Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals

SHRM
SOCIETY FOR HUMAN RESOURCE MANAGEMENT

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Alfred P. Sloan FOUNDATION
About This Guide

The Society for Human Resource Management (SHRM) and the SHRM Foundation have launched a national initiative to highlight the opportunities and challenges of an aging workforce and to identify effective practices for recruiting and employing mature workers. This three-year initiative is generously underwritten by a grant from the Alfred P. Sloan Foundation.

This guide comprises strategies, templates and tools based on the recommendations of the SHRM Foundation’s The Aging Workforce report from the Effective Practice Guidelines (EPG) series, along with resources developed by the SHRM Knowledge Division. It also highlights findings from the Preparing for an Aging Workforce Survey of 1,913 HR professionals on their organizations’ practices related to an aging workforce.

About SHRM

The Society for Human Resource Management (SHRM) is the world’s largest HR professional society, representing 285,000 members in more than 165 countries. For nearly seven decades, the Society has been the leading provider of resources serving the needs of HR professionals and advancing the 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 SHRM Foundation

The SHRM Foundation is a 501(c)(3) nonprofit affiliate of the Society for Human Resource Management (SHRM). The Foundation is a legally separate organization, and is not funded by SHRM membership dues. The SHRM Foundation is governed by a volunteer Board of Directors from the HR profession, including academics, practitioners and representatives from SHRM.

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Prefering for an Aging Workforce: Strategies, Templates and Tools for HR Professionals

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Introduction

Across many countries of the world the workforce is aging. This demographic transition brings with it several major implications for the workplace. First, the large post-war Baby Boom generation is now reaching retirement age, though many are deciding to continue to work. In addition, it is predicted that in the next five to 10 years the majority of the U.S. workforce will be composed of workers over the age of 40 and that a greater number of generations will be working together than ever before.

Along with the legal consequences of having more than half of the workforce covered by legislation preventing discrimination based on age, the effect of an aging workforce on workplace demographics, culture and practices will be profound. The organizations that recognize these changes as an opportunity and are prepared for any accompanying challenges will be best positioned for success in the years ahead. HR professionals will need to understand the issues involved in preparing for an aging workforce as well as have access to practical tools, templates and examples to assist them. This guide aims to provide HR professionals with useful information and a selection of templates, samples and other resources that they can use to prepare for the aging workforce in their organizations.

Much of the content in this guide is based around recommendations from the SHRM Foundation’s Effective Practice Guidelines (EPG) series report The Aging Workforce: A Guide to Leveraging the Talents of Mature Employees, written by Cheryl Paulin, Ph.D. This report is a summary of effective practices used to recruit, retain and manage the talents, knowledge, skills and experiences of an aging workforce. It is based on a number of different sources of expertise, including academic and other research studies related to workforce and demographic issues as well as guidance from subject matter experts. The EPG report outlines three key steps to analyzing an organization’s needs in preparing for an aging workforce, evidence-based strategies for recruiting, hiring and rehiring mature job candidates, and 15 strategies for engaging and retaining mature workers.

The resources in this guide are organized around these evidence-based EPG recommendations, with many of the practical tools and applications built around SHRM Knowledge Center guidelines. In addition, other information and findings, including the findings of the SHRM Preparing for an Aging Workforce research series, are featured.
Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals
Section 1: Building the Business Case to Prepare for an Aging Workforce

The large Baby Boom generation, born between 1946 and 1964, has already begun its exodus from the workforce. Over the coming decade, the rate at which members of this generation retire from work will speed up. Many of these workers possess important skills and work experience as well as in-demand educational degrees and certifications. Organizations will therefore have a strong incentive to hold on to many of these workers for as long as possible. Many individuals in this generation will also want to continue working for a variety of reasons, such as the need for income, personal fulfillment, social interaction or the opportunity to start a new career in a different field.

HR professionals are already aware that their organizations can benefit from the talent and experience of mature workers—the SHRM Research on preparing for an aging workforce found that employers particularly value the work experience, professionalism and work ethic of mature workers. But this awareness may not necessarily be shared by organizational leaders or hiring managers. Therefore, one of the first steps HR professionals may need to take in their efforts to prepare their organizations for an aging workforce is to make the business case that these preparations are actually necessary.

Depending on the organization, different approaches to building a business case may be followed. In some organizations, informal methods are used to make strategic decisions. HR professionals at small organizations, for example, may need only to have a well-timed, informal conversation with their organizational leadership team or business owner to get the needed buy-in to move forward with a strategy. In other organizations, a much more formal route must be taken.

A business case is a presentation to management that establishes that a specific problem exists and argues that the proposed solution is the best way to solve the problem in terms of time, cost efficiency and probability of success. The form and level of formality of the business case will vary by organization—some are written proposals with supporting financial analyses, whereas others may be slide-supported oral presentations. Whether they are written or oral, business cases generally have the same components, as described below.

- **Statement of need.** This is the condition or change impelling the function’s action.

- **Recommended solution.** The objectives for an ideal solution are defined (the desirable outcomes of such an initiative), and the proposed action is described in sufficient detail to show how it meets these objectives. In some cases, alternatives may be described as well, and the reasons they are not being recommended may be discussed.

- **Risks and opportunities.** Risks should include outcomes that could decrease the project’s chance for success, outcomes that could present new opportunities that would require action, and the risks of doing nothing at all.

- **Estimated costs and time frame.** The project budget should include all foreseeable elements (labor, equipment, fees, travel and so on), plus a reserve for the unforeseeable expenditures based on the project’s risk. The time frame should keep in mind the project requirements but also the organization’s needs. Longer or more complex projects may be structured in phases, with gates or review milestones at which management can decide whether to proceed.

Building a business case is essentially about creating a common language for deciding on a particular strategy. In the case of preparing for an aging workforce, building a business case will involve clarifying why this demographic shift presents both a challenge and an opportunity and a vision for how meeting this challenge can create successful outcomes for the business.
With this in mind, HR professionals should be prepared to ask, discuss and provide answers to the following questions:

- What data and information do we currently have about how the aging workforce will affect our industry and our organization?
- What are the risks and unknowns of failing to address this challenge?
- Who are the key stakeholders in our organization that will need to be involved in developing a strategy to address these challenges?
- What additional data, information and resources will we need to make good decisions around this issue now and in the future?
- Are there unique features to our industry, organization, workforce or any other factors that will influence what tactics we should use to best prepare us for these demographic changes? How can we build a strategy that will actually leverage these unique features to better position us for success?

Below is a checklist that summarizes the key components of the business case to be made to prepare for an aging workforce by directing efforts and resources to attracting, engaging and retaining mature workers.

### Business Case Checklist: Convincing Organizational Leaders of the Need to Prepare for an Aging Workforce

<table>
<thead>
<tr>
<th>Scope/Statement of Need</th>
<th>Recommended Solutions</th>
<th>Risks/Costs of Inaction</th>
<th>Estimated Costs and Time Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ The demographic shifts in the workforce are/will be significant and unprecedented.</td>
<td>✓ Recruiting mature workers</td>
<td>✓ Higher turnover costs</td>
<td>✓ Recruiting mature workers</td>
</tr>
<tr>
<td>✓ The workforce and the population as a whole are aging.</td>
<td>✓ Retaining mature workers</td>
<td>✓ Skills shortages</td>
<td>✓ Skills, training and career development</td>
</tr>
<tr>
<td>✓ Labor and skills shortages are projected in a growing number of sectors of the economy.</td>
<td>✓ Skills, training and career development</td>
<td>✓ Potential litigation involving age discrimination</td>
<td>✓ Health care benefits</td>
</tr>
<tr>
<td>✓ Many workers intend to continue to work beyond the traditional retirement age.</td>
<td>✓ Health care benefits</td>
<td>✓ Planning and redefining retirement</td>
<td>✓ Wellness programs</td>
</tr>
<tr>
<td>✓ Planning and redefining retirement</td>
<td>✓ Wellness programs</td>
<td>✓ Retirement benefits</td>
<td>✓ Planning and redefining retirement</td>
</tr>
<tr>
<td>✓ Senior care program</td>
<td>✓ Senior care program</td>
<td>✓ Access deep stores of institutional and tacit knowledge</td>
<td>✓ Employee assistance program</td>
</tr>
<tr>
<td>✓ Employee assistance program</td>
<td>✓ Leveraging a more generationally diverse workforce</td>
<td>✓ Paid leave</td>
<td>✓ Paid leave</td>
</tr>
<tr>
<td>✓ Paid leave</td>
<td>✓ Employee services</td>
<td>✓ Employee services</td>
<td>✓ Employee services</td>
</tr>
</tbody>
</table>
Research Spotlight

SHRM Research conducted a survey of HR professionals to learn more about how organizations are preparing for an aging workforce. The findings revealed a number of potential gaps between current practice in preparing for an aging workforce and the effective practices recommended by HR academics and other experts in the SHRM Foundation’s EPG The Aging Workforce: Leveraging the Talents of Mature Employees.

The four key gaps identified were:

1. **A short-term mindset:** Whereas the Aging Workforce EPG report advised taking a long-term view of demographic changes and the impact of an aging workforce, most organizations said they were primarily focused on assessing the impact of the aging workforce and the impact of retirements within a relatively short period of time (one to five years).

2. **A lack of urgency in preparing for impending demographic shifts:** The EPG outlined a strong case for preparing for a major shift in workforce demographics in the years ahead, but most organizations, according to the SHRM research, did not appear to have the same level of urgency in preparing for an aging workforce. Most organizations reported that they were either at the early stage of examining the issue or believed that no changes were necessary. Thirteen percent were not even aware of this impending change to the makeup of the workforce.

3. **A lack of formal long-term forecasting, planning and assessment related to changing workforce demographics and an aging workforce:** Though the EPG recommended a number of steps in preparing for an aging workforce, including short- and long-term demographic forecasting and assessment as well as current and future skills audits, most organizations did not report having a process for assessing the impact of demographic changes in their workforce beyond the next one to two years.

4. **Not including older workers in diversity planning related to recruiting:** Whereas the EPG recommended building efforts to attract and retain older workers into diversity and affirmative action recruiting plans, more than one-half of responding HR professionals reported that their organizations did not actively recruit older workers at all.


The following sections of the report examine each of the business case components.

**Scope/Statement of Need**

Although HR professionals tend to be well-versed in the major implications of the changing demographic profile of the workforce, many of their counterparts in other parts of the organization—including many senior leaders—are unaware of just how large and influential these changes are likely to be. Therefore, the first step that HR professionals will need to take in making their case is to share information about the aging workforce in general and its likely impact on their specific industry in particular. The following key data points may be helpful:

- Population growth among those age 65 and older is outpacing the growth of those age 25 to 64 in most developed nations.²

- Globally, the number of older persons in the world is projected to be 1.4 billion by 2030 and 2.1 billion by 2050, and could rise to 3.2 billion in 2100.³ This means that for businesses both their talent pool and their customer base are shifting toward an older demographic.

- By 2030, more than 20% of U.S. residents are projected to be age 65 and older, compared with 13% in 2010 and 9.8% in 1970.⁴
• U.S. law protects anyone over the age of 40 from age discrimination. By 2020, more than one-half of the U.S. workforce is expected to be age 40 or older.\(^5\)

• The labor force participation rate of 55- to 64-year-olds was 61.9% in 2002 and increased to 64.5% in 2012. The participation rate for people age 65 to 74 was 20.4% in 2002 and rose to 26.8% in 2012.\(^6\)

• The participation rate of workers age 55 to 64 is expected to increase to 67.5% in 2022. The participation rate for workers age 65 to 74 is projected to increase to 31.9% in 2022 and that of workers age 75 and older to increase from 7.6% in 2012 to 10.5% in 2022.\(^7\)

In addition to data points about demographic changes and an aging society in general, it is important to understand how the aging of the workforce may affect each industry specifically. Sources of industry-specific data and studies include professional societies and associations. Government bodies such as the U.S. Bureau of Labor Statistics (BLS) also collect industry data. The BLS website enables users to interact with the data through the creation of customized data sets. The data by age generally are limited to persons of working age, defined as 16 years and older. The BLS has an entire section of its demographics information dedicated to older workers. In addition to this form of data collection, the BLS also produces occupational forecasts through its Occupational Outlook Handbook, a guide to career information on hundreds of occupations. Through referencing these types of resources, HR professionals can develop a more detailed forecast of where their workforce may be heading in the coming decades. For example, a retail business may currently rely on young workers, but the availability of these workers is shrinking; at the same time, an available source of labor will be the post-retirement-age workforce. Certain positions are also much more likely to be held by mature workers. For example, 36% of CEOs are over the age of 55, 32% of lawyers, 30% of administrative staff.\(^8\)

**Risks and Costs of Inaction**

Organizations that do not take steps to prepare for an aging workforce run the risk of higher costs on several fronts. First, as more and more workers in the Baby Boom generation begin to retire, filling the positions that they vacate will involve replacement and turnover costs. Creating conditions that encourage retirement-age workers to continue working is considered a key way that organizations can save costs during this time of demographic change. This is because in many cases it is more cost-effective to retain experienced workers than it is to find, hire, train and develop their replacements.

**Skills shortages** present another potential risk. As experienced and educated employees retire in greater numbers, these shortages are expected to grow more serious. Below are some data points that underscore this risk factor:

• Experts forecast that the number of younger workers with the needed skills and experience to replace the departing Baby Boomers will be insufficient.\(^9\)

• According to the SHRM Leading Indicators of National Employment (LINE) data, recruiting difficulty of key candidates has now reached prerecession levels.\(^10\)

• One-half (50%) of organizations indicated that they have had difficulty recruiting for full-time regular positions in the past 12 months. The top reasons for this difficulty were lack of the needed work experience (50%) and the right technical skills (50%) among candidates as well as competition from other employers (50%).\(^11\)

• The top three advantages of older workers, according to HR professionals, are more work experience (i.e., more knowledge or skills, 77%), maturity/professionalism (71%) and a stronger work ethic (70%).
Skills shortages can create problems across all industries and all jobs. The Baby Boom generation is well-educated, and many industry leaders are particularly concerned about replacing retirement-age workers with advanced degrees, especially those in the STEM fields (science, technology, engineering and math). But skills shortages are also a concern around middle and even some lower-skilled positions. This is because the tacit and institutional knowledge mature workers possess is valuable in a wide array of roles. In addition, HR professionals view these workers as having valuable interpersonal skills, especially communication skills.

Another risk factor related to inaction in preparing for an aging workforce is the potential for opening up the organization to litigation involving age discrimination. With the majority of the workforce soon expected to be covered by anti-age discrimination legislation, employers will need to be ever more mindful of their practices from recruiting to opportunities for advancement, as well as everything in between, such as benefits and training investments. Section 6 on legal issues related to an aging workforce will go into detail about the types of legal factors HR professionals should be aware of when planning their strategies to prepare for an aging workforce.

Opportunities

The basis of the SHRM and SHRM Foundation’s Preparing for an Aging Workforce Initiative is that the demographic shifts leading to an aging workforce should be looked upon as an opportunity, not as a problem, because there are many advantages to having a more age-diverse workforce and because mature workers bring valuable assets to the table. Cheryl Paullin, in The Aging Workforce EPG report, outlines several of these key opportunities:

**Use available talent.** First, organizations that have a strategy for preparing for an aging workforce are setting themselves up to be able to more fully utilize an important source of available talent, giving them an edge over their competitors who may be less aware of the value of this talent pool. The reality is that the overall labor pool will increasingly be made up of employees currently considered part of the “older workers” category. As noted earlier, the labor force participation rate of workers age 55 to 64 is expected to increase to 67.5% in 2022 from 64.5% in 2012. The participation rate for those age 65 to 74 is projected to increase to 31.9% in 2022 from 26.8% in 2012, and that of workers age 75 and older is set to increase from 7.6% in 2012 to 10.5% in 2022. Paullin concludes that based on these numbers, “mature workers will be a firm’s largest source of talent in the next two decades”.

**Source untapped talent.** The ability to source untapped talent is a major advantage for HR professionals and staffing professionals looking to find individuals for hard-to-fill jobs. Paullin identifies this as a second key benefit to using mature workers’ talent. Not only do many workers in the mature worker category say they would like to continue working past the normal retirement age, many who are currently working feel underutilized and are working in roles that do not make full use of their skills, experience and education. HR professionals who are actively working to prepare for an aging workforce will be much more knowledgeable about how to fully use this source of untapped talent than their competitors.

The Aging Workforce EPG summarizes several factors that make the mature workforce a source of untapped talent. These include the following:

- Many individuals approaching and beyond normal retirement age want to continue to work.
- Many are unemployed or underemployed.
- Their positive traits outweigh any disadvantages that some employers associate with older workers.
- They perform as well as their younger counterparts.
- Stereotypes are no basis for making decisions about staffing of workers of different ages.

Research shows that mature workers are actually less resistant to change, are less likely to leave their organizations or miss work, are interested in learning new things and are more than capable of keeping up with new developments in technology.
The EPG also dismantles many stereotypes surrounding mature workers, such as the notion that older workers are more resistant to change than their younger colleagues. Research shows that mature workers are actually less resistant to change, are less likely to leave their organizations or miss work, are interested in learning new things and are more than capable of keeping up with new developments in technology.

**Access deep stores of institutional and tacit knowledge.** One of the key benefits of tapping into a mature workforce cited in the EPG is that these workers often “hold the keys to institutional knowledge.” This makes it particularly difficult to lose many of these workers in a relatively short period of time, as is expected when the Baby Boom generation’s retirements reach a crescendo. This institutional knowledge holds with it cost-saving efficiencies and time-savings, avoidance of expensive errors, risk awareness and potential for innovations. Organizations that can hold on to this institutional knowledge longer have a better chance of taking full advantage of its returns and can build in the extra time that will be needed to pass on this institutional knowledge to younger generations of workers.
RESOURCES

AARP (aarp.org): Along with resources for individuals and mature job seekers, the AARP website has an entire section devoted to resources for employers (www.aarp.org/employers). Among these are research and reports that will assist HR professionals who would like to make a business case for preparing for an aging workforce. For example, it offers an updated report on The Business Case for Workers 50 Plus, which outlines the benefits of individuals over 50 as employees. The AARP also has a slide deck for a business case that SHRM links to on its website.

The Center on Aging and Work at Boston College (bc.edu/research/agingandwork): Funded through the support of the Alfred P. Sloan Foundation, the Center on Aging and Work at Boston College provides a wealth of research, data and information on aging and work.

OECD (oecd.org): The Organisation for Economic Co-operation and Development (OECD) provides a wide array of information on a broad range of topics. Its 34 member countries range from North and South America to Europe and Asia-Pacific and include many of the world’s most advanced countries and also emerging economies. Through its collection and analysis of member data, the OECD can provide an excellent source of information on aging in different nations around the world. Information on aging and work is available through the OECD’s Employment initiative.

SHRM (shm.org): Articles, research and toolkits, sample forms and other resources are all available to SHRM members on the SHRM website. Some resources are also available to the general public. Most information on aging is found through the Age sub-topic area under the Diversity topic family.

U.S. Bureau of Labor Statistics (bls.gov): Information about workforce characteristics by age is also available from the BLS. Most of this information is based on data gathered through the Current Population Survey (CPS). The CPS is a monthly survey of households conducted by the Census Bureau for the BLS on the labor force, employment, unemployment, persons not in the labor force, hours of work, earnings, and other demographic and labor force characteristics. BLS experts also frequently do a deeper analysis of their available data, specifically on the topic of the aging workforce, and make these findings available through reports, statistical snapshots and research briefs:

• Older Workers: BLS Spotlight on Statistics
• Labor force projections to 2020: a more slowly growing workforce
• Share of labor force projected to rise for people age 55 and over and fall for younger groups

U.S. Census Bureau (census.gov): The U.S. Census Bureau is a major resource for data about the U.S. population as well as employment trends. The Current Population Survey and other Census Bureau surveys collect data by age. The bureau has produced a number of reports that may be helpful resources for more information about the older population in the United States:

• The Older Population: 2010
• 65+ in the United States: 2005
• An Aging World
• We the People: Aging in the United States
• Guide to Data on the Older Population in Census 2000 Summary Files 1-3
• Guide to Data on the Older Population in Census 2000 Summary Files 1-4
• Population and Ranking Tables of the Older Population for the United States, Puerto Rico, Places of 100,000 or More Population, and Counties

For more information on aging as it relates to other subjects such as Education, Families, Marital Status and Living Arrangements, view ‘Population Topics.’

U.S. Department of Labor (dol.gov): The U.S. Department of Labor website has a number of resources for employers, such as the National Technical Assistance and Research Center to Promote Leadership for Increasing the Employment and Economic Independence of Adults with Disabilities: Employer Strategies for Responding to an Aging Workforce

United Nations (un.org): The United Nations Population Division looks at a number of different demographic issues from a global standpoint. This includes information about aging through publications and interactive data sets:

Publications

• National Transfer Accounts Manual: Measuring and Analysing the Generational Economy
• World Population Ageing 2013 (Report)
• Population Ageing and Development 2012 (wall chart)
• Population Facts No. 2013/8, December 2013 - Life Expectancy and Mortality at Older Ages
• Population Facts No. 2012/4, December 2012 - Population ageing and development: Ten years after Madrid
• Population Facts No. 2012/2, April 2012 - Toward global equity in longevity

Interactive Data

• Population Ageing and Development Database 2014
• Profiles of Ageing 2013

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Case Study: Building the Business Case to Prepare for an Aging Workforce at a Small Business

Premier Brokerage, Jenkintown, Penn.

Quite frequently, retiring is just not an option at Premier Brokerage, a life insurance agency based in Jenkintown, Penn. This is not due to any draconian management policies at the company, but rather to the staff’s desire to stick around. Knowing that, it made things all the more surprising for Colette Tomeo when she heard the company’s longtime receptionist was ready to retire in 2013.

“My first reaction was, ‘She must have hit the lottery,’” said Tomeo, Premier’s executive vice president. “It just seems like a lot of people work longer these days and don’t retire. Nobody else in the office had even expressed interest in retiring for such a long time. But then I thought, we have a lot of people here over 55,” Tomeo said. “I thought maybe we should have a policy where we can safely have a conversation with each worker about retirement plans.”

Premier is a small life insurance brokerage. There are only 27 employees, and the staff is a mix of sales representatives, managers and administrative personnel. Although it has only been around for 20 years, Premier has quickly worked its way into a niche market for personal lines of insurance with high-premium policies, and its customers are primarily attorneys, financial planners and other professionals who have high net worth clients.

The company’s small size, however, gave Tomeo pause when she conducted a quick demographic analysis after the retirement of the 66-year-old receptionist. She found that about 30% of Premier’s staff was between the ages of 55 and 70, and another 33% was between the ages of 45 and 55.

“We have a high retention rate here, which is good,” she said, “but that’s nearly two-thirds of the staff that is over 45. We needed a strategy in place.”

Although it has a 401(k) plan for its employees, Premier Brokerage does not have a pension or a related formal retirement package for workers. So Tomeo drafted a voluntary policy that workers can take advantage of when they are ready to retire, or when they are at least planning for that day. The process involves a simple conversation with HR about the worker’s retirement timeline, how Premier can help that worker prepare for his or her golden years, and how the worker can assist in training a replacement before he or she leaves the company.

In exchange for the voluntary transitional planning, the worker will receive six months’ worth of his or her salary on retirement date. A part-time, or “step-down,” plan for the worker, to ease into retirement gradually, is also an option, Tomeo said.

“The whole proposal is a win for us, because it’s all about advanced planning,” she said. “The conversation is totally exploratory and nothing is held against the employee in any way. When I pitched the idea to our owner, I said this was so much better than setting aside resources for training somebody new. We’ll have a built-in trainer, and it will save the company money.”

With the voluntary policy in place, Tomeo says she probably won’t get caught off guard when the next employee has retirement plans. The company’s older workers are “highly experienced, very knowledgeable and deeply engaged,” Tomeo said. “These are the people who are extremely valuable to this company.”
Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals
Section 2: Assessing the State of the Aging Workforce in the Organization

According to SHRM research on the state of older workers in organizations in the U.S., only a small minority of organizations have begun to take steps to address the implications of an aging workforce in their organizations. As shown in Figure 1, only 6% said they had implemented specific policies and management practices to prepare for this change, whereas 2% agreed on a plan to implement changes to policy and management practices. Meanwhile, most organizations were either just beginning to examine their policies and practices to see if changes may be necessary (36%), or have determined that they didn’t need to make any changes to prepare for this demographic shift (20%). Nineteen percent said they were just beginning to be aware of this change, and another 13% were not aware of this shift at all.18

FIGURE 1: How Organizations Are Preparing for the Projected Increase in the Proportion of Older Workers in the Labor Force*

<table>
<thead>
<tr>
<th>Preparatory Action Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning to examine internal policies and management practices to address this change</td>
<td>36%</td>
</tr>
<tr>
<td>Have examined our workforce and determined that no changes in our policies and practices are necessary</td>
<td>20%</td>
</tr>
<tr>
<td>Just becoming aware of this potential change</td>
<td>19%</td>
</tr>
<tr>
<td>Not aware of this potential change</td>
<td>13%</td>
</tr>
<tr>
<td>Have implemented specific policies and management practices</td>
<td>6%</td>
</tr>
<tr>
<td>Have proposed specific policy and management practice changes</td>
<td>5%</td>
</tr>
<tr>
<td>Have agreed on a plan to change policies and management practices</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: n = 1,715. Percentages may not total 100% due to rounding. Respondents who indicated “don’t know” are not included in the analysis.

* Question as asked in the survey: “According to the Bureau of Labor Statistics, workers 55 years of age and over are projected to make up approximately 26% of the labor force by the year 2022, compared to 21% in 2012 and 14% in 2002. As the proportion of older workers increases, the potential impact resulting from the loss of their knowledge and experience may become more substantial. Which of the following best describes your organization’s preparation for this change?”


The good news is that this means that HR professionals who are already preparing for this demographic shift are probably at the leading edge of HR practice and are helping their organizations gain a competitive human capital advantage both now and in the coming decades. The types of assessments HR professionals are making that relate to the issue of an aging workforce fall into several different categories:

- Workforce planning and forecasting.
- Calculating turnover and projecting future turnover.
- Calculating the costs of turnover.
- Job analysis and skills audits.
- Measuring employee satisfaction and engagement overall and by demographic groups.

The Aging Workforce EPG urges HR professionals to analyze their organization’s needs through three main steps:
1. Conduct age and knowledge/skills audits.

2. Identify work requirements: What does the organization need?

3. Gather information from workers: What are their needs and wants? These steps can all be folded into broader organizational workforce planning initiatives and assessments.

**Workforce Planning and Forecasting**

The workforce planning process is a central HR task that all organizations must undertake whether or not they believe the aging workforce will have a major impact on their industry or organization. Indeed, it is only by undergoing the workforce planning process that they can effectively determine whether their organizations will be influenced by these changes. Workforce planning is the process of analyzing the organization’s workforce and determining steps required to prepare for future needs. This is done through a systematic assessment of workforce content to determine what actions must be taken to respond to future needs. These actions will depend on multiple internal and external factors, and the aging of the workforce will affect both. For example, an internal factor may be the percentage of the organization’s employees nearing retirement, whereas an external factor may involve the demographic makeup of the available talent market. Effective workforce planning helps HR locate talent anywhere in the organization and find the best use for each employee as well as recruit passive job candidates. Regular and thorough workforce planning assessments are essential for any HR function to be able to effectively respond to business needs.

Workforce planning is more than forecasting staffing needs. It is a critical tool for creating a human capital strategy. Often, a workforce plan is developed alongside organizational strategic planning and is updated in tandem with the strategic plan. Therefore, senior organizational leaders often work closely with HR on workforce planning initiatives. Because of its strategic importance, HR professionals need to be able to provide solid performance indicators of their workforce planning activities such as profitability and return on investment.

According to SHRM Knowledge Center guidelines, workforce planning requires an understanding of the following concepts:

- The composition and content of the workforce needed for the organization to successfully deal with an array of possible futures and business objectives.
- Any gaps that may exist between the future employment model(s) identified and the existing workforce, especially those involving new or additional skills and experience.
- Recruiting and training plans for both regular and contingent staff that will fill the gaps identified.
- Identification of the sources that can be tapped to meet the skill needs for outsourced functions.

