



Preparing for an Aging Workforce: Gap Analysis Report Comparing SHRM Foundation Effective Practice Guidelines with the SHRM 2014 Aging Workforce Survey Findings

Funded by the Alfred P. Sloan Foundation



**ALFRED P. SLOAN
FOUNDATION**

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

The purpose of this research is to:

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

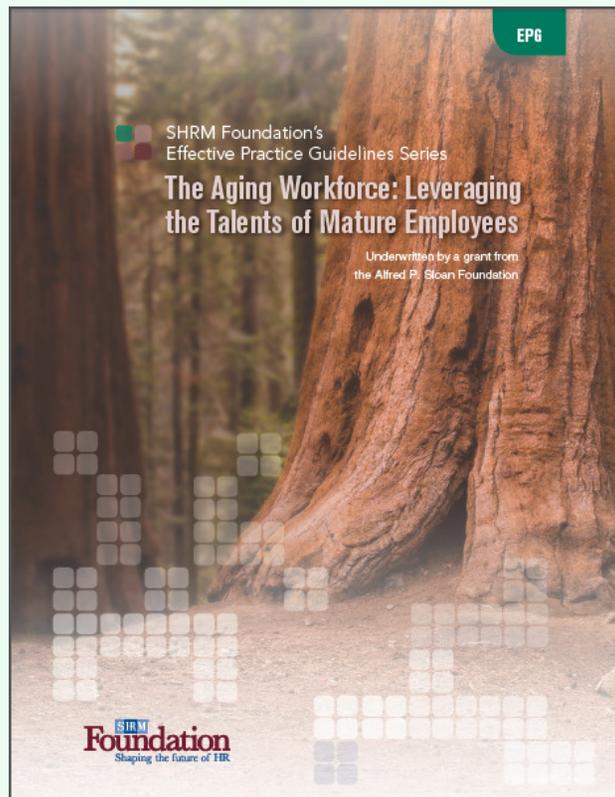


SHRM/SHRM Foundation Aging Workforce Initiative: Practice Gap Analysis

➤ Purpose of analysis:

- Identify gaps between the existing research on effective practices identified in the SHRM Foundation Effective Practice Guidelines series report *The Aging Workforce: A Guide to Leveraging the Talents of Mature Employees* and the practices currently being used by organizations as identified in the *SHRM Aging Workforce Survey*.
- Provide information that can be used by HR professionals and business leaders in their internal organizational discussions on the implications of the aging workforce.
- To stimulate discussion and knowledge sharing on how to address the key practice gaps identified.

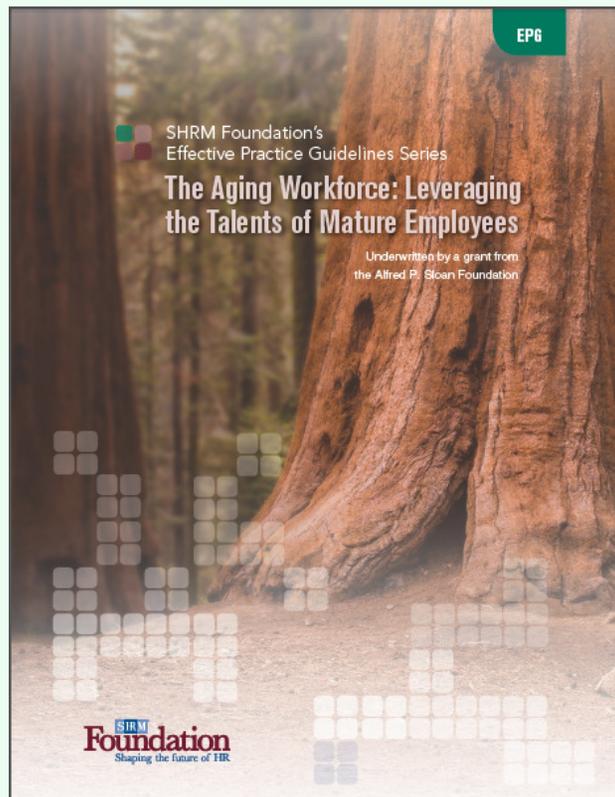
Overview of Sources: *The Aging Workforce* Effective Practice Guidelines



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

- This report, part of the SHRM Foundation's Effective Practice Guidelines series, is 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*.

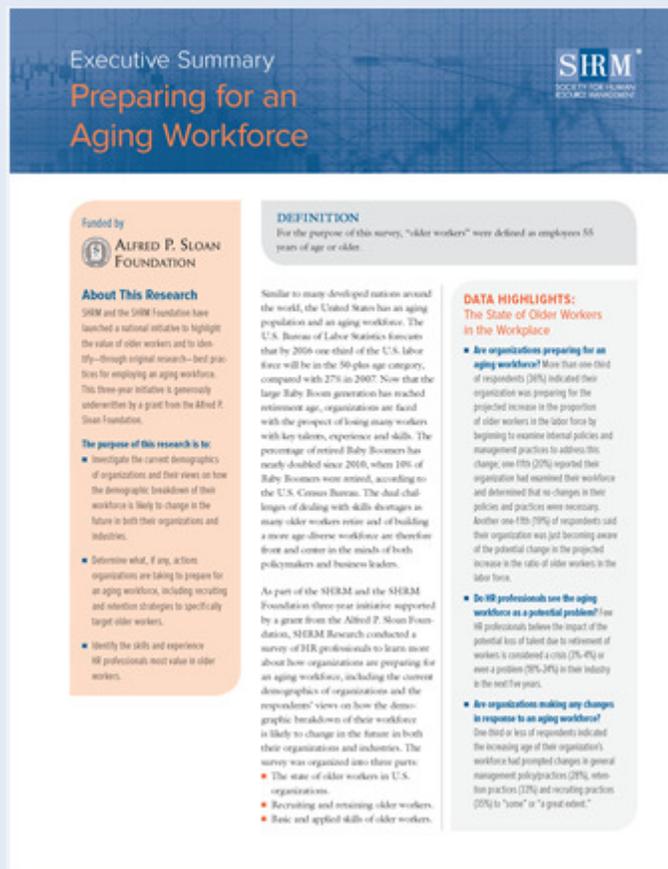
Overview of Sources: *The Aging Workforce* Effective Practice Guidelines



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

Overview of Sources: SHRM Aging Workforce (Older Workers) Survey



The following topics are included in the three-part series:

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

Definition:

- In the survey itself, “older workers” were defined as employees 55 years of age or older, in accordance with U.S. Bureau of Labor Statistics (BLS) terminology.

Survey Methodology:

- 1,913 HR professionals from SHRM’s membership participated in the survey, with a random sample of 18,000 from SHRM’s general membership and a random sample of 2,000 from SHRM members in government agencies.
- Response rate = 9.9%
- Margin of error +/-2%
- Data collection took place May-July, 2014

Summary of Key Practice Gaps

- **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 (5 years and beyond), most organizations are primarily focused on assessing the impact of the aging workforce and the impact of retirements within a relatively short period of time (1-5 years).
- **A lack of urgency around preparing for impending demographic shifts:** Although the EPG report outlined a strong case for preparing for a major shift in workforce demographics in the years ahead, most organizations do not appear to have the same level of urgency in preparing for an aging workforce. Most organizations are either at the early stage of examining the issue or believe that no changes are necessary. Thirteen percent reported that they are 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:** The EPG report recommended a number of steps in preparing for an aging workforce, including short- and long-term demographic forecasting and assessment or skills audits, but most organizations do not have 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 report recommended building efforts to attract and retain older, more experienced workers into diversity and affirmative action recruiting plans, over one-half of organizations reported that they do not actively recruit older workers at all.

Part 1:

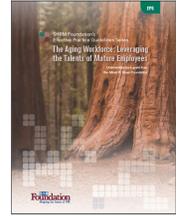
State of Older Workers in U.S. Organizations

- Definitions and Terminology
- Preparing for an Aging Workforce and Workforce Assessment



State of Older Workers in U.S. Organizations: Definitions and Terminology

Definitions and Terminology: *The Aging Workforce* Effective Practice Guidelines



- Chronological age is not the best way to define an older worker. People vary in terms of when and how they experience aging and whether they perceive themselves as aging. 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.
- 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” is therefore also used to describe this demographic group.
- The term “older adult” refers to people age 65 and older who are not currently working.
- “Retiree” refers to those who have left the workforce—generally assuming these individuals are over 55 years old, and often over 65.

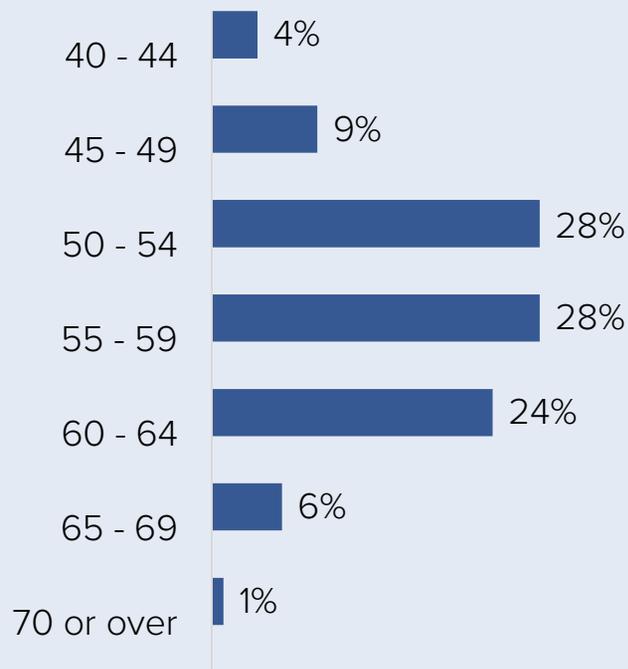
Definitions and Terminology: SHRM Aging Workforce Survey



- The term “older worker” was used throughout SHRM’s survey in accordance with BLS terminology.
- One-third (32%) of HR professionals reported their organization begins to consider an employee to be an older worker when the employee is between 60 and 64 years old, another 17% between 65 and 69 years old, and 7% when the employee is 70 or over.
 - In general, HR professionals believed that employees consider an employee to be an older worker at a slightly younger age. About one-quarter of HR professionals reported employees begin to consider an employee to be an older worker when the employee is between 50 and 54 years old (28%), between 55 and 59 years old (28%) or between 60 and 64 years old (24%). Less than 10% of employees consider an employee to be an older worker when the employee is age 65 or older.

