



HR and the AGING WORKFORCE: STRATEGIES AND BEST PRACTICES

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“The manager's role is that of facilitating goal accomplishment by removing the barriers limiting the group's performance.”

— Raymond E. Miles

Today's Agenda

- 1) Aging Workforce: Cause for Concern
- 2) Are HR and Organizations Preparing?
- 3) What HR strategy is needed?
- 4) Case Studies
- 5) Resources - How SHRM, SHRM Foundation, FWI and AARP can help



ND Unemployment 3%



MN Unemployment 4%

Aging Workforce: Cause for Concern?

4 Generations in the U.S. Workforce

Challenge: For the first time in history, four generations are working together in the U.S. workforce, each with different assumptions on how the world works



Traditionalist
born pre-1945



Baby Boomer
born 1946-64



Generation X
born 1965-82



Generation Y
Born 1983-99

Fifth Generation – on the verge of entering the job market



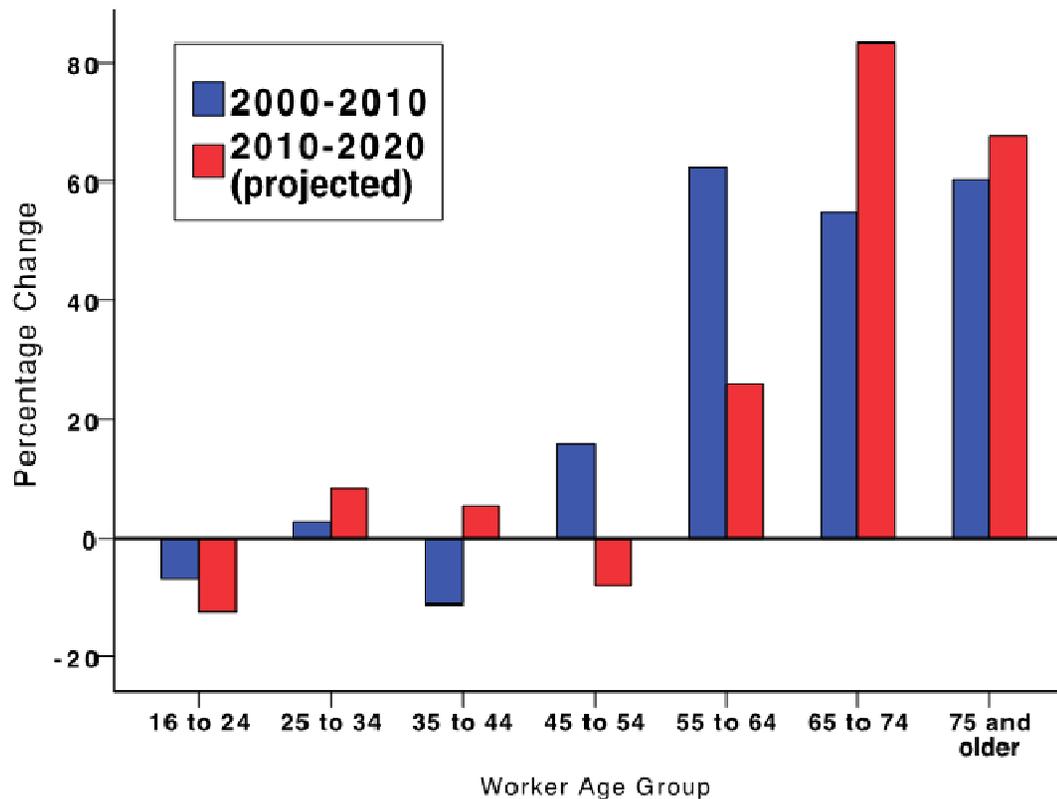
Generations in the Workplace



Comments

Aging Workforce: Cause for Concern

Older workers are only segment of the US workforce with substantial projected growth



Opportunity

Source: U.S. Bureau of Labor Statistics

Source: US Bureau of Labor Statistics

Aging Workforce: Cause for Concern

10,000 Baby Boomers are turning 65 every day



77 million
Boomers

2014
Youngest
Boomers
turned 50

In 2014, 17% of Baby Boomers had
already retired—up from 10% in 2010

Aging Workforce: Cause for Concern

Skills gaps could get even worse



US Labor Department: US employers will need 30 million new college-educated workers by 2020