Because of the strategic importance of workforce planning initiatives, it is advised that an HR team lead is designated to manage the process. The HR team lead then works with key stakeholders throughout the process. Ideally, a high-level executive acts as a champion of the plan. The involvement of the senior champion as well as other key stakeholders ensures that the workforce plan is aligned with the company’s strategic business plan. It should also be coordinated with succession planning and career development initiatives. The following are recommended steps for the workforce planning process:
Step 1: Workforce analysis, the supply analysis, or the “supply model” or “staffing assessment.” The first step focuses on understanding the details of the current labor supply. A workforce analysis examines the current and future workforce needs and helps provide answers to questions that shape an organization’s staffing strategy. By taking a systematic approach to anticipate human capital needs, HR professionals can help ensure that the appropriate KSAs will be available when needed to accomplish organizational goals and objectives. Forecasting involves identifying expected future conditions based on information about the past and the present and is a helpful planning method. Supply analysis should include the number of employees and their skills, as well as workforce demographics. This step will reveal if the organization has large numbers of workers nearing retirement age. A supply analysis also involves making projections of attrition due to resignations, retirements, internal transfers, promotions and involuntary terminations. Finally, information about the representation of protected classes is imperative in organizations that must comply with affirmative action plan requirements. Many organizations that wish to improve representation of underutilized protected classes will also use this type of information.

Step 2: The demand analysis, or “demand model.” The second step considers future business plans and objectives and aims to forecast the organization’s future workforce composition. It should take into consideration a broad range of internal and external business issues, such as new areas of business, new products and services, and market conditions, such as competition and new markets. It also must take into account labor market conditions and access to talent in different regions. Questions around future skills and competencies requirements—and the accompanying education and certifications needed to acquire them—are also asked in this step of workforce planning.

Step 3: The gap analysis. A gap analysis is conducted to uncover the differences in the supply and demand models. Through this gap analysis skills shortages can be identified.

Step 4: The solution analysis. This step outlines a plan to address gaps in both current and future staffing needs. The plan may involve retention, recruiting, training and development. In some cases, it may also involve the use of contingent staffing and outsourcing.

To be successful, workforce planning must be an ongoing activity. HR professionals must always be prepared to discuss changes in the internal and external environment that may affect staffing needs and the implications these changes will have on overall business performance and strategy.

Most HR professionals report that they carry out assessments that forecast changes in their workforce demographics in the near term, as shown in Figure 2. But when considering the impact of changing demographics and the aging of the workforce, a more long-term forecasting process may be needed. Figure 2 reveals that for time periods beyond three years out, only a fraction of HR professionals report that they had:

- Analyzed the impact of workers age 55+ leaving the organization.
- Identified future workforce needs.
- Identified potential future skills gaps.

Successful workforce planning in a time of significant demographic change demands that workforce forecasting timeframes be expanded. Taking a more long-term view of workforce planning is one of the first steps HR professionals can take in preparing for an aging workforce.
Workforce Planning Process

Supply Analysis: Where are we now? What do we have?
- Do we have the right people to achieve our short-term and long-term business goals?
- What KSAs are lacking?
- Do we need to expand our workforce levels to meet business demand?
- Can we redeploy or train our staff to meet our needs?

Demand Analysis: What do we need to do to get where we want to go?
- Are we retrenching or growing? How fast? In what areas?
- If the organization is moving in a new direction, does the current staff have the needed KSAs to be successful?
- Does the organization need to redefine job descriptions to achieve its long-term goals?
- How many employees are needed in each job area?

Gap Analysis: What is lacking? What knowledge, skills and abilities currently exist and are needed in the future?
- Where are the KSA gaps in our current supply?
- What competencies currently exist in the organization?
- What competencies will be needed in the future?
- Where are the gaps?
- What are the current labor costs?
- What are the projected future labor costs?

Solution Analysis: What can we afford? How will we get what we need?
- How much money will be allocated to staffing future KSAs?
- Should we build, buy or borrow the talent?
- Will we look internally or externally to fill vacancies?
- What sources should we use?
- Can the gaps be filled by workers in the local area, or will we have to seek applicants elsewhere?
- What level of applicants are we seeking to fill vacancies? Is it best to hire people at a full performance level, or should we seek entry-level candidates and train/develop them?
- Are the needed KSAs specialized and require individuals with advanced training?
- Will we need KSAs short-term or long-term? Full-time or part-time?
- What are the costs versus the benefits of the recruitment strategy?

Source: SHRM 2015 Learning System
Analyzing the Organization’s Needs in Three Steps

**Step 1: Conduct Age and Knowledge/Skills Audits**

The Aging Workforce EPG report suggests the following actions to better understand worker composition. These actions can be taken as part of workforce planning efforts or as a more in-depth project to prepare for an aging workforce.

- Compile information about worker age ranges and estimated time to retirement within divisions and occupations.
- Document essential types of expertise required to carry out the organization’s core mission.
- Create a turnover risk map by asking leaders at each level to judge the degree to which the different job roles in their division contribute to the organization’s mission and the likelihood that turnover in these roles will increase within identified time frames, such as within one, five or 10 years.

*Employers should be careful at this stage of the process to avoid creating lists of individuals by age, as that type of list could suggest that decision makers are using an individual’s age to make employment decisions rather than retirement eligibility or risk of knowledge loss.*

Calculating Turnover and Projecting Future Turnover

HR professionals are always mindful of the cost of turnover as it is one of the most important metrics they are responsible for tracking in their organizations. What they also realize is that many of these costs can be alleviated if employees can be convinced to stay in jobs that they are performing well. Taking steps to prepare for an aging workforce can help reduce future turnover rates by helping mature employees work for longer periods before eventually retiring.22

In addition to keeping an ongoing tab of changes in turnover rates, HR professionals must also be aware of external forces that could affect turnover rates, as well as know how their turnover rates compare to those of their competition for talent. The aging of the workforce will have a direct impact on turnover rates due to its effect on turnover through retirement. There are three key turnover metrics an organization’s HR function must track:

1. **Annual overall turnover rate** is the rate at which employees enter and leave a company in a given fiscal year. Typically, the more loyal employees are to a firm, the lower the turnover rate.

2. **Annual voluntary turnover rate** is the rate at which employees enter and voluntarily leave a company in a given fiscal year.

3. **Annual involuntary turnover rate** is the rate at which employees enter and involuntarily leave a company in a given fiscal year. For example, involuntary terminations occur when the organization asks the employee to leave. These terminations usually occur as a result of poor performance, layoffs or other reasons.

Assessing the demographics of an organization’s workforce can help HR forecast any potential changes to any of these metrics. For example, if HR professionals have a rough idea of how many employees may be nearing retirement, they can create a scenario for how much voluntary turnover is likely to rise in one, five or even 10 years into the future and beyond. If these forecasts can be further linked to potential estimates of the costs of the projected turnover, this is very powerful information to bring to senior organizational leaders. These hard numbers help HR get buy-in for strategies necessary to prepare for these shifting demographics and an aging workforce.

It is advisable to aggregate data about the ages of employees when collecting data for forecasting retirements and assessing the impact of the aging workforce on turnover. You may also use statistical information, such as historical data on the effect of benefits eligibility on retirements or turnover in a given department or role, to help round out your data. Most likely you will find age is only one of several useful predictors of likely employee turnover. Remember that there is no “retirement age,” although there may be an age and length of service trigger for retirement benefits eligibility.

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The aging of the workforce will have a direct impact on turnover rates due to its effect on turnover through retirement.
Calculating the costs of turnover
In addition to calculating overall turnover, HR professionals should be prepared to provide information about key employment data that relate to turnover and could be affected by the aging of the workforce:

- **Number of positions filled** reflects the number of open positions for which individuals were hired during the fiscal year. Open positions could be filled either by internal or external candidates. “Hired” means the individual accepted the position during the fiscal year, but may not have started until the following year. This would occur mostly with those candidates who accept positions during the last month of the organization’s fiscal year.

- **Time-to-fill** represents the number of days from when the job requisition was opened until the offer was accepted by the candidate. This number is calculated by using calendar days, including weekends and holidays. If skills shortages due to an exodus of highly qualified retiring workers occur, time-to-fill could be expected to rise, especially in sectors that will be most affected by the retirement of the Baby Boomers, such as the government sector.

- **Cost-per-hire** represents the costs involved with a new hire. These costs include the sum of third-party agency fees, advertising agency fees, job fairs, online job board fees, employee referrals, travel cost of applicants and staff, relocation costs, recruiter pay and benefits, and talent acquisition system costs, divided by the number of hires. These costs could also rise if skills shortages or a lack of experienced, qualified candidates makes it more time-consuming to fill certain jobs.

- **Average employee tenure** is the average length of employment in years for all regular full- and part-time employees in a given fiscal year. Typically, the more loyal employees are to a firm, the higher the employee tenure. One of the benefits of an aging workforce is that mature workers tend to have longer tenure. Encouraging mature workers to stay in the workforce longer can help improve tenure for this age group even more. To calculate the employee tenure length, calculate the average number of months all regular full- and part-time employees in a given fiscal year have been employed at an organization and divide that number by 12.

In addition to knowing the turnover rate, HR professionals are expected to collect in-depth information about the cost of turnover both by individual position and overall. HR should be prepared to describe turnover in financial terms so the full financial impact is understood and appropriate strategies are developed to combat the underlying causes of turnover. There are four primary costs and activities that can be included in this analysis:

- **Separation processing costs:** The time and expense required to exit an individual from the organization.

- **Replacement hiring costs:** Sourcing, interviewing and hiring expenses associated with finding new staff.

- **Training new hire costs:** The onboarding process of a new employee. These costs can include programs that acclimate a new hire to the organization’s business and cultural environment, but may also include job-specific skills development, training and education. The latter can be particularly costly, especially where skills shortages are severe.

- **Lost productivity/adverse business costs:** Costs associated with lost revenue and performance differentials as replacement hires improve their job knowledge and performance.

A sample turnover cost calculation worksheet is shown at the end of this section. Although HR professionals may not have the time and resources to calculate the turnover costs for each and every position in an organization, calculating the turnover costs for key positions and then extrapolating those costs to similar positions within the organization provides an overview of what turnover may be costing the organization within key areas. The accuracy of these metrics is further improved when line managers within the specific areas being studied work closely with HR to fully
describe the costs of turnover—in productivity, time and work performance—within their areas. As the workforce ages, specific job functions may experience more turnover due to retirements than others. These functional areas would be priorities for determining turnover cost, forecasting how these costs might change in the future and developing strategies to reduce turnover. Working closely with business unit leaders on determining these costs has the added benefit of improving buy-in when seeking senior executive support for strategies to combat the impact of turnover and an aging workforce.

Along with collecting data on turnover costs within specific functional areas, HR can also analyze these costs by organizational level. This may be particularly relevant when looking at the impact of retirements because many senior leaders in organizations are often approaching retirement age. It is also important because costs associated with the loss of senior executives can be severe. The impending retirements of a number of key executives are often the first sounding of the warning bell in many organizations that preparing for an aging workforce has become an urgent priority.

Job Analysis and Skills Audits

Job analysis and skills audits are generally done as a part of the workforce planning process. But because the aging workforce, especially the retirement of the Baby Boom generation, is expected to have such a wide-ranging impact on skills within the workforce, conducting a more in-depth and long-range skills audit in addition to the regular workforce planning activities may be needed in many organizations and industries. This audit may involve a large-scale deep-dive job analysis project.

Job analysis can be defined as the systematic study of a job with the objective of determining which activities and responsibilities it includes, the conditions under which the work is performed and its relative importance to other jobs. This study should reveal the qualifications required for job performance of the role in question, but it is the job, not the person doing the job, that is assessed. This is a critical distinction because emphasis on the individual rather than the job requirements could lead to rigid ideas about the type of person who could perform the role effectively. This is particularly important in relation to an aging workforce because of the need to combat stereotypes around which types of jobs are the best match for mature workers. A large-scale job analysis project would look at entire families of jobs that have been identified as most likely to be affected by the aging of the workforce and connect these analyses with information about internal and external factors that may influence the availability of talent that could perform these jobs.

The impact of an aging workforce on skills is such an important challenge that a whole section is devoted to this topic later in this guide. Section 5, “Skills, Training and Development,” will go into further detail on conducting job analysis and skills audits.

Employee Satisfaction and Engagement

Employee surveys that tap into satisfaction and engagement enable organizations to base their employment practices and talent strategies on a clear understanding of their workforce. But conducting this type of research is not always as simple as might be assumed. The reality is that developing a quality survey instrument takes time and expertise. Delivery of the survey must then be done seamlessly and with technical proficiency and confidentiality to ensure as much good, usable data are collected as possible. Finally, interpretation of the findings and appropriate follow-up based on the conclusions drawn are absolutely essential. A failure to carry out this final step can be particularly damaging to employee morale and participation in future surveys.

Because of these potential dangers, conducting employee attitude surveys can be a dreaded task for many HR departments. However, the findings can contain so much useful information that they represent an excellent opportunity for HR leaders to gain insights that will help them add real strategic value across the entire span of human resource management activities in their
Analyzing the Organization’s Needs in Three Steps

Step 2: Identify Work Requirements: What Does the Organization Need?

The Aging Workforce EPG report suggests the following actions to identify the requirements of the organization in the years ahead and to determine the type of work mature workers will be expected to perform. These actions can be taken as part of workforce planning efforts, as a general skills audit or as part of a more in-depth project to prepare for an aging workforce.

- Consider the physical, sensory and intellectual requirements for different kinds of jobs and how they may change in the future due to technological developments.
- Clarify the technical, cognitive and soft skills required for each job being analyzed.
- Take special care in analyzing requirements and working conditions for physically demanding and hazardous jobs.
- Work with hiring managers to make sure assessments are not swayed by age bias but instead reflect the true documented job requirements. Identify areas where accommodations can increase the range of individuals that may be able to perform roles or tasks.
- Use the information gathered to identify the relative importance of various job requirements and evaluate both bench strength and skills gaps among the current workforce.
- Consider the feasibility of introducing new, more flexible types of work arrangements where possible.


Actively responding to findings from employee surveys can improve retention rates and employee morale, lower absenteeism, boost productivity and provide better customer service. SHRM Knowledge Center guidelines outline the three most common types of surveys:

1. **Employee opinion and satisfaction surveys**, which measure employee views, attitudes and perceptions of their organization.

2. **Employee culture surveys**, which discern whether the views of employees match up with the values of the organization.

3. **Employee engagement surveys**, which gauge employees’ commitment to and motivation for both their work and the organization itself.

Each of these types of surveys will be helpful in uncovering information and insights about workers across all age groups as well as other demographics such as tenure, gender and race. This information, in turn, should help the HR function develop and refine its policies and practices to improve employee satisfaction, retention, productivity and morale. Some organizations combine elements of each of the three types of surveys to gain a big-picture view of the state of their workforce.

Below are a few tips to consider when developing these types of surveys:

- Obtain full commitment of the senior management team before conducting any survey of employees. Although the HR team usually leads the administration of any employee survey, the backing of senior organizational leaders helps ensure a robust response to such surveys and effective communication of the findings. Senior leadership is also crucial to implementing any strategic or other changes developed in response to issues uncovered in the survey data.

- Though the decision of whether to manage the survey process internally or to use an outside service provider to manage the process is one that depends on each organization’s resources, time and strategic goals, HR must always take a leading role in the project. Even if an outside
Vendor is used, HR will usually take the lead in selecting the vendor and will work closely with whoever designs and administers the survey instrument. The HR function generally also takes the lead in communicating findings and developing any action plans in response to the findings.

- Conduct employee surveys on a regular basis, generally annually. The surveys should be timed to avoid busy times of the year to boost response rates.
- Understand the types of information the organization hopes to gain from any employee survey so that the right questions can be asked.
- Even before designing and administering employee surveys, identify who will be accountable for implementing any changes driven by the results.

In addition to these more general recommendations, a few basic survey design principles are also useful to keep in mind:

- Keep surveys short and simple; this helps increase the response rate.
- Use neutral language. Avoid overly positive or negative language/descriptions within questions to avoid introducing response bias.
- Only ask one question at a time, i.e., don’t group two issues into a single question. This can confuse the respondent and does not yield useful data.
- Consider piloting new surveys to identify potential problems before rolling out the survey to the full staff.
- Ensure that questions are posed in a way that will yield the most useful information and reduce ambiguity in the analysis process. This can mean using numerical scales, multiple response options and closed rather than open-ended questions.

Ensure confidentiality and anonymity throughout the process. Any demographic questions such as those on gender, race and age should be voluntary to limit fears employees may have about their responses being easily identified. Although these questions can provide very useful information, employees can interpret them as evidence that the employer may be targeting specific demographic groups and/or protected classes.

Analyzing the Organization’s Needs in Three Steps

Step 3: Gather Information from Workers: What Are Their Needs and Wants?

The Aging Workforce EPG report suggests the following actions to identify what motivates mature workers to continue working:

- Use the same good practice principles in gathering this type of information as those used in other employee surveys. It is especially important to adhere to the principle of confidentiality and anonymity. Gathering data as part of larger employee surveys, where data can be aggregated, may be the best way to accomplish this task.
- Consider asking about the impact specific HR practices might have on the decision to continue working at the organization. These responses can later be broken out by age to determine which factors may be most likely to encourage mature workers to stay in the job beyond the traditional retirement age.
- Understand that many of the factors that will go the furthest in engaging mature workers are also important to younger workers and can therefore have a widespread positive impact on the organization’s ability to retain employees.

Once the data are analyzed, it is helpful to be able to benchmark them against data from similar organizations by industry and staff size, as these organizations represent direct competition for talent. Areas where the organization is underperforming compared with similar organizations can be red flags that point to priority areas to address. In the case of preparing for an aging workforce, this can be particularly important. Talent shortages as a result of mass retirements or other factors related to the aging workforce tend to span across industries and, in some cases, regions. Having an understanding of how other similar organizations are facing these challenges can generate both ideas for strategies to engage mature workers and the motivation needed to carry them out.

**ADDITIONAL RESOURCES**

SHRM ([shrm.org](http://shrm.org)) offers its members a free turnover calculation spreadsheet, turnover cost reporting, time-to-fill calculations and other resources related to measuring the costs of turnover under its [general HR metrics and templates resources](http://shrm.org). The SHRM Human Capital Benchmarking Service allows HR professionals to benchmark their turnover and other human capital metrics against organizations of similar size, industry, region, etc.
Case Study: Assessing Future Workforce Demographic Changes and Preparing Through Mentoring and Gradual Retirement

United States Social Security Administration, Washington, D.C.

Although there is no mandatory age at which one must stop working at the U.S. Social Security Administration (SSA), each year nearly 3,000 employees leave the SSA, and the bulk of those departures 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 seasoned 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.”
Calculating Turnover

**Step 1: Calculate number of employees.** For turnover rate purposes, employee head count rather than full-time employees (FTE) is used and thus should include all employees on the payroll. Direct-hire temporary workers (temporary workers who are on the company payroll) and employees on temporary layoff, leave of absence or furlough should also be counted. However, independent contractors or temporary workers on an agency’s payroll should not be counted. Any human resource information system (HRIS) or payroll system should be set up to report total employee head count so this report can be run at regular intervals within the month.

**Step 2: Calculate average number of employees.** The next step is to add the total head count from each report run throughout the month together, and then to divide by the number of reports used to obtain the average number of employees on payroll that month.

\[
\text{Avg. # of Employees} = \frac{\text{SUM Head Count from Each Report}}{\text{Number of Reports Used}}
\]

**Step 3: Calculate number of separations.** The next step is to obtain the number of separations during a month through the HRIS or payroll system. This includes both voluntary and involuntary terminations, but does not include employees who are temporarily laid off, on furloughs or on a leave of absence.

**Step 4: Divide the number of separations by average number of employees.** After determining the number of separations, the next step is to divide this number in the month by the average number of employees on the payroll in the month.

\[
\text{# of Separations ÷ Avg. # of Employees}
\]

**Step 5: Calculate the turnover rate.** Most employers report turnover rates as a percentage. To do this, the number generated in Step 4 is multiplied by 100 to arrive at the monthly turnover rate.

**Step 6: Calculate annual turnover rate.** Because most employers want to report not only a monthly turnover rate but also a year-to-date (YTD) or annual turnover rate (TR), HR professionals take this additional step. To do so, the monthly turnover rates are added together. The annual turnover rate is determined by adding all 12 monthly turnover rates for the entire year:

\[
\text{Annual TR} = (\text{January TR} + \text{February TR} + \text{March TR} + \text{April TR} + \ldots + \text{December TR})
\]

To calculate the **annual voluntary turnover rate**, first calculate the voluntary turnover for each month by dividing the number of voluntary separations during the month by the average number of employees during the month and multiplying by 100: # of voluntary separations during month ÷ average # of employees during the month x 100. The annual voluntary turnover rate is then calculated by adding the 12 months of voluntary turnover percentages together.

To calculate the **annual involuntary turnover rate**, first calculate involuntary turnover for each month by dividing the number of involuntary separations during the month by the average number of employees during the month and multiplying by 100: # of involuntary separations during month ÷ average # of employees during the month x 100. The annual involuntary turnover rate is then calculated by adding the 12 months of turnover percentages together.

Source: SHRM (2015)
## Sample Turnover Cost Worksheet

### ESSENTIAL DATA
- Employee’s classification:
- Employee’s hourly pay rate:
- Employee’s supervisor pay rate:
- Corporate office staff pay rate (may be an average)

### HARD COSTS

<table>
<thead>
<tr>
<th>Pre-departure</th>
<th>HOURS</th>
<th>x WAGES</th>
<th>= $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separation Processing</td>
<td>Administrative time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacancy Costs</td>
<td>Co-worker burden (overtime, added shifts)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hiring search firm or temp. agency</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Developing advertisement(s) (administrative time)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Placing advertisement (cost of advertising space(s))</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL HARD COSTS OF TURNOVER $

### SOFT COSTS

<table>
<thead>
<tr>
<th>Pre-departure</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost productivity of departing employee (exiting employee performance at 50%-75%)</td>
<td>$</td>
</tr>
<tr>
<td>Lost productivity of co-workers</td>
<td>$</td>
</tr>
<tr>
<td>Increased time discussing departure and organizational conditions</td>
<td>$</td>
</tr>
<tr>
<td>Increased work load for employees</td>
<td>$</td>
</tr>
<tr>
<td>Lost productivity of supervisor</td>
<td>$</td>
</tr>
<tr>
<td>During Vacancy</td>
<td>$</td>
</tr>
<tr>
<td>Lost productivity of vacant position</td>
<td>$</td>
</tr>
<tr>
<td>Overtime</td>
<td>$</td>
</tr>
<tr>
<td>Added shifts</td>
<td>$</td>
</tr>
<tr>
<td>Lost productivity of supervisor (time spent filling in)</td>
<td>$</td>
</tr>
<tr>
<td>Recruiting administration</td>
<td>$</td>
</tr>
<tr>
<td>Supervisor’s time with schedule changes/overtime</td>
<td>$</td>
</tr>
</tbody>
</table>

### TOTAL SOFT COSTS OF TURNOVER $

### TOTAL COST OF TURNING OVER ONE EMPLOYEE

<table>
<thead>
<tr>
<th>Hard Costs + Soft Costs</th>
<th>$</th>
</tr>
</thead>
</table>

### FORMULA FOR ANNUAL TURNOVER COST

\[
\text{Number of exiting employees} \times \text{cost of turnover (hard + soft)} = \$
\]

Source: SHRM (2015)
Diversity Survey

Please take a few minutes to complete this survey. To ensure your anonymity, [Company Name] has retained an independent consultant to design the survey, receive the completed questionnaires and interpret the findings.

Please circle one response for each statement.

I. [Company Name]'s Attitude Toward Diversity (Circle One)

1. The leadership at this company encourages diversity
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

2. Management shows that diversity is important through its actions
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

3. This company is committed to diversity
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

4. This company respects individuals and values their differences
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

II. Corporate Culture

5. This company is making progress with diversity initiatives
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

6. A fair workplace includes people from every race
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

7. Employees who are different from most others are treated fairly at this company
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

8. At this company, employees appreciate others whose race/ethnicity is different from their own
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

III. Discrimination

9. I have personally witnessed discrimination at this company
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

10. I have been the victim of discrimination at this company
    - Strongly disagree
    - Somewhat disagree
    - Neutral
    - Somewhat agree
    - Strongly agree

IV. Hiring and Recruitment

11. There is cultural diversity among the people a job candidate will meet/see on his or her first visit to the company
    - Strongly disagree
    - Somewhat disagree
    - Neutral
    - Somewhat agree
    - Strongly agree

12. Employees of different backgrounds are encouraged to apply for higher-level positions
    - Strongly disagree
    - Somewhat disagree
    - Neutral
    - Somewhat agree
    - Strongly agree

V. Career Development

13. Employees of different backgrounds are encouraged to apply for higher-level positions
    - Strongly disagree
    - Somewhat disagree
    - Neutral
    - Somewhat agree
    - Strongly agree
13. There is a career development path for all employees at this company
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

VI. YOUR ROLE

14. My experiences since coming to this company have led me to become more understanding of racial/ethnic differences
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

15. Getting to know people with racial/ethnic backgrounds different from my own has been easy at this company
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

VII. POLICIES AND PROCEDURES

16. The company's policies or procedures discourage discrimination
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

17. I believe the company will take appropriate action in response to incidents of discrimination
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

VIII. INTERACTION

18. Employees of different backgrounds interact well in this company
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

19. Management of this company demonstrates a commitment to meeting the needs of employees with disabilities
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

20. Employees of different ages are valued equally by this organization
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

21. Racial, ethnic and gender-based jokes are not tolerated at this organization
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

22. This company provides an environment for the free and open expression of ideas, opinions and beliefs
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

IX. YOUR IMMEDIATE SUPERVISOR

23. My supervisor is committed to and supports diversity
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

24. My supervisor handles diversity matters satisfactorily
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree

X. [COMPANY NAME]'S DIVERSITY TRAINING PROGRAM

25. Education about diversity will enhance the company's profitability
   - Strongly disagree
   - Somewhat disagree
   - Neutral
   - Somewhat agree
   - Strongly agree
26. This company has done a good job providing training programs that promote multicultural understanding
- Strongly disagree
- Somewhat disagree
- Neutral
- Somewhat agree
- Strongly agree

27. What improvements, if any, can be made to improve the level of diversity at this company?

28. How long have you worked for [Company Name]
- Less than one year
- One year to less than two years
- Two years to less than five years
- Five years to less than ten years
- Ten years or more

29. What is your age?
- Under 21
- 21 to 34
- 35 to 44
- 45 to 54
- 55 or older

30. What is your sex?
- Male
- Female

31. Which of the following best describes your role in the organization?
- First-level supervisor
- Manager/supervisor higher than first level (including senior management positions)
- Not a manager or supervisor

Once you have completed your questionnaire, please return it using the enclosed envelope.

The following questions are for analytic purposes only. They will not be used to try to identify any individual. However, if you feel uncomfortable about answering any of these questions, do not do so.

Source: SHRM (2015)
Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals
Section 3: Recruiting Mature Workers

Often an organization’s HR leadership starts to focus attention on the aging of the workforce after a wave of retirements noticeably affect the organization, either because these departures are so numerous or because they involve positions of key strategic importance to the organization.

Ideally, this situation should never come as a surprise.

However, according to SHRM research, only one-half (50%) of HR professionals said their organizations tracked the percentage of employees eligible to retire in the next one to two years and far fewer did so beyond that time frame. With many organizations appearing to be either unaware or relatively unconcerned about the impact of demographic changes on their workforce and the potential impending loss of a large number of their best workers, it is not surprising that most are not making changes to their management or recruiting and retention practices in preparation for these shifts. Figure 3 shows that 35% of responding organizations were making changes to their recruiting practices to at least some extent in response to the increasing age of their workforce. Yet, as shown in Figure 4, over one-half of HR professionals reported that their organizations did not actively recruit mature workers. Because many organizations are not aware of the number of potential retirements they could soon be facing, the percentage of those that are developing strategies to attract and retain older workers is extremely low; less than 5% reported having either a formal recruiting or retention strategy for mature workers.

This means that HR professionals who are thinking about these issues now and are coming up with organizational strategies are at the forefront of this effort. But although doing so may make them leaders in their profession, it is also difficult because there are few examples that they can look to for ideas about how to meet this challenge. Fortunately, experts have honed in on HR staffing practices that do appear to make a difference in both attracting mature job seekers and in retaining those in the 55-plus worker demographic, and even well beyond traditional retirement age.

FIGURE 3: Extent to Which Increasing Age of Organization’s Workforce Has Prompted Changes in...

<table>
<thead>
<tr>
<th></th>
<th>To a great extent</th>
<th>To some extent</th>
<th>To a small extent</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>General management policy/practices</td>
<td>4%</td>
<td>24%</td>
<td>31%</td>
<td>41%</td>
</tr>
<tr>
<td>Retention practices</td>
<td>7%</td>
<td>26%</td>
<td>26%</td>
<td>42%</td>
</tr>
<tr>
<td>Recruiting practices</td>
<td>8%</td>
<td>27%</td>
<td>24%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Note: n = 1,832-1,843. Respondents who indicated “Not applicable” were not included in the analysis. Percentages may not total 100% due to rounding.