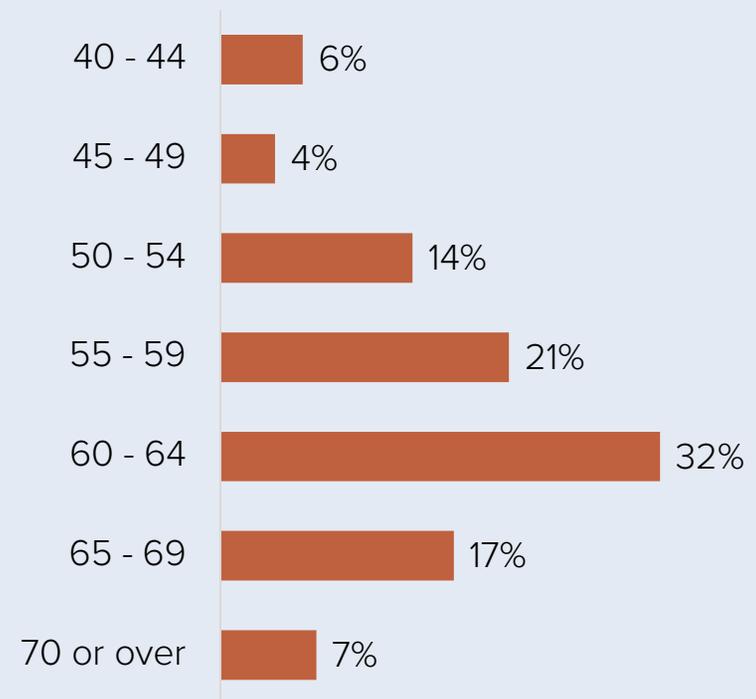


Age at which most **employees** begin to consider a co-worker to be an “older worker”



Note: 2014 n = 1,913. Percentages may not total 100% due to rounding.

Age at which **organizations** begin to consider an employee to be an “older worker” from a policy standpoint



Note: 2014 n = 1,647 Respondents who indicated “don’t know” were not included in the analysis. Percentages may not total 100% due to rounding.

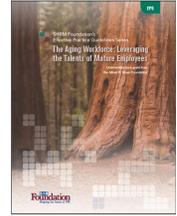
Definitions and Terminology: Key Gaps and Implications

- The EPG report advised that chronological age is not 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 cautioned that the term “older worker” can evoke negative stereotypes, it remains the term most frequently used by the BLS and other official bodies, as well as by organizations and HR professionals. The use of new ways of describing workers by age demographics may therefore take time to develop.
- There is evidence of age norming and stereotyping among employees and even at the level of organizations. Clearly, quite a few HR professionals perceive that employees view their co-workers as "older" at relatively young ages. For example, 69% of them reported that employees viewed their co-workers as older before age 60, and 41% of them reported that employees view co-workers as older by the age of 54.
- In contrast, when it comes to organizational policies and procedures, more HR professionals perceive their organization to use older age ranges to define "older worker." This could be due to policies and procedures that take into account definitions of older workers used in laws and government regulations, such as age of eligibility for government-funded retirement programs. Even so, 45% of HR professionals reported that their organization considers workers younger than 60 to be "older."



State of Older Workers in U.S. Organizations:
Preparing for an Aging Workforce and Workforce
Assessment

Preparing for an Aging Workforce and Workforce Assessment: *The Aging Workforce* Effective Practice Guidelines



- Over the next 15 to 25 years, in most industrialized countries, the Baby Boom generation will reach traditional retirement age. Many of them will be able and willing to continue working, but many will also choose to leave the workforce. There are not enough people in the following generations to replace them. Therefore, organizations must realize that these older workers, regardless of their current employment status, are a critical resource for meeting future talent demands.
- HR professionals must take the lead in removing barriers, such as age discrimination and negative stereotypes, that hinder mature workers' ability to find and maintain employment.
- HR professionals must educate organizational leaders and employees that hiring or retaining mature workers does not come at the expense of younger workers and that society benefits when experienced workers remain in the workforce longer.
- Retaining or retraining older workers may be more cost-effective for many organizations than recruiting, hiring, onboarding, socializing and training new hires.
- Mature and younger workers share many of the same needs and preferences, so HR practices that appeal to mature workers are likely to appeal to younger workers as well.
- Paths to retirement are changing, and many people who retire from a first career are interested in returning to the workforce in some capacity. Organizations that shift their beliefs about traditional retirement trajectories can take advantage of untapped supplies of qualified older workers.
- Helping workers achieve and maintain a healthy lifestyle can prevent or delay the onset of disabling conditions and their accompanying costs.



The Aging Workforce Effective Practice Guidelines suggested that all organizations assess their workforces. The three essential steps to workforce assessment are:

1. Conduct age and knowledge/skill audits:

- » Conduct an age audit by compiling information about worker ages and estimated time to retirement, and break out the data according to division, occupation and so on.
- » Conduct knowledge and skill audits, and 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.
- » Create a turnover risk map by asking 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.

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

- » Consider the type of work that workers will be expected to perform, and determine how best to leverage the talent pool.

3. Gather information from workers: What are their needs and wants?

- » For current employees, use a structured approach to ask about factors that would help them continue working as they grow older or about their anticipated time frame for retirement. Do this in a safe and nonthreatening manner to encourage frank responses and to avoid engaging in discriminatory practices (e.g., do not pose such questions only to workers above a certain age). Supplement this information with published results from large-scale surveys, research on drivers of engagement and research on factors that influence the decision to retire.

Preparing for an Aging Workforce and Workforce Assessment: SHRM Aging Workforce Survey



- Just over one-third of respondents (36%) indicated 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%) of respondents said their organization had examined their workforce and determined that no changes in their policies and practices were necessary.
 - Another one-fifth (19%) of respondents said their organization was just becoming aware of this potential change (in the ratio of older workers).
- Few HR professionals believed the potential loss of talent due to retirement of workers is considered “a crisis” or even “a problem” in their industry.
- One-half of HR professionals said their organization tracks the percentage of employees eligible to retire in the next 1-2 years, and fewer still beyond that time frame.
 - Organizations were more likely to have conducted strategic working assessments of various aspects of their future workforce in the 1-2 year time frame than for 3 years and beyond.



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.

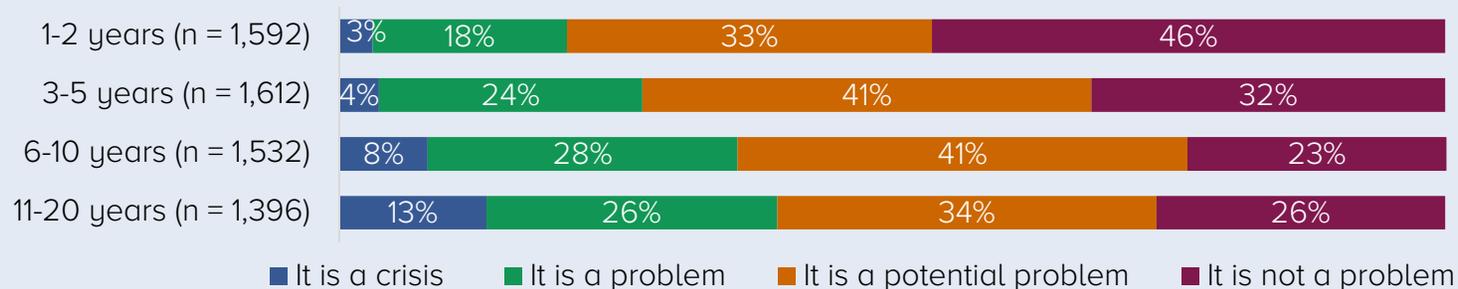
* Question as asked in the survey: "According to the Bureau of Labor Statistics, workers 55 years of age and over are projected to make up approximately 26% of the labor force by the year 2022, compared to 21% in 2012 and 14% in 2002. As the proportion of older workers increases, the potential impact 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?"

Preparing for an Aging Workforce and Workforce Assessment: SHRM Aging Workforce Survey

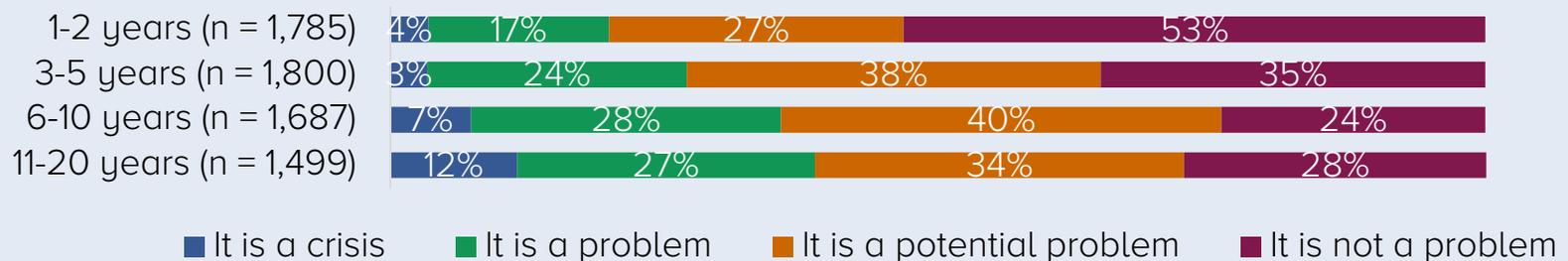


Overall Impact of the Potential Loss of Talent as a Result of Older Workers Retiring or Leaving Their Organizations for Other Reasons Over the Next . . .

Impact on Industry



Impact on Organization

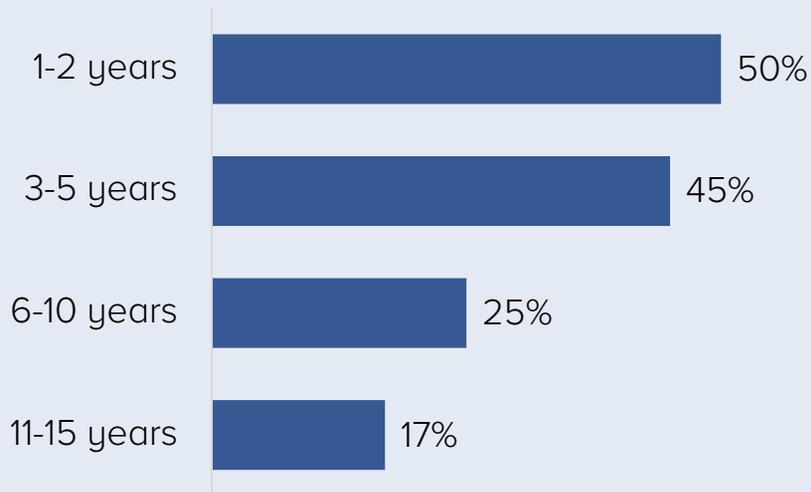


Note: Percentages may not total 100% due to rounding.