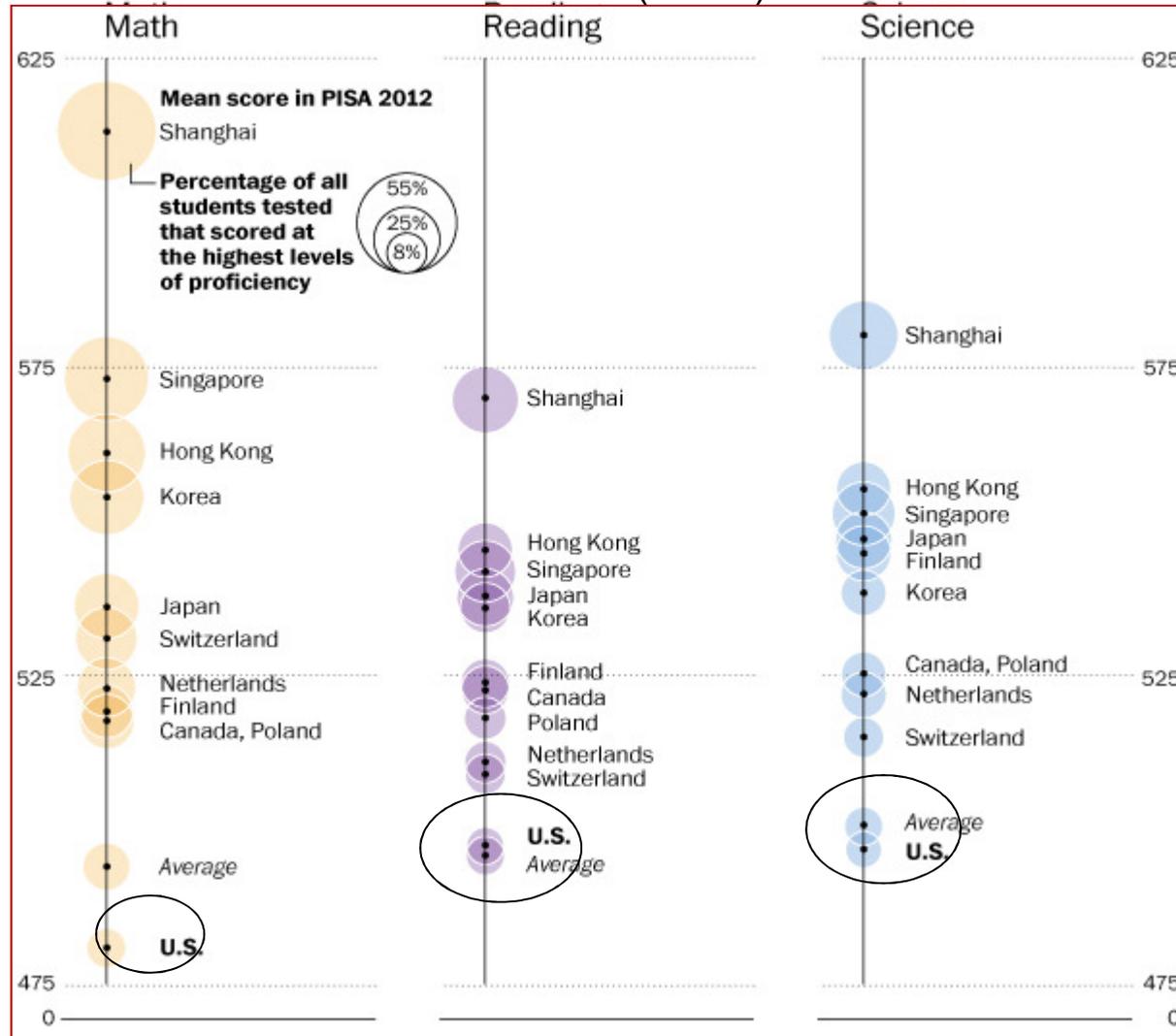
However, fewer than 23 million people will graduate from US colleges in the next 10 years



Did You Know

Aging Workforce: Cause for Concern?

