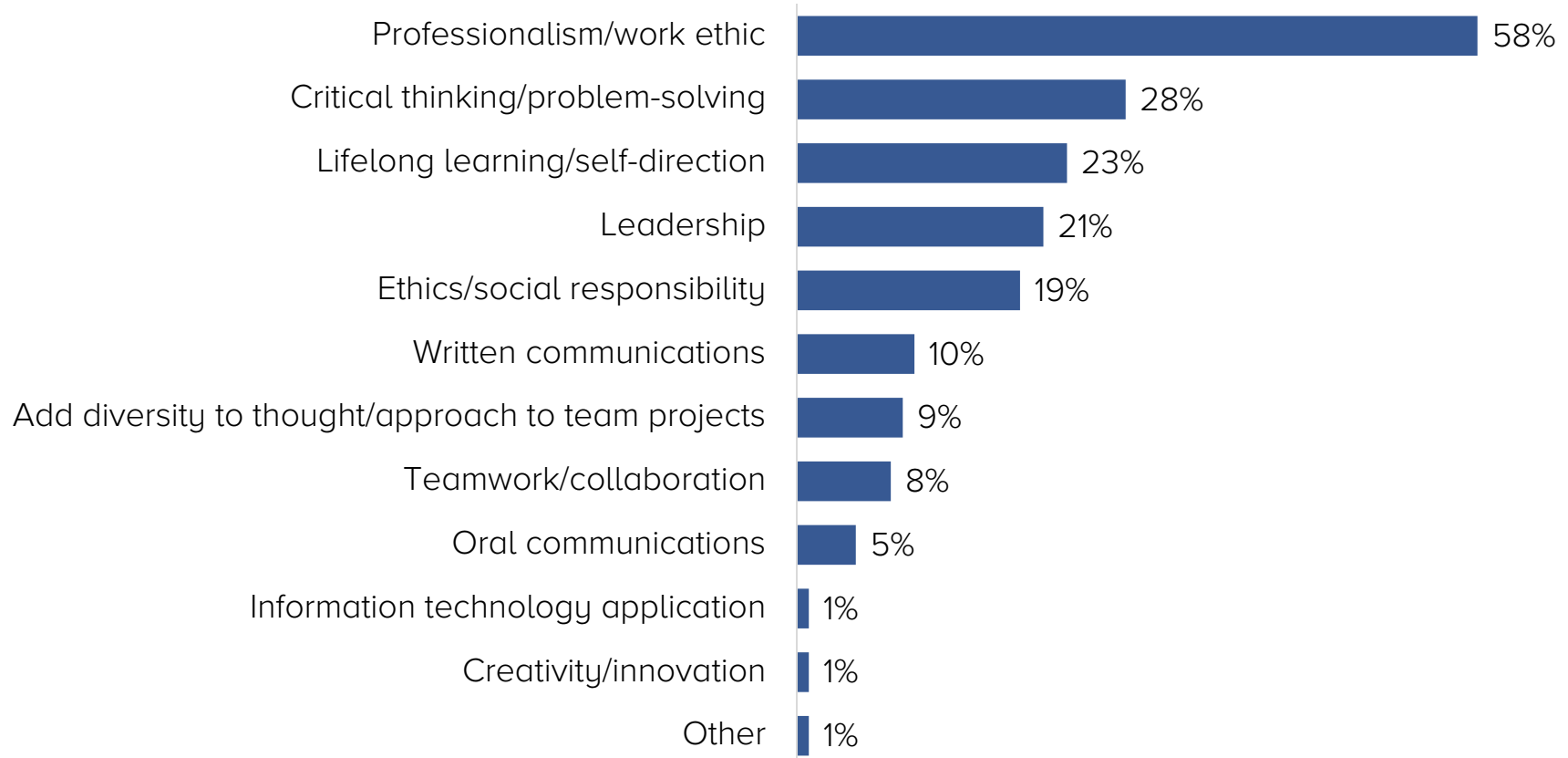
Strongest *Basic Skills* Held by Workers Age 55 and Older Compared with Other Workers*



Note: n = 1,736. Percentages do not sum to 100% due to multiple response options.