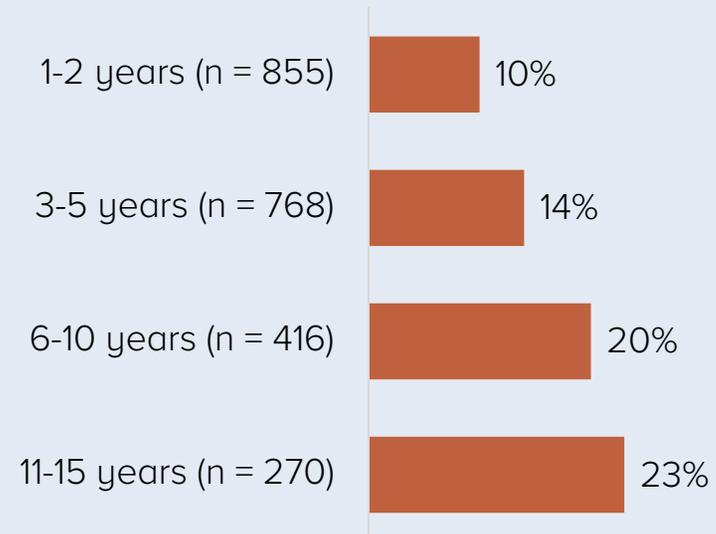
Tracking Employees Eligible for Retirement

Does your organization track the percentage of workers in your organization eligible to retire in the next . . .



Note: n = 1,815-1,872. Percentages do not total 100% due to multiple response options.

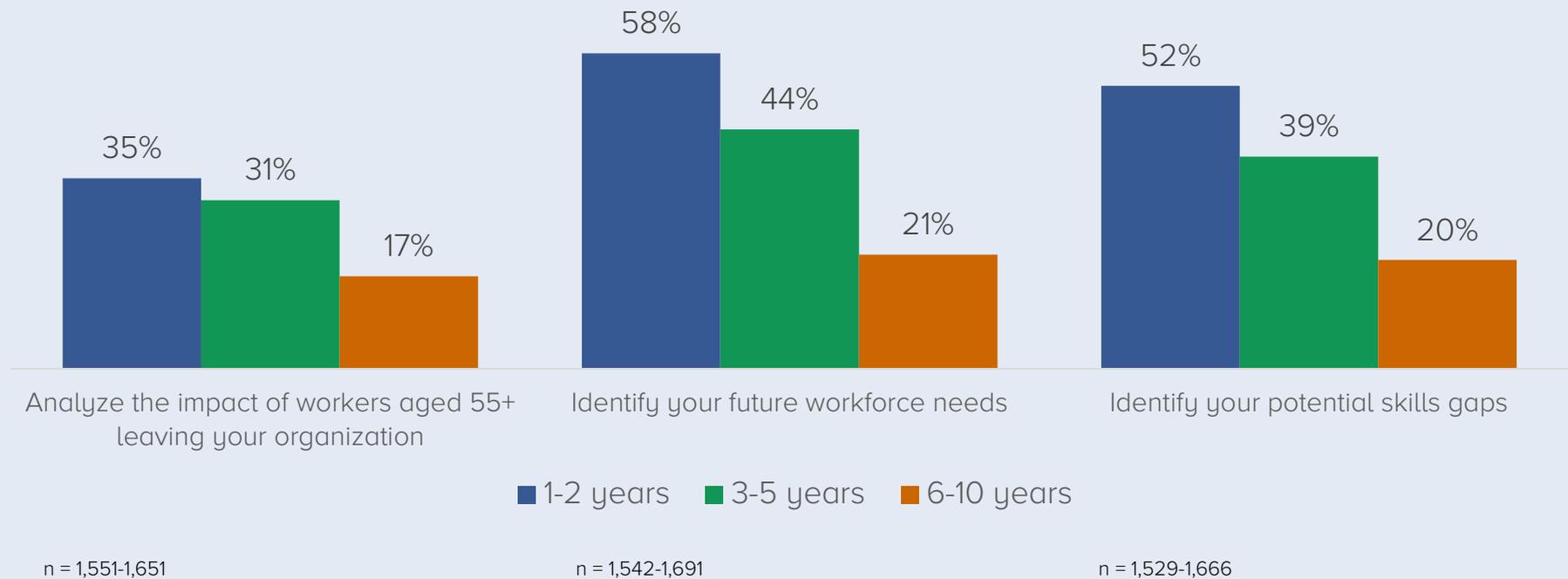
Approximately what percentage of your workforce will be eligible for retirement in the next . . .



Note: n = 270-855. Percentages do not total 100% due to multiple response options.



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.

State of Older Workers in U.S. Organizations: Key Gaps and Implications

- The EPG report outlined a strong case for preparing for a major shift in workforce demographics in the years ahead. However, organizations do not appear to have the same level of urgency in preparing for an aging workforce.
- Most organizations are either at the early stage of examining the issue or believe that no changes are necessary; 13% are not aware of this potential change to the workforce.
- Though the EPG report advised organizations to take a long-term view of demographic changes and the impact of an aging workforce, most organizations are mainly focused on assessing the impact of workers' aging and retirements within a relatively short time frame (1-5 years).

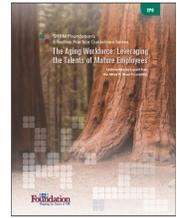
Part 2:

Recruitment and Retention

- Recruiting Mature/Older Workers
- Retaining Mature/Older Workers

Recruitment and Retention:
Recruiting Mature/Older Workers

Recruiting Mature/Older Workers: The Aging Workforce Effective Practice Guidelines



The following practices may aid HR professionals in recruiting mature/older workers:

- Plan to recruit older workers from the start by including recruiting and hiring of this demographic group in the organization's diversity and affirmative action recruiting plans.
- Include older workers in messaging in recruiting notices, job postings and application materials by mentioning that the organization is seeking workers of all ages.
- Identify sources of talent that will include older adults.
- Seek partners that will help recruit older candidates.
- Post jobs in locations where mature workers and retirees are likely to look.
- Attend seminars and career fairs and offer seminars on topics likely to attract older adults, such as planning for retirement, reducing stress and adopting healthy lifestyles.
- Actively seek publicity by becoming recognized as an employer of choice for older workers.
- Prepare recruiters to be aware of age-based stereotypes, and provide incentives for bringing older workers into the talent pipeline.

Recruiting Mature/Older Workers: SHRM Aging Workforce Survey

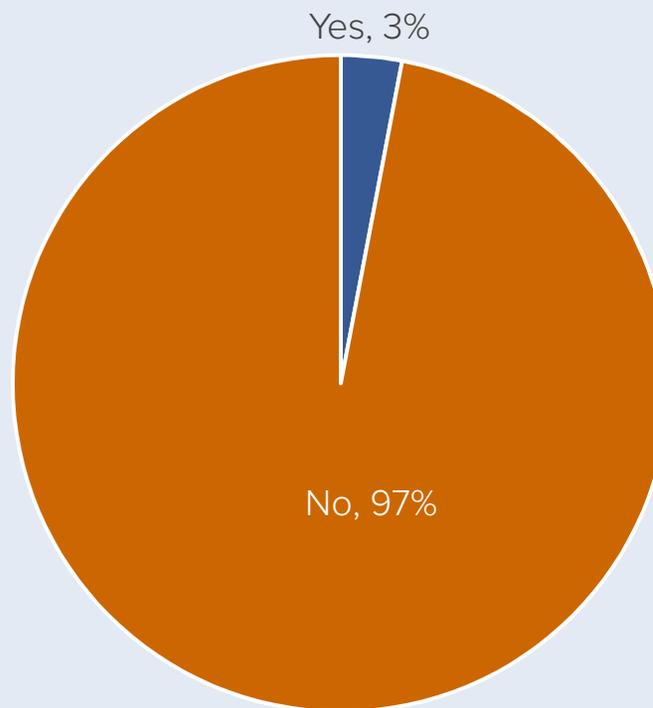


- Only about one-quarter to one-third of respondents indicated the increasing age of their organization's workforce has prompted changes in general management policy/practices (28%), retention practices (33%) or recruiting practices (35%) to "some" or "a great extent."*
 - Over one-half (54%) reported that they do not actively recruit older workers.
- Among organizations that said the increasing age of their organization's workforce has prompted changes in their recruiting practices, the most commonly reported recruiting method to directly target older workers was through employee referrals (33%).
- Just one-fifth to one-quarter of organizations said it was "easy/extremely easy" to *recruit* exempt and nonexempt older workers (21% and 24%, respectively).
 - About one-quarter of organizations said it was "difficult/extremely difficult" to recruit older workers qualified for labor, skilled (25%), executive (25%), salaried individual contributor/professional (22%) and management (22%) positions compared with other workers; less than one-fifth said the same for labor, low-skilled positions (17%) and few for administrative/secretarial positions (7%).
- 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 compared with other qualified workers (46%-60% for lack of or few applications from older workers vs. 13%-39% for other factors, by job category).

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



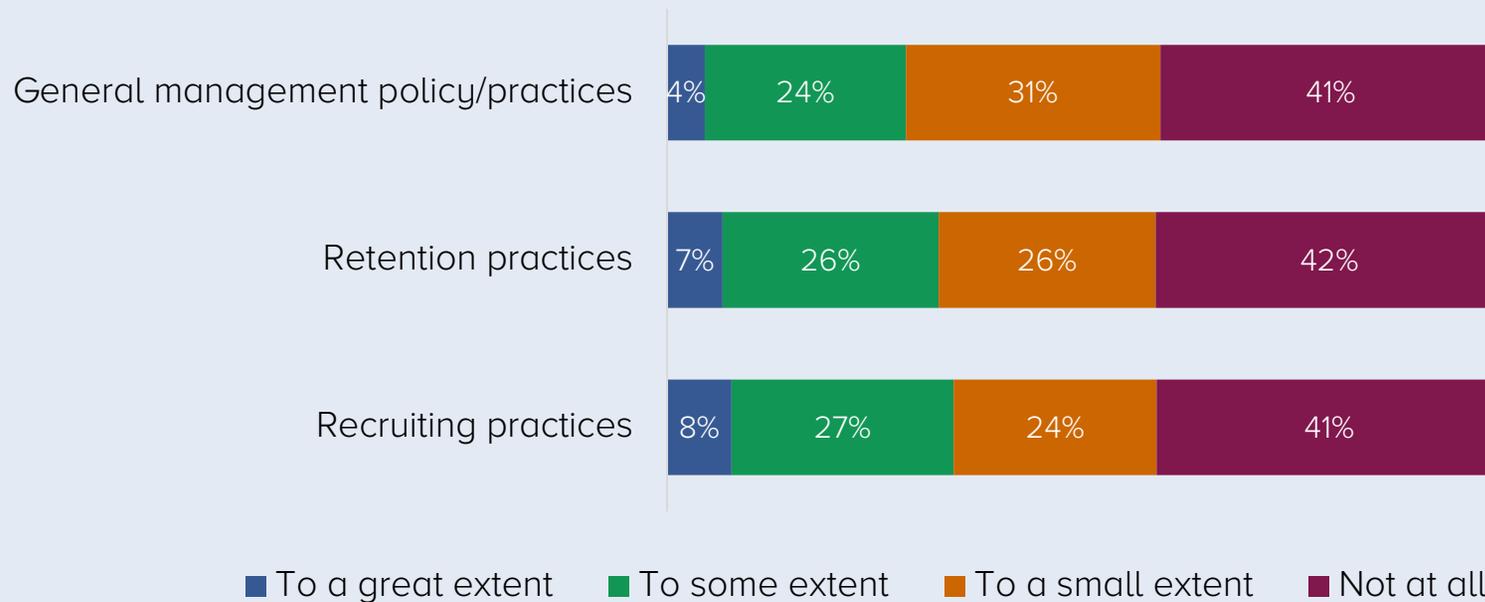
Organizations That Have a Formal Strategy for *Recruiting* Older Workers