Source: SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)
Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals

FIGURE 4: Recruiting Methods Used by Organizations to Directly Target Older Workers

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee referrals</td>
<td>33%</td>
</tr>
<tr>
<td>Networking</td>
<td>24%</td>
</tr>
<tr>
<td>Internet (e.g., websites geared toward older audience)</td>
<td>14%</td>
</tr>
<tr>
<td>Employment agencies</td>
<td>13%</td>
</tr>
<tr>
<td>Use of current older workers as recruiters</td>
<td>13%</td>
</tr>
<tr>
<td>Social media*</td>
<td>12%</td>
</tr>
<tr>
<td>Temporary firms</td>
<td>11%</td>
</tr>
<tr>
<td>Executive search firms</td>
<td>8%</td>
</tr>
<tr>
<td>Specify older workers are welcomed &amp; encouraged to apply*</td>
<td>7%</td>
</tr>
<tr>
<td>Government-based employment programs</td>
<td>6%</td>
</tr>
<tr>
<td>Churches</td>
<td>4%</td>
</tr>
<tr>
<td>Local senior citizen community groups</td>
<td>3%</td>
</tr>
<tr>
<td>Older workers’ job fairs</td>
<td>2%</td>
</tr>
<tr>
<td>Newsletters (e.g., AARP Bulletin)</td>
<td>1%</td>
</tr>
<tr>
<td>Retirement communities</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
<tr>
<td>We do not actively recruit older workers</td>
<td>54%</td>
</tr>
</tbody>
</table>

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

Targeting Recruiting Activities to Appeal to Mature Job Seekers

When it comes to the difficulty organizations experience in recruiting older workers, less than one-quarter of HR professionals surveyed by SHRM said they found it either easy or extremely easy to recruit exempt and nonexempt mature workers. The growing awareness of the shift toward an older demographic will start to shape recruiting activities of organizations across industries. This can be done through the language used in recruiting messaging and materials. The EPG report, for example, recommends using words such as “mature,” “experienced” and “reliable” in recruiting materials to show job seekers that older applicants are welcomed. In addition, broadening the scope of job advertising beyond the usual sources can be a way to reach a wider age demographic. This might include alternate newspaper sections, including the lifestyle, television or sports sections, or other local and community information hubs either in print or online.
Effective Practice Guidelines for Recruiting Mature Workers

According to The Aging Workforce EPG report, there are two main categories of mature workers: 1) workers currently unemployed and seeking work, including those before and past traditional retirement age, and 2) workers who are currently employed and are either already working for the organization in a different job or working somewhere else but could potentially move to the organization to do either the same type of work or embark on a completely new career path. The report recommends the following steps to create a strategy for actively recruiting mature workers:

- **Plan to recruit mature workers from the start** by including recruiting and hiring of mature workers in your diversity and affirmative action recruiting plans.

- **Include mature workers in your recruiting messaging by clearly stating that your organization seeks workers of all ages in job postings and application materials.**

- **Identify talent sources that are inclusive of individuals over 50.**

- **Seek partners that will help recruit older candidates, such as community colleges, government-sponsored workforce development programs and nonprofit groups.**

- **Post jobs in locations where mature job seekers are likely to look. This can include organizations targeted to a 50+ demographic such as the AARP and SeniorJobBank, as well as social media groups.**

- **Attend seminars and career fairs that attract job seekers of all ages.**

- **Publicize your efforts to have an age-diverse workforce. These efforts will have a positive impact on your employer brand.**

- **Prepare and incentivize recruiters to understand the changing workforce demographics and to take actions that will encourage job seekers of all ages to be excited about joining your organization.**


When asked about the type of older workers (i.e., job classification) they found difficult to recruit, about one-quarter of organizations surveyed by SHRM said it was difficult or extremely difficult to recruit older workers qualified for skilled labor, executive, salaried individual contributor/professional and management positions. Regardless of the type of position, a lack of or few applications from older workers for eligible positions was the most frequently cited difficulty in filling positions with qualified older workers. Currently the most common way organizations that are taking action to tap into the mature job seeker demographic is through employee referrals, followed by networking. Some organizations are also starting to look at ways to bring back retirees, especially those with in-demand skills and experience.

Beyond considering the language, imagery and reach of recruiting and employer branding materials, such as including photos of mature workers in recruiting materials to appeal to applicants across all age groups, additional recruiting activities, according to The Aging Workforce EPG report, can include efforts to reach out to passive job seekers in the older worker age demographic—that is, those individuals who are not actively seeking employment but may be open to new opportunities should they hear about them. To reach passive job seekers, HR professionals can participate in social networking events, open houses and career fairs specifically for older adults, such as those sponsored by the AARP. It may also be possible to purchase mailing lists that permit targeting older adults within certain zip code locations, those with specific technical or professional experience, or those with industry-specific certifications or licenses. Advertising on radio stations that appeal to an older adult market can also be an option. Another way organizations can brand themselves as an employer of choice for mature workers is through working with nonprofits serving older adults. For example, a total of 250 organizations have signed a pledge organized through the AARP that recognizes the value of experienced workers and vows to consider hiring mature applicants when job openings arise.
Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals

Many organizations work closely with employee search agencies or online search vendors to fill many different types of jobs. Having a conversation with a staffing firm about the issue of an aging workforce will help it become a more effective partner in carrying out the organization’s talent strategy. Knowing that the organization wants to brand itself as an employer of choice for workers of all ages can have a significant influence on the ways staffing agencies search for talent on the organization’s behalf.

Checklist for Reviewing Applications/Resumes

- Sort applicants by job for which they are applying. Save miscellaneous ones for last.
- Review the job description(s) for the position(s) you are attempting to fill. Note minimum requirements needed and refer to them often as you review resumes/applications.
- Ignore the applicant’s name, address or personal information to limit subconscious biases.
- Do not use irrelevant information that is not directly related to the position to screen out applicants.
- Check work experience for applicability to the position for which the candidate is applying, length of time in each position, promotions or awards received, reason for leaving each position.
- Note gaps in employment but do not assume they were caused by negative reasons.
- Check educational background for qualifications necessary for successful job performance.
- Note special skills (e.g., computer software, office equipment).
- Note separately any pertinent questions that arise when reviewing the resume/application and ask those during a telephone screen.
- If necessary, screen the top group again to further narrow down the candidates. During telephone screening, briefly describe the position, location, hours and salary range (if appropriate) and ask if the candidate is still interested in being considered. If so, ask for brief clarification on any important questions raised during your initial review.
- Divide resumes into three groups: 1) those that closely match job requirements and for which a telephone screen is appropriate, 2) those that meet some requirements and may be considered secondarily, and 3) those that do not meet the requirements at all.
- According to the EEOC, when employers use the term “overqualified” in their staffing procedures, it can be seen as having the double meaning of “too old” and may therefore become the basis for an age discrimination lawsuit. This interpretation makes it imperative that both recruiters and hiring managers understand that automatically disqualifying resumes and applications from older adults is simply not acceptable.

Working with Hiring Managers to Dispel Stereotypes and Broaden Perceptions of the Available Talent Market

Once the HR team has worked to develop recruiting materials, tools and strategies to appeal to job seekers of all ages, it must work with hiring managers to make sure that stereotypes and generalizations play no part in hiring decisions. One generalization that many hiring managers and others involved in the hiring process may have adopted is a belief that older adults are likely to be “overqualified” for a particular position. This can be especially problematic when the job seeker has applied for a position that might be considered a step down from previous positions that the individual has held. But not only does this generalization exclude job seekers who are sincerely interested in a position, this practice also represents an equal employment opportunity danger zone.
It is important to make sure that a job role is a good fit with the skills, experience and employment objectives of the job seeker. But those involved in the recruiting process should not reject applications out of hand based on assumptions about what the job seeker wants from a job. Areas of concern can be dealt with during the interview process. For example, if there are concerns that the individual applying for the job would not feel satisfied in the position, interview questions such “What is your motivation for this role?” or “How will you be challenged in this role?” can uncover this kind of information. Similarly, concerns about compensation can be dealt with by asking the job seeker about salary expectations.

Selection Process Materials

Once an offer is ready, HR should provide detailed job offer information to the candidate:

- Job title.
- Rate of pay and pay period frequency.
- Exempt vs. nonexempt status.
- Status (full time, part time, regular, temporary, specific duration).
- Any contingencies on which the offer may be predicated (e.g., drug testing, reference checking, physical exam, security screen).
- Eligibility for benefit plans.
- Hours of work schedule.
- Work location assigned.
- Name of individual to whom the position reports and the department in which the job is assigned.
- Start date.
- If travel is involved, approximation of the percentage of travel required.

Additional attachments that are recommended based on need include the following:

- Benefits overview/summaries: This information can be of particular interest to mature job seekers and should include as much detail as possible.
- Any applicable flexible work policies: This information can also be of particular interest to mature job seekers.
- Job description.
- Blank Form I-9 (to bring on start date for completion with supporting documents).

Care must be taken with selection process materials to reduce or eliminate opportunities for age bias. All application and interview questions used throughout the selection process should be carefully reviewed to eliminate potentially discriminatory inquiries, including the following:

- How old are you?
- What is your birth date?
- When did you graduate from high school?
- Do you receive Social Security benefits?
- Can you physically handle the job? (This question is not permissible if only asked of older adults and could also be indicative of disability bias.)
• If company requires an employment agreement, noncompete or other restrictive covenants (to bring on start date for completion).
• Self-identification form (to bring on start date for completion).
• Emergency contact form (to bring completed on start date).
• If travel is involved, summary of company’s reimbursement processes.
• Opportunity to discuss the company’s willingness to discuss disability accommodations.

The Onboarding Process

The onboarding process should be closely considered when looking for ways to enhance the recruiting experience of newly hired mature employees. It is one of the earliest ways that new employees interact with their co-workers and supervisor and, therefore, is their first experience of the organizational culture of their new employer. When done right, the onboarding process is another opportunity to reinforce an organization’s commitment to building a diverse workforce and to demonstrate that workers of all ages are valued.

Well-planned onboarding programs improve retention, employee engagement and assimilation of new hires into company culture. Generally, if an organization has a good onboarding program overall and supervisors are well-trained in optimizing the onboarding process for new hires, only a few minor enhancements may be needed to prepare for an aging workforce. One example is providing in-depth information and resources about employee benefits, such as health benefits, retirement planning, life insurance, disability coverage and long-term care insurance, which may be of particular interest to workers over 50. Similarly, when describing dependent care benefits, both child care and senior care programs should be discussed.

Creating a good first impression is essential. Unfortunately, not all organizations have effective onboarding programs, and this may be a particular liability when it comes to the retention of new hires in an older demographic, especially those who are moving into a new career or are working past retirement age primarily for personal fulfillment rather than financial reasons and have less incentive to stay with an employer that has less than optimal organizational culture.

<table>
<thead>
<tr>
<th>Best Practices for Onboarding</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Implement the basics prior to the first day on the job.</td>
</tr>
<tr>
<td>✓ Make the first day on the job special.</td>
</tr>
<tr>
<td>✓ Use formal orientation programs.</td>
</tr>
<tr>
<td>✓ Develop a written onboarding plan.</td>
</tr>
<tr>
<td>✓ Make onboarding participatory.</td>
</tr>
<tr>
<td>✓ Be sure your program is consistently implemented.</td>
</tr>
<tr>
<td>✓ Use technology to facilitate the process.</td>
</tr>
<tr>
<td>✓ Use milestones, such as 30, 60, 90 and 120 days on the job—and up to one year post-organizational entry—to check in on employee progress.</td>
</tr>
<tr>
<td>✓ Engage stakeholders in planning.</td>
</tr>
<tr>
<td>✓ Include key stakeholder meetings as part of the program.</td>
</tr>
<tr>
<td>✓ Be crystal clear with new employees in terms of:</td>
</tr>
<tr>
<td>• Objectives.</td>
</tr>
<tr>
<td>• Timelines.</td>
</tr>
<tr>
<td>• Roles.</td>
</tr>
<tr>
<td>• Responsibilities.</td>
</tr>
</tbody>
</table>

A good onboarding process is actually fairly lengthy. Onboarding encompasses orientation as well as the first months of an employee’s tenure in a position. An effective onboarding program helps lay the foundation of positive working relationships with supervisors and co-workers. Ideally, onboarding should begin before the new hire’s first day. Materials about benefits selection, forms for signature and other information can all be sent out in advance or accessed through an employer’s online onboarding portal. Connecting with a new employee ahead of their start date represents another opportunity to build a positive employer brand through touches like FAQs and welcome notes from the HR team and the newly hired employee’s supervisor. A dashboard that organizes and tracks tasks and forms as they are completed helps avoid information overload and stress in the first days on the job. The focus of the first few days of onboarding is usually on introducing the employee to co-workers through social interactions, setting expectations and clarifying job objectives. Clarifying the new-hire’s position as well as the roles of other team members and how they will interact helps remove potential for misunderstandings down the line. This can be especially important when nontraditional—but increasingly common—reporting relationships are in place, such as when a mature worker reports to someone much younger than he or she is. Group onboarding activities should avoid age-based stereotypes and focus on creating a common culture of shared values across generations.

As the onboarding process continues through both training and check-ins from HR at different points in time—generally within the first weeks, at the one-month mark, then again at the three-to-six-month mark and, in some cases, at the one-year anniversary—these interactions present opportunities to gather information about what is or isn’t working for the employee and identify potential retention problems ahead.

(Re)hiring Retirees

Organizations that routinely rehire their own retirees have the advantage that these new (re)hires are already familiar with the organization’s culture. The Aging Workforce EPG offers the following tips to keep in mind when rehiring retirees:

- Use the search capacities of organizations that specialize in placing retirees.
- If employees are covered by a defined benefit retirement plan, make sure it has been amended to allow retirees to return to work without financial penalties to the worker or the organization.
- Create skill and experience banks that contain information about retirees interested in temporary assignments.
- Try reverse mentoring by assigning younger workers to act as socialization mentors for newly hired mature workers. Training should be provided to younger mentors to reinforce the shared organizational culture and common ground between generations.

Corporate Alumni Programs

Providing a pool of prequalified candidates, candidate referrals and new business connections are some of the advantages of a corporate alumni program. An additional advantage is that tapping into the alumni network also can open doors to new business opportunities. Alumni can serve as a resource for industry trends, and a strong network of alumni can become powerful ambassadors of the company in its industry or business community.

The most common means for employers to keep in touch with their alumni are online communities and newsletters. Online alumni associations can be established and maintained through independent websites. Alumni websites and newsletters can provide information on outplacement assistance, a directory of former alumni, alumni news, and opportunities to network and keep up with company developments. They can also be an excellent place to post ads for current job openings in the company.
### Asking for Date of Birth During Background Checks

There is no law that prohibits an employer from asking for an applicant’s date of birth (DOB). The issue is in how the employer uses that information. The Age Discrimination in Employment Act protects workers by prohibiting discrimination against workers age 40 and over in any employment or employment-related decision. Therefore, the employer will want to take care not to use or even appear to be using the DOB in making employment or employment-related decisions.

Background check vendors generally require a DOB to obtain an accurate background check. The following tips help reduce legal exposure in requesting the DOB for the purpose of running background checks:

- Keep the background check authorization form and request for DOB separate from the employment application. These materials should never be forwarded with the application/resume to the hiring managers or anyone else who does not need to know the applicant’s DOB.
- Limit requests for the DOB to the background check authorization form. Consider using the vendor’s background check authorization form with the vendor’s logo and company name rather than having the employer’s name or logo on the form.
- Ask the vendor if an equally effective background check could be performed by having just the month and day of birth.
- The applicant’s DOB should be shared on a strict need-to-know basis only (i.e., the background check vendor or employer representative conducting the background check).
- Ask the vendor if it can provide the service of collecting the DOB for the employer, such as through a toll-free telephone or fax number.
- The applicant’s DOB should be shared on a strict need-to-know basis only (i.e., the background check vendor or employer representative conducting the background check).
- In addition, the employer may include a statement similar to the following with its request for the DOB: "Applicants are considered and employees are treated during employment without regard to age, race, color, religion, sex, national origin, marital or veteran status, medical condition, disability or other protected classifications. Date of birth is required from all applicants who are extended a conditional offer of hire to facilitate a background check.”

### RESOURCES

**Potential Recruiting Sources**

- Federal One-Stop Career Centers: [www.careeronestop.org](http://www.careeronestop.org)
- The Plus 50 Initiative: [http://plus50.aacc.nche.edu/](http://plus50.aacc.nche.edu/)
- Life Reimagined for Work (AARP): [www.lifereimagined.aarp.org](http://www.lifereimagined.aarp.org)
- Senior Job Bank: [SeniorJobBank.org](http://SeniorJobBank.org)

**Other Resources**

- Age Discrimination in Employment Act (ADEA): [eeoc.gov/laws/statutes/adea.cfm](http://eeoc.gov/laws/statutes/adea.cfm)
Case Study: Becoming an Employer of Choice for an Aging Workforce at a Small Nonprofit

Shepeard Community Blood Center, Augusta, Ga.

The old adage about what is important in real estate—location, location, location—may also explain how a Georgia health care nonprofit has been so successful in attracting mature workers to its payroll.

Shepeard Community Blood Center, based in Augusta, Ga., counts more than a quarter of its approximately 100 employees in the 55-and-older demographic. These workers are often more appreciative of the organization’s mission than members of other age groups, but they are also drawn to Shepeard for other reasons, said Sharon Johnston, Shepeard’s HR director.

“Many Baby Boomers choose to live in a warmer climate,” Johnston said. “Here in Georgia, we have seen more 55-plus candidates available for work. I would say it’s largely unintentional. People retire here and automatically land here. But we’re ecstatic when we find people near the end of their careers because they tend to be loyal. I don’t like having to hire somebody every three months for our positions.”

Shepeard has been a blood provider for 35 years. The nonprofit has two locations in Georgia and one in neighboring South Carolina, and it serves 21 local hospitals and the Joseph M. Still Burn Center in Augusta. And its services are in high demand—the blood center needs 144 people to donate blood each day to sustain the region’s supply. Shepeard’s older workers are spread across all levels of the organization, Johnston said, including the administration, laboratory division, drivers, nursing staff and marketing department, which includes administrative assistants, call center personnel and receptionists.

In the marketing area, particularly in the call center, Shepeard officials specifically recruit “end-of-career” candidates in the hopes that they will align themselves to the organization’s mission and stay with the nonprofit for a long period of time, Johnston said. Delivery driver positions have frequently been filled by late-career individuals looking for extra hours of work, for example. Older workers at other levels of Shepeard’s operations are in the middle or near the end of their careers and are often attracted to nonprofits, Johnston said. These workers have “already attained success in the for-profit world” and are ready to give back to their community, she added.

“Shepeard is a small, family atmosphere,” Johnston said. “Hopefully everyone who works here can say they are valued and appreciated for their work and service to our community. Older workers set a great example for our younger employees, with their work ethic and their zest for life. They are a joy to be around, and they want to be here. That’s what is important.”
Samples, Forms, Templates and Tools
Diversity Outreach Letter

Dear Public Affairs Manager,

This letter serves to introduce or, perhaps, re-introduce our organization to your association. As a local employer, we have been active in the community for years, and we wanted to take this opportunity to remind you that, as an employer, we take pride in providing jobs with competitive pay, comprehensive benefits and career path opportunities for both entry-level and mid-level technicians and professionals. We have a long history of providing notices of job opportunities to organizations such as yours, which then serve to enhance the diversity of our organization.

As a local diversity community leader, we invite your assistance in apprising your membership of the employment opportunities we provide. If your organization has an open job board, we would like to discuss possibilities for advertising our positions with your organization. Lastly, we would like to invite you to attend our diversity job fair, which we will be hosting in [insert job fare details here].

We look forward to hearing from you with a positive response.

Sincerely,

(signature)

Source: SHRM (2015)
Employee Referral Program Procedures

Practice Notes
Although an employee referral program is a great recruiting tool, using the program as the primary recruiting tool may create an unintentional disparate impact on some protected groups if employees refer candidates of the same race, religion, national origin or any other protected class.

Bonuses are considered supplemental wages and therefore are taxable as defined by the Internal Revenue Service (IRS). Employers must consider how these bonuses will be taxed and can find more information and examples in the Employer’s Tax Guide.

Description
[Company Name] is always looking for good people, and you can help. Research has shown, and our own experience supports it, that new hires who come into a company through employee referrals are excellent contributors, stay with the company longer and are more cost-effective to recruit.

That’s where you come in! If you know someone who would be a good addition to [Company Name] and meets the qualifications for an existing open requisition, you may be awarded $1,000 (less taxes) if you refer this candidate for employment and he or she is hired.

Refer candidates who meet the qualifications to HR using the attached Candidate Referral Form. If your candidate is hired, you will be awarded $1,000 within 30 days of hire date!

Quarterly Drawing
At the end of each quarter, we will hold a drawing for a valuable prize. For every referral you make, your name will be entered into the drawing five times.

Program Rules
1. All [Company Name] employees, with the exception of vice president levels and above, HR personnel and managers with hiring authority over the referred candidates, are eligible to refer candidates.
2. The referral date cannot be earlier than the date the job requisition is posted. The hiring of a referred employee must occur within 180 days (six months) of the initial referral date.
3. The referral must represent the candidate’s first contact with [Company Name]. Temporary, summer, contract and former employees of [Company Name] are not eligible candidates for referral awards.
4. To be eligible for an award, the referrals must first be submitted to Human Resources and must include a Candidate Referral Form and a resume or employment application.
5. The referring employee must agree to have his or her name used for introduction.
6. The first employee to refer a candidate will be the only referring employee eligible for payment.
7. Only candidates who meet the essential qualifications for the position will be considered.
8. All candidates will be evaluated for employment consistent with [Company Name]’s policies and procedures.
9. All information regarding the hiring decision will remain strictly confidential.
10. The referring employee must still be employed by [Company Name] during the hired candidate’s first 30 days of employment in order to receive payment.
11. Any disputes or interpretations of the program will be handled through Human Resources.
12. All referral bonus payments will be paid within 30 days after the referred employee’s first day of employment at [Company Name].

Source: SHRM (2015)
New-Hire Employee Referral Form

Employee Name:

Department:

Position Referred for:

Department:

Name of Candidate:

Relationship to Employee (friend, family member, referred by third party, or other (please specify):

Candidate’s Contact Information (telephone preferred):

Please attach resume or completed application of candidate.

I have read and understand the company’s Employee Referral Policy. I understand that if the candidate I referred is hired as a result of my referral, I will receive a referral bonus within two weeks of the date the individual completes six months of employment with the company.

Signature of Employee:

Date:

Attachment: Resume or Completed Application

Source: SHRM (2015)
# New-Hire Orientation Checklist

## EMPLOYEE INFORMATION

<table>
<thead>
<tr>
<th>Name:</th>
<th>Start Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position:</td>
<td>Manager:</td>
</tr>
</tbody>
</table>

## FIRST DAY (Human Resources)

- Distribute New Employee Handbook
- Assign "buddy" employee(s) to assist with general questions

## POLICIES (Human Resources)

- Review key policies
  - Anti-harassment
  - Vacation and sick leave
  - FMLA/leaves of absence
  - Holidays
  - Time and leave reporting
  - Overtime
  - Performance reviews
  - Dress code
  - Personal conduct standards
  - Progressive disciplinary actions
  - Security
  - Confidentiality
  - Safety
  - Emergency procedures
  - Visitors
  - E-mail and Internet usage

## ADMINISTRATIVE PROCEDURES (Human Resources)

- Review general administrative procedures
  - Office/desk/work station
  - Keys
  - Mail (incoming and outgoing)
  - Shipping (FedEx, Airborne and UPS)
  - Business cards
  - Purchase requests
  - Telephones
  - Building access cards
  - Conference rooms
  - Picture ID badges
  - Expense reports
  - Office supplies

## INTRODUCTIONS AND TOURS (Facilities)

- Give introductions to department staff and key personnel during tour
- Tour of facility, including:
  - Rest rooms
  - Mail rooms
  - Copy centers
  - Fax machines
  - Bulletin board
  - Parking
  - Printers
  - Office supplies
  - Kitchen
  - Coffee/vending machines
  - Water coolers
  - Emergency exits

## POSITION INFORMATION (Manager)

- Introduce to team and department staff
- Review initial job assignments and training plans
- Review job description and performance expectations and standards
- Review job schedule and hours
- Review payroll timing, time cards (if applicable), policies and procedures

## COMPUTERS (Information Services)

- Hardware and software review, including:
  - E-mail
  - Intranet
  - MS Office suite
  - Internet
  - Databases
  - Data on shared drives

## ACKNOWLEDGMENT: (to be signed upon completion of all orientation items)

<table>
<thead>
<tr>
<th>Employee:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager:</td>
<td>Date:</td>
</tr>
</tbody>
</table>

Source: SHRM (2015)
# New-Hire Survey

Please complete the following survey and return it to:

New-Hire Name: ________________________________

Our goal is to make a positive impact on you during your first days with the company. Now that this period has passed, we would like to have your feedback about your orientation experience. We will use this information to tailor our program and improve on procedures we use to help bring a new person up to speed.

1. Was HR expecting you when you arrived?
   - [ ] YES
   - [ ] NO

2. Was the order of the information presented done in an easy to understand format:
   - Initial meeting:
     - [ ] YES
     - [ ] NO
   - Benefits meeting:
     - [ ] YES
     - [ ] NO
   - Performance procedure meeting:
     - [ ] YES
     - [ ] NO

3. Was the person presenting the information able to answer your questions during your orientation?
   - Initial meeting:
     - [ ] YES
     - [ ] NO
   - Benefits meeting:
     - [ ] YES
     - [ ] NO
   - Performance meeting:
     - [ ] YES
     - [ ] NO

4. Do you feel that you were given enough of a verbal explanation during any of the meetings?
   - [ ] YES
   - [ ] NO
   - If no, please comment on what you feel could have been covered in more detail:

5. Did you have a need to contact HR for benefits questions prior to signing up for benefits?
   - [ ] YES
   - [ ] NO

6. Were your benefits and/or policy questions answered during the meeting or when you inquired separately?
   - [ ] YES
   - [ ] NO
   - Please state when your questions were answered:

7. Do you feel there is enough information given on the benefits?
   - [ ] YES
   - [ ] NO

8. Do you feel the brief descriptions provided for benefits are easy to understand?
   - [ ] YES
   - [ ] NO

9. Did you get what you expected from your HR orientation?
   - [ ] YES
   - [ ] NO
   - If No, please comment:

10. Was the HR staff courteous and professional?
    - [ ] YES
    - [ ] NO

11. Were the details about your arrival clearly communicated to you by your manager?
    - [ ] YES
    - [ ] NO

12. Was your manager present on your first day of work?
    - [ ] YES
    - [ ] NO

13. Were you taken on a tour of the facility that is to be your place of work?
    - [ ] YES
    - [ ] NO
14. Were you introduced to co-workers (if they work in the same location)?

- YES
- NO

15. Were you shown the following locations:

   - Restrooms:
     - YES
     - NO

   - Lunchroom:
     - YES
     - NO

   - Conference room:
     - YES
     - NO

   - Supply cabinet:
     - YES
     - NO

   - Mailroom:
     - YES
     - NO

   - Copier/fax:
     - YES
     - NO

16. If applicable, was your office set up and ready for you (furniture, PC and supplies)?

- YES
- NO

17. If applicable, was your phone, voice and e-mail set up upon arrival?

- YES
- NO

18. Were you shown how to operate the phone, voicemail and e-mail systems?

- YES
- NO

19. Did you receive an explanation as to the procedure for receiving technical support from the IT staff?

- YES
- NO

20. Were you given a copy of your job description?

- YES
- NO

   When did you receive it?

21. What was your overall impression of your first few days?

Please tell us if there are any topics you feel would be beneficial for new staff to hear during their orientation from their managers that weren’t covered during your orientation:

Please tell us if there are topics you feel would be beneficial for new staff to hear during HR orientation that weren’t covered during your orientation?

Please state anything you think we should consider changing or adding to the orientation process that would add positively to the new hires’ experience:

Thank you for your time. This information will not be part of your personnel file. It will be used to improve on the orientation and training phases a new hire will experience. We thank you for your comments.

Source: SHRM (2015)
Recruitment Satisfaction Survey

The Office of Human Resources would like feedback about your experience during your recent job search as it relates to the recruitment and hiring practices employed at [Company Name]. This will assist the Office of Human Resources in providing quality service to both the hiring manager and the applicant. Please complete the questions below and return this survey at your earliest convenience. Thank you in advance for your cooperation.

