



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

## Preparing for an Aging Workforce

A Gap Analysis Report Comparing the SHRM Foundation's *The Aging Workforce* Effective Practice Guidelines Report with SHRM's Aging Workforce Survey Findings



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# About This Research Report

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 report is based on a comparison between two main sources: a) the SHRM Foundation's Effective Practice Guidelines (EPG) on *The Aging Workforce* and b) the findings from the SHRM Aging Workforce Survey. The purpose of this comparison is to find gaps between the effective, evidence-based practices in employing, recruiting and retaining an aging workforce identified in the EPG and the current practices related to the aging workforce used by organizations as reported through the survey findings.

## OVERVIEW OF SOURCES

### **The SHRM Foundation's Effective Practice Guidelines—*The Aging Workforce: A Guide to Leveraging the Talents of Mature Employees***

*The Aging Workforce* report is part of the SHRM Foundation's Effective Practice Guidelines (EPG) series. It was written by Cheryl Paullin, Ph.D. Dr. Paullin, an industrial-organizational psychologist at the Human Resources Research Organization, earned her doctorate from the University of Minnesota. Dr. Paullin is also a Fellow of the Society for Industrial and Organizational Psychology and the American Psychological Association. In 2012, she co-authored a chapter on retention strategies for older/mature workers in the *Oxford Handbook on Work and Aging*.

The EPG 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 *Aging Workforce Effective Practice Guidelines* review team included:

- Jerry W. Hedge, Ph.D., senior research manager, Social and Statistical Science group at RTI International, North Carolina
- Anthony McDonnell, Ph.D., associate professor, School of Management, Queen's University Belfast, Ireland
- Betty Lonis, SPHR, MBA, vice president, human resources, Navient, Indiana
- Celia E. Jarvis, M.S., SPHR, president and CEO, Quality Management Solutions Group, Ltd., Ohio
- Millicent Burke-Sinclair, Ed.D., MBA, SPHR, faculty, Godbold School of Business, Gardner-Webb University, North Carolina

### **The SHRM Aging Workforce Survey**

The SHRM Aging Workforce Survey, conducted by SHRM and sponsored by the Sloan Foundation, collected responses from 1,913 HR professionals on their organizations' practices related to an aging workforce.

The purpose of the research was to:

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

The presentation of the survey findings was divided into the following three sections:

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

**Survey methodology.** An e-mail, including a link to the online survey, was sent to 18,000 randomly selected SHRM members and 2,000 randomly selected SHRM members from government agencies. Data collection took place from May through July 2014. During the data collection period, several e-mail reminders were sent, and a small incentive was offered to increase the response rate. Of the 20,000 e-mail invitations, 19,308 were successfully delivered, and 1,913 HR professionals responded, yielding a 10% response rate and a 2% margin of error. In the survey itself, “older workers” were defined as employees 55 years of age or older in accordance with government and other standard definitions.



# Introduction

The following report compares the effective practice guidelines for organizations on preparing for an aging workforce as outlined in the SHRM Foundation's Effective Practice Guidelines series report titled *The Aging Workforce: A Guide to Leveraging the Talents of Mature Employees* with the findings from the SHRM Aging Workforce Survey on the state of older workers in U.S. organizations and on recruiting and retention practices, as well as on skills issues related to an aging workforce. Through this comparison, this report identifies the key gaps between recommended effective practices and the current state of practice as shown through the survey findings.

The United States, like many industrialized countries around the world, has an aging population and thus an aging workforce. According to the U.S. Bureau of Labor Statistics (BLS), the share of workers 55 and older will rise from 32.4 million in 2012 to almost 44 million in 2022.<sup>1</sup> Now that a portion of the large Baby Boom generation, born between 1946 and 1964, has reached retirement age, organizations are faced with the prospect of losing many workers with key talents, experience and skills. The U.S. Census Bureau estimates that by 2029, more than 20% of the total U.S. population will be over 65.<sup>2</sup> The dual challenges of dealing with skills shortages as many older workers retire and of building a more age-diverse workforce are therefore front and center in the minds of policymakers and business leaders. With these trends in mind, SHRM Research conducted a survey of HR professionals to learn more about how organizations are preparing for an aging workforce. The findings suggest 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 particular, the comparisons reveal:

**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).

**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 in the SHRM survey 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 potential change to the makeup of the workforce.

**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.

**Older workers are not included 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, over one-half of responding organizations reported that they did not actively recruit older workers at all.

# Part 1: The State of Older Workers in U.S. Organizations

# Key Gaps Identified

- *The Aging Workforce* EPG report cautioned that chronological age was not always the best way to define an older worker, but HR professionals reported that almost one-half of employees begin to view workers as “older” as early as their 50s.
- Although the EPG report advised that the term “older worker” can evoke negative stereotypes, it remains the term most frequently used by many official government and other bodies, as well as by organizations and HR professionals to describe workers in age categories beyond 50 (it was also the term used throughout the SHRM survey, though it is important to note that the survey results are based on a definition that identifies older workers as those aged 55+). It may take some time for new ways of describing workers by age demographics to develop.
- The EPG report outlined a strong case for preparing for a major shift in workforce demographics in the years ahead. However, organizations in the SHRM survey did not appear to share the same level of urgency in preparing for an aging workforce. Most organizations said they were either at the early stage of examining the issue or believed that no changes were necessary; 13% were not even aware of this potential change to the workforce.
- Whereas the EPG report advised organizations to take a long-term view of demographic changes and the impact of an aging workforce, most organizations in the SHRM survey mainly focused on assessing the impact of aging workers and retirements within a relatively short time frame (one to five years).

# Definitions and Terminology

The EPG report cautioned organizations to avoid overemphasizing chronological age when thinking about mature workers. Because people vary in terms of when and how they experience aging and whether they perceive themselves as aging, chronological age may not be the best way to define this stage of working life. Factors that should be taken into account in addition to chronological age include physical, mental and emotional health; career stage; job tenure; and life experiences.<sup>3</sup>

Another issue to consider, according to the EPG report, is whether the term “older worker” can evoke negative stereotypes. One of the best ways to combat ageism in the workplace is to avoid negative—or potentially negative—terminology whenever possible. The term “mature worker” was therefore used to describe this demographic group throughout the EPG report. The EPG report used the term “older adult” to refer to people age 65 and older who are not currently working and the term “retiree” to describe those who have left the workforce—generally assuming these individuals are over 55 years old, and often over 65.

In contrast, the term “older worker” was used throughout SHRM’s survey in accordance with BLS terminology. This term is commonly used in many government and other surveys as well as by employers. Therefore, any negative stereotypes associated with the term “older workers” may continue to be an issue as it remains the predominant terminology used to describe this demographic group.

In addition, when asked to define the age range at which workers begin to be perceived as “older,” the survey provides evidence that employees begin to define their fellow workers as older well before organizations begin to define them as older. Specifically, when reporting on organizational-level definitions, the highest proportion of HR professionals (32%) said their organization begins considering workers as older between the ages of 60 and 64, with another 21% choosing the age range 55 to 59 and 17% choosing the age range 65 to 69. In contrast, when reporting on employee-level perceptions, the highest proportion of HR professionals chose either the age range 50 to 54 (28%) or the age range 55 to 59 (28%) as the point at which employees begin to perceive their fellow employees as older, with another 24% choosing the age range 60 to 64. Although there is overlap in these response patterns, the survey findings suggest that HR professionals face a difficult challenge in changing how employees view their fellow workers.

# General Awareness of the Issue of an Aging Workforce

The EPG report outlined the demographic trends driving the aging of the workforce and some of the ways that organizations can effectively respond. In most industrialized countries, the Baby Boom generation will reach traditional retirement age over the next 15 to 25 years and will leave the workforce. This exodus of talent will have many implications for organizations, not least of which is the loss of talent represented by this departing generation. Thus, organizations must realize that mature workers, regardless of their current employment status, are a critical resource.

The EPG report encouraged HR professionals to take the lead in removing barriers, such as age discrimination and stereotyping, that may hold back older workers. To do this, they must educate organizational leaders and employees that hiring or retaining older workers does not come at the expense of younger workers and that society benefits when experienced workers remain in the workforce longer.<sup>4</sup> From a cost standpoint, the EPG report pointed to research showing that retaining or retraining older workers may be more cost-effective for many organizations than recruiting, hiring, onboarding, socializing and training new hires.<sup>5</sup>

The EPG report also outlined how paths to retirement are changing and described a new approach to working in later years that has many people retiring from a first career and subsequently returning to the workforce in a new capacity—often in an entirely new field or career. Thus, organizations must shift their perceptions about career paths to take advantage of the rich but often untapped talent pool of mature workers. One of the positive factors of this open-minded view of career paths and of developing policies aimed at attracting workers in the older age categories is that older and younger workers share many of the same needs and preferences. Often the HR practices that are designed to appeal to older workers are equally valued by younger workers and help make an organization an employer of choice for all age groups. For example, flexible working practices appeal to workers of all ages, and helping workers achieve and maintain a healthy lifestyle

can prevent or delay the onset of disabling conditions among all workers and thus reduce health care costs across the workforce.