* 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)"

Strongest *Applied Skills* Held by Workers Age 55 and Older Compared with Other Workers*



Note: n = 1,736. Percentages do not equal 100% due to multiple response options.

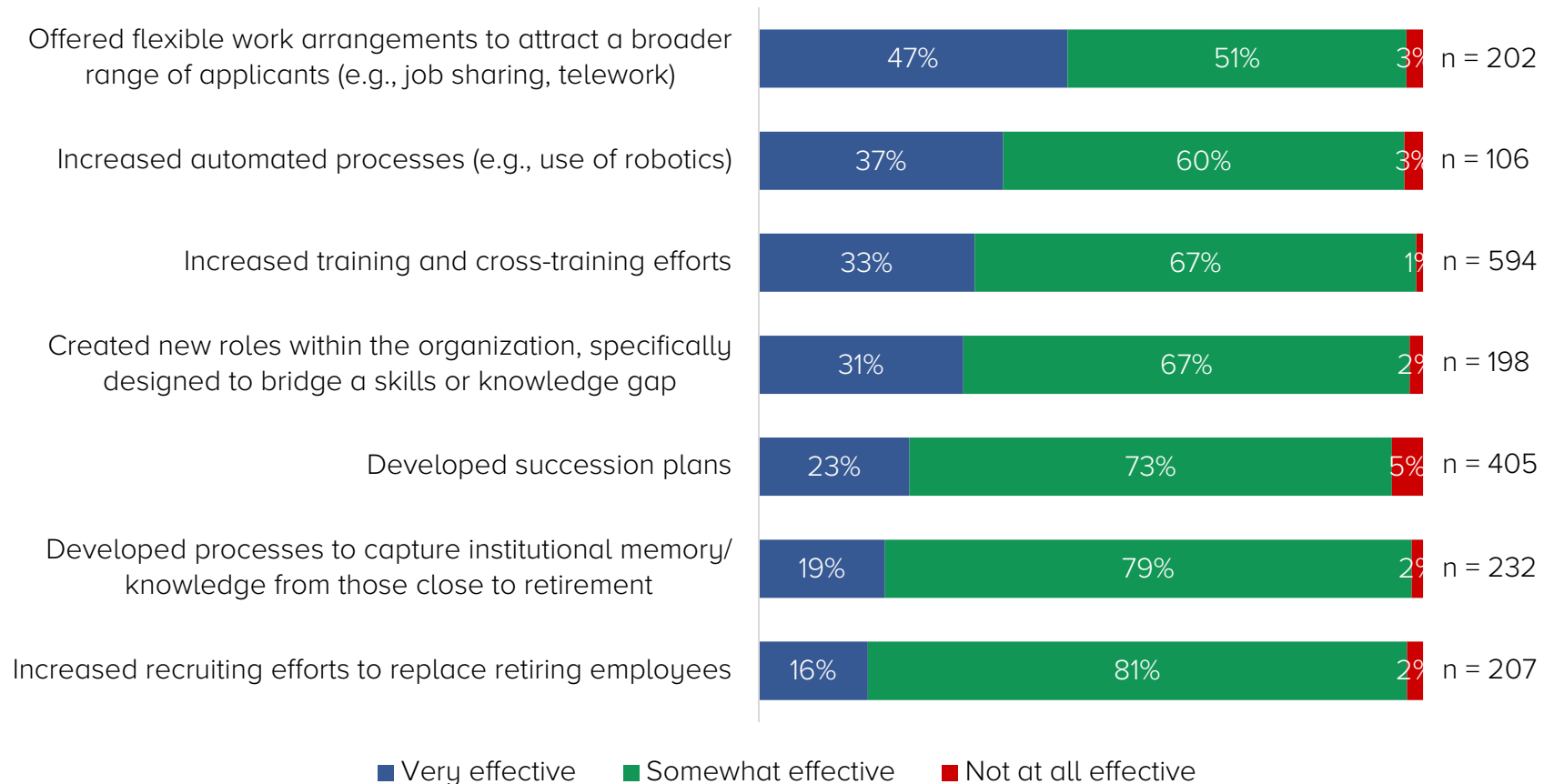
* Survey question was worded as follows: "In your professional opinion, what are the strongest applied skills held by workers age 55 and older compared with other workers? (Check the top two choices)"