n = 1,740



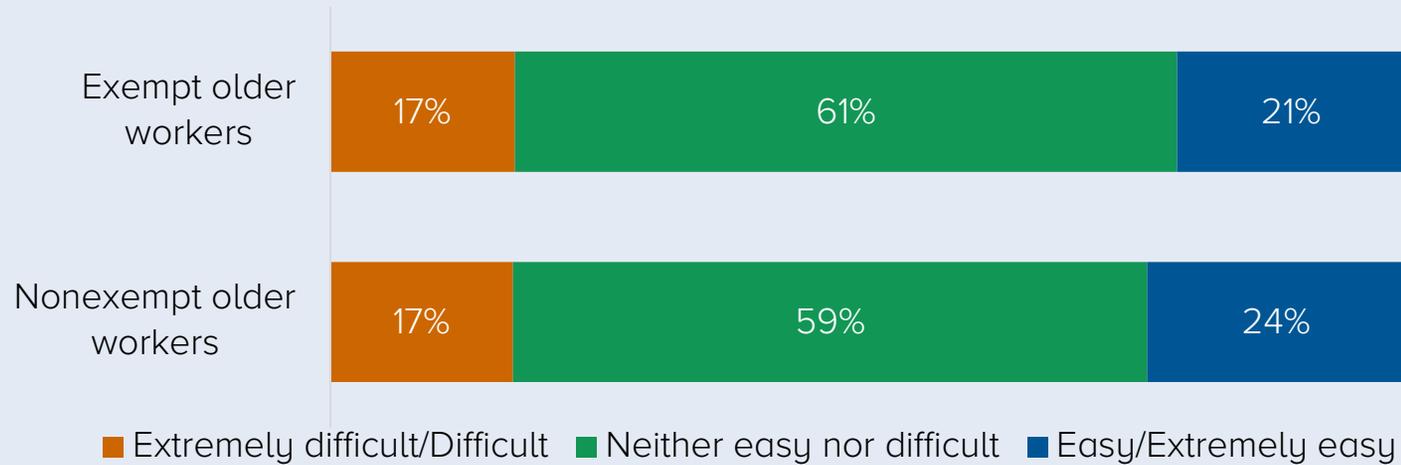
Extent Increasing Age of Organization's Workforce Has Prompted Changes in . . .



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.



Level of Difficulty in *Recruiting* Qualified Older Workers Compared with Other Qualified Workers



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



Level of Difficulty in *Recruiting* Qualified Older Workers Compared with Other Qualified Workers for Specific Positions



Note: Respondents who indicated "not applicable" were not included in the analysis.



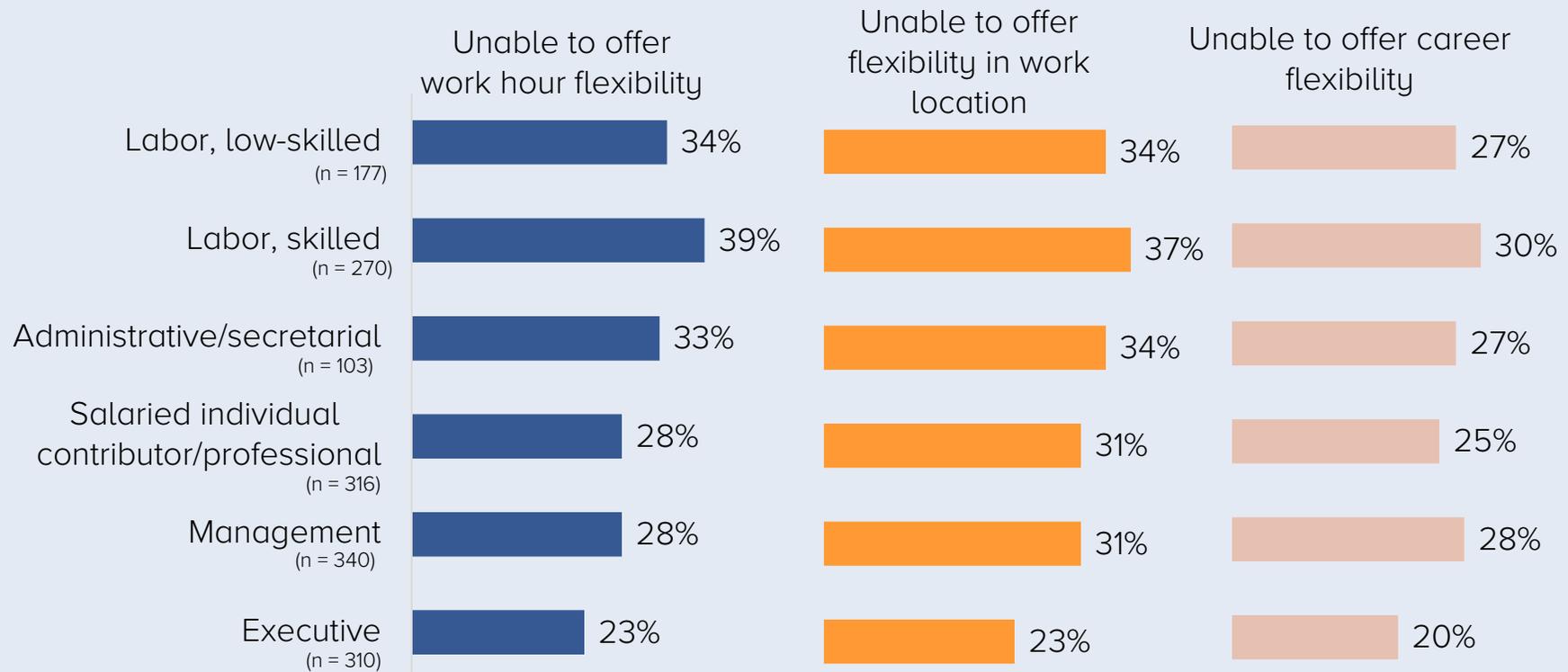
Factors That Contribute to Difficulties in Filling Positions with Qualified Older Workers Compared With Other Qualified Workers, by Job Category



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



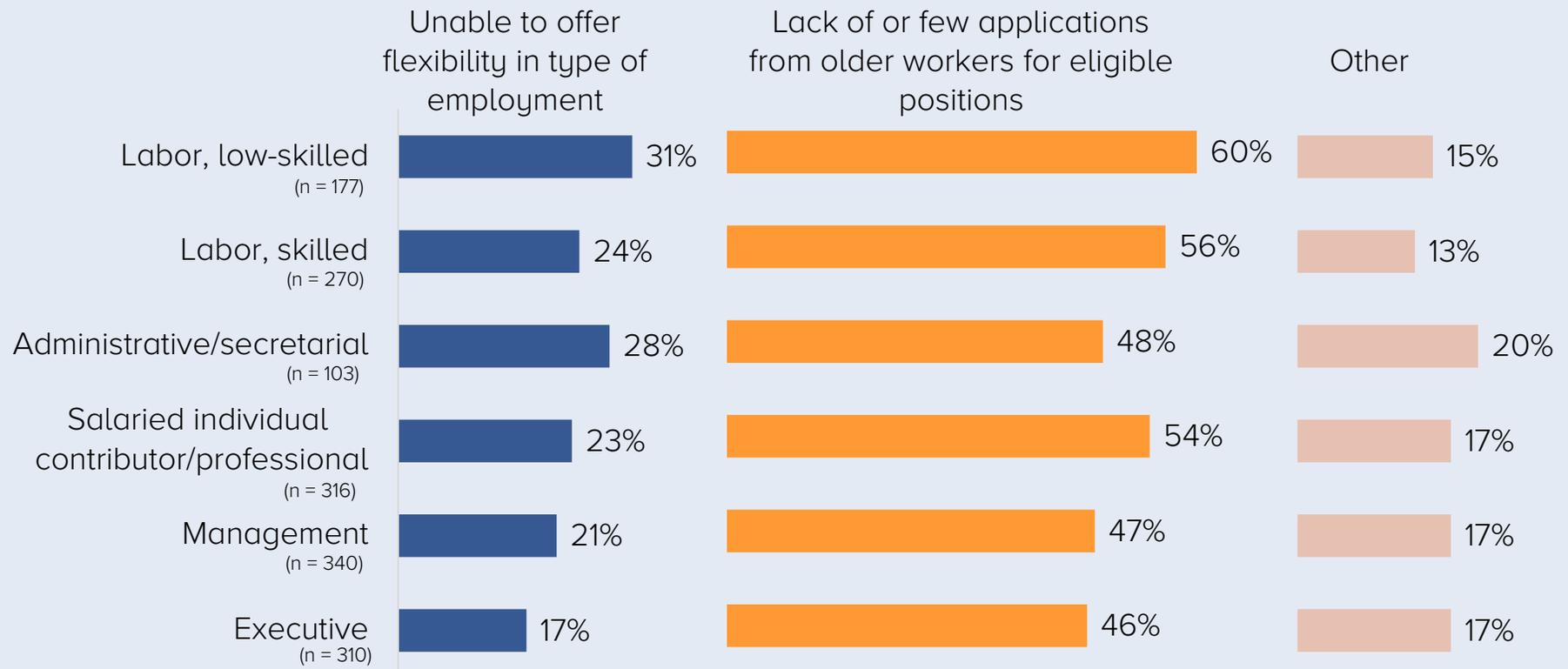
Factors That Contribute to Difficulties in Filling Positions with Qualified Older Workers Compared With Other Qualified Workers, by Job Category (continued)



