

SPECIAL SUPPLEMENT

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HR AND THE AGING WORKFORCE

TWO CEO POINTS OF VIEW

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The Role of HR in Addressing the Challenges of an Aging Workforce

By Henry G. (Hank) Jackson, President and CEO, SHRM



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Founded in 1948, the Society for Human Resource Management (SHRM) is the world's largest HR membership organization devoted to human resource management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates.

This clarion call to action is not new, and the clock continues to tick. We have been hearing for many years that the U.S. faces a serious challenge as its workforce increasingly ages and the Baby Boomer generation retires from the workforce. Now that the oldest Baby Boomers (born in 1946) have begun reaching the traditional retirement age of 65 and the youngest Baby Boomers (born in 1964) are turning 50, we need to focus with even greater urgency on this challenge to America's ability to effectively compete in the global marketplace.

According to the Pew Research Center, 10,000 U.S. Baby Boomers on average have been reaching age 65 every day since 2011. And large numbers of the 77 million Boomers born between 1946 and 1964 have already retired, taking with them their experience, special skills and deep knowledge of the business.

We are proud that the Society for Human Resource Management (SHRM) and AARP have taken a leading position in addressing this challenge. In addition to our other efforts, we decided in 2010 to collaborate and develop joint projects to raise awareness of the value of older workers, and to provide strategies and resources to help HR professionals and their employers retain, engage and develop their experienced talent. This special insert is one of several such joint projects.

Why Should We Be Concerned?

The U.S. workforce, like those of most developed countries, is aging rapidly. According to the Bureau of Labor Statistics, by 2016 one-third of the U.S. labor force will be 50 or older, up from 27 percent in 2007, and this percentage growth is projected to continue for the foreseeable future.

The recent Great Recession and other factors, however, have caused many Baby Boomers who would have otherwise retired at age 65 to remain in the workforce. While economic forces have slowed the number of retirements and provided organizations a brief respite as they search for talent, there is no question that a crunch is coming. According to the U.S. Census Bureau, 10 percent of Baby Boomers were retired in 2010. In the four short years since, that percentage has nearly doubled.

The continued retirement of large numbers of Baby Boomers could significantly increase the existing skills gaps in areas such as engineering, medicine and technology. And I believe that the skills gap is among the most critical/important challenges facing our nation, communities, organizations and economy today.

U.S. employers appear to have a growing concern about the impact of upcoming Baby Boomer retirements. According to the SHRM 2014 Older

Worker Survey, seven percent of the respondents consider the loss of their older workers over the next 6-10 years as a “crisis” for their organizations, and more than two-thirds of them consider it a “problem” or “potential problem.”

What Needs to Be Done?

To address this challenge, there are four areas on which I think every organization should focus:

- 1. Value your older workers.** Every organization should view its older workers as a highly valuable asset but must also prepare for their exit from the workforce. HR professionals are the linchpins who can move their organizations to take the fundamental steps. They know, for example, how to guide the strategic workforce planning process, which is a critical component in helping organizations determine the impact of their Baby Boomer retirements and their human capital needs in the short- and long-term.
- 2. Conduct a strategic workforce analysis.** SHRM’s 2014 Older Worker Survey revealed that fewer than a third of the organizations surveyed had conducted a strategic workforce analysis to gauge the impact of losing their experienced talent in the coming three to five years. This figure indicates that even more attention needs to be focused on this priority, given the stakes involved. To conduct strategic planning at a minimal cost, take advantage of AARP’s free online Workforce Assessment Tool, which SHRM co-sponsors, available at www.aarpworkforceassessment.org.
- 3. Position your organization as an “employer of choice.”** HR professionals are also attuned to the fact that most older employees want flexible, interesting work that accommodates their lifestyle and schedule. Consequently, flexible work arrangements are becoming one of the most powerful tools employers are using to keep older workers on board and engaged. In fact, these arrangements—including telecommuting, flextime, job sharing and phased retirement—are highly valued by employees of all ages because they allow for a better work/life fit and a better balance of professional and family responsibilities.
- 4. Incorporate coaching and mentoring programs.** HR professionals are actively involved in

the crucial effort to avoid losing the institutional knowledge that older workers possess. They are setting up systematic knowledge transfer programs, such as coaching, job sharing and mentoring, to tap this knowledge before it leaves with retiring Baby Boomers.