Position Information

Type of Position
❑ Exempt
❑ Nonexempt

Category:
❑ Administrative
❑ Information Tech
❑ Office/Clerical/Library
❑ Service/Maintenance

Department:

Position:

Title:

Survey Questions

1. During your initial contact with the recruiting department, how satisfied were you with the information received about the recruitment process?
   ❑ Very Satisfied
   ❑ Satisfied
   ❑ Not Satisfied

2. Based on the position description submitted, how satisfied were you with the accuracy of the job posting?
   ❑ Very Satisfied
   ❑ Satisfied
   ❑ Not Satisfied

3. How satisfied were you with the quantity of applications/resumes?
   ❑ Very Satisfied
   ❑ Satisfied
   ❑ Not Satisfied

4. How satisfied were you with the quality of the applicants?
   ❑ Very Satisfied
   ❑ Satisfied
   ❑ Not Satisfied

5. How satisfied were you with the response time from the recruiting department in processing applications/resumes?
   ❑ Very Satisfied
   ❑ Satisfied
   ❑ Not Satisfied

6. Did the recruiting department assist you to your satisfaction throughout the hiring process?
   ❑ Very Satisfied
   ❑ Satisfied
   ❑ Not Satisfied

What could the recruiting department have done to make this hiring process more efficient and effective for you as a hiring manager?

Please add any additional comments:

Return the completed survey to the Office of Human Resources

Source: SHRM (2015)
Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals
Section 4: Retaining Mature Workers

According to the SHRM survey on preparing for an aging workforce, HR professionals tended to report less difficulties retaining mature workers than recruiting them. This supports the idea that mature workers tend to have longer tenure and are loyal to their employers. About two-fifths of organizations surveyed by SHRM indicated it was “easy” or “extremely easy” to retain exempt and nonexempt older workers. However, many did report barriers and challenges around retention. The most common barriers involved various forms of job flexibility, such as flexibility in work location, career flexibility, work hour flexibility and work schedule flexibility (43%-47%). And more than one-third of respondents who indicated it was “difficult” or “very difficult” for their organizations to retain older workers compared with other workers cited their organizations’ inability to offer flexibility in type of employment (e.g., consultant work, temporary work) as a top challenge. Another area of concern was the ability to offer benefits attractive to older workers, such as health care benefits, wellness plans and senior care benefits (see Table 1).32

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

Note: n = 242. Only respondents who indicated it was “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.


The Aging Workforce Survey asked respondents whose organizations had taken specific steps to recruit or retain older workers about the effectiveness of these steps. The majority reported that 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 and retaining older workers. However, less than one-quarter indicated that the majority (i.e., more than one-half) of their eligible employees used reduced hours or part-time positions, flexible scheduling or phased/gradual retirement programs for older workers. Instead, about one-half reported just 1% to 25% of their eligible employees used reduced hours or part-time positions or flexible scheduling programs for older workers. More than three-fifths indicated the same for phased/gradual retirement programs (see Figure 5).

Mature workers may not be able or willing to take advantage of such programs because of the need to continue to work full-time in order to maintain a baseline income level. After all, one of the main reasons for continuing to work past retirement age is finances. The SHRM survey findings on preparing for an aging workforce indicate that almost three-quarters of HR professionals reported that for employees who joined their organizations after retiring, money was a factor. The other main reasons for individuals to work beyond traditional retirement age were enjoying/occupying time, health care benefits and social interaction. These reasons also offer guidelines for the kinds of factors that will help retain mature workers—that is, solid wages, access to health care and other benefits, and the opportunity to be part of a positive community where employees of all ages are valued and treated respectfully.33

Job security is a top job satisfaction factor for Baby Boomers; if mature workers feel that they will appear less committed to their jobs when they use the flexible work arrangements, they are less likely to use them.
Effective Practice Guidelines for Retaining Mature Workers: 15 Key Strategies

According to The Aging Workforce EPG report, there are many steps organizations can take to engage and retain mature workers. The report outlines 15 strategies that not only will help organizations retain their mature employees but also will make them an employer of choice for workers of all ages:

**Strategy 1: Acknowledge worker contributions**
Simply asking mature workers to stay with the company and making them feel valued can go a long way in keeping them engaged.

**Strategy 2: Offer flexible work arrangements**
Flexibility is valued across age groups, but mature workers may be especially interested in flexible work options due to caring responsibilities and other lifestyle changes.

**Strategy 3: Offer bridge employment**
Jobs that bridge the gap between late career and full retirement, usually through reduced work hours, responsibilities and workload, are a very attractive option for employees nearing retirement.

**Strategy 4: Support health and wellness**
Health problems often increase with age, so both health insurance and wellness benefits are important aspects of retention for mature workers.

**Strategy 5: Provide caregiver support**
Because many mature workers have caregiving responsibilities and these are often cited as a main reason mature workers must retire sooner than planned, offering caregiving assistance and support can be a crucial way to help mature employees remain healthy and productive.

**Strategy 6: Offer skills training**
Mature workers need to upgrade their skills continuously and should be included in training initiatives and offerings.

**Strategy 7: Provide career and personal growth opportunities**
Mid-and late-career workers are interested in career and personal growth opportunities, often through lateral moves to learn new skills.

**Strategy 8: Use mixed-age workgroups**
Mixed-age workgroups help in the transfer of knowledge across generations and reinforce a corporate culture where generations are expected to work together effectively.

**Strategy 9: (Re)design work to match worker capabilities**
Redesigning jobs can include physical, sensory and workflow design.

**Strategy 10: Train managers and supervisors**
The relationships between employees and their managers and supervisors are crucial to maintaining employee satisfaction and engagement, making it imperative that managers are trained to work effectively with workers of all ages.

**Strategy 11: Provide support for retirement planning**
Providing retirement planning services can help some employees realize the financial necessity of continued employment.

**Strategy 12: Address age discrimination—both real and perceived**
Age discrimination cases are likely to increase as the workforce ages, making it imperative that organizations carefully examine all policies and practices to remove any potential for age bias.

**Strategy 13: Foster an age-positive culture**
Look for ways to demonstrate the value of age diversity in organizational communications, educate workers about age-related stereotypes and find ways to build common ground across generations.

**Strategy 14: Foster job and career embeddedness**
Feeling a sense of loyalty and social community in the workplace as well as the ability to do meaningful work all encourage retention across age groups.

**Strategy 15: Facilitate critical knowledge transfer**
When workers are able to share their expertise with others, they can feel a greater sense of purpose and engagement.

One of the main reasons for continuing to work past retirement age is finances.

The issue of respectful treatment is vital. In fact, it is the most important job satisfaction factor for workers of all ages, according to the most recent SHRM Employee Job Satisfaction and Engagement research report findings. As shown in Table 3, Baby Boomers, Gen Xers and Millennials all agree that the most important job satisfaction factor is respectful treatment of employees at all levels. Part of respectful treatment of workers is showing them that their experience and knowledge are valued. According to the SHRM survey findings, more than three-fifths (61%) of respondents indicated their organizations attempted to capitalize and incorporate the experience of older workers to “some extent” or “a great extent.” These efforts can go a long way in making mature workers feel valued.34
The findings suggest that although organizations can offer many programs that help phase mature workers into retirement, the reality is that many mature workers will need to continue to work full-time for as long as possible for financial reasons. This underscores the importance of the organization’s overall strategy around flexible work practices. These types of benefits and practices must be available to—and used by—workers of all ages for many mature workers to feel they can truly take advantage of these offerings. It is important to note that job security is a top job satisfaction factor for Baby Boomers; if mature workers feel that they will appear less committed to their jobs when they use the flexible work arrangements, they are less likely to use them. The good news is that flexible work arrangements are major retention factors for workers of all ages and therefore the use of these offerings should be encouraged across age groups.

The SHRM findings on job satisfaction underscore the importance of intangible factors in determining how happy members of the Baby Boom cohort are in their jobs. Issues such as respect, trust and the opportunity to use their skills and abilities at work are of paramount importance. So although retention strategies to prepare for an aging workforce will focus on creating programs and work arrangements to help mature workers stay on the job longer, these intangible factors must not be forgotten. Building a respectful organizational culture where there is trust between employees and senior management and where mature workers’ skills, abilities and knowledge are valued is among the most important steps organizations can take to boost retention in the years ahead.

**TABLE 3: Top Five Very Important Aspects of Job Satisfaction, by Employee Generation/Age**

<table>
<thead>
<tr>
<th></th>
<th>First</th>
<th>Second</th>
<th>Third</th>
<th>Fourth</th>
<th>Fifth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Millennials</strong></td>
<td>Respectful treatment of all employees at all levels</td>
<td>Compensation, overall</td>
<td>Benefits, overall</td>
<td>Job security</td>
<td>Opportunities to use your skills/abilities; relationship with immediate supervisor; trust between employees and senior management</td>
</tr>
<tr>
<td></td>
<td>66%</td>
<td>65%</td>
<td>61%</td>
<td>58%</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Generation X</strong></td>
<td>Respectful treatment of all employees at all levels</td>
<td>Compensation, overall; job security</td>
<td>Benefits, overall</td>
<td>Opportunities to use your skills/abilities</td>
<td>Trust between employees and senior management; organization’s financial stability</td>
</tr>
<tr>
<td></td>
<td>70%</td>
<td>66%</td>
<td>65%</td>
<td>58%</td>
<td>56%</td>
</tr>
<tr>
<td><strong>Baby Boomers</strong></td>
<td>Respectful treatment of all employees at all levels</td>
<td>Compensation, overall</td>
<td>Trust between employees and senior management; organization’s financial stability</td>
<td>Benefits, overall</td>
<td>Relationship with immediate supervisor</td>
</tr>
<tr>
<td></td>
<td>63%</td>
<td>57%</td>
<td>54%</td>
<td>53%</td>
<td>52%</td>
</tr>
</tbody>
</table>

Note: Table represents the percentage of respondents who rated each aspect “very important” to their job satisfaction. Percentages are based on a scale where 1 = “very unimportant” and 4 = “very important.” Responses from Veterans were not shown due to a small sample size (n < 25).

Source: Employee Job Satisfaction and Engagement (SHRM, 2016)

**RESOURCES**

*WhenWorkWorks.org* is a project of the Families and Work Institute (FWI) and the Society for Human Resource Management (SHRM), a nationwide initiative on workplace effectiveness and flexibility.
Case Study: Retaining Workers Beyond Traditional Retirement Age

Visiting Angels, Mesa, Ariz.

Retirements do not come unexpectedly on the payroll of Visiting Angels. Most of the staff members have already completed lengthy careers in the private sector, and they are not quite ready to leave the workforce. And at the Mesa, Ariz., division of Visiting Angels—a national organization that provides nonmedical, in-home care for the elderly and the disabled—the term “older workers” is met with a laugh by Tish Wallace, director of human resources.

“In my mindset, let’s hire people who also have gray in their hair,” said Wallace, who at 72 years of age said she has no intention of retiring anytime soon. “In this business, you need people who can relate to the clients, and vice versa. One of the first things I ask our applicants is if they’ve had personal experience doing care.”

Wallace has a staff of about 120 employees, and she said nearly three out of five belong to the 55-and-older demographic. Seven out of the 10 people working in the administrative office are also part of that age group, she said. Given the growing need for health care workers as the U.S. population ages—and knowing that many people are staying on the job for longer periods of time—Visiting Angels has found itself in the right place at the right time, Wallace said.

“We're a little different than most of the Visiting Angels franchises,” Wallace said. “We're almost all escapees of the corporate world, and a good portion of our staff has lived this situation personally, taking care of family members. Our entire goal is to keep people in their homes and independent as they age.”

Part of Visiting Angels’ work in Mesa includes community outreach, Wallace said. This region, much like the rest of the country, has an increased amount of workers who fit into the “sandwich generation,” or those who provide care for elder relatives while supporting children of their own. One staff member regularly attends church meetings, community group events and corporate wellness program presentations to get the word out about Visiting Angels’ services.

“We want companies to know that there are options for your employees who are losing time at work,” Wallace said. “At one point in my life, I was working 60 hours a week and caring for three elderly people—my mother and her two sisters. This is very common.”

With that in mind, Visiting Angels’ recruiting efforts target retirees, older workers seeking second careers and “snowbirds” who live elsewhere during the summer but spend the remainder of the year in Arizona. There are some younger employees on the payroll, Wallace said, but the bulk of the caregiver responsibilities fall with mature workers.

“We have retirees who used to be nurses, and they only want to work 10 to 15 hours a week, two days or so, and that’s great,” she said. “We can find work for them very easily. We have snowbirds who only want to work until May 1. They come back on October 1, and that’s fine. Others are retired and don’t have enough money, and they want to work 40 hours a week. That’s no problem either. We’ve had couples with timeshares, and that’s OK, too. We’re filling their needs, and they’re filling ours.”

Even with a steady stream of applicants at the organization, it is not easy becoming a Visiting Angel, Wallace said. After an initial interview with Wallace, candidates must supply three references and then sit for interviews with current caregivers. Applicants are also subject to background checks and must have clean driving records. Visiting Angels’ duties can include transporting clients to the doctor’s office, sorting through mail, cooking and other responsibilities. And above all, they need the experience that comes with being a seasoned worker, caregiver and listener.

“You can teach anybody to do a wheelchair transfer,” Wallace said. “You cannot teach anybody to have empathy, thoughtfulness and common sense. You have to understand where the clients have been. If you’ve got a Vietnam vet in your care, you better know what Vietnam was. My oldest employee recently retired at 79. I get others who call me and say, ‘I’m 72, are you sure you can hire me?’ And I say, ‘Of course!’ It’s an unusual situation, but it works.”
**Flextime Policy**

*Practice Note*

Flexible schedules are variable work hours requiring employees to work a standard number of core hours within a specified period of time, allowing employees greater flexibility in their starting and ending times. Some policy design considerations include the impact on the business, eligibility criteria and length of time for alternative schedule (e.g., seasonal or permanent).

The operating days and hours of [Company Name] are Monday through Friday, 8:30 a.m. to 5:30 p.m. All employees are expected to be at work during these hours unless approval is granted for a flexible work schedule (flextime).

Flextime at [Company Name] is a work schedule with time of arrival and departure that differs from the standard operating hours by not more than two hours. For example, a typical flextime arrangement is arrival at 10:30 a.m. and departure at 7:30 p.m.

Supervisors approve flextime on a case-by-case basis. Full-time employees who have completed at least six months of employment are eligible for flextime. The employee must first discuss possible flextime arrangements with his or her supervisor and then submit a written request using the Flextime Request Form. The supervisor will approve or deny the flextime request based on staffing needs, the employee's job duties, the employee's work record and the employee's ability to temporarily or permanently return to a standard work schedule when needed.

A flextime arrangement may be suspended or canceled at any time. Exempt employees must depart from any flextime schedule to perform their jobs. Nonexempt employees may be asked to work overtime regardless of a flextime schedule.

Source: SHRM (2015)
Flexible Work Arrangement Agreement

This flexible work arrangement agreement is established between [Company Name] and [Employee Name].

This agreement shall become effective as of _______________ and shall remain in effect until _______________ unless modified or terminated by [Company Name], the employee, or the supervisor or successor to the supervisor of the employee. In the event that either the company or the employee needs to terminate the agreement, that party shall provide the other party with four weeks’ written notice. However, in the event of a workplace emergency, the agreement may be suspended immediately and indefinitely. This agreement may be reviewed at any time if requested by either party.

This agreement is subject to the employee satisfying the following conditions on a continuing basis:

- The employee shall perform all job duties at a satisfactory performance level.
- The employee’s work schedule does not interfere with normal interactions with his or her supervisor, co-workers, or customers.
- The employee’s schedule does not adversely affect the ability of other company employees to perform their jobs.
- The employee assures his or her accessibility to co-workers who maintain the company’s regular working schedule.
- The employee’s paid leave will be earned and used in the same manner as prior to this flexible work arrangement agreement and be subject to all other applicable company leave policies.
- The employee maintains this agreed-upon work schedule.

All of the employee’s obligations and responsibilities, and terms and conditions of employment with the company remain unchanged, except those specifically changed by this agreement. Any noncompliance with this agreement by the employee may result in modification or termination of the flexible work arrangement established by this agreement. Such modification or termination will require four weeks’ notice to the employee.

Flexible Work Schedule: ___________________________________

I have read and understand this agreement and all its provisions. By signing below, I agree to be bound by its terms and conditions.

Signature of Employee: ____________________________________________
Date: ___________________________

Approval of Supervisor: ____________________________________________
Signature: ____________________________________________
Name: ____________________________ Date: ____________________________

Source: SHRM (2015)
### Telecommuting Application Form

**Employee:**

**Position:**

**Manager:**

### Assessment of Position, Employee, Work Area

#### Job Criteria

- Work is information-based.
- Minimal unpredictable face-to-face contact is required.
- The employee works alone, on assignments such as data entry, report or proposal generation, research or analysis.
- Productivity can be monitored/measured easily.

**Other factors to consider**

### Telecommuter Criteria

#### Employee Profile

- Strong performer
- Self-directed (demonstrated ability to manage own time and work)
- Demonstrated ability to solve own problems, low need for assistance from manager or others
- Low need for daily social interaction with co-workers
- The proposed telecommuting setting is free from distractions (children or others in need of care, etc.).
- A separate work area is available so the employee can focus on work without distractions (a home office is preferred).

### Proposed Telecommuting Schedule:

*(The employee should have regularly scheduled days/hours in the office so others will know when he/she is available for meetings.)*

### Equipment Needs / Costs:

- **Computer:**
- **Ergonomic equipment:**
- **Internet access:**
- **Modem:**
- **Phone line:**
- **Zip drive:**
- **Other:**

**Total startup costs:**

**Ongoing costs:**

### HR Recommendation:

*Source: SHRM (2015)*
**Flextime Request Form**

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I have read and understand the company's Flextime Policy. If this flextime arrangement is suspended or canceled, I will return to a standard work schedule.

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Printed Copies: Human Resources, Payroll

*Source: SHRM (2015)*
Compressed Workweek Policy and Procedure

Practice Note
When developing a compressed workweek schedule, it is necessary to review state overtime laws for weekly or daily overtime requirements. In addition, some states may have exceptions to overtime law when overtime is worked under an approved alternate workweek schedule. Without state law exceptions, overtime pay requirements will affect the cost of such schedules if overtime is worked during a compressed or alternate workweek arrangement.

Alternative work schedules, including the compressed workweek, are consistent with [Company Name] efforts toward work/life balance.

A compressed workweek allows full-time employees to work longer days for part of the week or pay period, in exchange for shorter days or a day off each week or within the same pay period.

Compressed workweek schedules must be set (not varying from pay period to pay period) and may be any of the following options for a two-week pay period:

• Nine nine-hour days, one eight-hour day and one day off every pay period.
• Four 10-hour days each week and a day off each week.
• Four nine-hour days and one four-hour day each week (one afternoon or morning off each week).
• Four seven-hour days and one 12-hour day each week.

Compressed workweek schedules must meet the following requirements for consideration:

• All full-time employees must work a 40-hour week (or 80 hours each pay period).
• Operational requirements must be met.
• Service to the customer must be maintained or improved.
• Costs to [Company Name] will not be increased.
• Each office or operation must be covered during normal [or core] business hours.

Requirements for compressed workweek approval include the following:

• Employees must request a compressed workweek schedule in writing. The decision of the [manager or supervisor] is final.
• Managers and supervisors are encouraged to approve employees’ requests for compressed workweek whenever it is possible to do so without compromising the organization’s goals.
• In positions where a compressed workweek schedule is permitted, all new requests from employees or any type of change in work schedule or work hours will be considered on the basis of the above requirements for consideration and the workload of [Company Name].

Approved compressed workweek schedules will meet the following standards:

• Compressed workweek schedules will not diminish the ability of [Company Name] to assign responsibility and accountability to individual employees for the provision of services and performance of their duties.
• When a paid holiday falls on an employee’s regularly scheduled day off, the employee will be given another day off during that pay period.

Source: SHRM (2015)
Alternative Work Schedule Policy and Procedure

Practice Note

An alternative work schedule (AWS) policy can prove to be a strategic tool when implemented effectively. Evaluate how an AWS policy meets company and HR goals and use metrics for measurement. Consider company strategies such as gaining competitive advantage; an AWS policy demonstrates work-life balance thereby attracting and retaining high-potential talent. Does your AWS policy enhance employment strategies, such as enriching diversity and aiding in knowledge retention (i.e., employing diverse workers or keeping older workers to prevent brain drain) and enhancing employee wellness programs by reducing stress? A review of strategies and direct measurement of those strategies can prove success.

[Company Name] is committed to helping employees face the demands of juggling work, family and other related issues by offering a number of flexible work arrangements. These arrangements provide employees with increased flexibility with their work schedule while allowing the company to maintain a progressive and productive work environment. Alternative work scheduling is an opportunity to maintain employee productivity through various forms of creative work scheduling.

All [Company Name] employees will be considered for alternative work scheduling on a case-by-case basis, where creative work schedules have been shown to accomplish both work and personal goals, to provide coverage for individual department operations and to serve the company as a whole with increased productivity at no expense to quality output.

There are several alternative work schedule options available to employees. The options include the following:

- **Flex-time**, which is a block of time at the start and end of traditional eight-hour shifts during which employees may report and complete their required shift hours of work.
- **10-hour day, four-day workweek**, in which an employee works 10 hours per workday, reducing the workweek to four days a week. Employees would still receive regular holiday pay as outlined in the Holiday Pay Policy. If an employee accepts this option, he or she would forgo overtime unless work is performed outside of the agreed schedule.
- **Nine-hour day, one day off every other week**, in which an employee works nine-hour workdays, permitting the approved employee to reduce every other workweek to a four-day workweek.
- **Job-sharing**, in which two part-time employees assigned to the same job equivalent as one full-time employee. The position is shared between the two employees. Job-sharing, as an alternative work schedule, must ensure the continuity of the work being done at the same workstation with two individuals working as a team to accomplish one full-time position's duties.

The department director/manager is responsible for identifying if any of the aforementioned staffing options are workable within his or her department. This includes determining if the entire department or an entire shift must convert to one of the above alternative scheduling options. To determine whether it would be appropriate for employees to volunteer to take on these work schedules, the director/manager must assess the impact and outcome in terms of production, quality and absenteeism, and whether one or a combination of the above is in the best interests of the department, company and employee.

Implementation and the determinations of potential schedules must be approved with the consent of the HR department to assess overall feasibility and trial operations prior to announcement and implementation.

There will be a six-month trial period to assess the impact of the flexible work arrangement. After successful completion of the trial period, the work arrangement will be reviewed annually thereafter to ensure continued success. The arrangement may be canceled for any reason by either management or the employee with a four-week notice period. The notice period may be altered upon mutual agreement.

Flexible work arrangements are not appropriate for all employees or positions and are not a universal employee benefit. Mandatory conditions must be met for a compressed workweek schedule to be approved. The employee must have a satisfactory attendance record. The employee must be meeting all performance expectations in his or her current role and consistently demonstrating the ability to complete tasks and assignments on a timely basis. The nature of the employee’s work and responsibilities must be conducive to a flexible work arrangement without causing significant disruption to performance and/or service delivery.

The vice president of human resources has the general responsibility of overseeing the day-to-day implementation of this policy in accordance with payroll and legal requirements. Any requests for exceptions to this policy should be made in writing to the HR department for review and approval. Only the vice president of HR, or his or her designee, in consultation with the president and the affected department director/manager, may grant such an exception.

Source: SHRM (2015)


**Summer Flextime Policy**

**Practice Note**

Flexible schedules are variable work hours requiring employees to work a standard number of core hours within a specified period of time, allowing employees greater flexibility in their starting and ending times. Some policy design considerations include the impact on the business and eligibility criteria.

The operating days and hours of [Company Name] are Monday through Friday, 8:30 a.m. to 5:00 p.m. All employees are expected to be at work during these hours. Flexible work schedules are not permitted, except during the summer months, starting the week in which Memorial Day is observed and ending the week in which Labor Day is observed.

The summer flextime at [Company Name] is a work schedule that allows employees to work extra time on an alternating workweek basis Monday through Thursday to be able to leave at 1:00 p.m. on Friday. The time of arrival and departure may not differ from the standard operating hours by more than two hours, except for the Friday early departure. For example, a typical summer flextime arrangement is Monday through Thursday arriving at 8:30 a.m. and departing at 6:00 p.m. and on Friday arriving at 8:30 and departing at 1:00 pm.

Supervisors approve flextime on a case-by-case basis. The employee must first discuss possible summer flextime arrangements with his or her supervisor and then submit a written request using the Summer Flextime Request Form. The supervisor will approve or deny the flextime request based on staffing needs, the employees job duties, the employees work record and the employee’s ability to temporarily or permanently return to a standard work schedule when needed.

A summer flextime arrangement may be suspended or canceled at any time. Exempt employees must depart from any flextime schedule to perform their jobs. Nonexempt employees may be asked to work overtime, regardless of a flextime schedule.

Source: SHRM (2015)
## Summer Flextime Request Form

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**Description of Summer Flextime Arrangement:**

**Hour of Arrival:**

**Hour of Departure:**

**Beginning Date for Flextime:**

(Must be between week in which Memorial Day is observed and week in which Labor Day is observed. Summer flextime is permitted to be taken by an employee on alternating workweeks so that the office is adequately staffed.)

I have read and understand the company’s Summer Flextime Policy. If this flextime arrangement is suspended or canceled, I will return to a standard work schedule.

**Signature of Employee:**

**Date:**

**Approval of Supervisor:**

**Signature**

**Name:**

**Date:**

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*Source: SHRM (2015)*
Job Share Memo of Understanding

Position to be Job Shared:

Date Job Share to Commence:

Employees Participating in Job Share:

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Job Share Agreement

Both employees will equally share one whole job, including all of its responsibilities and duties. Each employee will be accountable for all job duties and everything related to the job.

Job share agreement will be for a six-month trial period, and at the end of this period, employees engaged in the job share and the manager will evaluate the effectiveness of the job share.

If deemed successful by the manager, the arrangement will be evaluated at least annually. As long as there is sustained success, the agreement will continue as long as both employees are employed in the same job with [Company Name].

Both employees and the manager are committed to making the job share work and will proactively seek resolutions to problems that may arise. Either employee or the manager involved in the job share may end the job share agreement at any time for any reason. This should be communicated to the manager and employees involved in the job share agreement as soon as possible.

Both employees will each work three days per week (48 total hours, 24 hours per employee), with Wednesday as the overlapping day of the week. The overlapping day is vital to the success of the job share, and this time should be used to share information and work together to make the rest of the weeks job share a success.

In the event that one of the job share partners terminates employment, changes jobs within the [Company Name] or requests full-time work, the position will automatically revert to a full-time position with the expectation that the remaining job share partner will assume the full-time requirements of the above position, including a 40-hour work week. If a compatible partner could be found and it is agreeable to the employer and both employees, the job share agreement could continue.

Signatures below constitute agreement to the job share agreement above. Either employee or the manager involved in the job share may end the job share agreement at any time for any reason.

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Source: SHRM (2015)
Recognition Policy: Service Awards and Retirement Gifts

Practice Note
No federal or state law requires employers to recognize or reward employees for achieving milestones in employment duration. However, recognizing and rewarding years of service can boost employee morale and promote employee retention. To be effective, such awards should be delivered personally.

Purpose
[Company Name] recognizes the value of institutional knowledge and experience held by long-term employees. Additionally, retention of high-performing employees reduces the cost of employee turnover and enhances corporate competitiveness. Equally, employees who have retired from employment with [Company Name] are ambassadors of goodwill in the marketplace.

Eligibility
Full-time, active employees become eligible for a service award in the year in which they complete five, 10, 15, 20, 25, 30, 35 and 40 years of service. Retirement recognition awards are given upon retirement after completion of 20 years of employment without a break in service.

Service Award Procedures
The chief executive officer will be responsible for selecting an array of gifts that may be awarded to employees for their tenure. Selection sheets, order forms and instructions for returning the forms are sent to the employee being recognized. The employee selects a gift and returns the order form as instructed.

After considering the service milestone or retirement date, the company will decide whether the gift will be sent to the employee’s home or to the employee’s work location for presentation.