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



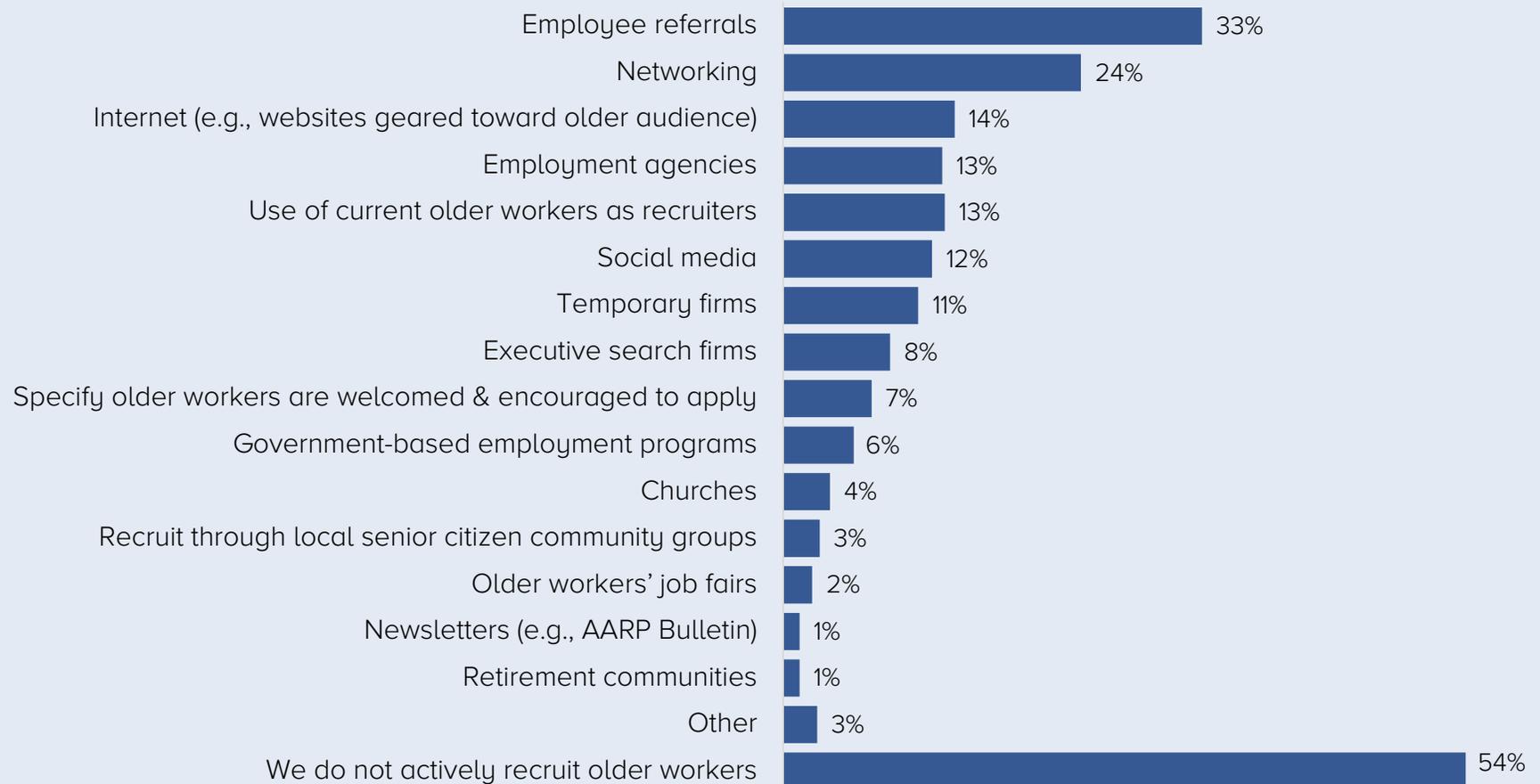
Factors That Contribute to Difficulties in Filling Positions with Qualified Older Workers Compared With Other Qualified Workers, by Job Category (continued)



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



Recruiting Methods Used by Organizations to Directly Target Older Workers (OWs)



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

Recruiting Mature/Older Workers: Key Gaps and Implications

- Whereas the EPG report recommended including recruiting and hiring of mature workers in diversity and affirmative action recruiting plans, and provided a number of concrete steps to incorporate in the recruiting process, over one-half of organizations reported that they do not actively recruit older workers at all.
- The EPG report recommended a number of steps to take in recruiting mature 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 and retirees are more likely to look. However, organizations most commonly rely on employee referrals for bringing in older job candidates.
- Although the EPG report stressed the shifting dynamics that will drive organizations to seek out older workers to meet talent shortages, HR professionals **did not** generally report major difficulties in recruiting older workers currently. However, judgments about perceived ease of recruiting older workers may have been influenced by perceptions that there is little need or urgency to do so. At present, HR professionals may have relatively little experience with tailored approaches or strategies for recruiting older workers.
- The lack of urgency may mean that most recruiters are not being incentivized to bring older workers into the talent pipeline in their organizations. Nor is it likely that an organizational strategy will be developed to create these incentives.



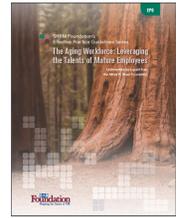
Recruitment and Retention:
Retaining Mature/Older Workers

Retaining Mature/Older Workers: The Aging Workforce Effective Practice Guidelines



The Aging Workforce Effective Practice Guidelines: 15 Strategies for Success in Retaining Mature Workers

- 1. Acknowledge worker contributions.** Organizations should ask mature 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 mature workers' employment choices (to continue working if already employed; 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 employee 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 and supporting them during this time can make a big difference in their ability and willingness to continue working.
- 6. Offer skills training.** Like all employees, mature workers need to upgrade their skills regularly and should not be excluded from job training programs.
- 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.



The Aging Workforce Effective Practice Guidelines: 15 Strategies for Success in Retaining Mature Workers (continued)

- 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.

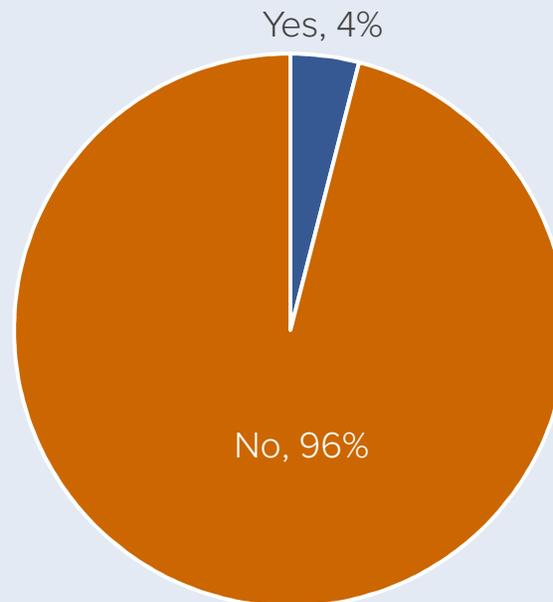
Retaining Mature/Older Workers: SHRM Aging Workforce Survey



- Very few organizations (4%) said they had a formal strategy for retaining older workers.
- Of respondents who said it is “difficult/very difficult” for their organization to retain older workers compared with other workers, at least two-fifths said that factors that contributed to this challenge included:
 - Inability to offer flexibility in work location (e.g., working from home, satellite offices) (47%).
 - Inability to offer career flexibility (e.g., reduced responsibilities, job change/occupation shift) (45%).
 - Inability to offer work hour flexibility (e.g., reduced hours, job-sharing, phased retirement, part-year employment) (44%).
 - Inability to offer work schedule flexibility (e.g., changing starting and ending times periodically, compressed workweek) (43%).
- Over one-third of respondents cited their organization’s inability to offer flexibility in type of employment (e.g., consultant work, temporary work) (38%) and/or benefits attractive to older workers (e.g., different health care benefits, wellness plans) (34%) as challenges in retaining older workers.
- About two-fifths of respondents reported that it was “easy/extremely” easy to *retain* exempt and nonexempt older workers (45% and 42%, respectively); about one-half indicated it was “neither easy nor difficult,” which may reflect that few organizations are actively attempting to retain older workers.
- Two-thirds (66%) of respondents said their organization employed older workers who retired from other organizations or careers before joining their organization.



Organizations That Have a Formal Strategy for *Retaining* Older Workers



n = 1,739



Level of Difficulty in *Retaining* Qualified Older Workers Compared with Other Qualified Workers



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



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” 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.



Recruiting and Retaining Mature/Older Workers: SHRM Aging Workforce Survey



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 ¹	30%
Offered phased/gradual retirement	30%
Provided training to upgrade skills of older workers	29%
Provided opportunities for older workers to transfer to jobs with reduced pay and responsibilities	27%
Increased training and cross-training efforts to induce older workers to stay with or join the organization	24%
Increased recruiting efforts aimed at older workers who have the skills being lost due to retiring employees	23%
Offered wellness programs to attract and retain older workers	23%

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

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



Recruiting and Retaining Mature/Older Workers: SHRM Aging Workforce Survey



Steps Taken to Recruit and/or Retain Older Workers (continued)	
Asked older workers for feedback via survey or other mechanism about what would encourage them to join or stay with the organization	23%
Started remote location programs to enable workers to work at the location most convenient for them ¹	14%
Started job-sharing	13%
Changed health care benefits to attract and retain older workers	10%
Established alternative career tracks for older workers	9%
Have not done/do not plan to do anything	8%
Changed retirement benefits to attract and retain older workers ²	7%
Created new benefits to induce older workers to stay with or join the organization	6%
Put it on the radar screen, but essentially have done nothing else	3%
Other	5%