Steps Taken to Prepare for Potential Skills Gaps as a Result of the Loss of Older Workers



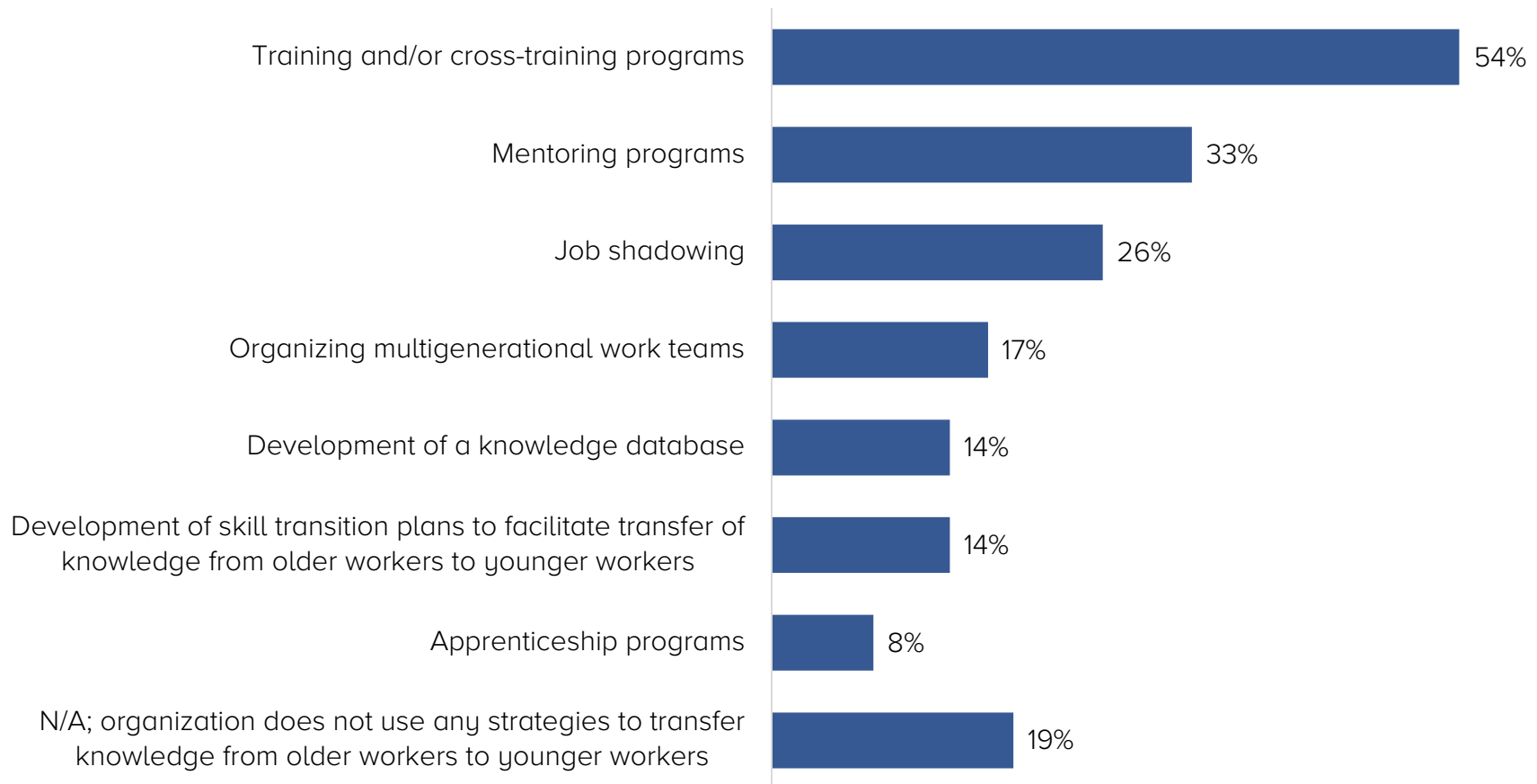
Note: n = 1,731. Percentages do not equal 100% due to multiple response options.