The SHRM and SHRM Foundation Aging Workforce Initiative

Earlier this year, SHRM and the SHRM Foundation were excited to launch a national, three-year Aging Workforce Initiative to highlight the value of older workers and best practices for employing them. This initiative, funded by an Alfred P. Sloan Foundation grant, includes first-of-its-kind research and educational resources aimed at helping employers understand and respond to the issues of an aging workforce.

The multifaceted initiative began with a compilation of existing research on best practices associated with employing an aging workforce. It was followed by the Older Worker Survey on HR perspectives regarding current practices for recruiting and retaining older workers. The key findings of this survey are highlighted in the box on the next page.

The third research project in the Aging Workforce Initiative will draw information from the first two studies to identify the gaps between older worker best practices and those currently in use at the organizations that were surveyed. The initiative has also produced a best-practices DVD featuring the National Institutes of Health and sponsored by AARP that will be widely distributed, in addition to a series of executive roundtable discussions and briefings beginning this year through 2016. Information on these and several other Aging Workforce Initiative projects and resources can be found at www.shrm.org/hrdisciplines/diversity.

SHRM-AARP Collaboration

For more than four years, SHRM and AARP have been working together to provide HR and business leaders with strategies and practical resources related to the aging workforce. We conducted two joint research surveys in 2010 and 2012 on strategic workforce planning for Baby Boomer retirements, co-sponsored several educational webcasts, collaborated on joint speaking engagements and panel programs at SHRM chapters and other events, and

worked together on numerous articles and communications in traditional and social media.

In addition, SHRM co-sponsored AARP's 2013 Best Employers for Workers Over 50 Award, as well as the award ceremony during SHRM's 2013 Annual Conference & Exposition, to highlight best-in-class employers for older workers. More details on these activities and the resources available through our collaboration can be found at the SHRM-AARP website at www.shrm.org/aarp and on the AARP website at www.aarp.org/employers.

The Role of HR Going Forward

It is clear that HR leaders will play an increasingly critical role in addressing the challenges—and seizing the opportunities—of an aging workforce. They will be at the heart of the efforts by companies to engage their older workers and leverage the unique talents of each generation in today's diverse, multigenerational workforce. I know HR is up to this daunting task. SHRM and its members, along with AARP, are ready to lead.

Some Key Findings from the SHRM 2014 Older Worker Survey

The Society for Human Resource Management (SHRM) 2014 Older Worker Survey is one of the projects under the SHRM and SHRM Foundation Aging Workforce Initiative. It was funded by the Alfred P. Sloan Foundation. Data collection for the survey took place between May 1 and July 3, 2014. The findings reflect the responses of 1,913 randomly selected SHRM members. The full survey can be accessed at www.shrm.org/research.

Over two-thirds (68%) of respondents consider the potential loss of older worker talent over the coming 6-10 years, through retirement or other reasons, a “problem” or “potential problem” for their organization.

- 7% consider it a “crisis”
- 28% consider it a “problem”
- 40% consider it a “potential problem”
- 24% do not consider it a “problem”

Just over one-third (35%) of respondents have conducted a strategic workforce planning analysis to analyze the impact on their organizations of the exodus of their workers age 55-plus in the coming 1-2 years.

- 31% have analyzed the impact over the coming 3-5 years
- 17% have analyzed the impact over the coming 6-10 years

Top 5 steps taken to retain and/or recruit older workers:

- 48% have offered reduced hours or part-time positions to older workers

- 40% have hired retired employees as consultants or temporary workers
- 37% have started flexible scheduling (e.g., telework, alternative work schedules, etc.)
- 30% have created or redesigned positions that allow bridge employment
- 30% have offered phased/gradual retirement

Top 5 advantages of older workers compared to other workers:

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

Top 5 steps taken to prepare for potential skills gaps resulting from the loss of older workers:

- 42% have increased training and/or cross-training efforts
- 33% have developed succession plans
- 17% have developed processes to capture institutional memory/organizational knowledge
- 15% have increased recruitment efforts to replace retiring workers
- 15% have created new roles within the organization, specifically designed to bridge a skills or knowledge gap

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Disruptive Aging: Our Age Adds Value and Experience

By Jo Ann Jenkins, Chief Executive Officer, AARP



Jo Ann Jenkins
Chief Executive Officer, AARP



AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

Since becoming AARP’s CEO in September, I’ve begun a mission to “Disrupt Aging!” I want to change the conversation in this country around what it means to get older—to help people understand that it’s not really about aging, it’s about living. Nowhere is this more important than in the workforce.