2012 Organization for Economic Cooperation Program for International Student Assessments (PISA) Exam Results



US -
dropped
from 2nd
highest in
'86 to 13th
place in
'12

29
Countries

510,000
15 year
olds
assessed

Aging Workforce: Cause for Concern

U.S. Competitiveness is at stake



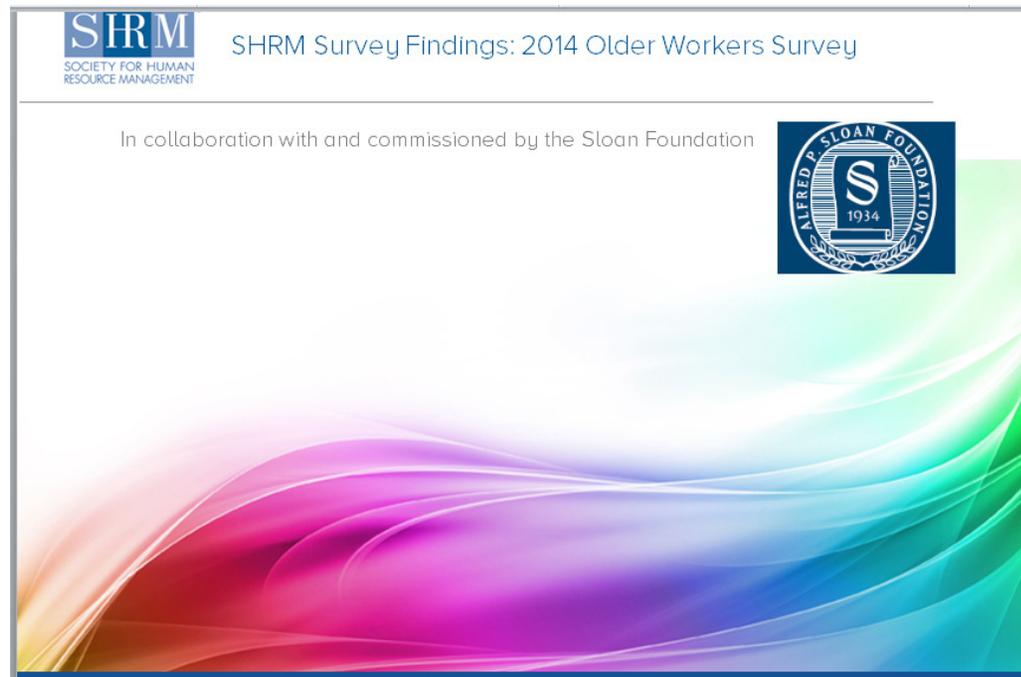
Retaining and engaging older workers is crucial to US global competitiveness

Fast-growth developing countries, like China and India, have younger and increasingly well educated, skilled workforces

In spite of recent economic slowdown, their economies are growing at double the US rate

Are Organizations Preparing Sufficiently?

SHRM 2014 Aging Workforce Survey



68% of organizations consider boomer retirements a current or potential problem, but only 35% have done strategic workforce planning to analyze the impact on their business

Are Organizations Preparing Sufficiently?

Top 5 steps taken to retain/recruit older workers:

48% -- Offered reduced hours or part-time jobs to older workers

40% -- Hired retired employees as consultants or temps

37% -- Started flexible scheduling/telework

30% -- Created positions that allow bridge employment

30% -- Offered phased/gradual retirement

Source: SHRM 2014 Aging Workforce Survey

Top 5 advantages of older workers vs. other workers:

77% -- More work experience/knowledge

71% -- More maturity/professionalism

70% -- Stronger work ethic

63% -- Ability to serve as mentors to younger workers

59% -- More reliability



www.shrm.org/research

SHRM 2015 Gap Analysis Report:

- Short-term mindset by employers
- Lack of urgency in preparing for long-term demographic shifts
- Lack of formal long-term forecasting, planning, and analysis
- Older workers are not included in diversity planning for recruitment

Careerbuilder 2015 Annual Retirement Survey:

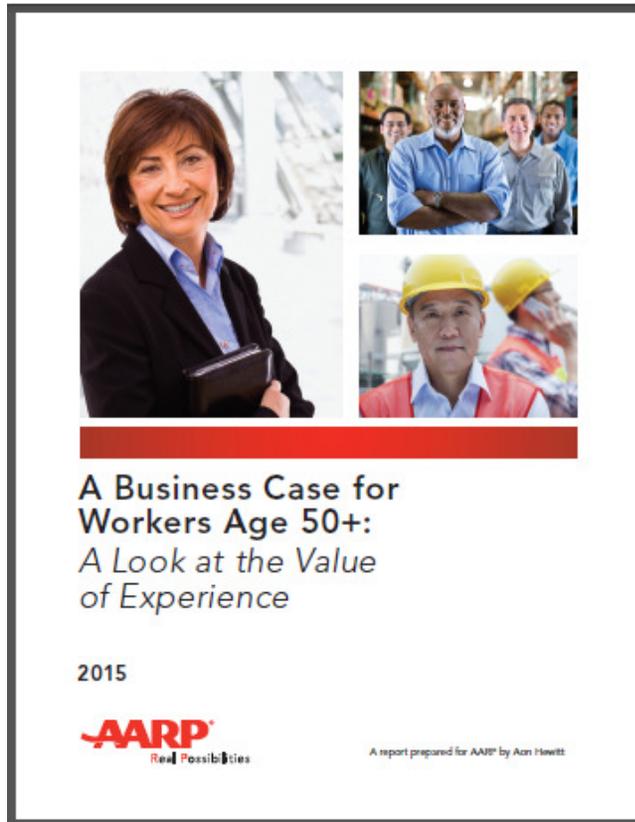
- 54% of workers nearing retirement age plan to continue working after retirement, up from 25% in 2014
- 54% of private sector employers hired workers aged 50+ in 2014 -- up from 48% in 2013
- 53% of workers aged 60+ are delaying retirement, down from 58% in 2013 and 66% in 2010
- This shows confidence in the economy, but means that fewer older workers will be delaying their retirement

AARP 2015 Report: A Business Case for Workers Age 50+

Americans age 50+ who are working or looking for work has grown significantly over the past decade

35% of U.S. labor force will be age 50+ in 2022, compared to just 25% in 2002

Sixty-five percent of employees age 55+ are considered engaged based on survey data, while younger employee engagement averages 58% to 60%.



www.aarp.org/employers

11 Older Worker Strategy Components

Goal: Retain and engage older workers as long as possible, transfer their knowledge to younger employees, leverage their skills after they retire, and recruit older talent from outside

1) Strategic Workforce Planning	6) Wellness/Health Benefits
2) Top Management Buy-in	7) Mentoring/Knowledge Transfer
3) Flexible Work Arrangements	8) Inclusive Inter-generational culture
4) Phased Retirement	9) Mixed-age Workgroups
5) Targeted Training	10) Older Worker Recruitment 11) Retiree Programs

#1 – Strategic Workforce Planning

Planning ahead 5-10 years



SWP identifies the business-critical functions and determines the percentage of employees who may retire or leave at future intervals

This data will be the basis for your ROI case to top management for support to retain, engage, and develop your older talent

Three Steps

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Step 1 – Conduct Age and Knowledge Audits

Step 2 – Identify Organization's Work Needs

Step 3 – Gather Information from Workers

Turnover Risk Map

Criticality to Mission	High			High Risk
	Medium			
	Low	Low Risk		
		Low	Medium	High
Likelihood of Departure				