Effectiveness of Steps Taken to Prepare for Potential Skills Gaps as a Result of the Loss of Older Workers



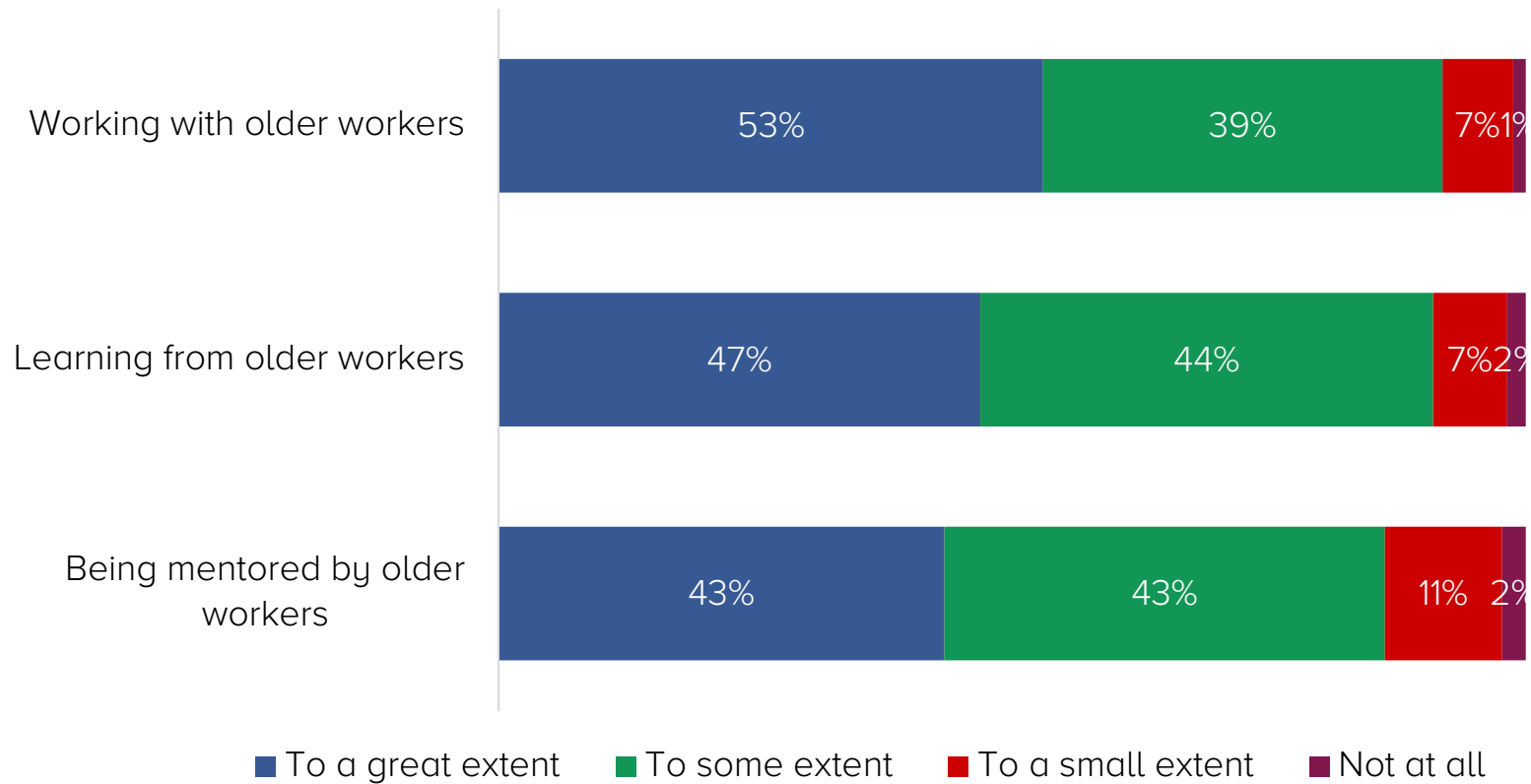
Note: Only respondents who indicated their organization has taken a specific step(s) to prepare for potential skills gaps as a result of the loss of older workers were asked to evaluate the step(s) taken. Response options (i.e., steps taken) with n < 30 are not reportable (NR). Respondents who indicated "Too soon to evaluate" were excluded from this analysis.