Source: SHRM (2015)
Phased Retirement Plan Development Checklist

Planning/Implementation Steps
❑ Analyze current workforce to determine number of employees eligible for the period selected and establish draft thresholds for eligibility.
❑ Meet with CEO to determine if there would be support for a phased retirement program. Then meet with management team to determine overall management support/interest and obtain input/ideas.
❑ Discuss with legal counsel to determine any possible discrimination issues as well as any liability to any employees who retire while this program is under serious consideration but not yet made final and announced to staff.
❑ Draft the phased retirement program covering the many items you have listed in your checklist and use the areas for consideration (see below) as a supplement.
❑ Review proposed program with CEO and the management team.
❑ Incorporate any changes and have program reviewed by legal counsel.
❑ Resolve any legal issues and provide final program to CEO/management team.
❑ Communicate the final program policy to all employees. It is extremely important to do so due to the voluntary nature of the program. Advise any employees eligible for the program to determine any impact continued working would have on their Social Security and benefits and overall financial planning, encourage them to check with their financial planner.

Areas for Consideration
❑ Review alternative scheduling practices and mechanisms: what types of part or flex time alternatives can be provided?
❑ Consider changes in hours, shifts, including week-end schedules and establish minimum thresholds.
❑ Consider management status and the level of incumbents. How is accountability and responsibility to be maintained to ensure continuity?
❑ What tasks and responsibilities can be delegated, and how is this to be communicated?
❑ Do management and supervisory responsibilities devolve to the planned successor(s) immediately, or is there an implementation timeline?
❑ How is the work currently being done and by whom? Can duties or functions be migrated or shared with others without impeding work flow or work processes?
❑ Determine preferred time frames for phased retirement in conjunction with workforce allocation and succession/replacement planning models.
❑ Create backup plans for work continuity in the event of work interruption.
❑ Look at how organizational objectives and staff development will be met through the phased retirement plan.

Mentoring/Interning
❑ Flex schedules/alternative work week arrangements/sabbaticals.
❑ Succession/replacement planning.
❑ Income replication/reduction and financial planning.
❑ The goals of the plan may differ based on the incumbents to be offered a phased retirement plan. In some cases, income replication (or enhancement) will be required for a period of time or for the duration of the plan; in others, income reductions should be channeled into the plan over projected timelines.
❑ The plan should be modeled using projected income from all sources during the phased period, including corporate pay/bonuses/incentives/options, pensions/defined contribution plans/perquisites and external benefits (Social Security benefits).
❑ Employers should strongly consider providing participants with outside financial planning assistance to ensure that participants are aware of the financial ramifications of the plan on their income streams. In providing financial planning, an employer will meet two important goals: keeping participants informed and ensuring that an employer’s fiduciary duties are maintained.

Statutory/Regulatory Issues
❑ Plans will be constrained by federal and, in some cases, state legislative and regulatory requirements. Your planning should consider the impact of the Age Discrimination in Employment Act, the Older Worker Benefit Protection Act, Employee Retirement Income Security Act, Consolidated Omnibus Benefit Reconciliation Act, and the Internal Revenue Code and state mandates.
❑ If pay reduction is a plan goal of the phased retirement plan, remember that in the event of occupational injury, workers’ compensation income replacement benefits will be reduced, so this issue should be considered and offset where appropriate. On a similar note, state unemployment insurance departments may determine that an individual is not eligible for benefits if he or she does not have a recent history of full-time employment and is not able and available for full-time employment.
Benefit Plan Issues

Leave programs, including vacation, sick or PTO leave, should be reviewed for continuing benefit eligibility, leave accrual and level of benefits provided. For leave programs where account balances are paid out or added to other benefits (such as retirement), an organization should factor these into the plan.

All insured or self-funded welfare programs should be reviewed for both continuing benefit eligibility and the level of benefits provided.

Organizations should review with all of their insurance providers the impact of changes in hours or schedules and levels and sources of pay for all employees being considered for phased retirement participation so that any changes or reductions can be communicated in advance of electing to participate in the plan. The review should include:

- Life, dependent life and/or AD&D insurance.
- Health, vision and/or dental insurance. (If the organization provides no retiree health coverage, bridging coverage through COBRA until Medicare eligibility could be provided using an employer subsidy to ensure continuity of coverage subsequent to the phased retirement period.)
- Short- and long-term disability insurance plans and, where appropriate, state temporary disability plans.
- Defined benefit, defined contribution and nonqualified retirement plans should be reviewed for continuing benefit eligibility, accrual of service and level of benefits provided.

Organizations should review the above plans to ensure that any changes or reductions can be communicated in advance of electing to participate in the plan.

The plan should be modeled using projected benefits coverage from all sources during the phased period and would include eligibility for Medicare.

Plan Optimization

If a plan goal is to ensure that the phased retirement plan is to be optimized, an organization should conduct a comprehensive review of their work scheduling, compensation and benefits plans in conjunction with external programs to determine where changes will be necessary to facilitate meeting plan objectives. This may require changes to organizational policies, amendments to plans, and/or the development and implementation of bridge plans or bonuses specifically adapted to phased retirement participants.

Potential or Tangential Goals

Review cost benefit analysis in relation to organizational goals to ensure value added return.

Review in-house administrative resources. Does a phased retirement plan place an added burden on infrastructure?

Establish communication plan on expectation of performance.

Create a phased retirement plan that does not create additional pension/defined benefit (DB) liability. Does this increase my plans actuarial costs?

Source: SHRM (2015)
Section 5: Skills, Training and Development

One of the most important issues in relation to preparing for an aging workforce is understanding the impact this trend will have on the availability of skilled workers. The questions of if, where and how skills shortages will occur in the future preoccupy the minds of not only HR professionals but of industry leaders, economists and regional and national policy makers.

HR professionals who closely study the skills needs and potential shortages in their organizations and industries are stepping up to take on an important leadership role that goes well beyond their individual organizations. Many HR professionals are working within their industries and local communities to improve workforce readiness at the broader level. The causes of skills shortages are complex and are thus not easy to resolve. But there are basic steps that HR professionals can take to help their organizations become better prepared for skills shortages and to proactively meet the challenges they represent.

As mentioned in Section 2, “Assessing the State of the Aging Workforce in the Organization,” going through the workforce planning process is often the way organizations uncover the development of skills shortages in both their industry and their organization. Depending on the organization and the level of detail involved in its workforce planning activities, a general workforce planning initiative may be enough to alert organizational leaders of impending problems and to propel them to take action to ensure they have the needed skilled talent in the years ahead. However, in many cases, the organization may decide to do a more in-depth skills auditing process.

Skills Audits

Conducting a skills audit is similar to some of the steps done within workforce planning initiatives but with more detailed information about the skills, education and experience needed for different jobs and job families. Supply analysis in workforce planning will involve collecting data on the number of employees and their skills, as well as workforce demographics, and should reveal if the organization has a large number of workers nearing retirement age. If large numbers of retirements are forecasted, a more in-depth job and skills analysis at this stage may be needed.

Job design and job analysis

Jobs may need to be redesigned to accommodate older workers who develop disabilities due to the aging process. Some organizations have found that they are able to attract and hire more dependable and loyal employees by engaging in job analysis and by redesigning jobs to appeal to older employees. Job analysis can be a major undertaking, but it is critical to both preparing for future changes in the workforce and effective human resource management overall. This is because every job must contribute to the organization’s mission, goals and objectives. The data derived from the job analysis process should first and foremost identify the knowledge, skills and expertise required for effective performance in a given job. This, in turn, helps set performance measurement standards and establish criteria for selection and promotions. The clear identification of needed skills and abilities within a job role also helps organizations maximize their training budgets by ensuring that the objectives for training and development programs meet the needs of the job. (Note: Although job analysis is sometimes confused with job evaluation, the two activities differ in that job evaluation compares jobs to determine the appropriate pay rate, whereas job analysis is focused more on identifying the needed skills and expertise for a given job.)

In the end, the job analysis project should result in more accurate job descriptions that clearly define job specifications. The process should also alert HR to any potential gaps and needed interventions, especially in relation to recruiting and selection, career and succession planning, and training and development. HR professionals work closely with managers on the job analysis...
process. SHRM Knowledge Center guidelines in Table 4 below show a typical division of responsibilities between HR and line management in the job analysis process.

**TABLE 4: Typical Division of Job Analysis Responsibilities**

<table>
<thead>
<tr>
<th>Human Resources</th>
<th>Line Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Coordinates job analysis process.</td>
<td>• Completes or designates staff members to complete job analysis information.</td>
</tr>
<tr>
<td>• Drafts job descriptions and specifications for management review.</td>
<td>• Reviews and maintains accuracy of job descriptions/job specifications.</td>
</tr>
<tr>
<td>• Periodically reviews job descriptions and specifications.</td>
<td>• Requests revisions to analysis as jobs change.</td>
</tr>
<tr>
<td>• Reviews managerial input to ensure accuracy.</td>
<td>• Identifies performance standards based on job analysis information.</td>
</tr>
<tr>
<td>• Seeks advice from outside sources for difficult or unusual analyses if needed.</td>
<td>• Serves as subject matter expert or panel member if needed.</td>
</tr>
<tr>
<td>• Serves as job analyst or panel facilitator as needed.</td>
<td></td>
</tr>
</tbody>
</table>

Source: SHRM (2015)

SHRM Knowledge Center guidelines also list the following factors that help make distinctions between jobs:

- Knowledge, skills and abilities needed.
- Work activities and behaviors.
- Interactions with others (both internal and external).
- Performance standards.
- Financial budgeting and impact.
- Machines and equipment used.
- Working conditions.
- Supervision provided and received.

Jobs may be grouped into **job families** with broadly similar content, whereas the jobs themselves are made up of the groups of tasks, duties and responsibilities that make up the overall work assignment. This is where a job analysis may uncover potential problem areas that could span across entire job families. For example, an organization may discover during this process that the job family made up of engineering jobs could soon be depleted by impending retirements. By clarifying the jobs and tasks needed within a job family, a targeted strategy can be formed around meeting forecasted skills shortages. This strategy could include persuading mature employees within this job family to continue to work beyond traditional retirement age or taking more proactive steps to work with local and industry education providers to build a more robust pipeline of replacement workers to step into the jobs that will soon be vacated due to retirements.

Another way the job analysis process ties directly to the issue of mature workers is that these workers are often the incumbents who are best positioned to give accurate data and feedback about the detailed tasks, skills and abilities needed to perform effectively in a given job. This kind of information can be collected through a number of different ways. Table 5 lists SHRM Knowledge Center descriptions of the five different job analysis methods.
### TABLE 5: Comparison of Job Analysis Methods

<table>
<thead>
<tr>
<th>Job Analysis Method</th>
<th>Description</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open-ended questionnaire</td>
<td>Questionnaires filled out by job incumbents and sometimes their managers about the knowledge, skills and abilities necessary. HR compiles the answers and publishes a composite statement of job requirements.</td>
<td>Produces reasonable job requirements with input from employees and managers and helps analyze many jobs with limited resources.</td>
</tr>
<tr>
<td>Highly structured questionnaire</td>
<td>Questionnaires that allow only specific responses aimed at determining the frequency with which specific tasks are performed, their relative importance and the skills required.</td>
<td>Defines job objectively, which also enables analysis with computer models.</td>
</tr>
<tr>
<td>Interview</td>
<td>Face-to-face interview in which the interviewer obtains the necessary information from the employee about knowledge, skills and abilities needed to perform the job.</td>
<td>Interviewer uses predetermined questions, with additional follow-up questions based on the employee's response. This method is good for professional jobs.</td>
</tr>
<tr>
<td>Observation</td>
<td>Direct observation of employees performing job tasks, translating observations into the necessary knowledge, skills and abilities.</td>
<td>Provides a realistic view of the job's daily tasks and activities. Works best for short-cycle production jobs.</td>
</tr>
<tr>
<td>Work diary or log</td>
<td>Diary or anecdotal record the employee maintains, including frequency and timing of tasks. The employee keeps logs over an extended period. HR analyzes the logs, identifies patterns and translates them into duties and responsibilities.</td>
<td>Provides an enormous amount of data, but much of it is difficult to interpret, not job-related and difficult to keep up to date.</td>
</tr>
</tbody>
</table>

Job analysis generates job descriptions and job specifications that include the following components:

- **Identification:** the title, reporting relationships, department, location and the date of the analysis and other information useful in tracking positions and employees through the human resource information system (HRIS), such as job code, pay grade, exempt or nonexempt status and Equal Employment Opportunity Commission (EEOC) job classification.

- **Job summary:** the concise statement of the general duties and responsibilities of the job.

- The job’s essential duties and responsibilities, as well as ancillary duties.

- **Job specifications** that include the essential skills and experience, as well as the nonessential skills and experience (i.e., preferred qualifications) to perform the job. Job specifications are typically designated as knowledge, skills and abilities (KSAs), education and experience, and physical demands and work environment, depending on the nature and scope of the job.

- **Essential functions:** the basic job duties that an employee must be able to perform, with or without reasonable accommodation. Each job must be carefully examined to determine which functions or tasks are essential to performance. This is particularly important before taking an employment action such as recruiting, advertising, hiring, promoting or firing. Factors to consider in determining if a function is essential include the following:
  - Whether the reason the position exists is to perform that function.
  - The number of other employees available to perform the function or among whom the performance of the function can be distributed.
  - The degree of expertise or skill required to perform the function.
• The actual work experience of present or past employees in the job.
• The time spent performing a function.
• The consequences of not requiring that an employee perform a function.
• The terms of a collective bargaining agreement.

• **Disclaimers** that inform the employee that the job description is not a contract between the employee and the employer, that the employer may change the job description or that the employer may request the employee to perform additional duties.

• **Approval**, including a section for the signatures of the supervisor and HR professional and the date approved. The job incumbent should also sign and date the document.

It is crucial that organizations train hiring managers to recognize and respond appropriately to requests for accommodation or similar inquiries as required by the Americans with Disabilities Act (ADA) regulations. Because the risk of disability tends to increase with age, it is important for HR and managers to consider the types of accommodations possible for different types of jobs and job families as part of their overall plan for preparing for an aging workforce and becoming an employer of choice for mature workers.

**Training needs assessment**

Retraining mature workers can often be more cost-effective for an organization than recruiting, hiring, onboarding, socializing and training new hires. Skills training may sometimes be needed to keep mature workers up to date so they can continue working productively.

The activities of workforce planning, skills audits and job analysis can all lead to the realization that among a number of different strategies needed to address existing or predicted skills shortages, training is one of the most important. Unfortunately, many organizations hesitate to invest more dollars into training, and HR professionals have a tough job of convincing organizational leaders to expand training budgets. One way to make this task easier is to demonstrate a detailed understanding of exactly the types of training that will best address skills gaps. This targeted approach offers reassurance that training dollars will not be wasted. This is where a training needs assessment (TNA) comes in. A TNA identifies current level of competence, skill or knowledge in one or more areas and compares that competence level to the level required for the position in question or another position within the organization.

There can be an unfortunate assumption among some business leaders and line managers that training investments should be directed mainly at younger workers. But because mature workers tend to have long tenures, there is no reason to assume that training does not have a strong return on investment for this demographic. Mature workers are just as interested in developing their skills and abilities as workers in other age groups. In addition, mature workers may be interested in shifting their careers in a new direction and, in this case, need training to perform in their new roles. Therefore, conducting TNAs for workers of all ages pays dividends when preparing for an aging workforce.

A TNA should help organizations make informed decisions about the best ways to address skills gaps among individual employees, specific job categories or groups/teams. Although assessments can be conducted at any time, they are often done after hiring, during performance review times, when performance improvement is needed, for career development plans or succession planning, or when changes in an organization involve changes in employees’ jobs. SHRM Knowledge Center guidelines recommend the following steps in conducting TNAs:

**Step 1: Identify the business need.** HR must understand the overall organization and department goals and priorities to be able to assess training options and identify which training opportunities will
contribute most to the overall success of employees, the business units and the organization as a whole. Identifying the business need will clarify if training is the best answer.

**Step 2: Perform a gap analysis.** Assess the current state of a department’s or employee’s performance or skills and compare it to the desired level. The best method for identifying the gap will depend on the organization and the situation. Some examples of gap analysis assessment tools include HR records, individual interviews, focus groups, surveys and self-assessments, and observations through on-the-job simulations of work settings and written work samples.

**Step 3: Assess training options.** Assess the list of training needs generated in the gap analysis based on the goals and priorities of the organization, both currently and in the future, and identify the priority areas and potential training interventions that could be employed to meet these needs.

**Step 4: Report training needs and recommend training plans.** Report the findings from the training needs assessment and make recommendations for short- and long-term training plans and budgets, starting with the top priorities from the training option list.

The key factor to remember when building training strategies for an aging workforce is to know that mature workers benefit from and are interested in learning and having access to training. According to *The Aging Workforce* EPG, training programs are often more successful when they are tailored to the learning styles of mature workers. The report lists the following issues for consideration in relation to training programs for mature workers:

- "Age-related changes affect only some aspects of functioning, specifically visual and auditory acuity and speed of mental processing. Changes vary tremendously among individuals and do not have a significant impact on the ability to learn for mature workers who are in reasonably good health.
- Most mature workers are highly receptive to skills training opportunities, especially for skills that are directly job-related.
- Many mature workers are already strong performers and use their existing skills and experience to expedite the learning process.
- Younger workers are more likely than mature workers to leave an organization, taking their new skills with them. Therefore, the return on investment for skills training may actually be higher for mature workers than for younger ones.

**Leveraging the Knowledge, Skills and Experience of Mature Workers**

When provided lists of basic skills and applied skills and asked which ones are typically stronger among workers age 55 and older compared with other workers, HR professionals identified the following skills:

- Professionalism/work ethic (58%).
- Writing in English (e.g., grammar, spelling) (45%).
- Critical thinking/problem-solving (28%).
- Lifelong learning/self-direction (23%).
- Reading comprehension (in English) (20%).
- English language (spoken) (20%).

Along with professionalism, work ethic, critical thinking and problem-solving, communication skills are an area where mature workers appear to be highly valued. Conversely, when asked about areas
of concern in relation to the skills of new entrants to the labor force, HR professionals often cite communication—both written and spoken.36 The findings indicate that organizations will benefit from leveraging the skills of mature workers through better performance and through the example and mentorship they can provide to new entrants to the workforce.

As organizations look ahead to the potential skills gaps they could soon be facing due to the wave of Baby Boomer retirements, employers are taking several steps, as illustrated in Figure 6. The most common is increasing training and cross-training efforts (42%). One-third (33%) are developing succession plans. But only a minority are developing processes to capture the institutional knowledge of mature workers. This number may soon increase, however, as organizations realize they are losing valuable tacit knowledge. Developing knowledge retention strategies can be complex and often involves different constituents within an organization. In the years ahead, HR professionals may increasingly work within and across divisions to capture this type of knowledge.

**FIGURE 6: Steps Taken to Prepare for Potential Skills Gaps as a Result of the Loss of Older Workers**

<table>
<thead>
<tr>
<th>Increased training and cross-training efforts</th>
<th>Developed succession plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed processes to capture institutional memory/organizational knowledge from employees close to retirement</td>
<td>33%</td>
</tr>
<tr>
<td>Increased recruiting efforts to replace retiring employees</td>
<td>17%</td>
</tr>
<tr>
<td>Created new roles within the organization, specifically designed to bridge a skills or knowledge gap</td>
<td>15%</td>
</tr>
<tr>
<td>Offered flexible work arrangements to attract a broader range of applicants (e.g., job-sharing, telework)</td>
<td>15%</td>
</tr>
<tr>
<td>Increased automated processes (e.g., use of robotics)</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
<tr>
<td>None; we have not taken any steps</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: n = 1,731. Percentages do not total 100% due to multiple response options. Source: SHRM Survey Findings: Preparing for an Aging Workforce—Basic and Applied Skills (2015)

Figure 7 shows how organizations are transferring knowledge from mature workers to younger workers. Once again, training tops the list, but other strategies include mentoring, job shadowing, establishing multigenerational work teams and developing a knowledge database. These strategies and others may soon become increasingly common.
### FIGURE 7: Strategies Used to Transfer Knowledge from Older Workers to Younger Workers

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and/or cross-training programs</td>
<td>54%</td>
</tr>
<tr>
<td>Mentoring programs</td>
<td>33%</td>
</tr>
<tr>
<td>Job shadowing</td>
<td>26%</td>
</tr>
<tr>
<td>Multigenerational work teams</td>
<td>17%</td>
</tr>
<tr>
<td>Development of a knowledge database</td>
<td>14%</td>
</tr>
<tr>
<td>Development of skill transition plans to facilitate transfer of knowledge from older workers to younger workers</td>
<td>14%</td>
</tr>
<tr>
<td>Apprenticeship programs</td>
<td>8%</td>
</tr>
<tr>
<td>N/A: Organization does not use any strategies to transfer knowledge from older workers to younger workers</td>
<td>19%</td>
</tr>
</tbody>
</table>

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

### KEY RESOURCE

**O*Net** ([onetonline.org](http://onetonline.org)): The Occupational Information Network, is a comprehensive database of worker attributes and job characteristics compiled by the U.S. Department of Labor. The network provides basic occupational data for job analysts and others who write job descriptions and specifications.

- O*Net is useful when conducting job analysis because it covers more than 950 occupations based on the **Standard Occupational Classification (SOC)** developed by the U.S. government. The SOC contains 10 broad categories of occupational descriptors: skills, abilities, knowledge, tasks, work activities, work context, education and experience levels required, job interests, work values, and work needs.
- Each occupation is rated on more than 200 descriptors regarding their importance for the occupation and the level required for that occupation.
- O*Net occupational titles and codes are based on the most current version (2000) of the SOC. The SOC is also used by federal agencies to collect and report occupational statistics such as employment, wages and educational attainment.
- O*Net also provides extensive links to additional workplace resources.
It is not easy developing a workforce that plans for and benefits from knowledge transfers across generations. But that’s exactly what Vanessa Contreras has tried to do since she arrived at her current job in San Francisco in 2007. Contreras is vice president of human resources and manufacturing operations at McRoskey Mattress Company, a manufacturer and retailer of premium mattresses and box springs. Founded in 1899, the company has had its share of long-tenured workers through its history, but Contreras said the need for younger talent has been exacerbated in recent years.

“[In our industry, what’s difficult is that] most of the information about our products, particularly how they’re made, has been lost over the generations,” she said. “People gain that knowledge, and they take it with them when they leave.”

When Contreras was hired at McRoskey, she was asked to establish several types of human resource operations that never existed at the longtime company, she said. The moves were made to enable the business to be competitive and to position it for success going forward. And while she was handling those tasks, she learned that her biggest challenge would be finding members of younger generations to join McRoskey’s payroll.

“One of the things I realized, after creating employee handbooks and setting up other operations, is that we had an aging workforce,” Contreras said. “People would be at or near retirement age, and there was no formal plan to address that.”

McRoskey has a manufacturing facility in San Francisco, as well as showroom retail locations in that city and Palo Alto. The staff is small, with roughly 40 employees, but Contreras estimated that close to 90% of the payroll belongs to the 55-and-older demographic. There are manufacturing labor positions, management positions, as well as administrative and customer service staff. The bulk of McRoskey’s jobs belong to the manufacturing operations. McRoskey did not even have a formal computerized system until 2009, Contreras said, so she set out to talk to each of the company’s employees and determine their skill sets as a first step.

“It is all about sitting down with people, identifying their knowledge and determining what we needed to do to retain that knowledge,” she said. “After that, we opened up a cross-training and mentoring program so that the newer people who came in could get the experience that the older workers had.”

The new effort has not been without difficulties, she said. Since McRoskey is a small-shop operation, many workers stay on board for extended periods, and there is not much room for advancement. But there have been some successes. When two long-tenured employees were recently approaching retirement, McRoskey hired people in preparation for those departures, put them through training and mentoring, and they have since been promoted to lead positions on the production floor. She notes that many of the younger members of the workforce want to learn as much as they can from older workers, and without the formal teaching program, “there are processes we would absolutely lose.”

McRoskey partners with a local manufacturing nonprofit agency that recruits workers and identifies job opportunities at local businesses. The company also offers internship programs to high school graduates and exposes them to “all aspects of the business” while they’re there, Contreras said. “I do think we have made great progress. This is an issue for everyone right now. While we all run different businesses, we all have similar challenges.”
Samples, Forms, Templates and Tools
Job Analysis Template

Job title: ____________________________

Department: _________________________

Reports to: __________________________

Section: ____________________________

Employee(s) interviewed for this analysis: __________________________

Job title: ____________________________

Date: _______________________________

1. Basic Functions and Scope of Job:
Please provide a brief summary of the main purpose of this job and the prime reason for its existence. State briefly the scope of the job. Include quantitative data when possible.

2. Work Performed:
Describe in detail the duties performed. State specifically what is done, and explain why and how. State the frequency of the duties performed.

<table>
<thead>
<tr>
<th>Duties</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Work Contacts:
The extent to which the position requires the ability to gain cooperation, persuade and influence other people. Indicate the level, frequency, difficulty and importance of work contacts.

<table>
<thead>
<tr>
<th>Contacts</th>
<th>Frequency</th>
<th>Purpose of Contact</th>
<th>Means of Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediate peers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peers in other depts.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immediate manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers in other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>departments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Decision-making Authority
Indicate level of discretion or authority allowed under company policies, procedures and practices.

________________________________________________________________________

________________________________________________________________________
### 5. Supervisory Responsibility:
Extending to which position controls, directs, or is accountable for work of others.

<table>
<thead>
<tr>
<th>Titles of employees supervised</th>
<th>Number supervised</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
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<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 6. Physical Effort:
Amount of physical exertion expended in handling materials, tools, operating machines or equipment. Identify tools, equipment, machinery, materials handled. Indicate % of work time involved.

**___ Operates no tools, machines or equipment. No significant lifting.**

<table>
<thead>
<tr>
<th>Percentage of time used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tools</td>
</tr>
<tr>
<td>Equipment</td>
</tr>
<tr>
<td>Machinery</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position</th>
<th>Percentage of time in position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walking</td>
<td></td>
</tr>
<tr>
<td>Standing</td>
<td></td>
</tr>
<tr>
<td>Lifting</td>
<td></td>
</tr>
<tr>
<td>Climbing</td>
<td></td>
</tr>
<tr>
<td>Pulling</td>
<td></td>
</tr>
<tr>
<td>Pushing</td>
<td></td>
</tr>
<tr>
<td>Cramped or confined space</td>
<td></td>
</tr>
<tr>
<td>Sitting</td>
<td></td>
</tr>
</tbody>
</table>

### 7. Work Conditions:
Degree of exposure to work conditions.

<table>
<thead>
<tr>
<th>Condition</th>
<th>Percentage of time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dirt</td>
<td></td>
</tr>
<tr>
<td>Heat</td>
<td></td>
</tr>
<tr>
<td>Fumes</td>
<td></td>
</tr>
<tr>
<td>Smoke</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td></td>
</tr>
<tr>
<td>Noise</td>
<td></td>
</tr>
<tr>
<td>Vibration</td>
<td></td>
</tr>
<tr>
<td>Grease, Oil</td>
<td></td>
</tr>
<tr>
<td>Dust, Shavings</td>
<td></td>
</tr>
<tr>
<td>Office Environment</td>
<td></td>
</tr>
</tbody>
</table>
8. Education and Training Required:
Minimum academic, commercial and technical qualifications needed for performing duties of job.

- High school diploma/GED
- Two-year college (associate's degree)
- Trade or technical school (certificate or diploma)
- Four year college (bachelor's degree)
- Graduate (master's degree, J.D., Ph.D.)
- Professional certification (CPA, SHRM-SCP, etc.)

9. Years of Experience:
Minimum previous experience required for performing duties of job.

- 0-1
- 1-3
- 3-5
- 5-more

10. Other Requirements:
Please list any other requirements for performing duties of job.

- Languages
- Office or other equipment
- License

Source: SHRM (2015)
## Career Development Plan Form

<table>
<thead>
<tr>
<th>Employee's Name:</th>
<th>Current Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Department:</td>
<td></td>
</tr>
<tr>
<td>Time in Service:</td>
<td>Performance Rating:</td>
</tr>
<tr>
<td>Current Duties:</td>
<td></td>
</tr>
<tr>
<td>Strengths:</td>
<td>Weaknesses:</td>
</tr>
<tr>
<td>Action Plan to Improve:</td>
<td></td>
</tr>
<tr>
<td>Training Needs:</td>
<td>Goals:</td>
</tr>
<tr>
<td>Promotional Position:</td>
<td></td>
</tr>
<tr>
<td>Ready for promotion:</td>
<td></td>
</tr>
</tbody>
</table>

- Now
- In 1-3 years
- In 3-5 years

Source: SHRM (2015)
Job Analysis: Desk Audit Review

A. Each identified task at the job station

1. Identify the task. Does the task commence here, or is it assigned from another source? If assigned, note the preceding job station where the task is assigned to this station and determine prior work, if any, completed on the task.