However, although there is a general awareness that the population and workforce are aging, many organizations do not appear to feel a significant degree of urgency around preparing for these changes. Therefore, organizations may be less likely to adopt the practices advocated in the EPG report. Whereas more than one-third of respondents (36%) in the SHRM survey indicated that their organization was preparing for the projected increase in the proportion of older workers in the labor force by “beginning to examine internal policies and management practices to address this change,” one-fifth (20%) reported their organization had examined its workforce and determined that no changes in policies and practices were necessary, and another one-fifth (19%) of respondents said their organization was just becoming aware of the projected increase in the ratio of older workers in the labor force (see Figure 2).

Similarly, few HR professionals said the impact of the potential loss of talent due to retirement of workers could be considered a crisis (3%-4% in the next five years) or even a problem (18%-24% in the next five years) in their industry. Figure 1 shows the percentage of older workers in a range of industries. The findings showed that government agencies employ significantly more older workers than other industries, and accommodation and food services, retail trade, wholesale trade, and transportation and warehousing employed significantly fewer older workers than the other industries.

The absence of a sense of urgency around this demographic shift is probably the main reason why only a minority of organizations are making changes in response to the projected aging of the workforce. One-third or less of respondents said that the increasing age of their organization’s workforce had prompted changes in general management policy/practices (28%), retention practices (33%) or recruiting practices (35%) to some or a great extent (see Figure 4 in Part 2: Recruitment and Retention).

**FIGURE 1 | Percentage of Older Workers, by Industry**



Source: Executive Summary: Preparing for an Aging Workforce (SHRM, 2014)

**FIGURE 2 | How Organizations Are Preparing for the Projected Increase in the Proportion of Older Workers in the Labor Force**



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?”

Source: SHRM Survey Findings: The Aging Workforce—The State of Older Workers in U.S. Organizations (SHRM, 2014)

# Workforce Assessment

The EPG report advised all organizations to assess their workforce as a key step in preparing for an aging workforce. The three essential steps to workforce assessment it recommended were:

## **Step 1. Conduct age and knowledge/skill audits**

To conduct an age audit, HR professionals should compile information about worker ages and estimated time to retirement and break out the data according to division, occupation and so on. To conduct knowledge and skills audits, HR staff can document essential types of expertise required to carry out the organization's core mission and to successfully market its products and services to existing and new customers. To create a turnover risk map, HR professionals should ask leaders at each level of the organization to judge the degree to which each of their subordinates is critical to the organization's mission and the likelihood that each person will leave the organization within the next one, two or five years.

## **Step 2. Identify work requirements**

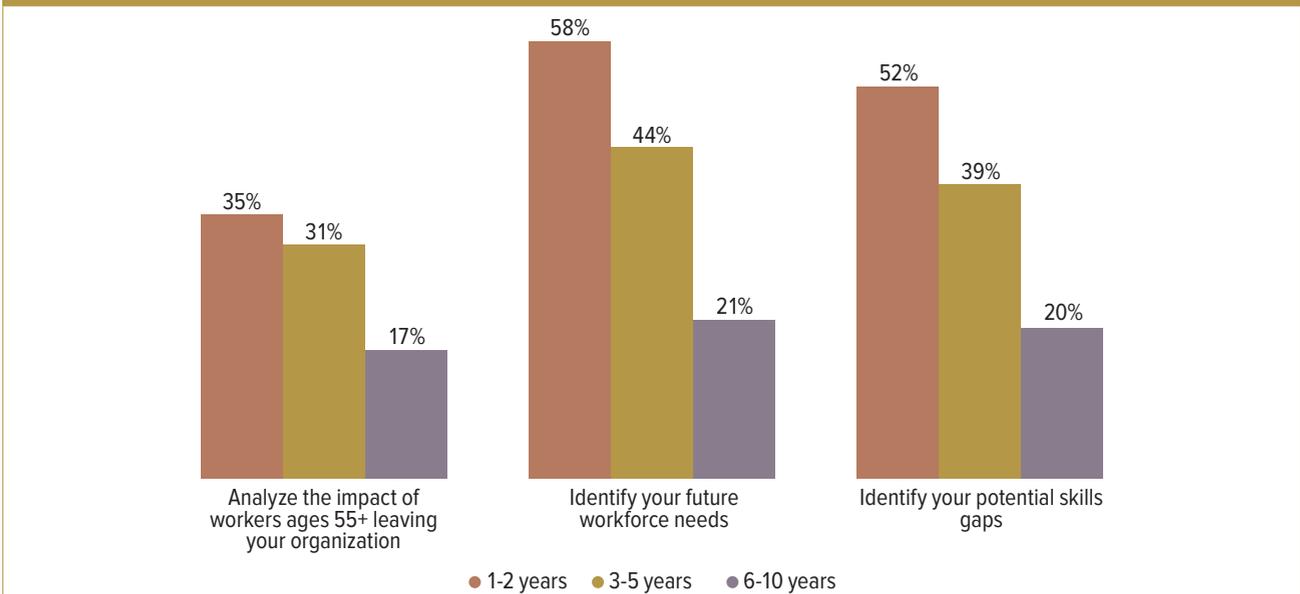
HR professionals must also consider the type of work that the organization needs workers to perform and determine how best to leverage the talent pool of available older workers. Organizations should keep in mind the possibility of adjusting the work to fit worker capabilities, rather than assuming that the work is fixed and workers must be found who can do it. Relatively minor adjustments or adaptations, such as brighter lighting, may be all that is necessary.

## **Step 3. Gather information from workers**

HR can use a structured and tactful approach to ask current employees about their plans for retirement and factors that will influence their decision to leave the workforce. To deepen the understanding of an organization's staffing outlook, information from current workers can possibly be combined with information from large-scale surveys, research on drivers of engagement and research on factors that influence the decision to retire.

The EPG report recommended detailed assessments to provide the data necessary to plan and prepare for an aging workforce. The SHRM survey did not reveal how many organizations are using these specific types of assessments, but it did ask HR professionals if their organization was engaging in each of three strategic workforce planning activities. Figure 3 shows that some organizations are conducting such activities, particularly in the area of identifying future workforce needs and identifying skills gaps, though mostly for near-term planning purposes over the next one to two years (58%); the percentage of organizations engaged in this activity drops to 44% when planning for three to five years out, and down to just 21% when planning for six to ten years out. However, a sizeable proportion are not performing any strategic workforce planning activities, which suggests they are not conducting any of the assessments outlined in the EPG report.

**FIGURE 3 | The Percentage of Organizations That Have Conducted a Strategic Workforce Planning\* Assessment to . . .**



\*Strategic workforce planning is a process used to ensure an organization takes into account the future loss of knowledge through employee resignations/retirements and the projected knowledge/personnel resources required to achieve the organization's goals.

Source: SHRM Survey Findings: The Aging Workforce—The State of Older Workers in U.S. Organizations (SHRM, 2014)

## CASE STUDY

# Staples

Older workers do not constitute a large segment of the payroll at Staples' distribution center in Auburn, Wash. But one human resource manager at the office supply retailer said she knows the company needs to prepare to accommodate that growing demographic.

"I do think we'll have a greater number of older workers in the future," said Heidi Boynton, who manages HR for the distribution center's four-state territory, covering Alaska, Idaho, Utah and Washington. Of the 300 employees in Boynton's division, only about 5% are currently in the 55-and-older category, but there is a growing awareness that this proportion is likely to increase in the future. The operations include warehouse workers, truck loaders, drivers and administrative personnel. Given the physical nature of much of the work, Boynton's employees skew toward the younger age groups, but that could change very soon. "We have pretty low turnover in my area. We have a lot of folks with 20 or 30 years in tenure, and we even have a couple people who have been here for over 50 years. I'm sure it's [having a greater number of older workers] going to continue."

If an older worker needs assistance with some aspect of his or her job, each situation is handled on an individual basis, Boynton said.

"We had a person with us who recently retired, and we gave him a flexible schedule in order to deal with health issues before he left," she said. "We have a lady who has been with us for 53 years, and her most recent job change was at the box making machine [where cardboard is loaded to construct packing boxes]. She used to do it manually, but now the system is computerized, so she needed some training."

In other cases, Staples representatives have created modified workstations for older employees, and they may include special seating to accommodate a physical ailment, computer programs that automatically increase the font on the workers' computer screens and other types of assistance.

"For the [older] drivers, we try to put them on the easier routes," Boynton said. "Of course, you can't always control the size of the packages if they have to unload the truck. But in general, we handle each situation individually. People have different struggles as they get older, but we'll do the best we can to find roles for everyone."

Staples does place high value on its seasoned employees, Boynton said. Members of that generation possess a strong work ethic that Boynton said she appreciates and witnesses first-hand every day.

"The woman that has been with us 53 years, I watch her work, and she outpaces people half her age," Boynton said. "Also, these employees end up being the pulse of the building. We had one woman with a health problem who was out for a while, and everyone kept asking about her, how she was doing, when she was coming back. Experience is always good, but a lot of it is who they are personally."