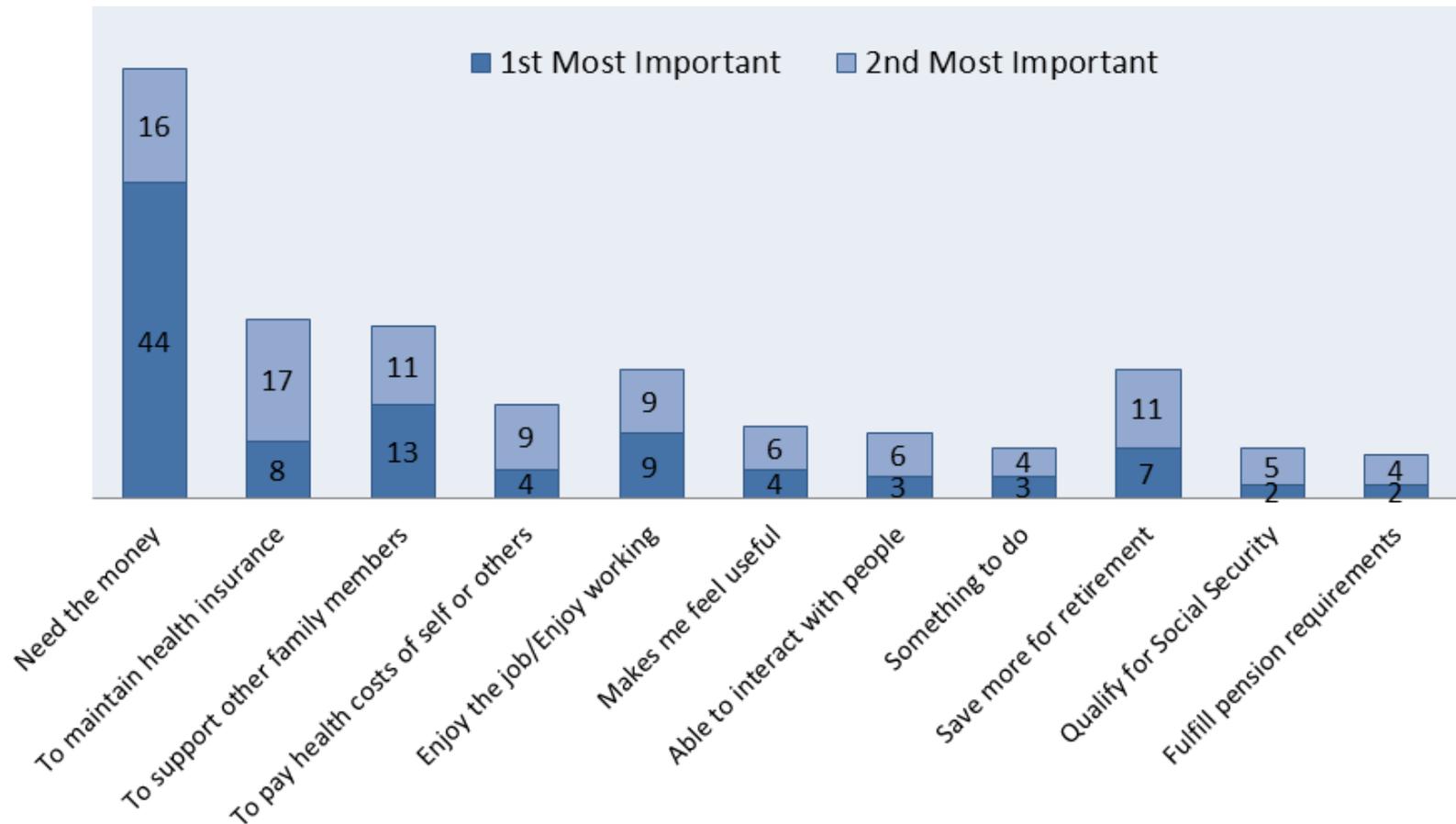


Identify organization's work requirements:

- Relative importance of requirements
- Bench strength and skills gaps
- Ways to redesign work
- Feasibility of flexible arrangements

Information on Worker Motivation

Percentage of Workers Citing Primary or Secondary Reason for Continuing to Work or Seeking Work



Source: AARP 2014 Staying Ahead of the Curve Survey

#2 – Top Management Buy-in

Make the business case for older worker ROI



Support from your top management will be key to the success of your strategy to avoid a Boomer drain

Make the business case for older worker programs with examples of the bottom-line results

#3 - Flexible Work Arrangements

Highly valued by older workers



Flexible work arrangements are one of the most powerful tools you can use to retain, engage, and recruit older workers

Extensive research has shown that companies with flexible workplaces tend to have happier, healthier, more engaged, and more productive employees

Families and Work Institute

When Work Works

1. The opportunity to stand out from the competition
2. A **free** benchmarking report to find out what you're already doing right or how far you still need to go
3. Inclusion in a [searchable database](#) of winners, the go-to source for media, the business community and job candidates
4. Increased employee loyalty & appreciation because your organization makes effective and flexible work a priority
5. National and local recognition as a winner



#4 – Phased Retirement

Can be an important benefit if properly implemented



Phased retirement offers employees nearing retirement age the possibility to work reduced hours to transition into full-time retirement

Its use has been limited by the fact that the Pension Protection Act of 2006 regulations still have not been defined in sufficient detail

#5 – Targeted Training/Development

Another Older Worker Retention Tool



A variety of classroom, online, and non-classroom development programs should be offered to help employees grow professionally

These should include real-life learning and the “trial-by-fire” experiences that stretch employees’ capabilities, as well as the lessons they learn from peers, mentors, and others

#6 – Mentoring/Knowledge Transfer

Stronger Focus Needed



You lose not only experienced employees when they walk out the door. You also lose their institutional knowledge

Mentoring, coaching, and job shadowing are three of the most common types of knowledge transfer programs. Leverage reverse mentoring.