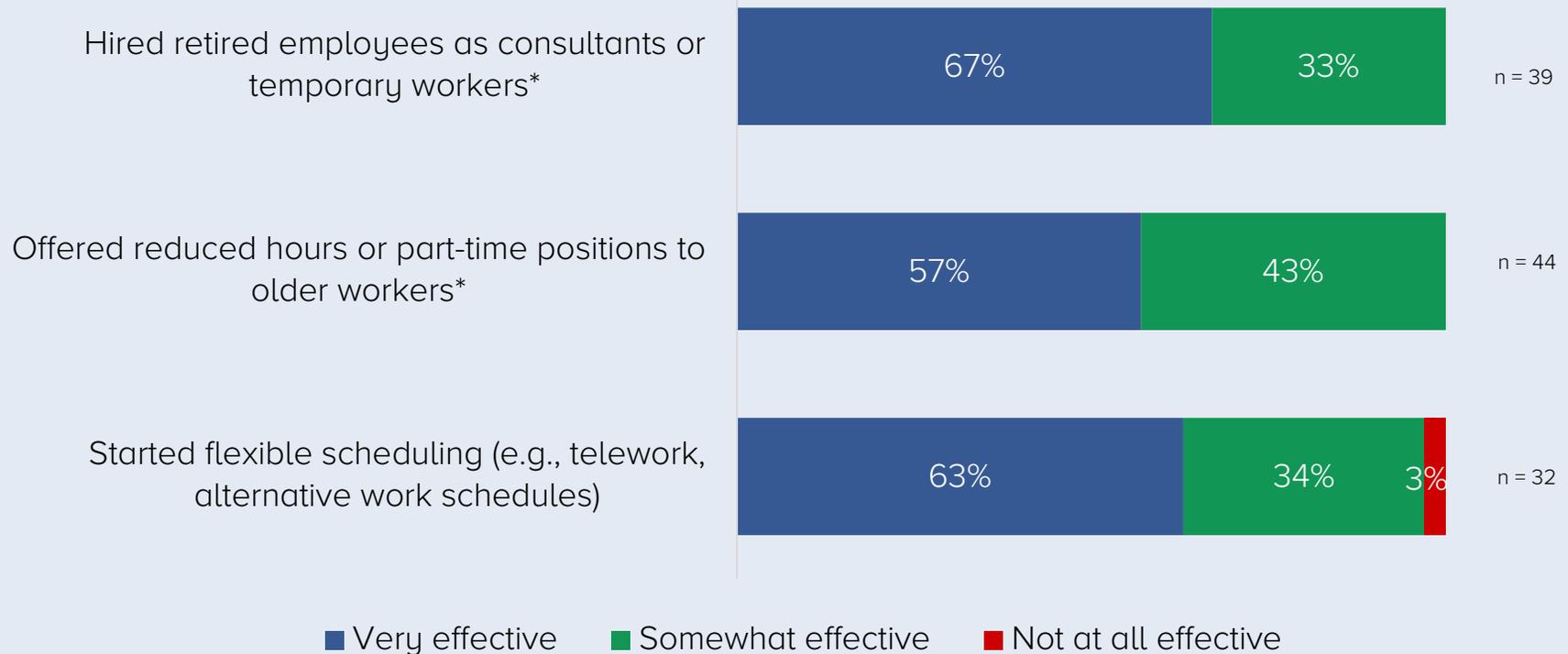
Note: n = 99. Only respondents whose organizations have a formal strategy to recruit and/or retain older workers were asked this question. Percentages do not total 100% due to multiple response options.

¹ e.g., at home, “snowbird” employees who work in different locations at different times of the year.

² e.g., offering deferred retirement option plans (DROPS), which allow workers who reach retirement age to continue working while receiving contributions to a retirement fund equal to the pension benefit they would receive if they were retired.



Effectiveness of Various Steps Taken to Recruit and/or Retain Older Workers

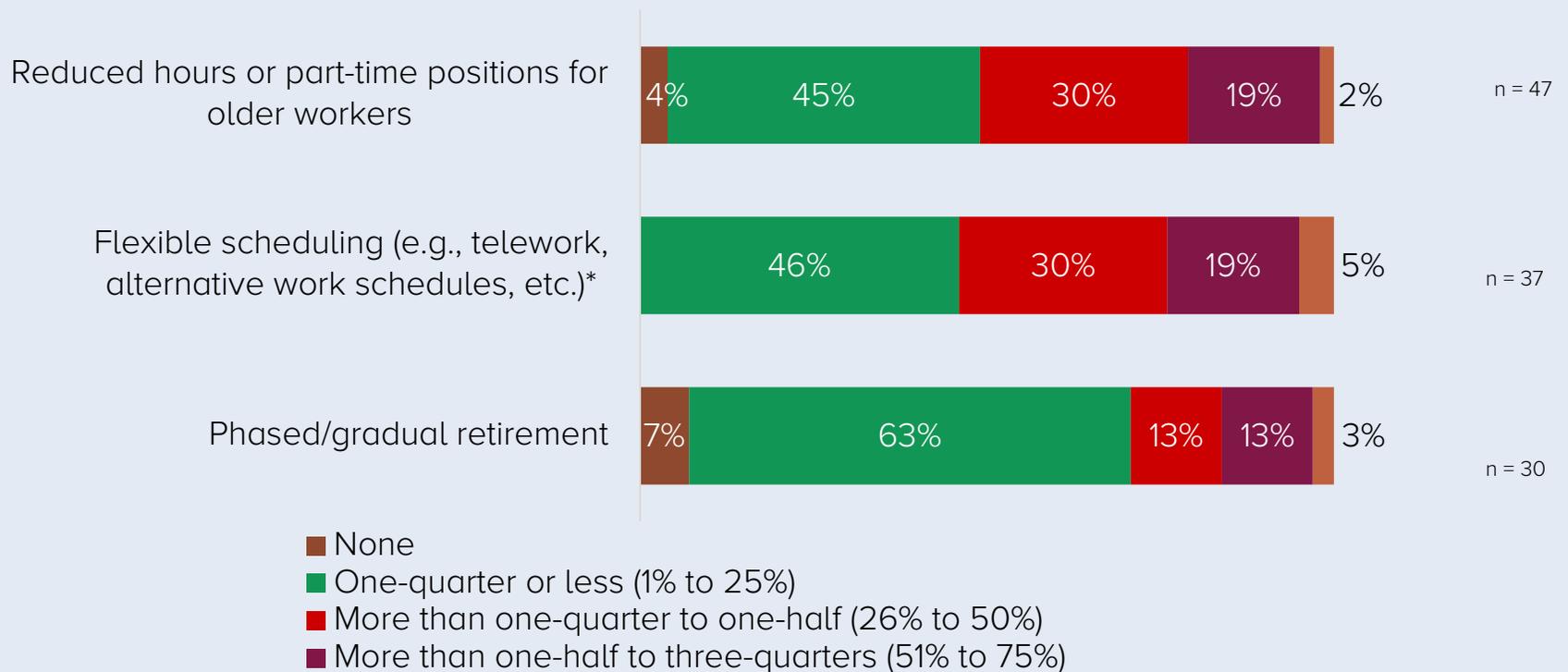


*0% indicated "not at all effective"

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



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

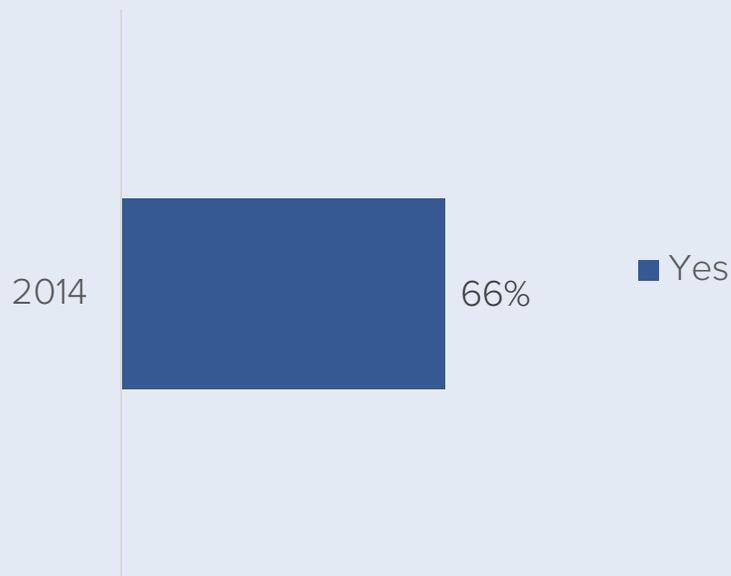


Note: Only respondents who indicated their organization has taken a specific step(s) to recruit and/or retain older workers were asked to evaluate the step(s) taken. Percentages may not total 100% due to rounding. Response options with n < 30 are not reportable (NR).



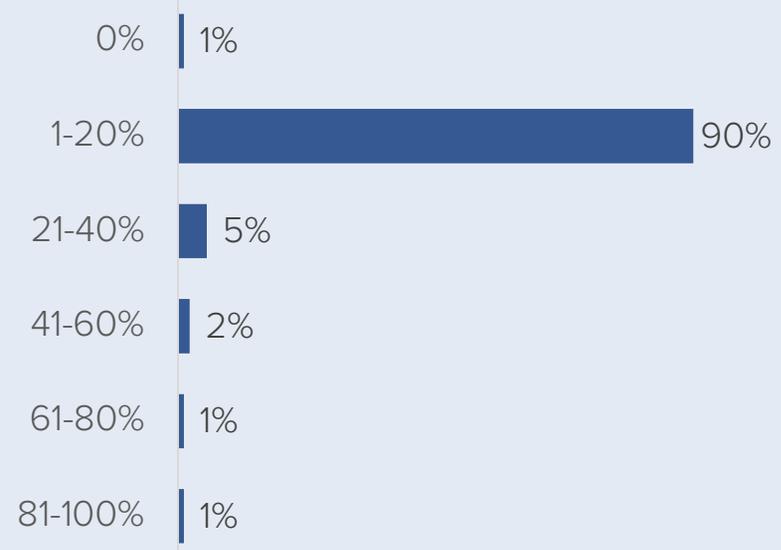
Older Workers Retiring from Other Organizations or Careers Prior to Joining Their Current Organization

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



*Note: n = 1,528.
Only respondents who answered "yes" to this question are shown.
Respondents who indicated "don't know" were not included in the analysis.*