# Part 2: Recruitment and Retention

# Key Gaps Identified in Recruitment

- Although *The Aging Workforce* EPG report recommended including older workers in diversity and affirmative action recruiting plans, and suggested a number of concrete steps to make sure older applicants are not left out of the recruiting process, over one-half of organizations reported that they did not actively recruit older workers at all.
- The EPG report listed several ways to recruit older workers, including actively identifying sources of talent for older adults, seeking partners that will help recruit older candidates, and posting jobs in locations where older workers, job seekers and retirees are more likely to search. However, organizations in the SHRM survey said they most commonly relied on employee referrals for bringing in older job candidates.
- Although the EPG report stressed the shifting workforce demographics that will eventually force most organizations to seek out older workers to meet talent shortages, the majority of HR professionals did not report major difficulties in their current experience of recruiting older workers. This perception could indicate that most organizations have, to date, truly found it easy to recruit older workers, or that they simply have not tried because there is little sense of urgency on this matter. At present, HR professionals may have relatively limited experience with recruiting older workers.
- This lack of urgency may also mean that most recruiters currently are not being incentivized to bring older workers into the talent pipeline in their organizations.

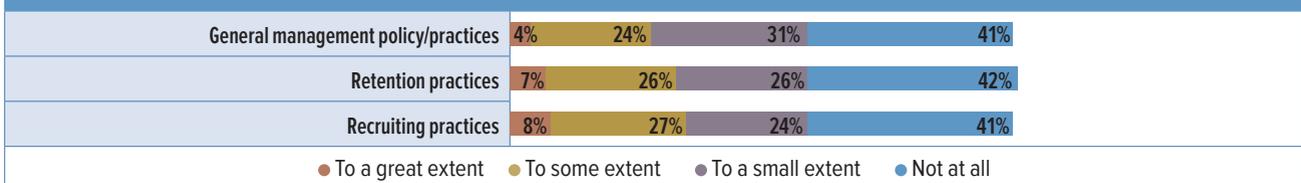
The EPG report advised HR professionals to include older workers in their organization's diversity and affirmative action recruiting plans. A proactive approach to recruiting job candidates in older age groups includes messaging in recruiting materials such as job postings and applications clearly spelling out that the organization is seeking workers of *all* ages. HR professionals and recruiters must also identify sources of talent that will include older adults and seek partners that can help recruit older candidates. Partners can help organizations post jobs in locations where older workers and retirees are likely to search.

Organizations can also attend seminars and career fairs specifically targeting older adults and offer seminars on topics likely to attract older adults, such as planning for retirement, reducing stress and adopting healthy lifestyles. Organizations can gain visibility among older adults by becoming recognized as an employer of choice for older workers. Perhaps the most important move HR professionals can make, according to the EPG, report is to take the lead in educating and preparing participants in the recruiting process to be aware of age-based stereotypes. This can mean helping recruiters recognize and deal with their own perceptions of older workers, as well as providing incentives for bringing older workers into the talent pipeline.

Although the EPG report suggested that recruiting older workers should be an imperative, only 37% of survey respondents reported that their organization had a formal policy for recruiting older workers (see Figure 6) and only 35% indicated that the increasing age of their organization's workforce had prompted changes in recruiting practices to some or a great extent (see Figure 4). Among organizations that said they *had* changed their recruiting practices in response to the increasing age of their workforce, the most commonly reported recruiting method directly targeting older workers was employee referrals (33%), as shown in Figure 5; more than one-half (54%) indicated they did not actively recruit older workers. When asked about the ease or difficulty of recruiting older workers, 21%-24% of respondents indicated that it was easy/extremely easy, depending on employee type; about three-fifths indicated it was neither easy nor difficult (see Figure 7). These findings could simply reflect the fact that organizations are not actively attempting to recruit older workers. Still, about one-fifth of organizations said they found it difficult/extremely difficult to recruit older workers compared with other workers, by employee type. Survey results also show that HR professionals were more likely to report that it was difficult/very difficult to recruit qualified older workers compared with other workers for skilled labor (25%), executive (25%), salaried individual contributor/professional (22%), and management (22%) positions than labor, low-skilled (17%) and administrative/

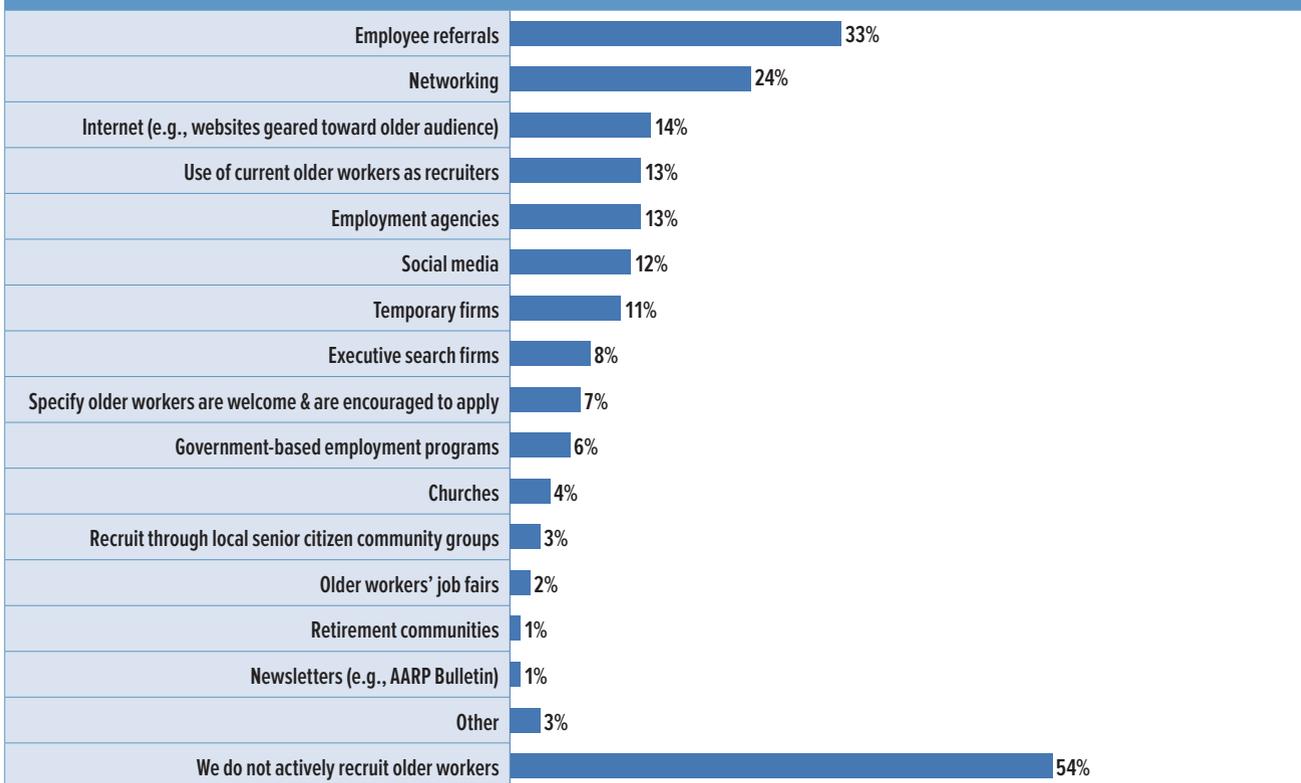
secretarial (7%) positions (see Figure 8). Regardless of the type of position, a lack of or few applications from older adults was the most often cited factor related to difficulty in filling positions with qualified older workers compared with other workers (46% to 60% of respondents selected this factor depending on the type of position; no other factor was cited more often for any position).