Those of us 50-plus face distinct challenges and have different goals compared to people in their 30s and 40s. We’re at a different place in our lives. We’re motivated by different things.

Because of our life experiences, we see the world through a different lens—a lens shaped by experiencing the ups and downs of life, by the wisdom gained from those experiences, and by the comfort that comes from having a better understanding of who we are as individuals and what we want from life. I am a more purposeful person because of my age. And, to my mind, that also makes me a better employee.

Life after 50 today isn’t what it used to be. I know because the 50 of my parents’ generation certainly isn’t an experience I can relate to. If I had lived in my parents’ generation, I would have retired after spending 25 years in government service. After all, I was eligible for my pension, my husband had just retired, my kids were grown—conventional wisdom dictated that I should just retire.

There was only one thing wrong—I wasn’t ready to retire. I was just ready to do something different. So I joined AARP as president of the AARP Foundation. I then became AARP’s chief operating officer. And on September 1, I began my tenure as CEO.

I almost missed this opportunity because stuck in the back of my head was a little voice that said the social norm at this stage of my life was to play it safe and retire. Fortunately, I didn’t listen. And today, millions of people like me aren’t listening, either.

My story is not unique in today’s world. A report a couple of years ago by Bloomberg News found that U.S. employees old enough to retire now outnumber teenagers in the workforce for the first time since 1948. According to AARP research, almost half of all employees ages 45 to 70 envision working well into their 70s and beyond. The simple fact is this: The workforce is aging. In 1992, workers 55-plus made up less than 12 percent of the workforce. By 2012, they were about 21 percent. And by 2022, they are projected to be over 25 percent of the total workforce. For some this is a choice—for others a necessity.

These demographic changes are having a disruptive influence in the workplace. Many businesses and organizations are simply in denial. Others are struggling to find ways to manage their multigenerational workforces effectively. They’re continually seeking ways of getting the most out of a workforce that may consist of up to four generations of

workers—but most certainly has a larger proportion than ever of workers over the age of 50.

The time has come to embrace our 50-plus workforce. Society and employers need to recognize that hiring and retaining experienced workers is good for their business. And, we need to help experienced workers navigate today's work reality and remain competitive in the current and future job market.

At AARP, we've initiated a four-part strategy to achieve these goals:

1. Raise awareness of today's work reality and its implications for business and the economy by helping society and the 50-plus become more attuned to the changes taking place in today's workforce. We're also positioning AARP as a resource to address the needs of 50-plus workers.

2. Influence employer perceptions and approaches to 50-plus workers. We are developing strong relationships with key employers at the executive level who are industry leaders to educate them on the value of experienced workers. And we are working with them to create model programs and identify best practices for employers to benefit from the value of experienced workers in the context of their multigenerational workforces.

3. Continue to be a leading voice nationwide against age discrimination in the workplace. This includes addressing issues of unfair treatment of older workers in the courts, as well as pushing for policies and legislation in the areas of age and disability discrimination.

4. Develop best-in-class skill-building resources oriented specifically to the needs of the 50-plus. We are creating a user-friendly experience that makes it easy to find all of AARP's work and skill-related resources (e.g., Life Reimagined, Work and Entrepreneurship Resource Center, AARP's LinkedIn page, etc.). We are also building a new skill-development curriculum that complements and connects with Life Reimagined; piloting a new program, AARP Technology Education Knowledge (TEK), that provides work-related technology education; refining and expanding the AARP Foundation's Back to Work 50+, a partnership with community colleges and other workplace services, providing public benefits application assistance and encouraging employer engagement; and continuing AARP Foundation's Senior Community Service Employment Program (SCSEP) that helps individuals with a family income of no more than 125 percent of the poverty line get the skills and services they need to get back into the workforce.