Strategies Used to Transfer Knowledge from Older Workers to Younger Workers



Note: n = 1,729. Percentages do not equal 100% due to multiple response options.

Extent to Which Employees in the Organization Are Receptive to . . .



Note: n = 1,698-1,709. Percentages may not equal 100% due to rounding.



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%

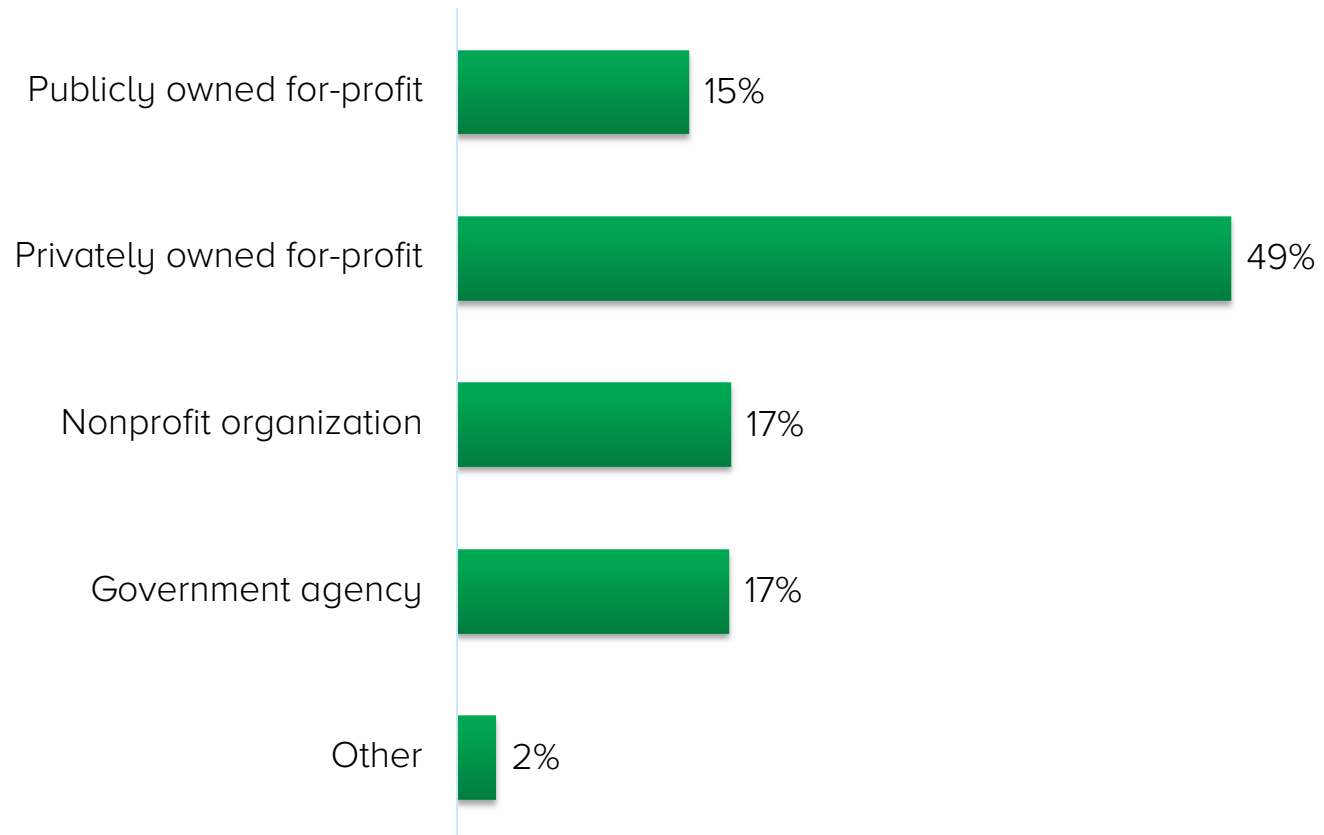
Note: n = 1,784. Percentages do not equal 100% due to multiple response options.