**FIGURE 4 | Extent Increasing Age of Organization’s Workforce Has Prompted Changes in . . .**



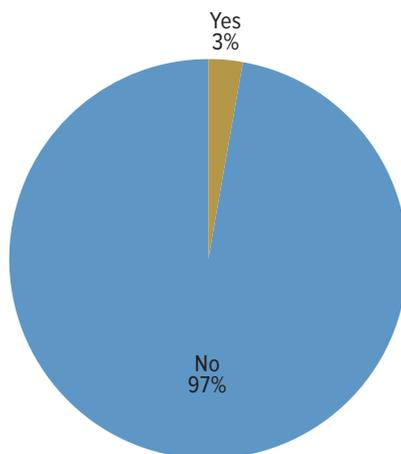
**Note:** n = 1,832-1,843. Respondents who indicated “not applicable” were not included in the analysis. Percentages may not total 100% due to rounding.  
**Source:** SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)

**FIGURE 5 | Recruiting Methods Used by Organizations to Directly Target Older Workers**



**Note:** n = 1,074. Only respondents who indicated the increasing age of their organization’s workforce had prompted changes in their recruiting practices were asked this question. Percentages do not total 100% due to multiple response options.  
**Source:** SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)

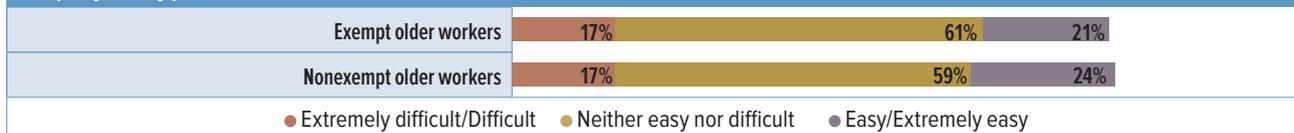
**FIGURE 6 | Organizations That Have a Formal Strategy for Recruiting Older Workers**



Note: n = 1,740

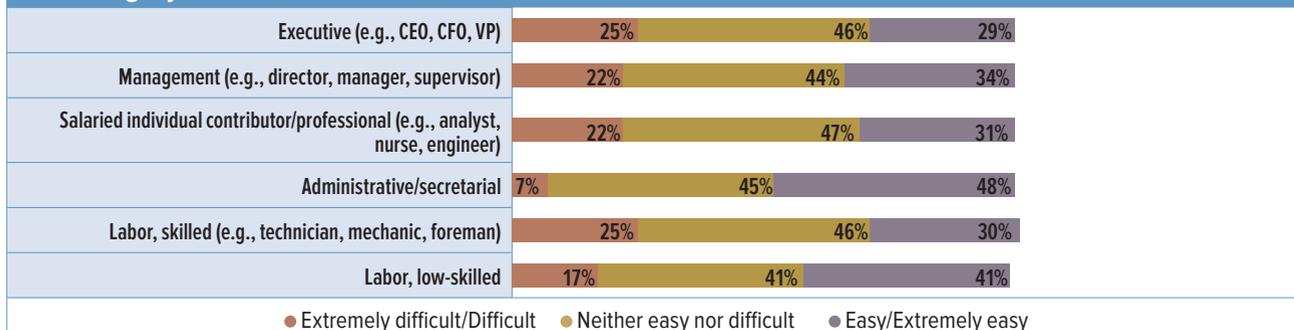
Source: SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)

**FIGURE 7 | Difficulty Recruiting Older Workers Qualified for Positions Compared with Other Workers, by Employee Type**



Source: SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)

**FIGURE 8 | Difficulty Recruiting Older Workers Qualified for Positions Compared with Other Workers, by Job Category**



Source: SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)

## CASE STUDY:

# Gallivan, White & Boyd PA

It was a recent reduction in staffing at Gallivan, White & Boyd PA that helped its leaders embrace the older demographic on payroll. And today, the law firm's hiring strategies place extra emphasis on the recruitment of seasoned professionals.

In May 2014, Freda Lark—human resource director at the firm based in Greenville, S.C.—conducted an analysis of the company'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 some attorneys fell into that demographic as well. At the time of the payroll analysis, Gallivan officials were reducing some of the 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, and that did not include those in their early 50s," she said. "We look for longevity in our workforce."

Rather than view the older segment of the workforce as a concern for the firm, Gallivan leadership team saw it as an opportunity. In the future, Lark said the firm anticipates that older workers will constitute a significant segment of its payroll, and that is by design.

"Our shareholders are all reaching that level of 'near retirement,'" she said. "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 the range of 55 and older."

One of the firm's lead attorneys in Charlotte recently changed his viewpoint about hiring older workers, Lark said. "He typically wanted to hire somebody young and train him or her over time," she said. "And very often, those workers left the firm with all that great training. His most recent hire was 55 years old."

Lark stressed that the firm does not discriminate against younger workers and has had many excellent employees who belong to different generations. But the firm's leaders are now focused on including older, more experienced professionals as part of the recruiting process with its new hires.

"It's not a knock on younger workers, but the benefit of older workers really is because of the experience," Lark said. "Once somebody learns your ways, you don't want to reinvent the wheel every time you're hiring someone. I've had situations where people have come here right after college, and they left after six months."

Staff at Gallivan, White & Boyd PA do come from several different age groups and backgrounds, Lark said. 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.

## Key Gaps Identified in Retention

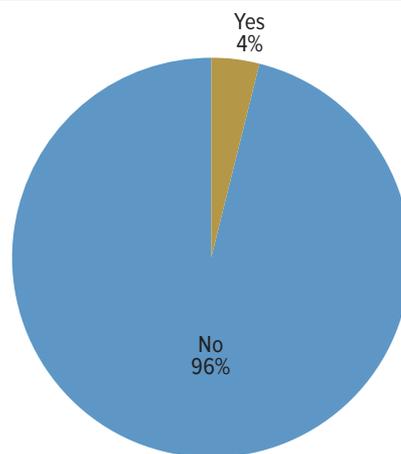
- Though *The Aging Workforce* EPG report recommended a number of steps to retain older workers, very few (4%) organizations reported having a formal retention plan or strategy to do so. This is not particularly surprising, given that a substantial proportion of survey respondents indicated that retaining older workers was currently not difficult. However, retention could become more challenging as the economy continues to improve after the 2007-2009 recession, resulting in more employment options for workers of all ages.
  - According to the EPG report, offering flexible work arrangements is a key way to influence older workers' employment decisions. Indeed, the survey results showed that *inability* to provide flexible work arrangements was a primary barrier to retention of older workers, at least among the respondents who said they currently found it difficult to retain these workers. HR professionals must therefore help their organizations think creatively about ways to offer flexibility.
  - Offering employment arrangements that allow older workers to transition to retirement, such as phased retirement or bridge employment, was also recommended by the EPG report because these arrangements are perceived as attractive by many older workers. However, the survey showed that very few organizations currently offered this type of work arrangement.
  - Even when organizations offer voluntary programs to enhance retention, the SHRM survey found that a substantial portion of employees choose not to participate in voluntary programs designed to enhance retention, such as flexible work arrangements, bridge employment, and health and wellness programs. HR professionals can play a key role in identifying and reducing barriers to participation, such as older workers' beliefs (accurate or not) about why the program is being offered and how their participation will be viewed by their supervisors or managers.
  - Many of the EPG report's suggestions, such as using mixed-age workgroups and creating age-positive messaging to employees, managers and supervisors, cost very little, if anything, to implement. In addition, addressing real and perceived age discrimination in termination of older workers or in other employment practices such as hiring, promotion and compensation is absolutely crucial to avoid the very real possibility of costly litigation.
- The EPG report listed many recommendations for organizations to retain older workers:
1. **Acknowledge worker contributions.** Organizations should ask older employees to continue working and strive to make them feel valued.
  2. **Offer flexible work arrangements.** Work flexibility may be the deciding factor in determining older workers' employment choices, that is, to continue working if already employed or to accept a job offer if seeking employment.
  3. **Offer bridge employment.** Bridge employment assists with the transition from a worker's late career into full retirement and typically involves reduced work hours, responsibilities or workload.
  4. **Support health and wellness.** Although health problems may increase with advancing age, supporting health and wellness can help alleviate the incidence and cost of disability claims and health care for workers of all ages.
  5. **Provide caregiver support.** Often caregiving responsibilities are the primary reason older workers need work schedule and work location flexibility; recognizing their concerns and supporting them during this time can make a big difference in their ability and willingness to continue working.
  6. **Offer skills training.** Older workers need to upgrade their skills regularly and should not be excluded from job training programs. After refreshing their skills or learning new ones, they may stay longer than younger workers.

7. **Provide career and personal growth opportunities.** HR professionals can create models that help workers at mid- or late-career stages determine where and how their skills could be applied in new roles.
8. **Implement mixed-age workgroups:** Using groups comprising workers of all ages can encourage the transfer of knowledge and sharing of tasks according to group members' relative strengths and weaknesses.
9. **(Re)Design work to match worker capabilities.** Job alterations for mature workers can include physical redesign, workflow and pace changes, and stress control measures.
10. **Train managers and supervisors.** Their actions and words are the primary cues that workers use to decide if the organization values older workers.
11. **Provide support for retirement planning.** Doing so indicates that the organization cares about older workers, but may also help them realize that it is in their best financial interest to continue working.
12. **Address age discrimination (real and perceived).** Though most age-based cases focus on termination of older workers, in the future a growing number could relate to other employment practices, including hiring, promotion and compensation.
13. **Foster an age-positive organizational culture.** Employers can take steps such as incorporating images and voices of older workers in organizational communications.
14. **Foster job and career embeddedness.** Organizations should make workers of all demographics feel like part of a community.
15. **Facilitate critical knowledge transfer.** HR professionals should ensure the transfer of knowledge to others, and into knowledge management systems, before employees depart.

A talent management strategy focused on retaining older workers will include several of the preceding steps, and will likely enhance retention of employees of all ages. However, similar to the findings on recruiting older job seekers, the SHRM survey found that most organizations did not have a strategy for retaining older workers and were not taking any formal steps to retain their older employees. Only one-half (50%) of HR professionals said their organization tracked the percentage of employees eligible to retire in the next one to two years and fewer still beyond that time frame. Very few organizations indicated that they had a formal strategy for retaining older workers (4%, see Figure 9). Given that many organizations appear to be relatively unconcerned about the impact of pending demographic shifts on their workforces, it is not surprising that most said they were not making changes to their management or recruiting and retention practices in preparation for these shifts.