2. Identify and document all job station activities required for the completion of the task.

3. Is the task completed at this station? If so, what documents/records/archives are maintained? How are they maintained? Is any further reporting of task completion necessary, and if so, to whom is it directed?

4. If the task is not complete at this station, identify the next step in the process and to whom it is directed. What documents/records/archives are maintained at this station? How is the hand-off for the next step in the process handled and to whom is it directed? Is any reporting of such activity required?

B. Unidentified tasks at the job station

1. Are there any tasks at this job station not identified? If so, identify tasks and initiate the review process specified above.

C. Review

1. The job station incumbent should review and concur with all of the tasks reviewed to ensure that the job station scope of work is comprehensive and has been properly documented.

Source: SHRM (2015)
Skills Analysis Form

Listed below are various skills grouped into categories. Please check off all skills in all categories that you currently have. Add any skills not listed in each category under "Other" in the appropriate category. This information will be used in our selection and placement process. Any falsification will result in discontinuance of consideration for hire or, if already hired, termination of employment.

<table>
<thead>
<tr>
<th>ADMINISTRATIVE AND CLERICAL SKILLS</th>
<th>FINANCIAL SKILLS</th>
<th>MANUAL/MAINTENANCE SKILLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>❑ Answering telephones</td>
<td>❑ Accounting procedures and processes</td>
<td>❑ Supervising</td>
</tr>
<tr>
<td>❑ Basic bookkeeping</td>
<td>❑ Analyzing</td>
<td>❑ Time management</td>
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<tr>
<td>❑ Computation</td>
<td>❑ Averaging</td>
<td>❑ Working under stress</td>
</tr>
<tr>
<td>❑ Copying documents</td>
<td>❑ Balancing</td>
<td>❑ Working well with people</td>
</tr>
<tr>
<td>❑ Data entry</td>
<td>❑ Budgeting</td>
<td>❑ Other:</td>
</tr>
<tr>
<td>❑ Developing methods and processes</td>
<td>❑ Calculating</td>
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<tr>
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<td>❑ Comparing</td>
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<tr>
<td>❑ Filing</td>
<td>❑ Counting</td>
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<tr>
<td>❑ Following directions</td>
<td>❑ Data entry</td>
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<tr>
<td>❑ Handling cash and checks</td>
<td>❑ Economizing</td>
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<tr>
<td>❑ Learning new computer software programs</td>
<td>❑ Estimating</td>
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<tr>
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<td>❑ Finger dexterity on calculator</td>
<td></td>
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<td>❑ Setting priorities</td>
<td>❑ Handling cash and checks</td>
<td></td>
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<tr>
<td>❑ Taking notes</td>
<td>❑ Handling detailed work</td>
<td></td>
</tr>
<tr>
<td>❑ Using good English grammar and punctuation</td>
<td>❑ Orderly thinking</td>
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</tr>
<tr>
<td>❑ Working as team member</td>
<td>❑ Projecting</td>
<td></td>
</tr>
<tr>
<td>❑ Other:</td>
<td>❑ Recognizing financial problems</td>
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<tr>
<td></td>
<td>❑ Reconciling</td>
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<td></td>
<td>❑ Solving financial problems</td>
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<tr>
<td></td>
<td>❑ Using basic math</td>
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<tr>
<td></td>
<td>❑ Working under stress</td>
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<tr>
<td></td>
<td>❑ Other:</td>
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<tr>
<td></td>
<td>❑ Using hand and power tools</td>
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<tr>
<td></td>
<td>❑ Working and knowing various tools</td>
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<tr>
<td></td>
<td>❑ Working as team member</td>
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<tr>
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<td>❑ Working independently</td>
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<td></td>
<td>❑ Working on an assembly line</td>
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<td></td>
<td>❑ Working outdoors or indoors</td>
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<td></td>
<td>❑ Other:</td>
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<th>MANAGEMENT SKILLS</th>
<th>PUBLIC RELATIONS</th>
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<tr>
<td>❑ Advising</td>
<td>❑ Budgeting</td>
<td>❑ Ability to think &quot;on feet&quot;</td>
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<tr>
<td>❑ Composing</td>
<td>❑ Carrying out directives</td>
<td>❑ Announcing</td>
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<td>❑ Consulting</td>
<td>❑ Confronting</td>
<td>❑ Composing</td>
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<td>❑ Counseling</td>
<td>❑ Controlling</td>
<td>❑ Consulting</td>
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<td>❑ Counseling and mentoring</td>
<td>❑ Counseling/mentoring</td>
<td>❑ Convincing</td>
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<td>❑ Defining</td>
<td>❑ Delegating</td>
<td>❑ Disclosing</td>
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<td>❑ Directing</td>
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<td>❑ Evaluating</td>
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<td>❑ Informing</td>
<td>❑ Measuring performance</td>
<td>❑ Explaining</td>
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<td>❑ Negotiating</td>
<td>❑ Expressing</td>
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<td>❑ Listening</td>
<td>❑ Organizing</td>
<td>❑ Following directives</td>
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<td>❑ Making presentations</td>
<td>❑ Overseeing</td>
<td>❑ Informing public</td>
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<td>❑ Public speaking</td>
<td>❑ Planning</td>
<td>❑ Maintaining favorable image</td>
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<td>❑ Reading</td>
<td>❑ Public speaking</td>
<td>❑ Media relations</td>
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<td>❑ Reasoning</td>
<td>❑ Representing</td>
<td>❑Negotiating</td>
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<td>❑ Tutoring and training</td>
<td>❑ Researching</td>
<td>❑ Organizing</td>
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<td>❑ Understanding</td>
<td>❑ Responding to emergencies</td>
<td>❑ Original thinking</td>
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<td>❑ Using good English grammar and punctuation</td>
<td>❑ Safety procedures</td>
<td>❑ Planning</td>
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<td>❑ Working with committees and other groups</td>
<td>❑ Signing</td>
<td>❑ Public speaking</td>
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<td>❑ Writing</td>
<td>❑ Socializing</td>
<td>❑ Representing</td>
</tr>
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<td>❑ Other:</td>
<td>❑ Working long hours</td>
<td>❑ Researching</td>
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<td></td>
<td>❑ Working odd hours</td>
<td>❑ Responding to emergencies</td>
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<tr>
<td></td>
<td>❑ Working under stress</td>
<td>❑ Socializing</td>
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<td></td>
<td>❑ Working with stress</td>
<td>❑ Working long hours</td>
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<td></td>
<td>❑ Working with people</td>
<td>❑ Working odd hours</td>
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<td></td>
<td>❑ Writing press releases</td>
<td>❑ Working under stress</td>
</tr>
<tr>
<td></td>
<td>❑ Other:</td>
<td>❑ Writing well with people</td>
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<tr>
<td></td>
<td></td>
<td>❑ Working well with people</td>
</tr>
<tr>
<td></td>
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<td>❑ Working press releases</td>
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<td>❑ Other:</td>
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</tbody>
</table>

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## SELLING/MARKETING SKILLS
- Bargaining
- Budgeting
- Closing a sale
- Contacting
- Convincing
- Demonstrating
- Determining value
- Explaining
- Financing
- Inspecting products
- Inspiring
- Listening/influencing
- Making presentations
- Motivating
- Negotiating
- Organizing
- Persuading
- Promoting sales
- Public speaking
- Reviewing products
- Setting priorities
- Working long hours
- Working under stress
- Working well with people
- Other:

## RESEARCH SKILLS
- Analyzing
- Basic math and algebra
- Classifying
- Collaborating
- Collecting data
- Contracting/comparing
- Developing questions
- Diagnosing
- Extrapolating
- Handling long-term projects
- Interpreting
- Interviewing
- Originating new ideas
- Reaching conclusions
- Recognizing problems
- Research design
- Reviewing
- Sorting
- Synthesizing
- Troubleshooting
- Working long hours
- Working without direction
- Writing
- Other:

## SERVICE SKILLS
- Consulting
- Coordinating
- Counseling
- Directing/managing
- Empathizing
- Encouraging
- Guiding
- Leading
- Listening
- Reconciling
- Responding to emergencies
- Supervising
- Teaching/instructing
- Understanding
- Volunteering
- Working odd hours
- Working under stress
- Other:

## TECHNICAL SKILLS
- Adjusting controls
- Adjusting machines
- Calculating
- Designing
- Developing
- Drafting
- Evaluating data
- Following specifications
- Inspecting
- Measuring
- Observing indicators
- Prioritizing
- Programming
- Repairing machines
- Solving equations
- Testing
- Training
- Verifying
- Weighing
- Working in small studio
- Working outdoors or indoors
- Working with numbers
- Other:

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**Source:** SHRM (2015)
**Waiver of Claims Under the Age Discrimination in Employment Act**

The Employee recognizes that, in signing this Release of Claims, Employee is waiving Employee's right to pursue any and all claims under the Age Discrimination in Employment Act, 29 U.S.C. 626 et seq. ("ADEA") arising prior to the date that Employee executes this Release. The Employee understands that Employee may take twenty-one (21) days from the date this Release is presented to Employee to consider whether to execute this Release. The Employee is advised that Employee may wish to consult with an attorney prior to execution of this Release. Once Employee has executed this Release, Employee may revoke the Release at any time during the seven (7) day period following the execution of the Release. After seven (7) days have passed following the Employee's execution of this Release, the execution of this Release shall be final and irrevocable.

Signature:

Source: This sample is provided courtesy of the Law Firm of Ray & Isler, Vienna VA, accessed from the SHRM website (2015)
Nondiscrimination/Anti-Harassment Policy and Complaint Procedure

Practice Note
This sample nondiscrimination and anti-harassment policy and complaint procedure applies to all employees and other individuals working for the company. The sample policy addresses discrimination, harassment, sexual harassment and retaliation occurring among managers or supervisors, applicants, employees and third parties, such as vendors. It outlines the company’s objective in maintaining the policy and describes prohibited conduct in detail. The policy includes examples of conduct that would be considered violation of the policy and its consequences. The policy describes the complaint process and emphasizes the importance of confidentiality. For a sample anti-harassment policy that contains more detailed provisions on sexual harassment and addresses consensual relationships, see Anti-Harassment Policy and Complaint Procedure (includes Consensual Relationship Provision). For a sample policy addressing sexual harassment exclusively, see Sexual Harassment Policy and Complaint/Investigation Procedure. For a sample policy addressing workplace bullying, see Workplace Bullying Policy.

Employers are required to maintain policies prohibiting conduct covered by this sample policy under the sex discrimination provisions of Title VII of the Civil Rights Act of 1964 and various state and local anti-discrimination statutes. See, generally, SHRM’s Preventing Unlawful Workplace Harassment and Conducting Workplace Investigations. For the status of state laws addressing harassment, see SHRM’s State Chart: Harassment Prevention Training Laws. The Equal Employment Opportunity Commission (EEOC) has published enforcement guidance dealing with discrimination and harassment on its website. Examples of those documents are titled Enforcement Guidance: Vicarious Employer Liability for Unlawful Harassment by Supervisors and a shorter Q&A titled Questions and Answers for Small Employers on Employer Liability for Harassment by Supervisors.

Objective
[Company Name] is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment. Therefore, [Company Name] expects that all relationships among persons in the office will be business-like and free of bias, prejudice and harassment.

[Company Name] has developed this policy to ensure that all its employees can work in an environment free from unlawful harassment, discrimination and retaliation. [Company Name] will make every reasonable effort to ensure that all concerned are familiar with these policies and are aware that any complaint in violation of such policies will be investigated and resolved appropriately.

Any employee who has questions or concerns about these policies should talk with the director of human resources or a member of the personnel practices committee.

These policies should not, and may not, be used as a basis for excluding or separating individuals of a particular gender, or any other protected characteristic, from participating in business or work-related social activities or discussions. In other words, no one should make the mistake of engaging in discrimination or exclusion to avoid allegations of harassment. The law and the policies of [Company Name] prohibit disparate treatment on the basis of sex or any other protected characteristic, with regard to terms, conditions, privileges and perquisites of employment. The prohibitions against harassment, discrimination and retaliation are intended to complement and further those policies, not to form the basis of an exception to them.

Equal Employment Opportunity
It is the policy of [Company Name] to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, citizenship, genetic information, or any other characteristic protected by law. [Company Name] prohibits any such discrimination or harassment.

Retaliation
[Company Name] encourages reporting of all perceived incidents of discrimination or harassment. It is the policy of [Company Name] to promptly and thoroughly investigate such reports. [Company Name] prohibits retaliation against any individual who reports discrimination or harassment or participates in an investigation of such reports.

Sexual Harassment
Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, “sexual harassment” is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example: a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, b) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.
Title VII of the Civil Rights Act of 1964 recognizes two types of sexual harassment: a) quid pro quo and b) hostile work environment. Sexual harassment may include a range of subtle and not-so-subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual’s body, sexual prowess or sexual deficiencies; leering, whistling or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

Harassment

Harassment on the basis of any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual because of his or her race, color, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, marital status, citizenship, genetic information, or any other characteristic protected by law, or that of his or her relatives, friends or associates, and that: a) has the purpose or effect of creating an intimidating, hostile or offensive work environment, b) has the purpose or effect of unreasonably interfering with an individual’s work performance, or c) otherwise adversely affects an individual’s employment opportunities.

Harassing conduct includes epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes; and written or graphic material that denigrates or shows hostility or aversion toward an individual or group that is placed on walls or elsewhere on the employer’s premises or circulated in the workplace, on company time or using company equipment by e-mail, phone (including voice messages), text messages, social networking sites or other means.

Individuals and Conduct Covered

These policies apply to all applicants and employees, whether related to conduct engaged in by fellow employees or by someone not directly connected to [Company Name] (e.g., an outside vendor, consultant or customer).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

Reporting an Incident of Harassment, Discrimination or Retaliation

[Company Name] encourages reporting of all perceived incidents of discrimination, harassment or retaliation, regardless of the offender’s identity or position. Individuals who believe that they have been the victim of such conduct should discuss their concerns with their immediate supervisor, any member of the personnel practices committee, human resources or any ombudsman. See the complaint procedure described below.

In addition, [Company Name] encourages individuals who believe they are being subjected to such conduct to promptly advise the offender that his or her behavior is unwelcome and to request that it be discontinued. Often this action alone will resolve the problem. [Company Name] recognizes, however, that an individual may prefer to pursue the matter through complaint procedures.

Complaint Procedure

Individuals who believe they have been the victims of conduct prohibited by this policy or believe they have witnessed such conduct should discuss their concerns with their immediate supervisor, human resources, any member of the personnel practices committee or any ombudsman.

[Company Name] encourages the prompt reporting of complaints or concerns so that rapid and constructive action can be taken before relationships become irreparably strained. Therefore, while no fixed reporting period has been established, early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment.

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have other relevant knowledge.

Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed.

Misconduct constituting harassment, discrimination or retaliation will be dealt with appropriately. Responsive action may include, for example, training, referral to counseling or disciplinary action such as a warning, reprimand, withholding of a promotion or pay increase, reassignment, temporary suspension without pay, or termination, as [Company Name] believes appropriate under the circumstances.
If a party to a complaint does not agree with its resolution, that party may appeal to [Company Name]’s executive director or the chief operating officer.

False and malicious complaints of harassment, discrimination or retaliation (as opposed to complaints that, even if erroneous, are made in good faith) may be the subject of appropriate disciplinary action.

Source: SHRM (2015)
Section 6: Legal Issues: Avoiding Discrimination Claims in Preparing for an Aging Workforce

Written by Nancy N. Delogu, Esq.

Perhaps your organization realizes that it needs to evaluate the impact changing workplace demographics could have on your business, and retirements by the Baby Boom generation are definitely causing concern about the availability of qualified workers. You are well aware that age discrimination in employment is prohibited, although maybe you have not had to worry about claims of age discrimination other than in connection with a termination or two. You would like to plan for turnover you anticipate will come through retirements and perhaps even take advantage of mature worker interest in remaining employed while spending less time at work by developing flexible work arrangements. How do you ensure that your efforts to understand and even capitalize on the changing demographics of the U.S. workforce do not get the organization into legal trouble?

Overview of Laws Prohibiting Age Discrimination

Federal law prohibits employers (and employment agencies and labor unions) from discriminating against applicants and employees who are over the age of 40 on the basis of their age. With few exceptions, the federal Age Discrimination and Employment Act of 1967 (ADEA) prohibits discrimination on the basis of age by covered employers—those employing 20 or more workers—as to all major employment decisions, from hiring through training, promotion, layoff, demotion and termination.

In enacting the ADEA, Congress expressed concern for individuals over the age of 40 after reviewing studies showing that employers frequently began to treat workers differently, and less well, once they reached their 40s. In fact, the Congressional statement of findings and purpose accompanying the Act states that “older workers find themselves disadvantaged in their effort to retain employment, and especially to regain employment when displaced from jobs.” The purpose of the Act is not simply to eliminate “arbitrary” age discrimination in employment but also to promote employment of older persons “based on their ability rather than age” and “to help employers and workers find ways of meeting problems arising from the impact of age on employment.” Therefore, the law permits employers to adopt policies that have the effect of favoring older workers even when doing so may adversely affect younger workers. The ADEA is administered and enforced by the Equal Employment Opportunity Commission, which issues regulations and guidance designed to explain and implement the law’s protections.

In 1990, Congress amended the ADEA by adopting the Older Workers’ Benefits Protection Act (OWBPA), which allows employers to legally take into consideration the increased costs of offering some benefits to older workers and offering less robust benefits than are offered to younger workers, as long as the employer pays at least as much for the older workers’ benefits. The OWBPA also sets out protections for workers being asked to waive their rights to claim age discrimination in connection with executing a release of claims. Employers frequently condition an individual’s receipt of incentive retirement or severance benefits on an agreement to waive potential claims of age discrimination. Rights provided by the OWBPA include the right for the affected worker to receive notice written in language the individual can understand, and to take time to consider whether to execute the release in the first place—21 days when the waiver offer is made to a single employee, and 45 days whenever an employer is asking two or more workers in a “decisional unit” to waive potential claims of age discrimination in employment. Affected workers may also be entitled to information showing the age of individuals who are or are not being offered the opportunity to receive early retirement, severance or other benefits in exchange for a waiver of age claims, presumably so that the individual can gauge the value of a potential age claim weighed against the
value of the benefit being offered. Individuals who elect to sign such a waiver also have seven days to change their mind and revoke the waiver if they experience “buyer’s remorse.”

State and local laws also often contain age discrimination in employment prohibitions. Although most state laws also prohibit discrimination against individuals who are 40 or older, a number of state and local laws prohibit discrimination on the basis of age once the employee in question has reached the age of majority, or 18. In these jurisdictions, employment decisions should not be made based on an adult’s age under any circumstance. At present, jurisdictions that protect individuals on the basis of age over 18 include the District of Columbia, Iowa, Minnesota, New Jersey and New York.

Proving Age Discrimination

Claims alleging age discrimination can take two forms: either a claim of disparate treatment, which essentially alleges that an individual has been intentionally discriminated against (or, potentially, harassed) because of his or her age, or a claim of disparate impact discrimination, which alleges that a policy or practice of the employer has a discriminatory effect. Proving a claim of disparate treatment discrimination is fairly straightforward; generally, the employee or applicant must show that he or she was in the protected age group, qualified for the position in question and, if employed, performed it satisfactorily, and that he or she suffered some adverse employment action, such as a failure to hire or a termination or failure to promote. Employers can defend claims of disparate treatment age discrimination by showing that a reasonable factor other than age motivated the challenged employment decision. Unless the worker can show that his or her age was what motivated the employer’s decision-making—in other words, “but for” the employee’s age, the employer would have acted differently—he or she will not succeed in proving age discrimination.

Because individuals who believe that they have been subjected to age discrimination must prove that age motivated the employer to take adverse employment action, age discrimination claims are more difficult to prove than are claims brought under Title VII of the Civil Rights Act of 1964, such as claims alleging discrimination on the basis of race, gender or disability, which have a slightly lessened standard of proof.

Proving disparate impact age discrimination can be still more difficult. Any policy that has the effect of harming older workers is, however, vulnerable to claims of disparate impact discrimination. If an individual or group of affected workers can show that older workers were disproportionately harmed by an employer’s policy—usually by presenting statistical evidence—then the individual challenging the decision will have stated a threshold claim of age discrimination even if there is no evidence that the employer intentionally took age into account in developing or implementing the challenged policy. For example, in a Supreme Court case called Smith v. City of Jackson, a group of older workers alleged disparate impact age discrimination following the city’s adoption of a new wage scale. The intent of the change in policy was to increase wages in the police department across the board to reach the median wages for that region, but the plan typically granted smaller wage increases to those with at least five years’ tenure, who also were more likely to be over 40 than were the newer hires. To defend against such a claim, an employer may prove that it relied upon a reasonable factor other than age in implementing the challenged policy, or that age is a “bona fide occupational qualification.” The City of Jackson won its case, because the changes to the pay plan were deemed reasonably based upon tenure and salary level rather than age. Although the employer bears the burden of proof in defending on this basis, demonstrating that the employer relied upon a “reasonable factor” other than age is not nearly as onerous as demonstrating that the challenged policy was implemented for reasons consistent with “business necessity,” which some courts followed prior to the Supreme Court’s decision. Simply put, taking an adverse action that has the incidental effect of harming one or more older workers is not unlawful, as long as the decision to take that action was based on a reasonable business decision unrelated to the employee’s age.
Planning for Change

How then can your organization take advantage of the planning recommendations made by aging workforce experts without risking claims of age discrimination? Despite news stories suggesting that restructuring poses a real risk of litigation, such as the recent report that California’s Lawrence Livermore Laboratory agreed to pay more than 37 million dollars to settle claims of age discrimination brought by 129 former employees, it is possible to “do it right.” Concerns about age discrimination should not dissuade any employer from conducting a knowledge/skill audit of its workforce and taking steps to ensure that critical knowledge does not become lost due to employee turnover.

The secret to success is to avoid overfocusing on the age of the incumbent employees when attempting to predict the risk of employee loss. Let us be honest: the assumption that a younger worker will stay to rise through the ranks while an older worker is likely to retire is an outdated concept. Workers entering the workforce today are more mobile than any prior generation, and older workers are increasingly telling researchers that they either plan to retire only after they reach age 75 or not at all. You should assume, however, that any planning documents that you create assessing the vulnerability to turnover and skills loss would not be privileged and might be turned over to an opposing party in a lawsuit. For that reason, you might be reluctant to create spreadsheets and other data analytics that focus solely on the age of incumbent workers as individuals except, of course, in connection with determining who may be eligible for an early retirement incentive program. Focus, then, on the perceived risk that any employee may leave, taking into consideration not only his or her age but also knowledge and skill level (is there likely to be competition for this individual’s talents by competitors?), stated career goals (has the individual made it clear that he or she wants to move up or out within a few years, or reduce work hours?) and historical data (is the individual in a department with a historically low/high turnover rate?). All of these factors, including the relative age of the workforce, can be relevant in planning for change.

Can you ask when an employee is planning to retire? Actually, most courts have said “yes,” but many employees may nevertheless be offended or fearful of your intentions. You can ask, but consider whether that is the best approach in your workplace. Anonymous surveys to gauge how much turnover to expect may be less definitive but are less likely to ruffle feathers, and an employer can always ask workers in critical roles where they envision themselves one, two or five years in the future and build knowledge capture/transfer plans around responses regardless of the age of its workers.

Recruiting

It is not difficult to ensure that your recruiting efforts are targeted to attract older workers. Alert employers are already committed to ensuring that their recruiting efforts at least do not discourage older workers; the ADEA makes it unlawful to include age preferences, limitations or specifications in job notices except in very limited circumstances. To the extent recruiting efforts fail to reach older workers or, worse, appear to target younger ones, employers increase not only the risk that they will miss out competitively on skilled workers but also the legal risk that unsuccessful applicants will bring claims alleging age discrimination in the hiring process.

By varying your outreach efforts and ensuring age-neutral communications regarding the qualifications of the individuals you would prefer to hire, your efforts to recruit a more experienced or mature workforce will help dispel that legal risk (without suggesting that you discriminate against younger adults where those adults are also protected against discrimination based on age). Do not assume that because a worker is already over the age of 60, he or she will not want to stay with your organization for long. Some employers, particularly those with a seasonal workforce, have found it beneficial to target older workers who may wish to work only some of the year, or who would be eager to assist in a warm location or ski town during the winter months, followed by a stint in a summer resort town when the weather moderates.
Mature Workers and More Physical Jobs

As the U.S. workforce ages, a growing number of workers will be less able to meet requirements that demand physical strength or stamina. Many large employers are also implementing employee wellness programs designed to promote health for employees of all ages and abilities. Employers in heavy industries are already aware of these concerns, and many are taking steps to improve the use of technology to minimize physical demands on workers, a development that will help older and disabled workers alike. Where the ability to meet the physical demands of a position cannot be reduced or eliminated, employers should make certain that qualifications standards used to ensure employees are able to perform are well-correlated to the actual demands of the job.Absent an injury, it can be hard to defend making employment decisions based on the fact that an older worker can no longer meet the physical demands of a job requiring heavy lifting if, in fact, that worker has been successfully filling that role for the last decade.

Our workforces are, indeed, the resources upon which most employers rely for their success. In a time of transition, knowledge is critical, and foresight invaluable. Employers can plan for the aging of the workforce without fear of discrimination claims by jettisoning outdated beliefs, planning for change across all ages, and encouraging teamwork and development of employees in all age groups.
Case Study: Encouraging Long Tenure at a Law Firm

Gallivan, White & Boyd PA, Greenville, S.C.

A recent reduction in staffing at Gallivan, White & Boyd PA led its leaders to place extra emphasis on the recruitment of seasoned professionals.

In May 2014, Freda Lark, human resources director at the Greenville, S.C.-based interest, conducted an analysis of the firm’s approximately 140 workers. She learned that about 17% of the employees fell in the “55 and older” category. The majority of that group worked as support staff, such as paralegals and administrative workers, but there were some attorneys who fell into that demographic as well. At the time of the payroll analysis, Gallivan officials were reducing some of their paralegal staff, and the firm’s shareholders wanted to be sure that no specific age segments were “hit particularly hard,” Lark said.

“We realized we had a sizable portion of older workers,” she said. “We look for longevity in our workforce. We do want people to be here forever, even though it doesn’t work out that way sometimes. We have a couple of paralegals who joined us right out of high school, and they have been here over 40 years.”

The firm itself has been around for a while—it turned 65 years old when the staff changes occurred. About one-half of the payroll is attorneys and the other half is support staff. The firm has three locations: one in Greenville, another in Columbia, SC, and another in Charlotte, NC. Gallivan, White & Boyd specializes in defense litigation, particularly serving management and insurance companies. Rather than view its aging workforce as a concern for the firm, Gallivan officials saw it as an opportunity. In the future, Lark said the firm anticipates that older workers will constitute a significant segment of its payroll.

“Some people work forever, but others do not, and we need to make sure we have reserves among our attorneys. We always look for folks that have leadership abilities. We’ve also done some lateral hires at the partnership level, and we’ve brought on at least one person who is in range of 55 and older.”

In the past, Lark said, managers typically assumed they would “hire somebody young and train them over time. And very often, those workers left the firm with all of that great training.”

Lark stressed that the firm does not discriminate against younger workers, and staff at Gallivan, White & Boyd PA do come from a wide range of age groups and backgrounds. But the firm’s leaders have now built targeting mature job seekers into their overall diversity strategy. The firm was recognized with a diversity award in 2013 for its promotion and advancement of minorities and women, but Lark said she views the honor in a different manner.

“I think it reflects ethnic and gender diversity, but to me, it’s also a tribute to our variety in age groups,” she said.
Basic Equal Employment Opportunity Policy

Practice Notes
Compliance with federal anti-discrimination laws requires covered employers to inform employees of their right to be free from workplace discrimination and retaliation. The Equal Employment Opportunity Commission (EEOC) under Title VII of the Civil Rights Act of 1964 requires employers to post workplace notices, and covered employers typically include a policy statement on equal employment opportunity (EEO) in employee handbooks and other sources of workplace policies distributed to employees. EEO policies also apply to vendors, contractors and other third parties with whom the employer conducts business. Employers with government contracts or that receive government funding may have additional notice of rights requirements. State or local laws may expand the list of protected categories. This policy statement expressly addresses the prohibition on workplace harassment. For information about state and local EEO requirements, see SHRM's State Chart: Equal Employment Opportunity/Discrimination Laws. For more information about the EEOC’s notice posting requirements, see "The EEO Is The Law" poster.

[Company Name] provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, sex, national origin, age, disability or genetics. In addition to federal law requirements, [Company Name] complies with applicable state and local laws governing nondiscrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including recruiting, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training.