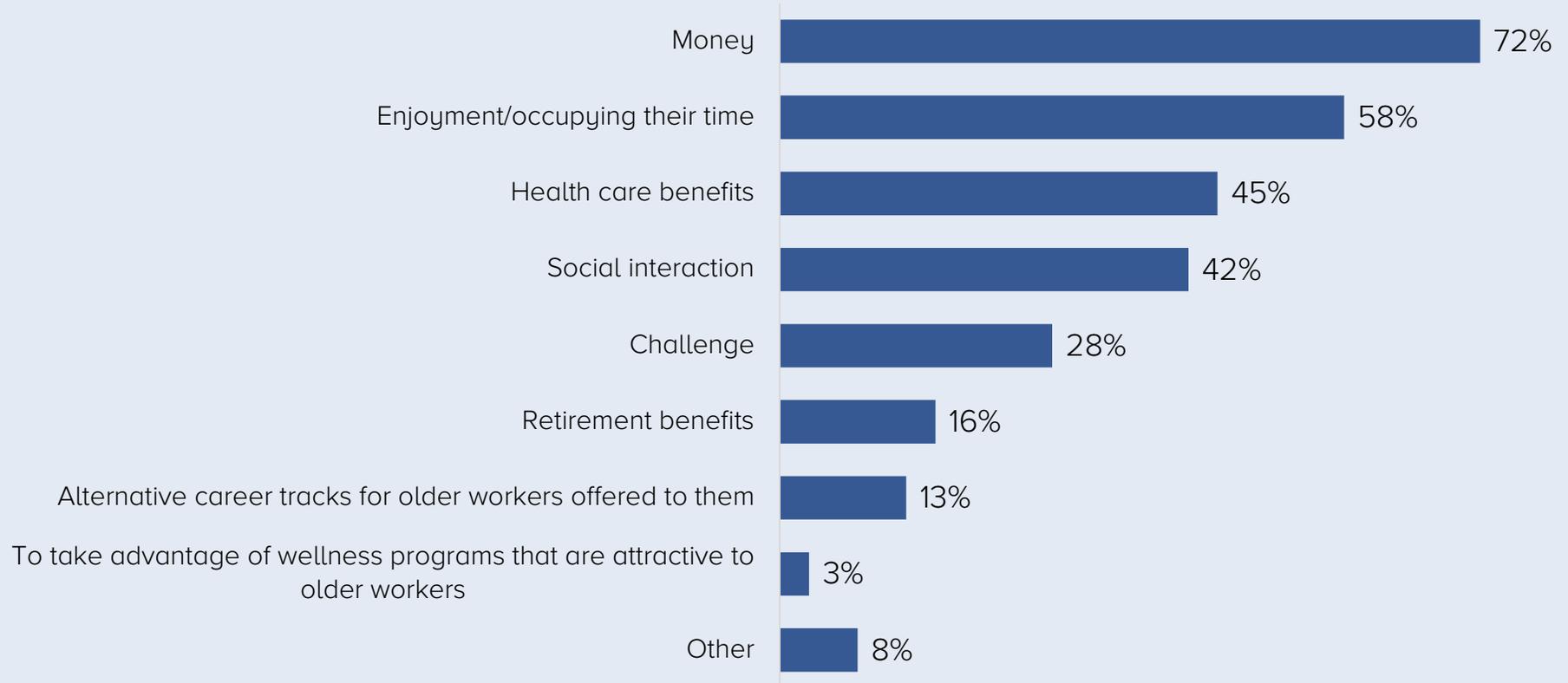
What percentage (approximately) of older workers at your organization had previously retired from other organizations or careers before joining your organization?



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



Reasons Retirees Return to Work*



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

* Question as asked in the survey: "In your view, why have these former retirees returned to work? (Check all that apply.)"

Retaining Mature/Older Workers: Key Gaps and Implications

- Although the EPG report recommended a number of steps to retain older workers, very few (4%) organizations report 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 is 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 is a primary barrier to retention of older workers, at least among organizations that currently find it difficult to retain them. HR professionals must help their organizations think creatively about ways to offer flexibility.
- The EPG report also recommended offering bridge employment because it is perceived as attractive by many older workers, yet the survey showed that very few organizations offer this type of work arrangement.
- Organizations reported that a substantial portion of employees chose not to participate in voluntary programs designed to enhance retention, such as flexible work arrangements and bridge employment. HR professionals can play a key role in identifying and reducing barriers to participation, such as determining 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 suggestions, such as using mixed-age workgroups and creating age-positive messaging to employees, managers and supervisors, cost very little 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 for organizations to avoid the very real possibility of costly litigation.



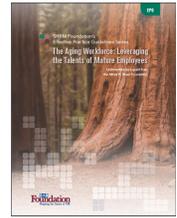
Part 3:
Basic and Applied Skills

Advantages and Skills of Mature/Older Workers: *The Aging Workforce* Effective Practice Guidelines



- 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.
- Organizations may need to expand their searches for successors because the most obvious candidates (midlevel managers) may also be eligible for retirement.
- Organizations should prepare younger managers for the very real possibility that they will have subordinates who are older than they are—perhaps much older.
- Organizations will need to develop younger leaders faster than in the past and/or retain as-needed access to retirees as mentors.
- Recruiters, hiring managers and others involved in the selection process may need to expand the definition of “high-potential” to include individuals who are older than the typical high-potential candidate.
- 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.

Advantages and Skills of Mature/Older Workers: *The Aging Workforce* Effective Practice Guidelines

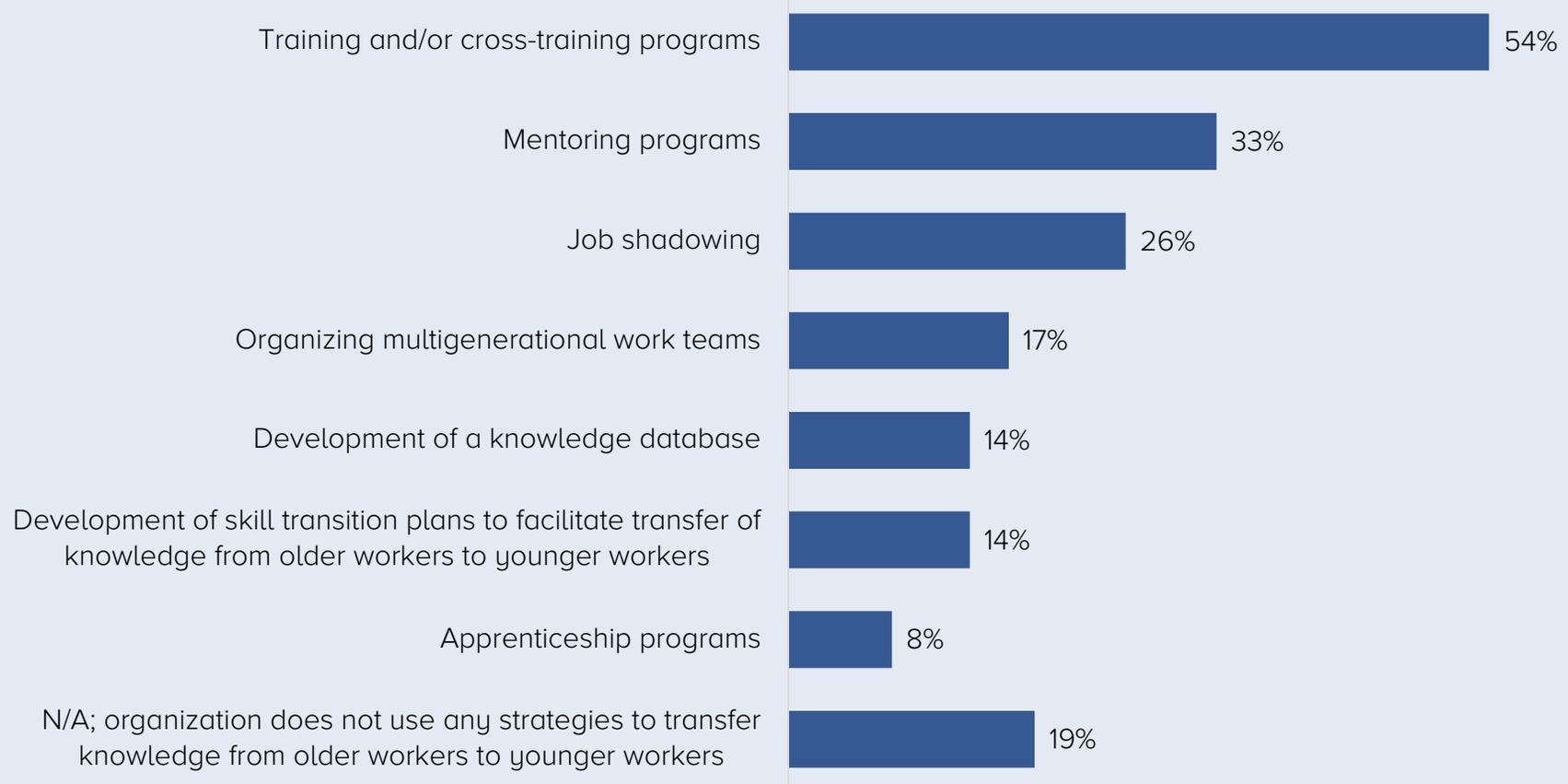


Suggestions for facilitating knowledge transfer from mature workers to others:

- Offer 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. Carefully structure these to clearly link them with the organization’s current mission and goals, and make them 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.



Strategies Used to Transfer Knowledge from Older Workers to Younger Workers

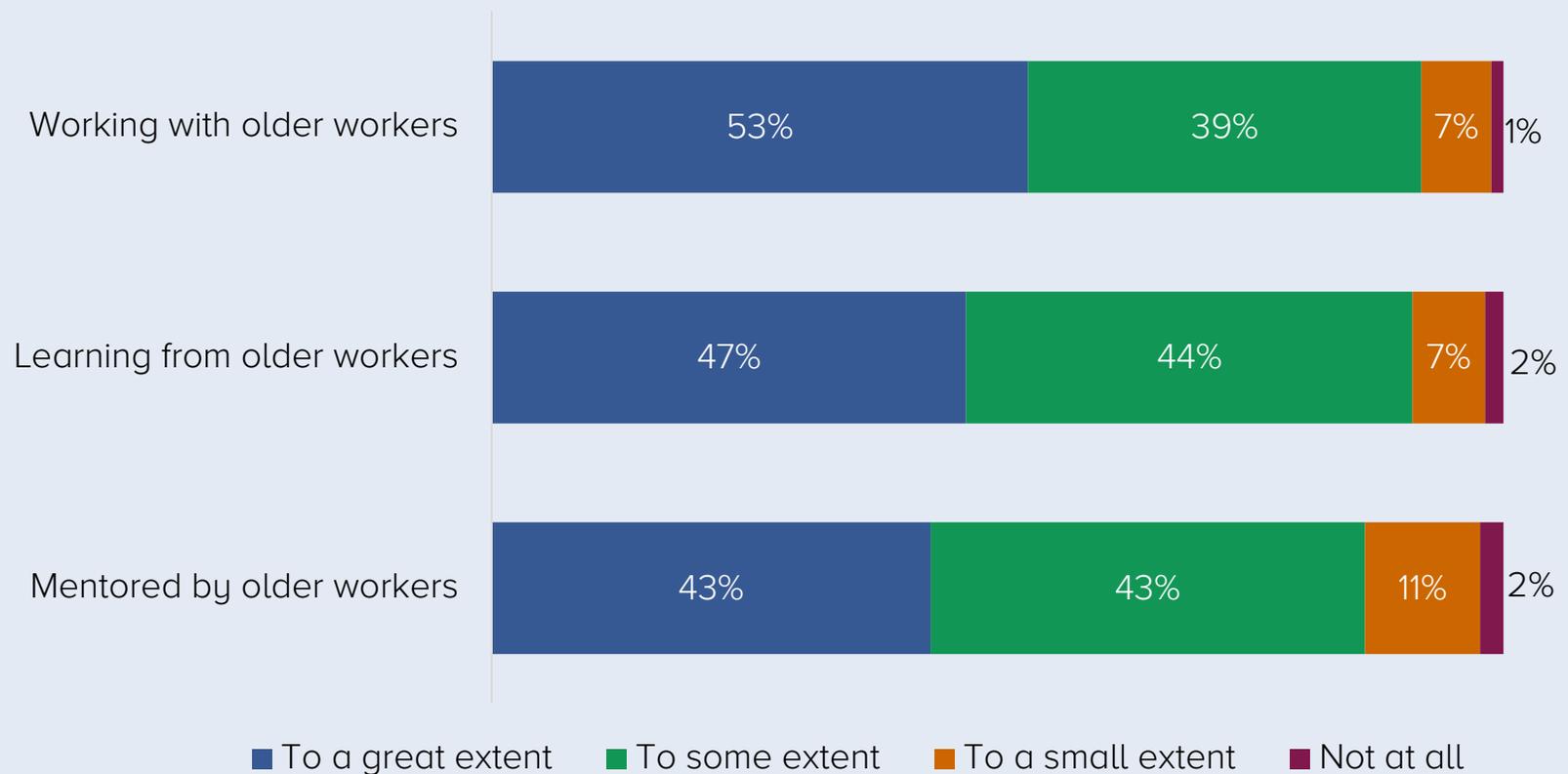


Note: n = 1,729. Percentages do not total 100% due to multiple response options.