When asked about the ease or difficulty of retaining older workers, 42%-45% of respondents indicated that it was easy/extremely easy, depending on employee type; about one-half indicated it was neither easy nor difficult (see Figure 10). These findings could simply reflect that few organizations are actively attempting to retain older workers. Still, about 10% of organizations said they found it difficult/extremely difficult to retain older workers. For organizations that do find it difficult to retain older workers, the SHRM survey findings confirmed the importance of offering flexible work options because the most frequently cited reasons for difficulty were all related to the organization's inability to offer some aspect of workplace flexibility, including flexibility in work location (47%), career flexibility (45%), work hour flexibility (44%) and work schedule flexibility (43%) (see Table 1). There are many ways to offer flexible work arrangements.<sup>6</sup> HR professionals can play a strong role in helping their organizations think of creative ways to provide flexible and effective work arrangements.

**FIGURE 9 | Organizations That Have a Formal Strategy for Retaining Older Workers**



Note: n = 1,739

Source: SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)

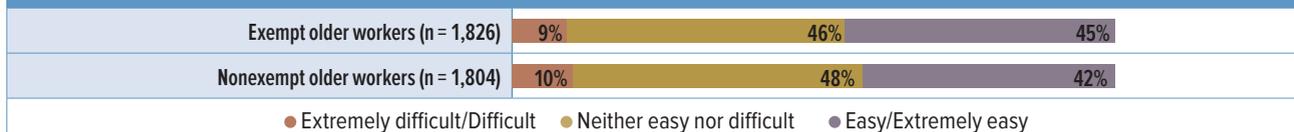
The SHRM survey asked HR professionals if their organization employed workers who had retired from other organizations or careers. The survey findings suggest that this may be relatively common as two-thirds (66%) of respondents said their organization employed older workers who retired from other organizations or careers before joining their organization. However, these types of workers did not make up the majority of older workers in any given organization. An overwhelming majority of HR professionals (90%) said that only 1% to 20% of their organization's older workers had previously retired from other organizations or careers before joining their organization. Of respondents who reported their organization employed older workers who retired from other organizations or careers before joining their organization, almost half (46%) indicated that older workers in this group were mixed between full- and part-time status.

The SHRM survey showed that HR professionals believe many older adults choose to work during retirement for financial reasons. Almost three-quarters (72%) of HR professionals said they believed that money was a factor for employees who joined their organization after retiring. At the same time, more than half (58%) reported that enjoyment/occupying time was a factor, and about two-fifths said health care benefits (45%) and social interaction (42%) contributed to an older adult's decision to return to work. These findings are consistent with those from a large 2013 survey of older workers in the U.S.<sup>7</sup>

Over three-fifths (61%) of HR professionals said their organization attempted to capitalize on and incorporate the experience of older workers to some or a great extent (see Figure 13). Although organizations made efforts to capitalize on the experience of older workers, very few had a formal strategy for retaining (4%) or recruiting (3%) this group (see Figure 9 and Figure 6, respectively). Among respondents who indicated their organization had a formal strategy to recruit and/or retain older workers, many used flexible working options to attract and retain them (see Table 2). These findings are consistent with an infographic prepared by the AARP that depicted features of jobs that older workers want relative to the percentage of organizations, among the winners of AARP's/SHRM's Best Employers for Workers Over 50 award, that offer them.<sup>8</sup>

Among respondents who indicated their organization had taken a specific step(s) to recruit and/or retain older workers, 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/or retaining older workers (see Figure 11). However, the survey also showed that older workers do not necessarily participate in or accept these options (see Figure 12). Indeed, further analysis showed that the majority of HR professionals reported that less than one-half of their eligible employees used reduced hours or part-time positions (79%), flexible scheduling programs

**FIGURE 10 | Difficulty Retaining Older Workers Qualified for Positions Compared with Other Workers**



**Note:** Percentages may not total 100% due to rounding.

**Source:** SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)

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

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

**Note:** n = 242. Only respondents who indicated it was difficult/extremely difficult for their organization to retain older workers compared with other workers were asked this question. Percentages do not total 100% due to multiple response options.

**Source:** SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)

for older workers (76%), or phased/gradual retirement programs (83%).

There are several possible reasons why older workers do not participate in activities designed to enhance their retention. Some are not financially secure enough to accept the reduction in pay or loss of health care benefits that accompany a reduction in hours. Some may believe that their job will be eliminated if they opt for phased retirement or a reduction in hours. Finally, some may worry (perhaps with good reason) that their supervisors and co-workers will view them as a burden or less capable if they request work flexibility.

**TABLE 2 | Steps Taken to Recruit and/or Retain Older Workers**

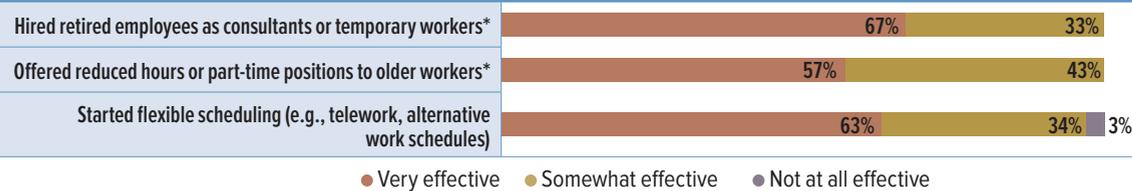
Offered reduced hours or part-time positions to older workers	48%
Hired retired employees as consultants or temporary workers	40%
Started flexible scheduling (e.g., telework, alternative work schedules)	37%
Created positions/redesigned positions that allow bridge employment*	30%
Offered phased/gradual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

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

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

**Source:** SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)

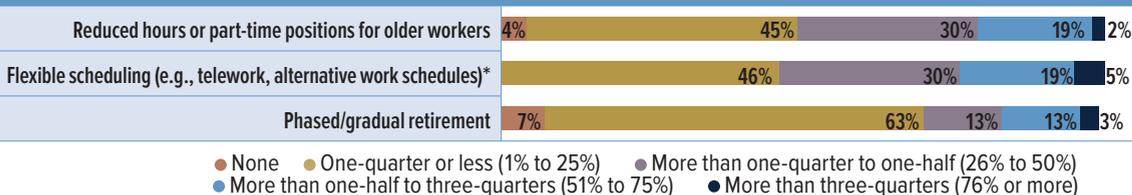
**FIGURE 11 | Effectiveness of Various Steps Taken to Recruit and/or Retain Older Workers**



**Note:** \* 0% of respondents indicated “Not at all effective.” Percentages may not total 100% due to rounding.

**Source:** SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)

**FIGURE 12 | Percentage of Eligible Employees Using Each Option/Program Implemented by Organization**



\* 0% of respondents indicated that “none” of their organization’s eligible employees used flexible scheduling.

**Source:** SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2014)



## CASE STUDY:

# Multnomah County Local Government

As far back as 2007, officials in Multnomah County, Oregon, were mindful of the region's aging population. A task force on "vital aging" was created and charged with researching ways to sustain a healthy community, develop services and make other accommodations for older residents.

At the same time, human resource professionals working for the county's local government—the most populous in Oregon, with more than 700,000 residents and including the city of Portland—realized that their workforce was getting older, too, according to Amy Lippay, Multnomah County's human resource manager.

"We saw our average age ticking up each year," Lippay said. "We rely so heavily on institutional knowledge and people with specialized jobs. From our standpoint, maybe there's not another counterpart out there, or a private sector equivalent that can do these jobs."

That prompted Lippay and her colleagues to look closer at the changing demographics on the county's payroll. They learned that more than one-fourth of Multnomah's 4,500 employees were "older workers," or ages 55 and above. Some departments had particularly high concentrations of these employees, including finance, engineering, nursing, library services and management, Lippay said.

The county's average employee tenure is 11 years, she said, although many workers go far beyond that level of service. Multnomah officials administer a program every year when workers are recognized on their anniversaries, and Lippay said it is not unusual to recognize somebody with 35 or 40 years of employment at any given time.

With that, Multnomah's HR representatives started to reach out to all the county's departments and encourage them to make succession planning an element of their staffing strategies. That effort came to a temporary halt, however, when the financial crisis arrived in 2008 and the Great Recession delayed many workers' retirement plans.

The nation's economic recovery eventually took hold, and in 2012, retirements among Multnomah County's staff rose once again to about double the number that occurred in 2009, Lippay said.

"People felt more financially comfortable, and being that we're a public employer, we had some changes to our pension that concerned some people," Lippay said. "When that happens, we usually see an increase in retirements."

With greater churn among the ranks, the county's workforce planning efforts had renewed importance. To that end, Lippay and her colleagues in 2013 once again approached members of each county department to talk about succession planning and making accommodations for older workers who may remain on the job.