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%

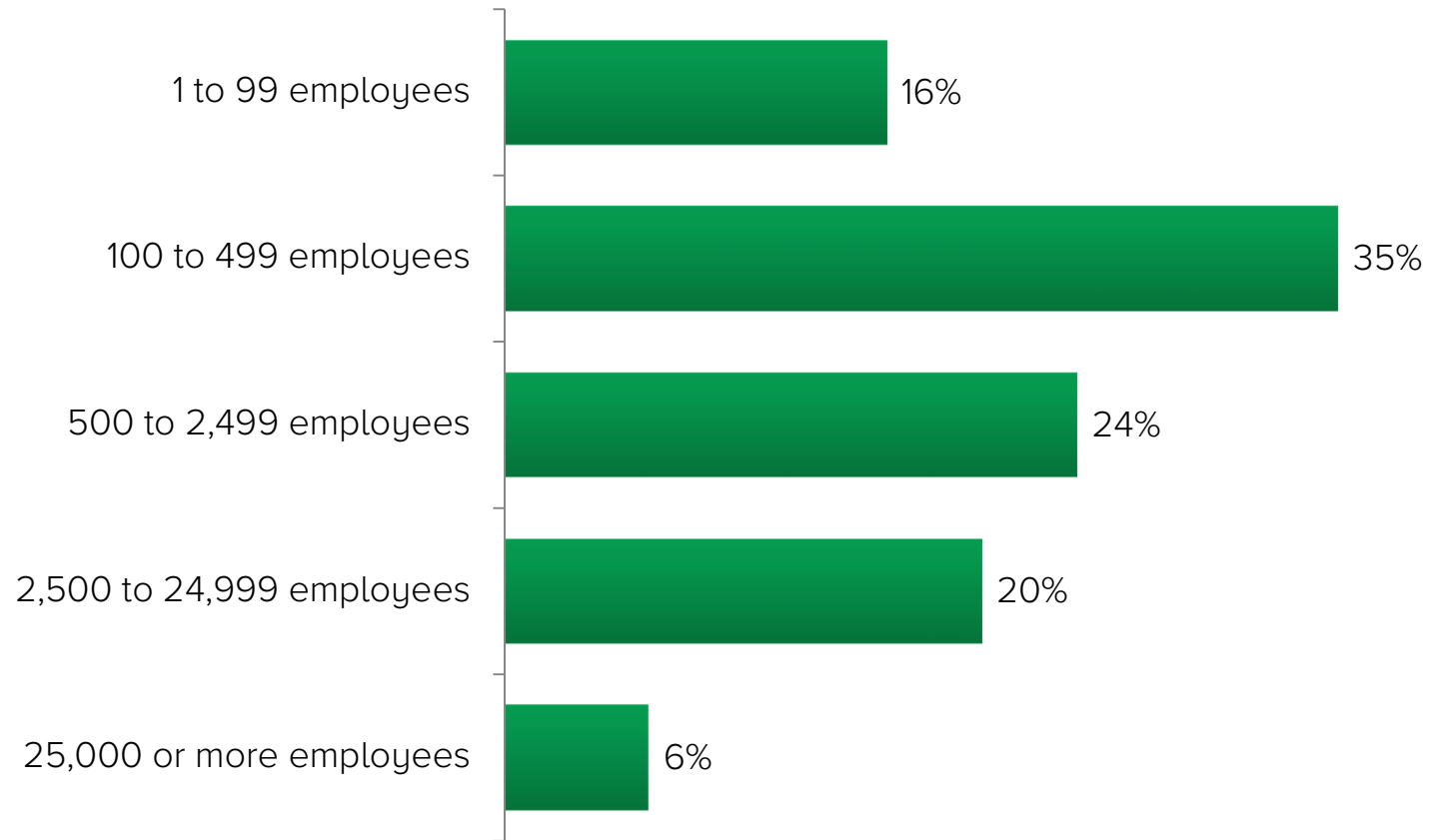
Note: n = 1,784. Percentages do not equal 100% due to multiple response options.

Demographics: Organization Sector



Note: n = 1,696

Demographics: Organization Staff Size



Note: n = 1,011. Percentages do not equal 100% due to rounding.

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.

About the Sloan Foundation



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