[Company Name] expressly prohibits any form of workplace harassment based on race, color, religion, gender, sexual orientation, gender identity or expression, national origin, age, genetic information, disability, or veteran status. Improper interference with the ability of [Company Name]'s employees to perform their job duties may result in discipline up to and including discharge.

Source: SHRM (2015)
Statement of ADA Commitment to Interactive Process and Reasonable Accommodation Policies

Practice Note
Although it is a requirement under the Americans with Disabilities Act, as amended, to engage in an interactive process with workers who have physicals and mental limitations to determine if an accommodation can be made without an undue hardship, organizations that inform new employees of the willingness to do so at the time of hire are not only mitigating their risk but are also letting workers know that it is “okay” to have a conversation regarding their physical and/or mental limitations. This is an especially powerful message to mature workers. As an example, California Employers Association (CEA) encourages the companies it advises to provide new hires with an acknowledgement form that the new worker signs. The form, ADA Commitment to Interactive Process and Reasonable Accommodation Policies, ensures that the workers understand the employer’s commitment to the interactive process and includes the company’s reasonable accommodation policies.

ADA Commitment to Interactive Process and Reasonable Accommodation Policies

Name: ___________________________________________  Employee Number: ______________________________

Position: __________________________________________  Department: ______________________________

Hire Date (Month/Day/Year): ______________  Today’s Date (Month/Day/Year): ______________

I understand that my employer is committed to fulfilling its obligations under the Americans with Disabilities Act and any applicable state or other laws prohibiting discrimination against qualified individuals with disabilities. As part of this commitment, I understand that my employer wishes to make reasonable accommodations for individuals with known physical or mental disabilities, consistent with its legal obligations to do so.

My employer also invites all individuals with disabilities to participate in a good faith, interactive process and identify reasonable accommodations that can be made without imposing an undue hardship.

I understand my employer’s desire to participate in an interactive process and make reasonable accommodations in order to comply with any applicable legal requirements.

I agree to provide human resources with any information necessary to achieve this goal if I wish to receive accommodations now or in the future as a result of physical or mental disability.

ACKNOWLEDGEMENT
By my signature below, I acknowledge that I have read, understand and agree to comply with this policy.

Employee’s Signature ___________________________________________  Date (Month/Day/Year) ______________________________

Distribution: Original to Employee Personnel File, Copy to Employee
Section 7: Benefits

Employee benefits comprise all the various forms of indirect employee compensation that organizations offer to attract and retain talent. Some employee benefits, such as Social Security and unemployment insurance, are mandated by federal or state law. Others, such as retirement savings programs and paid time off, are voluntarily provided by the organization as a way to attract and retain talent. While health insurance has traditionally been a voluntary benefit, under the Affordable Care Act it has shifted to become a mandated benefit, although employers can opt out if they are willing to pay a per-employee penalty. Of course, all organizations are different—the benefits strategies of private-sector employers may differ sharply from those of government organizations. But all are likely to be influenced, at least to some extent, by the aging of the workforce.

The topic of benefits is vast as there are literally hundreds of benefits that can be offered by employers; the SHRM benchmarking database contains more than 300 types of benefits. The aim of providing the information that follows is, therefore, not to describe each possible aspect of employee benefits that may be influenced by an aging workforce but to highlight a few of the key issues and strategies within the benefits realm that may be influenced by this demographic shift. This includes the design and administration of health, disability and other insurance benefits as well as wellness benefits, retirement income and planning, and employee services, particularly caregiver benefits, such as senior care.

Health Care and Wellness Benefits

Health care and wellness benefits will continue to be important as the workforce ages, not least of which is due to the risk of many types of illnesses and chronic health conditions that increase with age, but also because many individuals grow more health-conscious as they grow older. This could be largely due to seeing friends and loved ones dealing with health challenges or facing their own health challenges. Although HR professionals will continue to focus on selecting the best health care plans and options for employees, their task is unlikely to grow easier and managing costs is likely to be an ongoing challenge.

Health insurance

Because of their understanding of the needs of both the business and its employees, HR professionals must be organizational leaders in negotiating group health insurance benefits and in managing health care costs. The pressure to hold health care costs steady will only grow more intense as the workforce ages. Leaders of many organizations will expect their HR function to develop even greater expertise in the following issues:

- Negotiating better benefits contracts with vendors.
- Self-funding health plans.
- Altering health care benefits cost-sharing models to shift more costs to employees through increased deductibles or attaching a surcharge to spousal coverage—all without damaging recruiting and retention goals.
- Changing prescription drug benefits.
- Adopting consumer-directed health plan designs.
- Developing a robust employee wellness program.
- Offering health risk assessments.
- Creating health management program incentives and penalties.
Although many employers have reacted to rising costs by shifting increases to employees through increased deductibles, co-payments, co-insurance, and reducing dependent and retiree coverage, these strategies can backfire. After all, employers use their benefits offerings to improve their employer brand and attract and retain talent. A 2015 SHRM study on leveraging employee benefits found that of all the benefits studied, health care was by far the most frequently used benefit for employee retention, with 80% of HR professionals in the survey saying health benefits were the way to retain talent, an increase from 58% in 2012. Thus employers will need to continue to find ways to offer health care benefits to employees at an affordable price.

Wellness benefits
Introducing a wellness program is a strategy that many employers are implementing to attract and retain mature workers. Though there is some debate over the efficacy of wellness programs in producing a positive return on investment, a 2011 study published by the *American Journal of Health Promotion* demonstrated that health care costs rose more gradually among wellness program participants when employers consistently offered a wellness program to their employees.

In addition, wellness programs provide a benefit that many employees value. Workers in age groups where chronic health conditions are more prevalent—a demographic that is likely to increase substantially in the coming decades—will be particularly appreciative of programs that support their efforts to live a healthier lifestyle.

SHRM Knowledge Center guidelines outline the following eight key steps to establishing and designing a wellness program.

**Step 1: Conduct an organizational assessment.** This assessment can be accomplished by conducting employee surveys to evaluate the personal wellness interests and needs of employees and by reviewing aggregate group health plan utilization rates, both medical and pharmaceutical.

**Step 2: Obtain management support.** As with so many HR-led initiatives, support from management at all levels is crucial to building a successful wellness program both in getting financial resources and communicating information about the initiative.

**Step 3: Establish a wellness committee.** This internal, employee-driven committee can help build and sustain a wellness culture in the organization by evaluating the current programs, services and policies that are available in the workplace, assessing employee needs and preferences, and assisting in implementing wellness activities.

**Step 4: Develop goals and objectives.** The most important goal of a wellness initiative is to improve workers’ health and thereby reduce health care costs, but other goals can include reducing absenteeism, boosting worker productivity and increasing retention. Each goal has one or more clear, time-limited objectives to ensure that the goal will be successfully accomplished.

**Step 5: Establish a budget.** When creating a wellness budget, organizations should be sure to include the cost of incentives, marketing and program design in the budget.

**Step 6: Select wellness program incentives or rewards.** Effective incentives must be commensurate with the effort required to practice the desired behavior; incentives for quitting smoking or losing weight should be greater than incentives for participating in a lunch-and-learn seminar on weight loss.

**Step 7: Design and communicate the wellness program components.** Wellness programs range from simple to complex. Depending on the organization’s level of investment, a wellness program can include the following components:

- Stress reduction programs.
- Weight loss programs.
• Smoking cessation programs.
• Health risk assessments.
• Health screenings.
• Exercise programs and activities.
• Nutrition education.
• Vaccination clinics.
• Wellness fair.
• Reduced-rate gym membership.
• On-site gym.

Communicating the program effectively helps create an organizational culture where efforts to improve and maintain health are supported and valued.

**Step 8: Evaluate the success of the program.** To effectively monitor the impact of any wellness program, metrics and baselines must be established.

There are numerous legal issues and compliance requirements related to wellness programs, similar to the regulations around conducting health risk assessments discussed earlier. Federal laws that apply to the design and management of wellness programs include the ADA, GINA, HIPAA, PPACA and ERISA. The main concern is protecting private health information of individual employees and how the information is used. As an example, providing an incentive, such as reduced health care premiums, for participating in a program is acceptable, whereas discussing with management an individual’s risk of heart disease based on a health assessment would likely not be acceptable under the ADA and GINA.

**RESOURCES**

**The Centers for Disease Control and Prevention (CDC)** ([www.cdc.gov](http://www.cdc.gov)) offer information and resources about employee wellness and how employers can help prevent chronic diseases by helping employees make healthier choices.

**SHRM Wellness Programs Resource Page** ([http://www.shrm.org/hrdisciplines/benefits/articles/pages/wellness-resource-page.aspx](http://www.shrm.org/hrdisciplines/benefits/articles/pages/wellness-resource-page.aspx)) provides key resources and articles to help members as a starting point with key tools and resources. The site provides guidance on regulations, program implementation, types of programs a company can include, and external resources. Program implementation guidance includes the general development of a wellness program, case studies, communication, competitions, incentives/penalties, and measuring the ROI on the program.
Retirement Income, Benefits and Redefining Retirement

Retirement benefits are often among the first employee benefits that come up when the discussion turns to an aging population—especially in policy discussions involving mandated benefits such as Social Security. In the United States, the system of retirement is based on a combination of government, employer and individual programs. The Old-Age, Survivors and Disability Insurance (OASDI) portion of the Social Security program is funded equally by a payroll tax on employees and employers and provides a defined benefit pension for life based on contributions over the highest-paid 35 years of covered employment. In addition, workers who become totally and permanently disabled—a risk that tends to rise with age—are entitled to disability insurance benefits. Though millions of senior Americans rely on Social Security for all or most of their income, the benefits are considered modest. Because of this, many individuals with inadequate employer-sponsored or individual retirement savings may plan to continue to work well past retirement age to maximize their income. Any changes to the Social Security program will therefore have a significant impact on workforce participation of individuals past traditional retirement age.

The aging workforce is putting the spotlight on employer-sponsored retirement plans as a major recruiting and retention tool. Traditional pension or defined benefit (DB) plans are typically funded by employers and are compliant with the participation, vesting, accrual and funding standards of ERISA and insured by the Pension Benefit Guaranty Corporation (PBGC). Fewer and fewer organizations are offering such plans—about one-quarter, according to the SHRM 2016 Employee Benefits research report—which makes those that continue to fund them stand out as employers of choice for an aging workforce.

Meanwhile, defined contribution (DC) plans have replaced DB funds as the most common retirement benefits offering. The Section 401(k) plan allows employees in the private sector to defer a significant amount of pretax earnings into a personal account that the participant controls. These employee contributions may be fully or partially matched by the employer. Private-sector employer-provided retirement income plans are regulated by the U.S. Department of Labor (DOL) and the Internal Revenue Service (IRS), and state and local governments are prohibited from passing laws and regulating private-sector pensions by “ERISA preemption.” This provision supports multistate employers with corporate pension plans as it enables them to avoid the complications of needing to comply with multiple state-specific mandates.

Automatic enrollment 401(k) plans

As the workforce ages, more attention is likely to be paid to these types of retirement benefits offerings. Organizations may respond by either increasing the amount of their employer match or by shifting to a model where employees are automatically enrolled into a 401(k) plan but can choose to opt out. This approach greatly increases the percentage of eligible workers who participate in their employer’s 401(k)-type plan, thereby increasing retirement savings. Some organizations take this a step further by automating the increase in the employee contributions to these programs over time.

Because of the positive impact automatic enrollment 401(k) plans can have on employee retirement savings, planning for an aging workforce among private-sector employers may involve establishing such a program where one does not already exist. Along with increasing employee plan participation, auto enrollment simplifies selection of investments appropriate for long-term retirement savings for participants and can also offer tax advantages and a safe harbor for employers that may have concerns regarding nondiscrimination testing of their plans.

According to the Department of Labor guidelines, there are several options for automatic enrollment programs:

- “A basic automatic enrollment 401(k) plan must state that employees will be automatically enrolled in the plan unless they elect otherwise and must specify the percentage of an employee’s wages that will be automatically deducted from each paycheck for contribution to
Preparing for an Aging Workforce

the plan. The document must also explain that employees have the right to elect not to have salary deferrals withheld or to elect a different percentage to be withheld.

- **An eligible automatic contribution arrangement (EACA)** is similar to the basic automatic enrollment plan but has specific notice requirements. An EACA can allow automatically enrolled participants to withdraw their contributions within 30 to 90 days of the first contribution.

- **A qualified automatic contribution arrangement (QACA)** is a type of automatic enrollment 401(k) plan that automatically passes certain kinds of annual required testing. The plan must include certain features, such as a fixed schedule of automatic employee contributions, employer contributions, a special vesting schedule, and specific notice requirements.  

Once the type of program is selected, the organization should adopt a written plan document that outlines the terms of the program—these are generally made available by the organization’s financial planning/retirement benefits provider. In addition, the organizations should arrange a trust for the plan’s assets to ensure that the assets are used solely to benefit participants and their beneficiaries. Finally, an accurate record-keeping system should track contributions, earnings, losses, etc. Eligible employees must be kept abreast of benefits, rights and features, including an initial notice prior to automatic enrollment in the plan and a similar notice annually.

**Financial planning and education services**

Along with Social Security and employer-provided retirement benefits, the third main component of retirement savings in the U.S. is individual savings. Because savings options can be complex, another type of benefit that more employers may adopt as the workforce ages is financial planning and education services. For some organizations, simply letting employees know about the financial education options available, such as those offered by an employee assistance program, may be a first step. Others may prefer to go further by offering classes on financial literacy or online investment advisory services, or individual financial planning services through a third-party provider.

**Redefining retirement through phased retirement plans**

As the workforce ages, more discussion has turned to using phased retirement as a way to recruit and retain mature workers. However, the number of organizations that offer a formal phased retirement program remains small—about 8% in 2015. One reason that few organizations offer this type of program is a perception that it can be complex and difficult to manage and that it may not be an option that can be offered to all employees as they near retirement. There are good arguments for reconsidering this stance because phased retirement can help address skills shortages by retaining employees beyond traditional retirement age and by formalizing the process whereby departing employees transfer their knowledge and expertise to the next generation of workers. SHRM Knowledge Center provides a detailed checklist for organizations considering adopting a phased retirement plan (see page 67).

| Nondiscrimination rules compare both plan participation and contributions of rank-and-file employees to owners/managers. To preserve the tax benefits of a 401(k) plan, the plan must provide substantive benefits for rank-and-file employees, not just business owners and managers, and is subject to annual testing to ensure that the amount of contributions made for rank-and-file employees is proportional to contributions made for owners and managers. A key advantage of automatic enrollment is that it increases participation, thereby making it more likely that a plan will pass the test. |
RESOURCES


The Employee Benefits Research Institute (EBRI) (www.ebri.org): In-depth research on retirement and financial preparedness.


To learn more about the use of automatic enrollment, go to the Saving Matters website or “Publications and Reports” of the Department of Labor’s Employee Benefits Security Administration website at www.dol.gov/ebsa. Tax and other information is available at the “Plan Sponsor” section of the Internal Revenue Service website (www.irs.gov/retirement). DOL/IRS publications on retirement plans are available on the DOL and IRS websites:

- Choosing a Retirement Solution for Your Small Business
- 401(k) Plans for Small Businesses
- Adding Automatic Enrollment to Your 401(k) Plan
- Payroll Deduction IRAs for Small Businesses
- Profit Sharing Plans for Small Businesses
- SEP Retirement Plans for Small Businesses
- SIMPLE IRA Plans for Small Businesses
- Retirement Plan Correction Programs
- Understanding Retirement Plan Fees and Expenses
- Meeting Your Fiduciary Responsibilities
- Selecting an Auditor for Your Employee Benefit Plan
- Reporting and Disclosure Guide for Employee Benefit Plans
- Tips for Selecting and Monitoring Service Providers for Your Employee Benefit Plan
- The IRS Retirement Plan Products Guide
- 401(k) Plan Checklist
- Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)
- Automatic Enrollment 401(k) Plans for Small Businesses
**Work/Life Benefits**

As the workforce and overall population age, individual responsibilities for caring for loved ones are likely to increase among the working population. This will highlight for many employees—and the organizations that wish to recruit and retain them—the importance of benefits that help employees manage their multiple responsibilities through helpful personal service offerings. Many organizations provide these types of benefits through an employer-sponsored employee assistance program (EAP). An EAP is a work-based intervention program designed to identify and assist employees in resolving personal challenges and situations that may affect their performance at work. Employers usually pay for EAPs, and their services are often available not only to employees but also to employees’ immediate family members or to anyone living in employees’ homes. Part of helping employees deal with their work/life issues will involve communicating what programs are offered—whether through an EAP or other service provider.

**Senior care benefits**

One service that is likely to experience increased demand from employees in the coming years is senior care. Because individuals are living longer and the workforce itself is aging, many more employees are likely to need help providing care to adult loved ones, including parents, spouses and other family members. Benefits that assist caregivers, whether they are caring for a grandchild or an adult family member, are likely to be highly valued by many mature workers.

According to the [National Alliance for Caregiving](https://www.nationalallianceforcaregiving.org/), more than 44 million Americans provide care for adults and more than one-half of all caregivers are employed. In the United States, about one out of five full-time employees is a caregiver for an older relative, and nearly three-quarters of these employees have children under the age of 18 as well. Studies conducted or funded by MetLife have revealed that individuals who provide senior care face a variety of financial, family and employment challenges. For example, employees who care for an older person report poorer health and more chronic diseases than noncaregivers, possibly due to stress and the impact of their time constraints on their ability to maintain a healthy lifestyle. Being a caregiver for an adult relative can affect productivity, attendance, health care costs and turnover at many organizations. Senior care programs can therefore help reduce health care costs and improve productivity.

An important distinction to make when thinking through a senior care benefits strategy is that employees who provide care for an adult family member have needs that are different from the needs of employees who provide child care. Child care usually involves finding services for healthy children who live with an employee. Senior care, however, requires a range of services to handle a diverse, and often unpredictable, array of medical, physical, emotional and financial issues that frequently must be delivered to an individual who lives far away from the employee.

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Because individuals are living longer and the workforce itself is aging, many more employees are likely to need help providing care for adult loved ones, including parents, spouses and other family members.
SHRM Knowledge Center guidelines highlight four main needs of employees who provide senior care:

1. Time and schedule flexibility that helps them to effectively carry out their work and caregiving responsibilities.

2. Information about location-specific senior care services and resources and about financial, legal and medical issues.

3. Emotional support from a network of family, friends, supervisors, co-workers and professionals.

4. Financial help to pay for the services needed to care for a parent or relative. This assistance may come from a variety of sources, including the older relative themselves, the employed caregiver, other family members or government or private-sector programs.

Only a few employers offer direct senior care service programs. But in the coming decades, more organizations could begin to consider offering such programs, and many EAPs may enhance their offerings by adding services such as geriatric care managers, adult day care centers, intergenerational care programs, access to backup senior care services for emergency care situations, senior care in-home assessments and senior care assisted living assessments.

One of the first steps HR professionals can take when designing and implementing a senior care benefits program is to look at what benefits the organization already offers and consider whether these benefits can be modified or enhanced to serve the needs of those who provide senior care. These types of benefits can range from flexible work benefits to direct care programs.

Dependent care flexible spending accounts can be used to offset the cost of both child care and senior care, and some organizations offer adult care options similar to child care benefits. According to the SHRM 2016 Employee Benefits research report, the most frequently offered benefit of this type was an senior care referral service, which 12% of organizations made available to employees. Less commonly offered benefits included geriatric counseling (3%), on-site senior care fairs (1%), access to backup care services in the case of an unexpected event (2%) and senior care in-home assessments (1%).

Workplace senior care programs

The National Alliance for Caregiving found in its study on best practices in workplace senior care, conducted for the coalition Respect a Caregivers Time (ReACT), that responding to the needs of employees who have caregiving responsibilities does not have to be expensive or elaborate. Best practices include offering a flextime policy to help workers struggling to balance work and caregiving duties and allowing employees to use sick days and vacation days for caregiving. Other practices highlighted in the study include the following:

<table>
<thead>
<tr>
<th>Developing a Senior Care Strategy: Five Key Steps</th>
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<tr>
<td>1. Establish the organization’s key objectives in adding senior care benefits.</td>
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<tr>
<td>2. Review existing policies and programs to determine which would be helpful to employees with senior care responsibilities.</td>
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<tr>
<td>3. Conduct a needs assessment to determine the most critical or urgent needs of employees who provide senior care, analyze the nature and extent of existing senior care benefits, and pinpoint the gap between employee needs and existing benefits.</td>
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<tr>
<td>4. Evaluate the local market to determine the availability, cost and tax implications of different senior care benefits options.</td>
</tr>
<tr>
<td>5. Select senior care benefits options by deciding how involved the organization wants to be in providing direct care benefits and services.</td>
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• Discounted backup home care for emergencies. The discounted rate for in-home care was $4 to $6 per hour, and the number of hours of care available at the subsidized rate varied by employer.
• Help with insurance paperwork and information about Medicare, Medicaid and other insurance policies.
• Paid time off and flexible approaches to time off.
• Resource and referral services, including geriatric care management services. Some employers provided these services through employee assistance programs.

The report included the following suggestions to employers:

• Understand the needs of your workforce.
• Make an adult/senior care program or policy available to all employees, not one category of employee.
• Train supervisors and managers about senior care.
• Educate employees about the caregiving process and ways in which the employer’s program can support their goal of continuing to be a family caregiver and a productive worker.
• Consider programs that help employees plan for caregiving responsibilities.

Legal complaints by workers claiming unequal treatment based on caregiver status, also known as family responsibility discrimination (FRD), increased by nearly 400% from 1995 to 2005, according to the Center for WorkLife Law, a nonprofit research and advocacy group at Hastings Law School in San Francisco. Employees with family caregiving responsibilities include those who take care of an older adult family member. Unlike categories such as race, sex and religion, family responsibility is not explicitly protected under the Family and Medical Leave Act, and some courts have recognized protections under federal employment laws. However, there are caregiver protections within the Americans with Disabilities Act and the Equal Pay Act.

For example, under the FMLA employees caring for aging parents are legally protected against FRD, and therefore, employers must take FRD seriously. Employers should be aware of the key issues surrounding employees with family caregiving responsibilities—specifically, those issues involving family and medical leave, promotion of employees with family care responsibilities, and the application of policies on modified work schedules, telework options and flextime.

RESOURCES

SHRM Articles on Senior Care (http://www.shrm.org/hrdisciplines/benefits/articles/pages/wi-eldercare.aspx)

Elder Care Network (http://eldercarenet.org)

AARP Caregiver Resource Center (http://www.aarp.org/relationships/caregiving-resource-center)

AARP Article on Caregiving (http://www.aarp.org/relationships/caregiving)

Aging Parents and Elder Care: Overcoming the Challenges of Elder Care (http://www.aging-parents-and-elder-care.com/index.html)

Elder Care Locator (http://www.eldercare.gov/Eldercare.NET/Public/Index.aspx)

Family Caregiver Alliance (www.caregiver.org): Provides resources and information for adult caregivers

National Alliance for Caregiving (www.caregiving.org): Nonprofit coalition of national organizations focusing on advancing family caregiving through research, innovation, and advocacy. The Alliance conducts research, does policy analysis, develops national best-practice programs, and works to increase public awareness of family caregiving issues.
As the workforce ages, leave benefits may become more flexible to enable employees to tailor their leave to their own needs.

**Leave Benefits**

As mentioned above in the discussion of senior care, one of the first ways an organization can think about modifying its benefits strategy to accommodate the changes brought about by an aging workforce is to look at existing benefits to see if minor enhancements or modifications could meet a growing need. Leave benefits are a good example of this type of strategy. Most organizations already have leave benefits in place. Thus, any changes made to these types of benefits in response to the aging workforce are likely to involve changes to existing benefits rather than a whole new set of offerings.

Although some workplace leave is mandated by law, many employers voluntarily offer some combination of paid and unpaid time off, including vacation leave, sick leave, personal leave, holiday leave and bereavement leave, to attract and retain talent. For example, according to research SHRM published in the 2016 Employee Benefits report, 97% of organizations provided some form of paid vacation leave to their full-time employees. Although fewer businesses offer sick leave compared with vacation benefits, most provide paid sick leave. More organizations may begin to experiment with options like paid time off for volunteering and paid sabbatical programs to attract mature employees who are shifting toward retirement, making career changes or seeking out ways to give back to their communities.

The federal FMLA guarantees eligible employees 12 weeks of unpaid job-protected leave during any 12-month period for an employee’s serious medical condition or to care for a parent, spouse or child. During this leave, the employee retains his or her benefits. The FMLA covers organizations with 50 or more employees within a 75-mile radius. Some states have further FMLA employer requirements. Federal law does not require FMLA leave to be paid, but 18% of organizations did offer paid family leave, according to the SHRM 2016 Employee Benefits research report. At the same time, 10% of organizations offered senior care leave above federal FMLA requirements, and 9% above state FMLA.

As the workforce ages, leave benefits may become more flexible to enable employees to tailor their leave to their own needs. Instead of maintaining different policies and leave balances for some or all types of leave, many employers have adopted a PTO model that grants employees a specified number of paid leave days (often based on tenure) that employees may use for any purpose. The use of PTOs may continue to grow; however, although the use of such plans can reduce administrative costs, these plans tend to offer fewer days than leave plans with separate paid vacation, sick and personal days. This may cause concern among employees with growing caregiving responsibilities who are also more likely to have health challenges of their own to contend with.

As the U.S. population ages, employees may be more likely to require leave for caregiving and personal health reasons. This makes it imperative that HR departments are up to date on all aspects of laws relating to leave. Under the federal FMLA, as amended, leave is unpaid. However, under the FMLA, to the extent the leave meets the employer’s usual requirements for using accrued paid leave, the employee may have to use accrued paid vacation, personal leave, family leave, sick days or any other available PTO. The FMLA also permits an eligible employee to substitute accrued paid leave for FMLA leave. If an employee does not do so, the employer may require the employee to substitute accrued paid leave for unpaid FMLA leave. This means the paid leave accrued under established policies will run concurrently with the unpaid FMLA leave. Accordingly, the employee receives pay pursuant to the employer’s applicable paid leave policy during the period of otherwise unpaid FMLA leave. The terms and conditions of the employer’s normal leave policy determine an employee’s ability to substitute accrued paid leave.
Case Study: A Health Care Nonprofit Adjusts Its Benefits Plan to Meet the Needs of an Aging Workforce

Bon Secours Virginia, Richmond, Va.

The 55-and-older demographic has always played a critical role in the operations at Bon Secours Virginia. The Richmond, Va.-based nonprofit, which manages four hospitals and several other health care facilities, treats a growing number of patients who fall into that age category, and that is not expected to change for quite some time.

And the workforce itself at Bon Secours leans heavily on the 55-and-older set as well, with more than one-third of its employees in that group. The organization learned long ago that it needed to give this demographic attention if it wanted to thrive, said Dawn Trivette, Bon Secours’ administrative director of work and family services.

“We built a child care center in the 1980s because many of our folks needed coverage for their kids,” Trivette said. “Some of our older workers said they wished they could have taken advantage of something like that when they were younger. That got us thinking that we needed to take care of our mature workers in different ways.”

To start, Bon Secours established a home health care program specifically for employees who needed that benefit for their older family members. Bon Secours provides a 50% subsidy for coverage, and employees can use this for up to 10 “care sessions” per year, with a four-hour minimum and 10-hour maximum per day. The organization also provides resources, referrals, classes and support groups for employees who are caring for adult relatives. The programs have become important tools for recruitment of nurses. “So often, with people who need to care for older family members, the family decides that it will be the nurse who takes care of them and brings them to the doctor,” said Trivette. “With that in mind, we also created a lot of flexibility for dependent care. If somebody is called away for a few months to another state, for example, we make an accommodation.”

Bon Secours has also made conditions easier for its nurses while they are at work. The organization has “patient mobility teams” that transport patients, walk them to different rooms and handle any equipment that must travel with the patients during their stay at Bon Secours’ facilities. “Nursing is physically demanding, you’re on your feet all day,” Trivette said. “We wanted to relieve some of that responsibility. The patient mobility team is very well-orchestrated, and they’re physically ready to help. Even if it’s walking a patient to another room, if they fall, you have to pick them up.”

Other perks for mature workers include on-site child care for employees’ grandchildren, retirement planning consulting and phased retirements, which have proven very popular. “We’ve had a lot of people actually come back after they’ve retired because they’re not ready to stop working,” said Trivette. “So we started to give them benefits if they worked as few as 16 hours per week. For a lot of people, that’s enough, to work two days a week and enjoy the benefits.”