The county's department of community services, for example, has an average age of 54, and nearly one in five (19%) of its staff is 70 or older, according to Multnomah County data from March 2014.

One program that emerged from the county's vital aging task force in 2007 was an employee resource group for older workers and others who were approaching retirement. Lippay's department, which formed the group, welcomed about 100 attendees to its first meeting in 2009, and the sessions are still going strong, she said. Counselors are brought in to talk about financial planning and trends in Social Security and Medicare, as well as potential "encore careers" for employees' post-retirement plans.

"It's still an active resource," she said. "The group members have also gotten very involved at the county level. They often advise our elected officials on what they can do to improve conditions [for older workers]."

Lippay anticipates that older workers will comprise a significant segment of the county's payroll for the foreseeable future. As of March 2014, about 28% of Multnomah County's workforce consisted of employees age 55 or older, and another 28% belonged to the 40 to 49 age group.

"We need succession planning to be ingrained at every level of the organization, from executive down to manager level," she said.

The county's generous reward system, Lippay said, is a strong incentive for workers to remain with the organization. Along with a pension, Multnomah County offers retiree health insurance that provides a subsidy until the worker qualifies for Medicare. The county also offers long-term care insurance and a leave time donation bank.

But even after older workers are gone or have started to plan their retirements, Lippay says the county finds ways to keep them close by to tap into their expertise.

"We've had case-by-case examples of phased retirement, and others have asked to job share," she said. "We have also been able to bring people back for mentoring and other forms of knowledge transfer. Our average employee is 46 years old. Most have quite a bit of experience, and they have specialized knowledge and skills. Because we rely so heavily on that, we invest a lot in them. And we want to retain that investment."

# Part 3: Basic and Applied Skills

# Key Gaps Identified

- *The Aging Workforce* EPG report recommended reviewing strategies to manage leadership talent and development in light of the aging of the workforce. But though HR professionals identified several key advantages older workers bring to their jobs, including more experience, maturity, a stronger work ethic and reliability, many organizations did not have a strategy for holding onto the skills and talents of workers nearing retirement.
- The EPG report outlined many steps organizations could take to facilitate knowledge transfer from older to younger generations (and even in some cases from younger to older).<sup>9</sup> The SHRM survey revealed that areas where older workers are most valued, such as in both written and spoken English language and communication skills, could be the same areas where knowledge transfer efforts and mentoring hold the most promise. However, most organizations are not making use of these options.
- The EPG report strongly encouraged efforts to transfer the knowledge of retiring older workers to the next generations. However, whereas 42% of the HR professionals surveyed said that their organization is increasing training and/or cross-training efforts to address potential skills gaps resulting from the loss of older workers, data from another SHRM research report based on its Employee Benefits Survey indicated that many training and development benefits are in decline.<sup>10</sup> This disconnect could lead to problems with skills shortages in the years ahead.
- The EPG report outlined evidence that a wave of retirements could lead to serious skills shortages in many industries, but one-third (34%) of organizations in the SHRM survey had not taken any steps to prepare for potential skills gaps.
- Though many knowledge transfer structures and systems the EPG report recommended are not yet in wide use, they may become increasingly popular as the impact of the loss of skilled and experienced workers is more extensively felt across industries. The organizations that begin developing such projects now will have a head start—and a strategic advantage.

The EPG report emphasized that succession planning is more critical than ever given that many of today's leaders belong to the Baby Boom generation, which means that a relatively large number of leaders could reach retirement age at about the same time. Occupational data from the BLS focusing on individuals employed in a management occupation in the U.S. in 2012 showed that 20% were ages 55 to 64 and that another 7% were already age 65 or older. If the focus is narrowed to the occupation of chief executive, 27% were ages 55 to 64, and another 9% were already 65 or older.<sup>11</sup> The concern is even stronger in the U.S. government, where the Office of Personnel Management (OPM) has projected that by 2016 more than 33% of the entire federal workforce will be eligible to retire (all levels) and 60% of the Senior Executive Service (SES) workforce will be eligible to retire. Furthermore, OPM data show that, over the past several years, 80% of employees eligible to retire have retired within five years of attaining eligibility.<sup>12</sup>

Given the data on aging workforces, organizations need to expand their search for successors because the obvious candidates (current midlevel managers) may also be eligible for retirement. In addition, these demographic shifts may begin to significantly alter many of the traditional hierarchies that predominate in today's organizations. HR professionals and managers, for example, should prepare younger managers for the possibility that they will have subordinates who are older than they are—perhaps much older. The EPG report also stressed that organizations may need to develop younger leaders faster than in the past in the face of a wave of retirements among their leadership groups. In many cases organizations will benefit greatly from access to retired alumnae as mentors for up-and-coming leaders.

When identifying potential future leaders, according to the EPG report, recruiters, hiring managers and others involved in the selection process may need to expand the definition of “high-potentials” to include individuals who are older than the typical high-potential candidate. In some cases, it may be necessary to promote relatively inexperienced older adults into entry-level leadership positions and to make sure they receive the same developmental support as their younger peers. The EPG stressed that investing in training and development

efforts of workers of all ages was and will continue to be critical to the success of organizations.

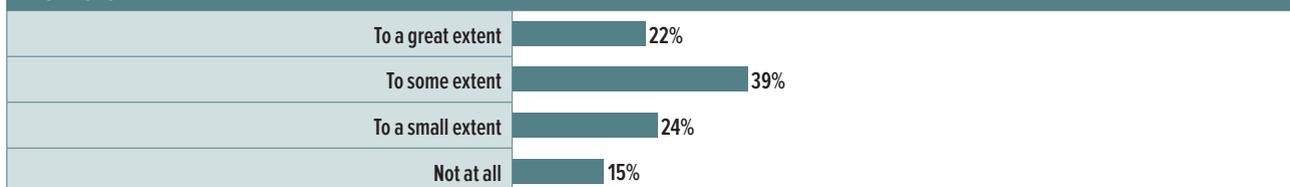
Another key issue emphasized in the EPG report is that knowledge transfer must occur among the three or even four generations in today’s workforce. The report advised organizations to:

- Offer older workers encouragement or incentives for mentoring other employees.
- Train managers to solicit experience-based lessons from older workers in a respectful manner.
- Create mixed-age workgroups and project teams so that knowledge sharing can occur naturally.
- Give older workers opportunities to join task forces, another venue in which to share their wisdom.
- Transition older workers into formal trainer or instructor roles.
- Create a searchable expert locator system that includes contact information for individuals (current employees, retirees or both) with particular expertise or skills.
- Create a retiree alumni association to supply consultants when needed.

- Bring retirees back for developmental sessions with current employees; involve them in the onboarding process for new hires or when training workers on specialized equipment.
- Schedule and coordinate “storytelling” sessions in which older workers share information about lessons learned from past mistakes and how they dealt with challenges. These sessions should be carefully structured to clearly link them with the organization’s current mission and goals, and they should be made engaging for all participants.
- Implement systems to capture institutional knowledge (e.g., a structured and searchable database that contains information about customers, specific projects or contracts, commonly used documents or tools, and organizational talent).
- Create an internal “wiki” system where workers can share their knowledge.

The SHRM survey suggested that organizations are aware of the need to facilitate transfer of critical knowledge from older to younger workers, and many of the organizations with this awareness reported taking steps to prepare for potential skills gaps due to the loss of older workers. For example, more than three-fifths (61%) of

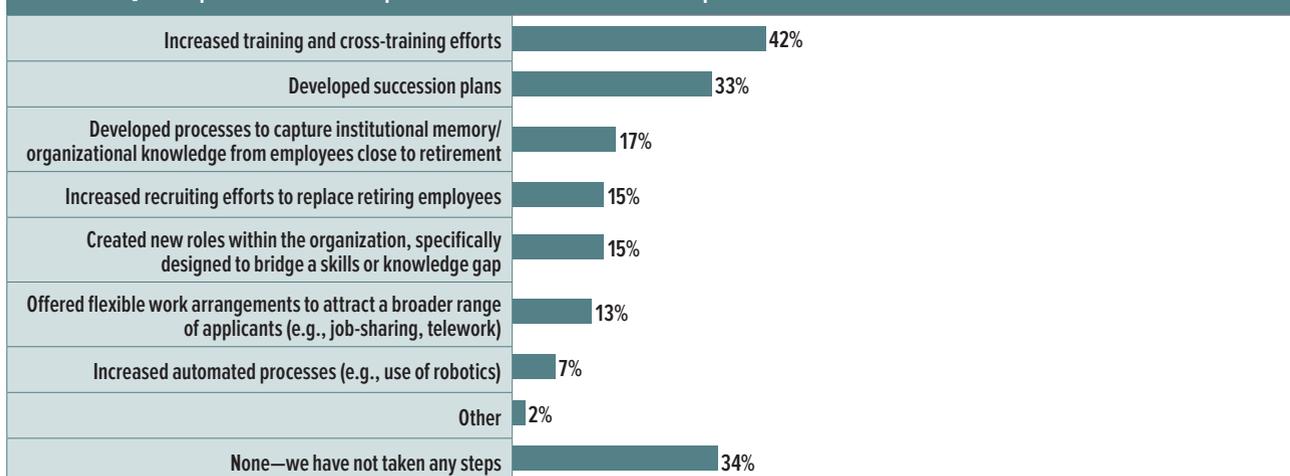
**FIGURE 13 | Extent Organizations Attempt to Capitalize on and Incorporate the Experience of Older Workers**



Note: n = 1,737.

