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Linking Learning and Work

Workplace Action Steps For Leveraging Mature Talent:

Findings From the Talent Management Study

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The Tapping Mature Talent Paper Series: *POLICIES FOR A 21ST CENTURY WORKFORCE*

Demographic and other trends indicate that the U.S. will be seeing more mature workers actively engaged in the labor market, whether out of financial need or out of continued ability and preference. These workers are, and will continue to be, an important part of the labor force upon which our economy depends. Yet many of these mature workers will need help navigating a complex labor market, identifying career pathway opportunities, and determining needed education and training for greater employability and contributions to the workplace.

Recognizing these challenges, the U.S. Department of Labor supported a three-year Aging Worker Initiative (AWI) between 2009 and 2012. This initiative acknowledged the importance of mature workers to the economy and the need to provide them with help in preparing for new jobs and careers. The AWI funded 10 sites to test new models of serving mature workers (see box).

Over the course of this three-year initiative, the Council for Adult and Experiential Learning (CAEL) has overseen technical assistance to these sites under a grant from The Atlantic Philanthropies. The experiences of the 10 sites have underscored for us the importance of supporting the labor force participation of mature individuals in a deliberate way.

As this initiative comes to a close, CAEL invited leading experts on the mature workforce to help us showcase the work of the AWI grantees alongside their own research findings. Collectively, the papers contributed by these experts address the factors that are causing more mature individuals to continue working, the range of occupations currently held by mature workers, the value of the mature workforce to our economy, the factors that most influence employer retention and hiring as they face changing workforce demographics, the difficulties workers face as they make often irreversible decisions about when to retire, and public sector strategies that support mature workers. In addition, the conclusions reached by the authors help to inform a set of recommendations for policy makers and employers.

This publication presents the fourth in a five-part series of papers we are calling Tapping Mature Talent: Policies for a 21st Century Workforce. In “Workplace Action Steps for Leveraging Mature Talent: Findings from the Talent Management Study,” Jungui Lee, Tay McNamara, and Marcie Pitt-Catsouphes of The

The 10 Aging Worker Initiative Sites

Tecumseh Area Partnership, Inc., Indiana

Quad Area Community Action Agency, Inc., Louisiana

Coastal Counties Workforce, Inc., Maine

Baltimore County Office of Workforce Development, Maryland

Macomb/St. Clair Workforce Development Board, Inc., Michigan

South Central Workforce Investment Board, Pennsylvania

Goodwill Industries of Houston, Inc., Texas

Vermont Associates for Training and Development, Inc., Vermont

Seattle-King County Workforce Development Council, Washington

Fox Valley Workforce Development Board, Wisconsin

Sloan Center on Aging & Work at Boston College present findings from a survey of employers on the kinds of external and internal pressures that prompt employers to adopt policies and practices that respond to the aging workforce.

The full series is as follows:

1. *New Approaches for Supporting the Mature Worker: The Experiences of the U.S. Department of Labor's Aging Workforce Initiative Grantees*, by Rebecca Klein-Collins, Council for Adult and Experiential Learning

2. *Financial Literacy and Retirement Decisions: The Choices Facing Older Workers*, by Robert L. Clark, North Carolina State University

3. *Occupational Profiles for the Mature Worker: Finding and Using Detailed Information About Occupations with the Largest Share of Mature Workers*, by Neeta P. Fogg and Paul E. Harrington, Center for Labor Markets and Policy, Drexel University

4. *Workplace Action Steps for Leveraging Mature Talent: Findings from the Talent Management Study*, by Jungui Lee, Tay McNamara, and Marcie Pitt-Catsoupes, The Sloan Center on Aging & Work at Boston College

5. *Older Workers, Rising Skill Requirements and the Need for a Re-envisioning of the Public Workforce System*, by Maria Heidkamp, John J. Heldrich Center for Workforce Development, Rutgers University

The five papers suggest several new policy ideas to consider, both for employers and for public policy leaders, that can support the mature worker in the U.S. At a national summit on May 3, 2012 held at the National Press Club and co-sponsored by CAEL and the National Governors Association, these and other policy ideas were discussed by more than 120 attendees representing organizations focused on aging issues, workforce development organizations, federal agencies, workforce investment boards, economists, and other advocates for the mature worker. These discussions helped to identify priority areas for policy change and other action at the national, state and local levels.