Be creative – it's essential to finding effective new ways to retain organizational knowledge

#7 – Wellness Programs

Benefits to Employees and your Company



Wellness programs are especially attractive to older workers, who are concerned about their health

They tend to lower company health care costs and reduce employee sick days, as well as boosting engagement, productivity, retention, and recruitment efforts

#8 – Inclusive Inter-generational Culture

Four generations can work well together



Developing an inclusive inter-generational culture should be a key part of your efforts to retain, engage, and attract older workers

Diversity awareness and mentoring programs can increase understanding of the strengths each generation brings to your business

#9 - Mixed-age Workgroups

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Bringing together employees of different ages on work teams promotes an inclusive culture

Can help your organization find creative solutions to difficult problems and further business objectives.

Both anecdotal evidence and international research have shown positive benefits at companies with mixed-age workgroups.

#10 – Older Worker Recruitment

Outside recruitment compliments retention efforts



You should devise a recruitment strategy aimed specifically at attracting older workers looking to switch jobs, as well as those who are unemployed or retired

As you cast your recruitment net, you should target senior employment agencies, publications and job boards targeting 50+ audiences, and social media sites



Where can you source?

#11 – Retiree Programs



Retirees are ideal for part-time or consulting work, since they already know your organization and can hit the ground running

The key to leveraging retirees is to keep in regular contact with them and have a staff person responsible for retiree relations

40 percent of the organizations in SHRM's 2014 Aging Workforce Survey had hired retirees as consultants or part-time workers

Case Study – Vita Needle Company



Case Study – Scripps Health



< SECTIONS

SHRM » HR Topics & Strategy » Diversity » Articles

Employing an Aging Workforce



Employing an Aging Workforce

By 2050, the number of individuals in the labor force who are age 65 or older is expected to grow by 75% while those who are 25 to 54 is expected to grow by 2%. --Source: U.S. Department of Labor

This page offers a compilation of resources to assist HR professionals in working effectively with older workers. Look for more information throughout the year as additional resources are added.

Retaining and Engaging Older Workers

ABOUT THIS PAGE

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

[Read the Press Release](#)

A Joint Initiative With

SHRM
Foundation
Shaping the future of HR

ADDITIONAL RESEARCH

Just released! [Changing Our Perceptions of Older Workers](#)

Just released! [Engaging Older Workers Strategically](#)

[Aging and America: Demographic Change and Its Consequences for Work and Retirement](#)

SHRM and AARP Partnership



Launched in 2010 and renewed in October, 2014, by CEOs Hank Jackson and Jo Ann Jenkins

Seeks to raise awareness on key older worker issues and provide resources and strategies to address these issues

View details and resources at:
www.shrm.org/aarp

SHRM and AARP Can Help



Workforce Assessment Tool

Co-sponsored by AARP and SHRM



This free, confidential tool can help your organization assess your current and future workforce needs.

The Workforce Assessment Tool is a resource for HR managers to:

- Assess how retiring workers will affect their organization
- Address skill shortage challenges due to staff attrition
- Create a work environment that attracts qualified workers of all ages
- Manage a multi-generational workforce
- Build an employer brand that attracts and retains top talent

The Workforce Assessment Tool takes about 30 minutes to complete. Once you complete the Tool, a customized Summary Report will automatically be generated based on your responses.

Getting started

To create a new account and access the assessment tool, please click here to [Register](#). Already have an existing account? **Log in above**. You will have the ability to save any data entered and return to your account to change or complete the Workforce Assessment Tool.

Sign In

Email Address

Password

[Forgot password?](#)

Log in

New to the site?

Register!



Summary -- Takeaways

- 1) Addressing the aging workforce should be a top HR priority
- 2) Organizations need to expand significantly programs to stem the loss of Boomer knowledge, experience, and skills
- 3) A comprehensive, ten-part strategy is crucial to address key aspects of the aging workforce challenge
- 4) Best practices of organizations like Vita Needle Company and Scripps Health offer guidance and inspiration
- 5) A wealth of older worker resources are available through the SHRM-SHRM Foundation Aging Workforce Initiative and the SHRM- AARP partnership, so take advantage of them

Final Message



“It is clear that HR leaders will play an increasingly critical role in addressing the challenges—and seizing the opportunities—of an aging workforce. I know HR is up to this daunting task. SHRM and its members are ready to lead.”

Hank Jackson, SHRM President & CEO
November, 2014, issue of HR Magazine



***THANK YOU FOR ALL
YOU DO FOR THE HR
PROFESSION!***

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