The 55-and-older demographic is “very spread out” on Bon Secours’ 13,000-employee payroll and not confined only to nursing positions. As of June 2015, more than 450 employees had at least 30 years of service with the organization. Nearly 1,500 employees were in their 60s, another 126 were in their 70s and a dozen were in their 80s. Aside from the institutional knowledge and experience that more seasoned workers possess, Bon Secours values its members of the 55-and-older demographic for their willingness to pass along that knowledge to the organization’s younger workers. Graduates of Bon Secours’ nursing school are frequently paired up with staff members as part a mentoring program at the organization.

If anything, this segment of the workforce “deserves our attention” purely from a numbers standpoint, said Trivette, especially considering that this demographic will only grow in the near term. And at one recent company event, Bon Secours’ mature workers clearly got the attention they deserved. “Our CEO periodically does a lunch even with 25 workers. We meet them and listen to their ideas. We did one lunch with our 25 oldest workers, and they introduced themselves, told us what department they belonged to, and how long they had been with the organization. The most amazing thing to me was, one woman said, ‘I’m 79 and I’ve only been here five years. I just heard about how great this place was for older workers, and I wanted to apply.’ She got hired at 74. That really said it all.”
401(k): Automatic Enrollment Election for New Hires

To: New Hire

From: Human Resources

Re: Automatic Enrollment in the Employer 401(k) Plan: Notice of Authorization

At [Company Name], we want to enhance our employees’ ability to save for retirement. As a result, our plan has no minimum service eligibility requirements, and we have installed an automatic 401(k) election feature.

Under the plan’s provisions, you will be automatically enrolled in the plan upon hire. [Company Name] assumes that you have authorized the company to withhold for each pay period on a pretax basis an amount equal to ___% of pay. This withholding percentage will remain in effect until such date that you make an election to increase, decrease or cease your contributions to the plan. As a participant, you may make such a change in contributions at any time to be effective beginning on the payroll date subsequent to your election notice’s receipt in Human Resources. If, on the other hand, you are satisfied with the election percentage, you need only sign and date this acknowledgement and return it to Human Resources. If you wish to make changes, please see the options below.

In summary, you have the following options that will go into effect when you complete and return this 401(k) Contributions Election Form:

1) Increase contributions up to 10% of pay.
2) Decrease contributions to 1% of pay.
3) Cease contributions effective [date].
4) Continue contributions as noted in the preceding paragraph.

All withheld pay deferrals and company matching contributions will be invested in the fund manager’s ___________________ fund until otherwise instructed. For 20__, the company match is 20% of employee contributions up to 5% of pay and is subject to a vesting schedule.

I certify that I have received and read this automatic enrollment notification and understand that I have the right to make alternative contributions and investment fund selections within one payroll period of my providing such notice to Human Resources.

Employee’s Signature Date (Month/Day/Year)

Source: SHRM (2015)
Employee Assistance Program (EAP) Policy: For Employees and Family Members

Policy
[Company Name] will provide confidential and voluntary assistance through its employee assistance program (EAP) to all employees and their family members who may be faced with dynamic challenges of financial concerns, legal issues, alcohol or drug problems, marital problems, illness of a family member, emotional worries, child care problems, etc. For the welfare of employees as well as for effective business operations, [Company Name] encourages its employees to take advantage of this valuable benefit of employment with the company.

Procedures
Employees and their family members can refer themselves to the EAP. The program may be reached 24 hours a day on weekdays and weekends.

Meetings with EAP counselors
EAP counselors are available to meet with employees or family members to assess a problem and develop a plan for resolution. The counselors may suggest a referral to an outside resource, such as a therapist, agency, physician, treatment facility or other professional that would be appropriate to assist in resolving the problem or situation. Where an employee may be in need of information, a referral or suggestion may be made over the telephone.

There is no charge for employees or their families to use the services of the EAP.

EAP visits during work hours
Employees who want to visit the EAP during regular work hours must use sick, vacation or personal time. If illness is involved, sick, vacation or personal time may be used for treatment or rehabilitation on the same basis that it is granted for other health problems.

The EAP counselors will make every effort to coordinate referrals for ongoing treatment with the employee’s health insurance coverage as well as with his or her ability to pay.

Referrals for employee performance or behavior issues
When an employee’s job performance or attendance is unsatisfactory or there appear to be signs of other problems during the workday, the supervisor should counsel the employee in consultation with the director of human resources or designee with an end toward resolving the situation. If the employee appears to be unable or unwilling to correct the situation, the employee may be referred to the EAP to assist in the resolution of the problem. Depending on the situation, the employee may accept or refuse participation in the EAP. However, there may be situations where continued employment at [Company Name] may be contingent on the employee’s calling the EAP for assistance.

Participation in the EAP does not jeopardize job security or promotional opportunities. However, it does not excuse the employee from following company policies and procedures or from meeting required standards for satisfactory job performance except where specific accommodations are required by law.

Confidentiality
All contact between an employee and the EAP is held strictly confidential. In cases where an employee’s continued employment is contingent on calling the EAP, the EAP counselor will only verify whether the employee has contacted the EAP and, if ongoing treatment is necessary, that the employee is following through on the treatment. Information given to the EAP counselor may be released to [Company Name] only if requested by the employee in writing. All counselors are guided by a professional code of ethics.

Source: SHRM (2015)
Leave Policy: Basic Paid Time Off (PTO)

Practice Note
Instead of maintaining different policies and leave balances for some or all types of leave, many employers have adopted a paid time off (PTO) program that grants employees a specified number of paid leave days (often based on tenure) employees may use for any purpose.

Organizations with PTO plans tend to offer fewer days off than those with separate paid vacation, sick and personal days. PTO plans give employees flexibility in how they use their time off and also provide many potential benefits for employers. See How to Develop and Administer Paid Leave Programs.

Managing paid leave benefits requires an understanding of federal, state and local laws (including family and medical leave laws, wage and hour laws, and laws relating to military leave) that mandate or regulate the payment of all or a portion of wages to employees who take leave. See Managing Paid Leave Benefits for general discussion of these legal issues and Vacation/Sick/PTO Laws for a chart summarizing legal requirements in specific states with respect to PTO.

The sample policy below is a very basic PTO policy that might be adopted by a small organization operating in a state without specific PTO requirements. It does not spell out how leave is accrued.

Purpose
[Company Name] grants paid time away from work under its annual paid leave policy. Employees are encouraged to schedule sufficient time off for relaxation to promote employee wellness.

An employee may use this leave for any purpose he or she wishes, including vacations, unpaid holidays, illness or time away from work for personal or family matters. Absences should be scheduled in advance with supervisory approval. Unscheduled absences are strongly discouraged, except in emergency situations.

Eligibility
Staff with less than 90 days of service with [Company Name] may not take time away from work except under special circumstances and with supervisory approval. If a nonexempt employee has a deficit in his or her annual leave bank at the time of resignation or termination, salary equal to the deficit may be deducted from the employee’s final paycheck.

Holidays
The following holidays will be recognized as company holidays and will be paid in addition to annual paid leave:

- New Year’s Day
- Martin Luther King Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving (2 days)
- Christmas (2 days)

In addition, [Company Name] is usually closed between Christmas Day and New Year’s Day. Only certain staff must report. Ask your supervisor whether you are required to work. Holiday pay is provided only when the holiday falls on a day that an employee is regularly scheduled to work.

Procedures
When unable to report to work due to personal illness or any other reason, the employee must contact his or her supervisor immediately to report the nature of the problem and the expected return-to-work date. In cases of prolonged absence, in addition to immediate reporting, it is suggested that the employee call in from time to time to keep his or her supervisor updated on the expected return-to-work date.

An employee who fails to report to work for three consecutive days and who does not provide his or her supervisor with an acceptable explanation may be disciplined, up to and including termination.

For absences lasting more than three days, the employee must contact the HR manager or the benefits Manager to determine whether he or she qualifies for either family and medical leave or short-term disability pay.

Source: SHRM (2015)
Leave Policy: Paid Time Off (PTO) Not Including Sick Leave

**Practice Note**
This sample policy calls PTO a “personal time allotment.” It specifies several types of paid leave—notably paid sick leave—that are covered under other policies and that are not included in the personal time allotment. The policy does not allow employees to roll over personal time from year to year.

**Purpose**
[Company Name] recognizes that employees have diverse needs for time off from work. The company has a flexible approach to time off, where, in lieu of personal days, floating holidays and vacation days, employees are provided a paid personal time allotment.

**Eligibility**
Employees will be granted a specific allotment of paid personal time each calendar year based upon their employment status and their length of service with the company.

**Full-time employees**
Employees who are employed by the company on a full-time basis as of January 1 of each year are entitled to paid personal time according to the schedule below:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Personal Time Allotment for Full-Time Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>15 days</td>
</tr>
<tr>
<td>3-4</td>
<td>17 days</td>
</tr>
<tr>
<td>5+</td>
<td>20 days</td>
</tr>
</tbody>
</table>

**Part-time and flex-schedule employees**
Part-time and flex-schedule employees are entitled to a prorated allotment of personal time based upon their established work schedules. Beginning the first of the month following their date of hire, new hires are granted a prorated allotment of personal time for the remainder of the calendar year in which they are hired.

An employee may use his or her full personal time allotment at any point during the calendar year; however, personal time is actually earned monthly on the last day of each month at a rate of one-twelfth (1/12) of the employee’s total personal time allotment for that calendar year. An employee must be actively working to earn personal time; no time is earned during leaves of absence.

**Procedures**

**Compensation for personal time**
Personal time is paid at an employee’s current base salary or hourly wage.

**Use of personal time**
Employees may use their personal time allotment in any way that meets their needs.

Absences due to illness, injury, bereavement, jury duty or military reserve duty are not counted against an employee’s personal time allotment. Absences in these situations are addressed in other company policies.

Because [Company Name] believes that time away from work is essential for the well-being of employees, all personal time should be used in the calendar year in which it is granted. There are no “rollovers” for unused personal time. Thus, any personal time not used in a calendar year is deemed unearned and will be forfeited.

**Approval of personal time**
An employee’s manager must approve all paid personal time in advance, except in the case of an emergency. Each group in the company has its own guidelines on scheduling and advance notice of personal time.

Approval of personal time is contingent upon the needs of the group and the business.

**Tracking of personal time**
Each employee is responsible for accurately tracking and recording his or her own personal time.

An employee should record all personal time on his or her personal time account and have the time signed off on by his or her manager.
Termination
If an employee leaves the company, the portion of his or her personal time allotment that has been earned but not used will be paid out upon termination.

HR administration
The calculation of paid personal time is based on the employee’s start date. It is assessed on a monthly basis. The proportion of full months worked in the first year is multiplied by the standard 15 days. Nonexempt employees’ time is rounded up to the nearest quarter-day. Exempt employees’ time is rounded up to the nearest half-day.

To determine the amount due to an employee for personal time on termination, calculate how many full months were worked to the date of termination, then take the number of months worked in a year and multiply it by the employee’s paid personal time allotment. As noted above, nonexempt employees’ time is rounded up to the nearest quarter-day, and exempt employees’ time is rounded up to the nearest half-day. If the employee has earned more time than he or she used, the difference is to be paid upon termination.

Source: SHRM (2015)
Retirement Plan Enrollment Form

- New Enrollment
- Change
- Purpose of Change

Name: (Mrs., Ms., Mr.)

Social Security Number:  
Annual Compensation:  

Birthdate:  
Employment Date:  

Home Address:  

Home Telephone: (     )  Work Telephone: (     )

As a participant in this Plan, the law requires that you be informed as to the disposition of your account balance upon retirement, upon death before retirement and with respect to your benefit options if you are married.

Unless you elect otherwise, your plan benefit will be distributed within 120 days after the end of the plan year following the later of your termination or attainment of the normal retirement age under the plan but no later than age 70.

If you have been married for at least one year, your retirement benefits will normally be paid in the form of a 50% or 100% Joint and Survivor Annuity unless you and your spouse elect otherwise. This election must be made during the 90 day period before your benefits are to commence, and your spouse must consent in writing before a plan representative or a notary public. A Joint and Survivor Annuity provides you with a monthly payment for life, and in the event of your death, a monthly payment during your spouse’s life equal to either 50% or 100% of the monthly payment you received prior to your death.

A survivor annuity has the effect of reducing the monthly payment you would otherwise have received under a single life annuity. For example: Suppose you retire at age 60, and based on your account balance, you are entitled to a monthly payment of $200 per month for life. If your spouse is also age 60 and you elected a 50% Joint and Survivor Annuity, $174.92 per month would be payable to you and upon your death, $87.46 would be paid to your surviving spouse for life. Under a 100% Joint and Survivor Annuity, $155.44 per month would be payable to you, and upon your death, the same amount would be paid to your surviving spouse for his or her life.

At age 35, with spousal consent, you may elect another form of benefit, such as lump sum cash or periodic payments over a specified number of years. Prior to age 35, you may also make this election; however, these elections will become null and void at the end of the calendar year in which you reach age 35, and a new election must be made at that time.

When you receive a distribution from the plan, it will be subject to income taxes and may be subject to a 10% excise tax, however, you may reduce or defer the tax by rolling over all or a portion to a Rollover IRA, or you may be eligible for a special tax treatment called five-year forward averaging. You will not be subject to the 10% excise tax if you reached age 59, or if you terminate employment after age 55, or you elect an annuity payment.

Your spouse will normally be your primary beneficiary. However, you may designate a beneficiary other than your spouse with his or her consent. Upon your death, all benefits will be paid to your designated beneficiary.

Primary Beneficiary:  
(Name)  (Relationship)

Contingent Beneficiary:  
(Name)  (Relationship)
Please check and complete the item(s) below that apply:

**PRE-RETIREMENT SURVIVOR BENEFIT**
- I hereby elect a Qualified Pre-Retirement Survivor Annuity in the form of a [ ] 50% Joint and Survivor Annuity, or a [ ] 100% Joint and Survivor Annuity.
- I DO NOT elect a Qualified Pre-Retirement Survivor Annuity.

**QUALIFIED JOINT AND SURVIVOR ANNUITY**
- I hereby elect a Qualified Joint and Survivor Annuity in the form of a [ ] 50% Joint and Survivor Annuity, or a [ ] 100% Joint and Survivor Annuity.
- I DO NOT elect a Qualified Joint and Survivor Annuity.
- I hereby certify that I have been married to _______________________ for at least one year on the date of declaration and that any survivor benefit is to be paid to her/him according to the terms of the Plan.
- I hereby certify that I have been married to _______________________ for at least one year on the date of this declaration and that she/he acknowledges and accepts that survivor benefits will not be paid to him/her.
- I hereby certify that I am not currently legally married (as recognized by the state in which I reside), or that I cannot secure the signature of my spouse. I understand that I must notify the plan administrator if my status changes so that appropriate elections can be made.

If the second survivor benefit elections are made and/or your spouse is not the primary beneficiary, this form must be signed by your spouse and witnessed by a notary or plan representative.

**ACCEPTANCE BY THE PLAN ADMINISTRATOR**

<table>
<thead>
<tr>
<th>Signature of Spouse</th>
<th>Date (Month/Day/Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Notary or Plan Representative</td>
<td>Date (Month/Day/Year)</td>
</tr>
<tr>
<td>Signature of Participant</td>
<td>Date (Month/Day/Year)</td>
</tr>
</tbody>
</table>

Date Accepted: ____________________

By: ____________________

Effective Date: ____________________

Source: SHRM (2015)
Section 8: Leveraging a Generationally Diverse Workforce

With more generations than ever before in the workplace, organizational success now depends on employees of all ages working effectively together as a team. Studies have shown that diverse teams are more effective at coming up with innovative solutions to business problems than homogenous teams. The caveat is that this appears to depend on how well-managed the teams are; diverse teams even run the risk of underperforming if they are poorly managed. The increase in age diversity in the workforce is a new opportunity to build more effective and innovative teams, but these teams must be managed effectively.

Generational Differences and Similarities

Discussions of generational differences often devolve into stereotypes and generalizations. Though different age cohorts have experienced the world in different ways and views on these differences can influence organizational planning, diversity, recruiting and retention strategies, as noted in Section 2 on assessing the workforce, generations tend to have more in common when it comes to what they want out of work. Workers of all ages agree that respectful treatment, trustworthy organizational leaders, good benefits and overall compensation are all factors that they highly value.

Aside from the differences in birth date, which influenced the technologies, historical events and cultural norms individuals may have grown up with, a huge factor that distinguishes one generation from another is simply its size. Particularly at the global level, differences in size among generations within countries and between countries have an enormous influence on economic conditions, immigration patterns and even public health conditions. Economists describe the demographic balance that has the ideal proportion of “prime working-age people” between the ages of 25 and 54 compared to children and retirees as the “demographic sweet spot.” Whereas North America and Europe experienced their demographic sweet spot during the prime working age years of the Baby Boom generation, emerging economies such as India and many Asian countries are currently benefiting from this “demographic dividend,” which will continue to fuel their rapid growth in the years ahead. The difference in demographic fluctuations between global regions means that global teams working together may not only be multicultural but multigenerational as well. According to U.S. Census data, the younger the age cohort the more racially diverse it tends to be. As younger generations enter the workforce, the importance of HR’s efforts to help their organizations leverage diversity is further highlighted.

Although differences in population size, diversity, education rates and economic conditions and challenges do affect generations in a multitude of ways, research findings indicate that younger and older generations actually share many similar values. A seven-year study by the Center for Creative Leadership (CCL) of more than 3,000 corporate leaders reaffirmed the SHRM findings on similarities between generations when it comes to what they value in a job. The CCL study found that employees of all ages want similar things from their work and share similar values on what matters most—family, respect, trust—and any perceived differences in values and attitudes tend to be the result of different contexts or place in the organizational hierarchy. This includes the stereotype that mature workers are more resistant to change. The study found that resistance to change actually has much more to do with what an individual worker stands to gain or lose from any organizational changes than with the employee’s age. On the flip side, a positive stereotype about older workers—that they tend to be more loyal—was found to have more to do with the employee’s place within the company’s hierarchy than with his or her generation.
Preparing for an Aging Workforce

Once again, the research seems to suggest that much more important than understanding what, if indeed any, differences exist between employees of different age groups is the imperative to demonstrate respect for employees of all ages. SHRM research shows that HR professionals believe that employees in their organization are highly receptive to working with, learning from and being mentored by mature workers (see Figure 8). This receptiveness provides an excellent foundation for bringing together workers of different ages and building this culture of respect.

**FIGURE 8: Extent to Which Employees in the Organization Are Receptive to . . .**

<table>
<thead>
<tr>
<th></th>
<th>To a great extent</th>
<th>To a some extent</th>
<th>To a small extent</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working with older workers</td>
<td>53%</td>
<td>39%</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>Learning from older workers</td>
<td>47%</td>
<td>44%</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>Being mentored by older workers</td>
<td>43%</td>
<td>43%</td>
<td>11%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: n = 1,698-1,709. Percentages may not total 100% due to rounding. Source: SHRM Survey Findings: The Aging Workforce—Basic and Applied Skills (2014)

Leveraging Teams

In today’s business environment, teams are the engines of innovation and productivity. One of HR’s key responsibilities is to create and develop teams through various channels; recruiting involves bringing in new team members to the organization, compensation management frequently rewards at the team level, whereas workforce planning efforts focus on preparing teams for the future. And when teams become dysfunctional, it is HR that is usually brought in to find a solution.

HR, therefore, is at the heart of team effectiveness.

Although the different ways that teams can form and how they work together may be constantly evolving due to changes in technology, the importance of shared goals and objectives remains constant. The input-process-outcome (IPO) framework for studying team effectiveness originally developed by Joseph McGrath, a social psychologist known for his work on small groups, considered how different inputs at the organization, team and individual levels combined to drive the team processes that lead to different kinds of outcomes.\(^5\) This model has now evolved to take into account the context in which a team operates, emphasizing the multi-layered nature of modern work teams. Each individual on a team has his or her own unique surroundings and influences; teams also operate within a specific context; and the organization as a whole is part of a wider business, economic and social environment.\(^5\) Globalization of operations has created a new layer of complexity by encouraging the development of global virtual teams while cross-functional teams bring together different organizational experts to solve increasingly complex business problems. The aging of the workforce is only one facet of this growing complexity.

Experts on teamwork define work teams as any group that is brought together to perform organizationally relevant tasks while sharing one or more common goals and working on tasks interdependently within an organizational context that influences their exchanges with other entities within the organization.\(^5\)
Diversity of expertise and experience has become a highly valued characteristic of effective work teams. According to leading creativity researchers Teresa Amabile and Mukti Khaire, most innovation today tends to develop from the bottom up. Their analysis of innovations at Google, for example, found that ideas that emerged from teams without support from above actually had a higher success rate than those that were generated from the top down. This example supports the argument that innovation is now being driven by informal teams at the organizational periphery. Similarly, a McKinsey survey on innovation found that the majority of organizational leaders surveyed said that teams—either dedicated product development teams or centralized innovation initiative teams—were their top source for new ideas.

Amabile and Khaire suggest the following ways to encourage innovation and create a culture of collaboration through leveraging the growing diversity of today’s teams:

- Tap ideas from all ranks of employees by distributing creative responsibilities across the organization.
- Recognize that today most innovations draw on many contributions and therefore encourage and enable collaboration.
- Encourage people of different disciplines, backgrounds and areas of expertise to share their perspectives and ideas.
- Recognize that different stages of the creative process may require different kinds of support; teams engaged at the front end of developing a new idea may be hampered by too much process management, whereas those working on the final stages of bringing a new product to market may benefit from process improvement standardization.
- Create a culture that recognizes the ebb and flow of innovative creative work, including the inevitability of failure and the need to learn from it.
- Motivate creative teams by providing the excitement of intellectual challenge and the opportunity to pursue interests and by demonstrating management engagement with and a positive attitude toward creative innovation.

Research on social identity supports the idea that team identification can occur even when there are strong individual differences, including generational differences, among team members as long as the group operates within a culture that values individuality and diversity. This team identification is “the process by which individual team members perceive themselves in terms of the values, goals, attitudes, and behaviors they share with other team members.” HR practices at the organizational level can promote effective performance at the team level. For example, efforts to create a culture of trust and respect can have an influence on the way that individuals begin to identify as part of a team. Creating effective teams in a time of complexity and constant change is more challenging than ever. But the opportunity that greater age diversity in the workplace represents is one of superior innovation and problem-solving, better results and more engaged, productive employees.
Working for a public library might seem like an ideal situation for members of the 55-and-older demographic. The hours? Quite steady. The environment? Steadily quiet. Except that doesn’t quite fit the script for one library district in western Washington state, and it’s why the organization’s leaders are intent on filling their ranks with workers of all ages. Sno-Isle Libraries, based in Marysville, Wash., has 22 locations and serves about 700,000 people in Snohomish and Island Counties. It also has 480 employees with an average age of 49, and that number has been “going up for several years,” said Teri Lester, Sno-Isle Libraries’ employee development manager. More than two out of five employees belong to the 55-and-older age group, she said.

“We have a preponderance of [55-and-older employees] in our professional librarian staff and supervisory management staff,” Lester said. “It can be due to the nature of the work. There are people who come to us as their retirement career. A good portion of people in entry-level positions we hired after they turned 60 or 65. Our oldest employee is 83.”

Several years ago, Sno-Isle Libraries had a wave of retirements in the double digits, Lester said, and that rate has held steady. Faced with perpetual vacancies, the organization created a system of succession planning that centered on the establishment of “career development positions” on the payroll.

“We needed to fill the leadership pipeline,” Lester said. “We looked at it from age 60 and up. People are working longer these days, and we discovered that 30% of our supervisors were age 60 and up. Out of 70 supervisors, that’s a lot of people. We started getting a little worried. We began to look at employee development and succession planning so that we were not caught with all these retirements at once.”

In 2014, the library’s leadership began to examine each vacancy and determine whether it fit the mold as a “career development position.” These jobs, which were usually vacated by retirees or staff who left the organization to pursue other interests, were identified as positions where existing staff members could move in and grow into the job. In a typical situation, the vacancy is offered as a temporary position to an in-house candidate for a 12-month probationary period. With that move comes a guarantee that, if the worker is not deemed a good fit for the position, the employee’s old job would still be available to him or her.

“We take people who don’t necessarily have all the skills, but we develop them and give them the right skills,” Lester said. “The other thing is, we have a lot of longevity. People come and stay and work their way up. But for many of them, there is no way to get supervisory experience unless they leave the organization.”

In its brief history, the succession planning program has already produced results for Sno-Isle Libraries. In 2014, the organization had 20 “career development positions” that opened up, and they were filled by 13 internal candidates. The jobs included branch managers, library managers, circulation supervisors and “lead librarians,” which is the next step up from standard librarian positions, Lester said. Part of the program also included a tech upgrade to the district’s payroll software, which is integrated with learning management, performance management and onboarding tracking systems. It has allowed Sno-Isle’s leadership to gather more information on staff members and become more proactive in identifying the organization’s next group of leaders, Lester said.

“In the bulk of situations, this program has been working out as we intended,” she said. “Younger staff members are getting into leadership positions that have beenvacated.”

Sno-Isle is also making significant changes to the job expectations for all of its library staff, Lester said, and that will necessitate training and an influx of young talent. There is still plenty of heavy lifting required at libraries—even with all the tech upgrades, people still want books,” Lester said—and staff members are now being asked to market the library to the community.

“With the professional librarian position, for example, they have previously staffed the information desk, and they basically just sit and wait for people to ask questions,” she said. “Our argument is that we don’t necessarily need a librarian to find a book or show somebody where the bathrooms are. We need librarians out in the community, creating awareness and reaching our ‘non-customers,’ such as talking to schools and community groups. It’s no longer just sitting behind a desk.”

Sno-Isle does place great value in its senior staff. The average tenure in the organization is 10.5 years, and one employee with 40 years of service still has “many more years” until she is expected to retire, Lester said. Many mature workers are content with working 15-hour, entry-level positions, and that helps stabilize the staff because there is frequently a high level of turnover from younger workers who occupy those positions, she said.

“That’s understandable, because younger employees are usually looking for full-time work,” Lester said. “But our older workers have seen the changes that have occurred in our organization, and sometimes they’re more adaptable. They’ve gone from card catalogs to computers, for example. On the flip side, it can also be a detriment, because we have the technological skill challenges with some employees. That’s why it’s good to recruit the newly educated and those who might have a different take on our operations.”
Diversity Policy

Practice Note

Employers should ensure diversity policies and initiatives are nondiscriminatory. Some states have protected groups outside of those under Title VII of the Civil Rights Act of 1964. Prior to implementing a policy, review and ensure compliance with federal and state discrimination laws.

[Company Name] is committed to fostering, cultivating and preserving a culture of diversity and inclusion.

Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company’s achievement as well.

We embrace and encourage our employees’ differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

[Company Name’s] diversity initiatives are applicable—but not limited—to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

• Respectful communication and cooperation between all employees.
• Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
• Work/life balance through flexible work schedules to accommodate employees’ varying needs.
• Employer and employee contributions to the communities we serve to promote a greater understanding and respect for the diversity.

All employees of [Company Name] have a responsibility to treat others with dignity and respect at all times. All employees are expected to exhibit conduct that reflects inclusion during work, at work functions on or off the work site, and at all other company-sponsored and participative events. All employees are also required to attend and complete annual diversity awareness training to enhance their knowledge to fulfill this responsibility.

Any employee found to have exhibited any inappropriate conduct or behavior against others may be subject to disciplinary action.

Employees who believe they have been subjected to any kind of discrimination that conflicts with the company’s diversity policy and initiatives should seek assistance from a supervisor or an HR representative.

Source: SHRM (2015)
Endnotes


3 Ibid.


7 Ibid.


10 SHRM Leading Indicators of National Employment historical data, www.shrm.org/line


17 Ibid.


20 SHRM 2015 Learning System.

21 Ibid.


23 Ibid.

Ibid.


SHRM 2015 Learning System.


Ibid.

Ibid.


29 U.S.C. §630 (b) and § 623(a) – (c).


Ibid.


See, e.g., Abell v. American Bird Conservancy, cite, citing Burns v.AAF McQuay, Inc., 166 F.3d 292, 295 (4th Cir. 1995); Ziegler v. Beverly Enterprises-Minnesota, 133 F.3d 671, 676 (8th Cir. 1998) (“[w]e do not think that suggesting retirement to an employee who is eligible for retirement, and who is not performing satisfactorily, provides a reasonable basis for inferring age discrimination.”); Killingsworth v. State Farm Mut. Auto. Ins. Co., 2007 U.S. App. LEXIS 26985 (9th Cir. 2007) (inquiries into agents’ retirement plans do not suggest age discrimination because employer had a legitimate business interest in knowing the plans of its retirement-age agents in order to plan for its own future.)


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