Embracing our 50-plus workforce means building on the positives that these employees bring in order to create a more productive workforce overall. For example:

- Use 50-plus workers as mentors for younger employees. They often make excellent coaches and it adds to their sense of purpose and fulfillment on the job.
- Establish a process for knowledge transfer between generations. Workers who are 50-plus have a lot of tacit knowledge based on their years of experience that younger workers have yet to acquire.
- Elicit 50-plus workers to solidify the organizational culture. Experienced workers know the norms and values of the organization and are able to pass them on to new hires. Some organizations set up formal partnerships between older and younger employees specifically for this purpose.
- Consider using retired employees as a "just in time" temporary workforce. This can give an organization the flexibility to scale up or scale down quickly when circumstances change—as we experienced with the recent recession.
- Recognize that experienced workers respond to different incentives. They may not be as interested in money and promotions as they are in flexibility, opportunities to contribute to the organization in different ways and other benefits tailored to meet their needs.

Embracing a 50-plus workforce also means accepting a new reality. For example, demographic trends suggest an increasing number of employees—as many as one in three—will assume the role of family caregiver as the percentage of the older population increases. Employers need to be prepared to support their workers who are providing care to others. They need to be open to the conversation, provide flexible work schedules, embrace caregiving as the new normal and keep caring for the caregivers. More specifically:

- Supervisors can talk to their employee caregivers about their dual responsibilities at work and at home. Learn about existing resources to help them maintain a healthy work/life balance.
- Find ways to accommodate schedules and show employee caregivers that you understand they are juggling two full-time jobs: caregiving for a loved one and working at your organization.
- Embrace caregiving as the new normal. The majority (74 percent) of adults with elder care

Embracing a 50-plus workforce also means accepting a new reality.

responsibilities work outside the home. One in four (22 percent) adults between ages 45 and 64 are employed caregivers.

- Check in regularly with your caregivers. Follow these tips and resources to better equip them with resources that can help. Keep being flexible and responsive to their needs.

At AARP, we are committed to helping organizations realize that age adds value, and produces far more productive workers for longer periods of time. We believe that anyone 50-plus who wants or needs to work should be able to work. It's not only essential to achieving financial security, it also benefits our economy and society.

AARP is proud to be working with the Society for Human Resource Management to bring fresh insights to help people 50-plus make sense of and prosper in this new and constantly changing world we live in today. We can't change the demographic trends, but we can change how we respond to them. By embracing our aging workforce, we can turn these disruptive demographics into productive possibilities for employers and employees alike.

AARP Programs and Initiatives to Help Employers and 50-Plus Workers

Employee Programs and Initiatives

- **Resources for Finding a Job or Starting a Business:** Articles, quizzes and advice from the experts on everything work-related, from landing a job to starting a business. www.aarp.org/WorkResources
- **Life Reimagined for Work:** Connects job seekers and employers to the contacts and information they need to succeed in today's ever-changing workplace. <http://epp.lifereimagined.org>
- **Job Tips for 50-Plus Workers:** Free resources to help job seekers with resumes and cover letters, interviews, job search strategies, career planning, starting a business and other topics. www.aarp.org/JobTips
- **Your Guide to Self-Employment:** Information about starting a business from AARP and the U.S. Small Business Administration. www.aarp.org/StartaBusiness
- **Work and Entrepreneurship Webinars:** Features AARP's upcoming and archived webinars. www.aarp.org/MoneyWebinars
- **Find a Job:** Search jobs from thousands of job sites, newspapers, associations and company career sites. www.aarp.org/jobs

Employer Programs and Initiatives

- **Employer Resource Center:** Information, tips and tools to help employers build an organization that values workers age 50-plus. www.aarp.org/Employers
- **Life Reimagined for Work Pledge Program:** Join more than 270 employers in pledging to recruit across diverse age groups and to value experienced workers. <http://epp.lifereimagined.org>
- **Staying Ahead of the Curve 2013 Study:** Helps employers make the most of the expertise and capabilities of older workers. www.aarp.org/StayingAheadoftheCurve2013
- **Workforce Profiles:** Provides employers with data about older workers at the state and national levels. www.aarp.org/WorkforceProfiles

For questions and comments, please contact:



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