Source: SHRM Survey Findings: The Aging Workforce—Basic and Applied Skills (2014)

**FIGURE 14 | Steps Taken to Prepare for Potential Skills Gaps as a Result of the Loss of Older Workers**



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

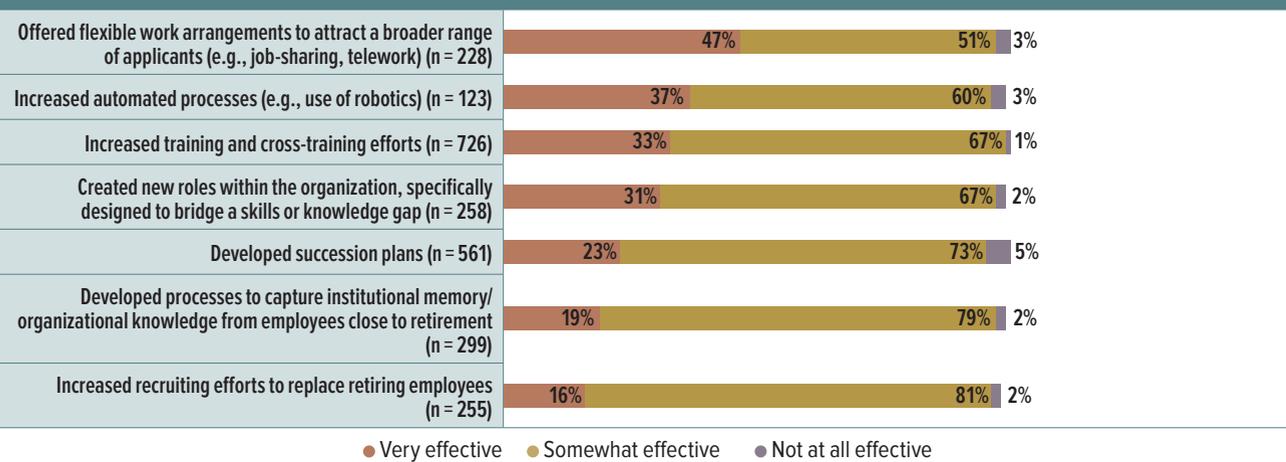
Source: SHRM Survey Findings: The Aging Workforce—Basic and Applied Skills (2014)

respondents indicated that their organization attempted to capitalize on and incorporate the experience of older workers to some or a great extent, and few (15%) reported their organization did not capitalize and incorporate the experience of older workers at all (see Figure 13). When provided a list of possible actions that could be used to prepare for potential skills gaps, including the option “no steps taken,” two-thirds of respondents indicated that their organization has taken at least one of the actions (see Figure 14). It is worth noting, however, that one-third (34%) indicated their organization had not taken any steps to prepare for potential skills gaps as a result of the loss of older workers. The most frequently cited actions included increasing training and/or cross-training efforts (42%) and developing succession plans (33%). These actions may be perceived by HR professionals as more viable than some of the less frequently cited actions, such as recruiting replacement older workers (15%) or offering flexible work

arrangements (13%). They may also be viewed as more directly addressing skills gaps than actions designed to recruit or retain older workers, such as offering flexible work arrangements. When asked about the effectiveness of various actions for addressing potential skills gaps, the most commonly cited actions listed above were judged to be somewhat effective or very effective by almost all respondents (96% to 99%). However, the action receiving the strongest endorsement as very effective in addressing the skills gaps related to the loss of older workers (47% endorsement) was one rarely offered in organizations—flexible work arrangements (see Figure 15). Only 13% of respondents said their organization was using this strategy (see Figure 14).

When provided a list of possible strategies to transfer knowledge from older workers to younger workers, more than one-half (54%) of respondents said their organization

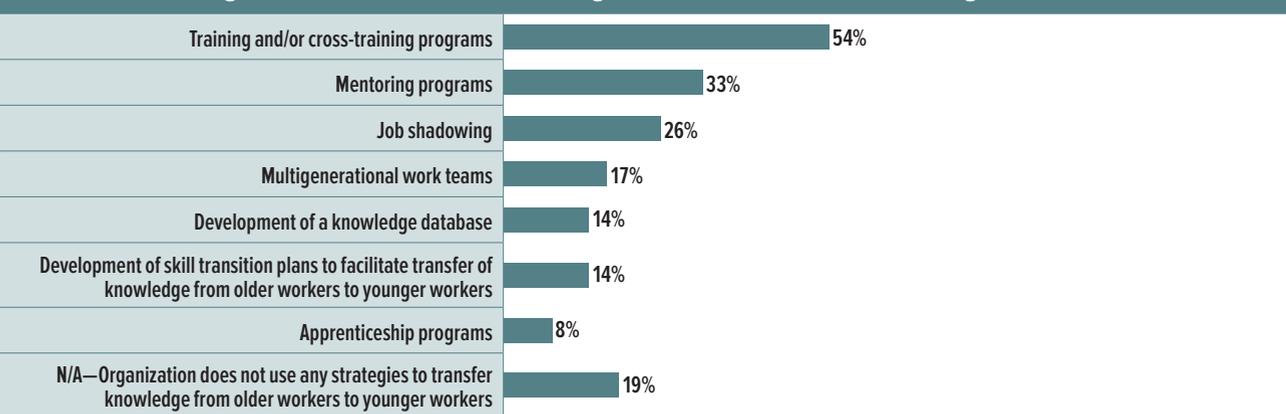
**FIGURE 15 | Effectiveness of Steps Taken to Prepare for Potential Skills Gaps as a Result of the Loss of Older Workers**



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

**Source:** SHRM Survey Findings: The Aging Workforce—Basic and Applied Skills (2014)

**FIGURE 16 | Strategies Used to Transfer Knowledge from Older Workers to Younger Workers**



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

**Source:** SHRM Survey Findings: The Aging Workforce—Basic and Applied Skills (2014)

had implemented training and/or cross-training programs, one-third (33%) had implemented mentoring programs, and one-quarter (26%) had implemented job shadowing. However, about one-fifth (19%) of respondents said their organization did not use any strategies to transfer knowledge from older workers to younger workers (see Figure 16).

The SHRM survey also provided HR professionals with a list of possible advantages older workers may bring to the workplace and asked them to indicate which ones they endorsed (see Table 3). The five most frequently endorsed advantages were:

- More work experience (i.e., more knowledge and/or skills) (77%).
- More mature/professional (71%).
- Stronger work ethic (70%).
- Ability to serve as mentors to younger workers (63%).
- More reliable (59%).

Similarly, when provided lists of basic skills (see Figure 17) and applied skills (see Figure 18) and asked which ones are typically stronger among older workers than other workers, the most frequently endorsed skills included:

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

Looking ahead, organizations will need to capitalize on the skills and experience of older workers as demographic shifts begin to take effect. The good news is that the vast majority of respondents reported that employees in their organization were receptive to working with older workers (92%), learning from older workers (91%) and being mentored by an older worker(s) (86%) to some or a great extent (see Figure 19). Given that almost no respondents (only 1%-2%) indicated that employees in their organization are not at all receptive to working with, learning from or being mentored by older workers, it seems that there is an overall awareness of the value of learning from older workers.