Source: SHRM Aging Workforce Survey: Basic and Applied Skills



Extent Employees in Organization Are Receptive to . . .

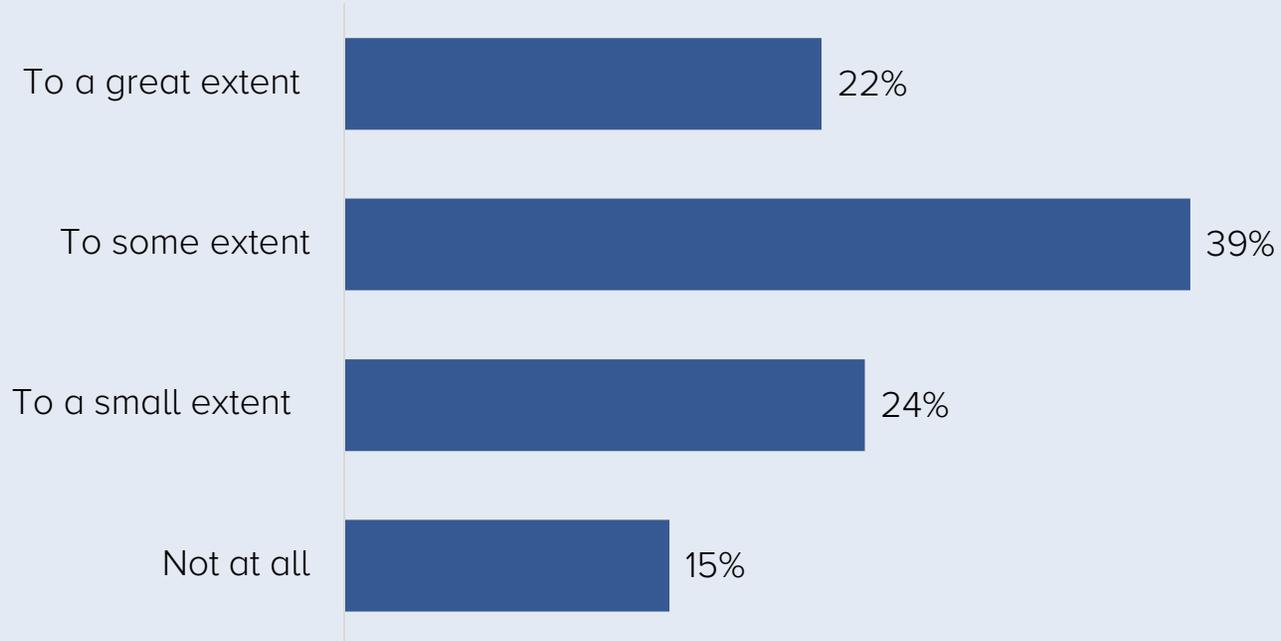


Note: n = 1,698-1,709. Percentages may not total 100% due to rounding.

Source: SHRM Aging Workforce Survey: Basic and Applied Skills



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



Note: n = 1,737. Percentages do not total 100% due to multiple response options.



- The top two steps taken to prepare for potential skills gaps resulting from the loss of older workers were increased training and cross-training efforts (42%) and succession plan development (33%).
 - One-third (34%) of respondents indicated their organization had not taken any steps to prepare for potential skills gaps as a result of the loss of older workers.
- Of respondents who said their organization had taken a specific step(s) to prepare for potential skills gaps as a result of the loss of older workers, about one-half (47%) reported that offering flexible work arrangements (e.g., job-sharing, telework) to attract a broader range of applicants was “very effective.”
 - About one-third said increasing automated processes (e.g., use of robotics) (37%), increasing training and cross-training efforts (33%), and creating new roles within the organization, specifically designed to bridge a skills or knowledge gap (31%), were “very effective.”
- More than one-half (54%) of respondents said their organization has implemented training and/or cross-training programs to transfer knowledge from older workers to younger workers; one-third (33%) implemented mentoring programs, and one-quarter (26%) implemented job shadowing.
 - About one-fifth (19%) of respondents said their organization does not use any strategies to transfer knowledge from older workers to younger workers.
- The vast majority said employees in their organization are receptive to working with older workers (92%), learning from older workers (91%) and learning from older workers to some or a great extent (86%); very few (1%-2%) said employees in their organization were not at all receptive.

Advantages and Skills of Mature/Older Workers: SHRM Aging Workforce Survey



- Top Five Advantages of Older Workers Compared with Other Workers:
 1. More work experience (i.e., more knowledge and/or skills) (77%).
 2. More mature/professional (71%).
 3. Stronger work ethic (70%).
 4. Ability to serve as mentors to younger workers (63%).
 5. More reliable (59%).
- Strongest *Basic Skills* Held by Older Workers Compared with Other Workers:
 - Writing in English (e.g., grammar, spelling) (45%).
 - Reading comprehension (in English) (20%).
 - English language (spoken) (20%).
- Strongest *Applied Skills* Held by Older Workers Compared with Other Workers:
 - Professionalism/work ethic (58%).
 - Critical thinking/problem-solving (28%).
 - Lifelong learning/self-direction (23%).



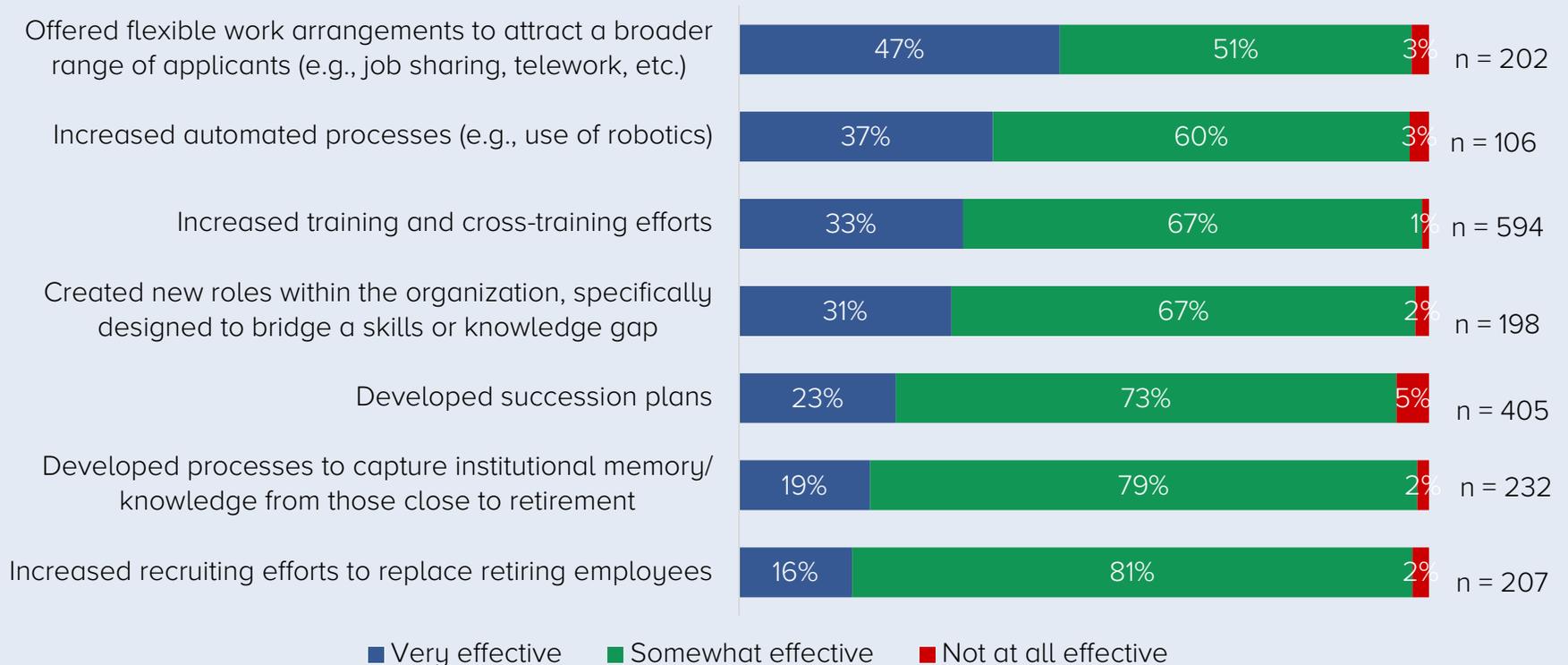
Steps Taken to Prepare for Potential Skills Gaps as a Result of the Loss of Older Workers



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



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



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

Advantages and Skills of Mature/Older Workers: Key Gaps and Implications

- 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 do not have a strategy for retaining their older workers.
- Areas where older workers are most valued, such as the English language skills and communication skills, could be those where knowledge transfer efforts and mentoring could 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 generation. However, although 42% of the HR professionals surveyed said that they are increasing training and cross-training efforts to address potential skills gaps resulting from the loss of older workers, the SHRM Employee Benefits Survey data found that many training and development benefits are in decline. This disconnect could lead to problems with skills shortages in the years ahead.
- Whereas the EPG report outlined evidence that a wave of retirements could lead to serious skills shortages in many industries, one-third (34%) of organizations 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. But the organizations that begin developing such projects will now have a head start—and a strategic advantage.



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