**TABLE 3 | Main Advantages of Older Workers Compared with Other Workers\***

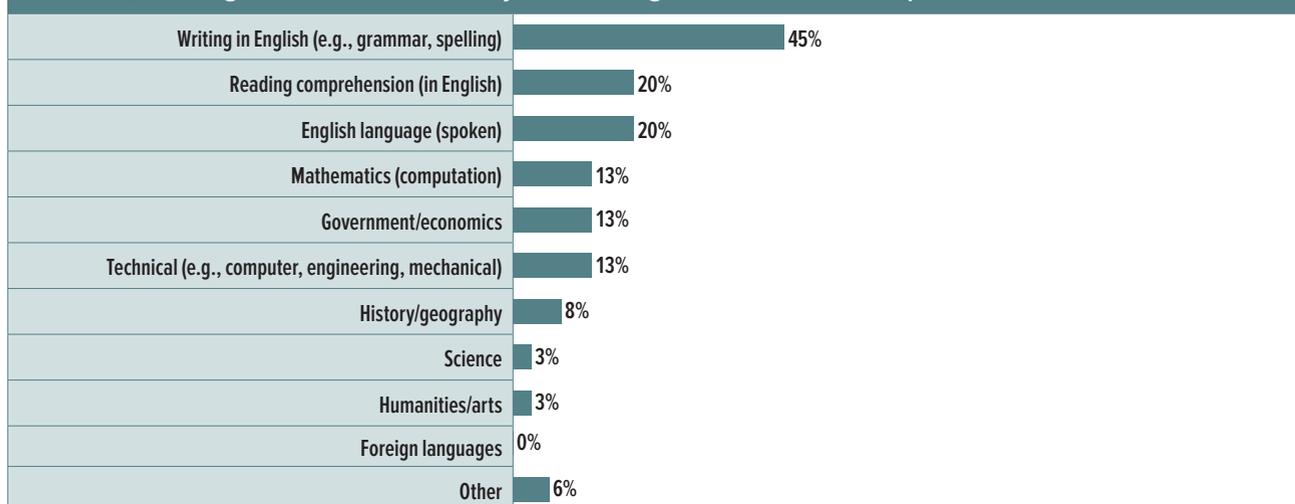
More work experience (i.e., more knowledge and/or skills)	77%
More mature/professional	71%
Stronger work ethic	70%
Ability to serve as mentors for younger workers	63%
More reliable	59%
More loyalty	52%
Lower turnover	52%
Tacit knowledge (knowledge that is not easily recorded or disseminated)	51%
Commitment/engagement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

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

\* Question as asked in the survey: “In your professional opinion, what are the main advantages workers age 55 and older bring to your organization compared with other workers? (Check all that apply.)”

**Source:** SHRM Survey Findings: The Aging Workforce—Basic and Applied Skills (2014)

**FIGURE 17 | Strongest Basic Skills Held by Workers Age 55 and Older Compared with Other Workers\***

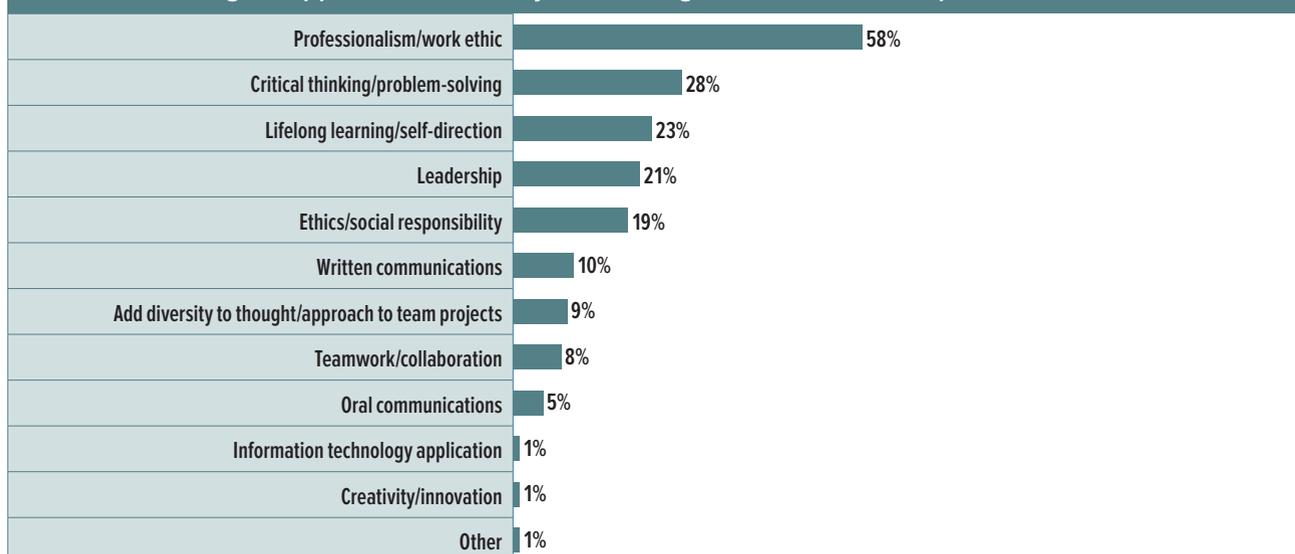


**Note:** n = 1,736. Percentages do not total 100% due to multiple response options.

\* Question as asked in the survey: “In your professional opinion, what are the strongest basic skills held by workers age 55 and older compared with other workers? (Check the top two choices.)”

**Source:** SHRM Survey Findings: The Aging Workforce—Basic and Applied Skills (2014)

**FIGURE 18 | Strongest Applied Skills Held by Workers Age 55 and Older Compared with Other Workers\***



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

\* Question as asked in the survey: “In your professional opinion, what are the strongest applied skills held by workers age 55 and older compared with other workers? (Check the top two choices.)”

**Source:** SHRM Survey Findings: The Aging Workforce—Basic and Applied Skills (2014)

**FIGURE 19 | Extent to Which Employees in the Organization Are Receptive to . . .**



**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)

## CASE STUDY

# Mexichem Specialty Resins, USA

A balanced combination of internal training and external recruiting has helped one U.S. company effectively manage and benefit from the older demographic in its workforce.

Mexichem Specialty Resins, USA is a wholly-owned subsidiary of Mexichem, a global chemical/petrochemical interest and one of the largest companies based in Mexico. The U.S. division of Mexichem has roughly 200 employees in three locations, and more than 40%—84 workers—of its employees fall into the “older workers” category of age 55 and over.

“It’s a sizable part of our workforce,” according to Brock Blinn, senior human resource manager for Mexichem Specialty Resins, USA. “We have many people with long terms of service here, and we have very low turnover. People who join us tend to stay with us.”

Mexichem’s U.S. manufacturing facilities were built mostly in the 1950s and 1960s by previous ownership groups, and it is not uncommon to find employees who were around for the early years of those operations. There are many workers currently on staff with more than 40 years of service.

Mexichem’s parent company conducts most of its business in Central and South America, but the U.S. division is growing, and talent management has become a top priority for the organization. Many of Mexichem USA’s manufacturing employees fall into the older worker category, and other members of its workforce have also been on the job for multiple decades. The company has a fairly small sales group in the United States, for instance, but “virtually all of that team” is in the 55-and-older group, according to Blinn.

“We’ve been looking at this for the past two or three years. Part of our strategy has put us back in the market to recruit people with the skills we need, but we have also developed people internally and beefed up our training and development.”

Manufacturers like Mexichem, in particular, have at times had problems filling open positions in the post-recession economy. Blinn noted that the company has struggled recently to find new workers for its maintenance teams that take care of its equipment and facilities. In response, Mexichem began a new training initiative that brings in properly skilled workers from the outside whenever possible, but the company also enhances the skills of Mexichem’s existing employees.

“We do a fair amount of cross-training, in order to prepare people for future openings in the maintenance department. We have quite a few people who perform basic labor for us, but we started training them for operator roles, at least on a temporary basis. That way, when you have an opening, you at least have somebody who can fill in temporarily, and it helps to control costs. And many times, you can fill that job from within.”

In other departments, initiatives involving older workers have not been as difficult to carry out and have just become a matter of effective recruiting. For the sales team, Mexichem has hired one young trainee who has learned about the business “directly from the guys who have been doing it for us all these years,” said Blinn. Mexichem will use the mentoring approach on the sales team going forward as well. The goal is to manage a highly skilled labor

force at all levels of the organization to maintain continuity in its operations for the long term.

“From my perspective, as well as the leadership team’s, training and development is an investment in our people,” Blinn said. “Mexichem’s presence in the United States is not big at this point in time, but we want to grow in the future. And this will be an important part of that growth.”

Having a high concentration of older workers is not necessarily viewed as a hindrance at Mexichem, but the company has acknowledged that a plan must be in place to adapt to the organization’s current demographics.

“The older workforce as a whole is more stable,” Blinn said. “You don’t have the same levels of absenteeism as you do in other parts of the workforce, and you obviously have that experience, which is very helpful. When you combine that with the continued training on new skills, you generally get a very good result. And that makes your company successful.”

# Conclusion and Implications for Employers and HR

There are several gaps between the EPG report recommendations and current practices identified in the SHRM survey. Among the most notable areas of concern are the short-term time frame most organizations use when assessing the impact of the aging workforce on their business, a lack of urgency in preparing for impending demographic shifts, and infrequent use of formal long-term forecasting, planning and assessment tools.

On a more positive note, clear signs show that awareness is growing among HR professionals about the potentially dramatic impact that the aging workforce will have on their organizations and the industries in which they operate. In addition, there appears to be widespread understanding that older workers possess critical knowledge and skills, and that organizations must find ways to retain access to this knowledge and skills by a) facilitating their transfer before older workers leave the workforce and b) keeping older workers in the workforce longer.

HR professionals must lead the way in helping organizations meet the challenges and take advantage of talent opportunities that accompany an aging workforce. By demonstrating the benefits and opportunities of an aging workforce, HR professionals can help their organizations build a culture that supports and engages workers of all ages now and in the future. By learning all they can about how these demographic shifts will affect their organizations, HR leaders can devise better strategies for retaining valued workers beyond retirement age, educate managers and organizational leaders on how best to recruit and retain workers of all ages, develop future leaders, and position their organizations for future success.

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