To read a summary of all the papers in this series, please see <http://www.cael.org/pdfs/TMT-Executive-Summary>

To read a summary of the policy recommendations from this paper series, please see http://www.cael.org/pdfs/TMT_Summary_Policy_Recs_2012

For additional TMT publications, please visit <http://www.cael.org/How-We-Help/Older-Workers>

Authors Jungui Lee, Tay McNamara, and Marcie Pitt-Catsouphes of The Sloan Center on Aging & Work at Boston College explore whether employers are adopting policies and programs that can help them adapt to the aging of the workforce, and why some employers have responded to the aging of the workforce while others have not. The authors use data from its 2009 Talent Management Study, which collected survey responses from 696 employers in 10 leading sectors of the economy. The authors find that employers who anticipate that the aging of the workforce will have a “positive” impact on their organizations are more likely to take steps to recruit, engage, and retain older workers. Employers who are aware of skills shortages are more likely to offer flexible work initiatives. Furthermore, employers who have collected data to assess the potential impact of important trends on their own business strategies are more likely to take actions for all employees, including older workers. Having this information ensures that employers will have the people they need and will also guide employers in planning the necessary action steps to support the aging workforce.

Workplace Action Steps for Leveraging Mature Talent:

Findings From the Talent Management Study

By Jungui Lee, Tay McNamara, and Marcie Pitt-Catsoupes, The Sloan Center on Aging & Work at Boston College

Is Now the Right Time for Employers to Invest in Mature Talent? Absolutely.

The aging of the workforce is one factor that has had a significant impact on the talent management approaches adopted by many U.S. employers. This might seem a bit paradoxical. Given the grip that the economic recession has had on businesses across the country, why should employers pay attention to the recruitment, engagement, and retention of older workers? And yet, despite the economic constraints facing many companies, a significant number of employers report that “recruiting employees with the skills needed” is a business problem, “to a moderate extent,” for them. In fact, over 40% of employers in the following sectors reported that they were experiencing problems with recruitment: manufacturing, retail trade, professional/scientific/technical, administrative/support/waste, health care/social assistance, and accommodation/food service. In addition, employers indicated that skill shortages and other human resource management issues (such as employees’ performance, knowledge transfer, and effective supervision) were challenges for them (Lee, McNamara, & Pitt-Catsoupes, 2009).

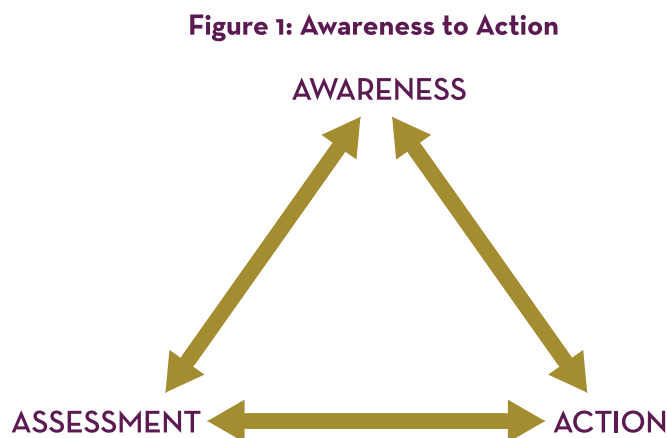
As a result, it might well be the right time to view today’s older workers as an under-tapped resource that brings some of the experience, skills, and competencies employers need today. And, it might be the right time to engage mature talent so our businesses will be ready for the competitive spaces that will open up as the economy strengthens.

In this report, we explore two fundamental questions:

- **Are employers adopting policies and programs that can help them adapt to the aging of the workforce?**
- **Why have some employers responded to the aging of the workforce and others have not?**

Companies that have a reason to change are more likely to take action steps designed to help them adapt. Much like people, organizations may respond to either ‘the carrot or the stick.’ In this report, we focus on ‘the stick’: pressures that can motivate companies to respond to the needs of today’s multi-generational workforce. Throughout the paper, we suggest opportunities for change that can guide both business and public sector decisions.

We use the Sloan Center on Aging & Work’s awareness to action model (see Figure 1) to guide the discussion in this report. Its component parts are explained in the table that follows.

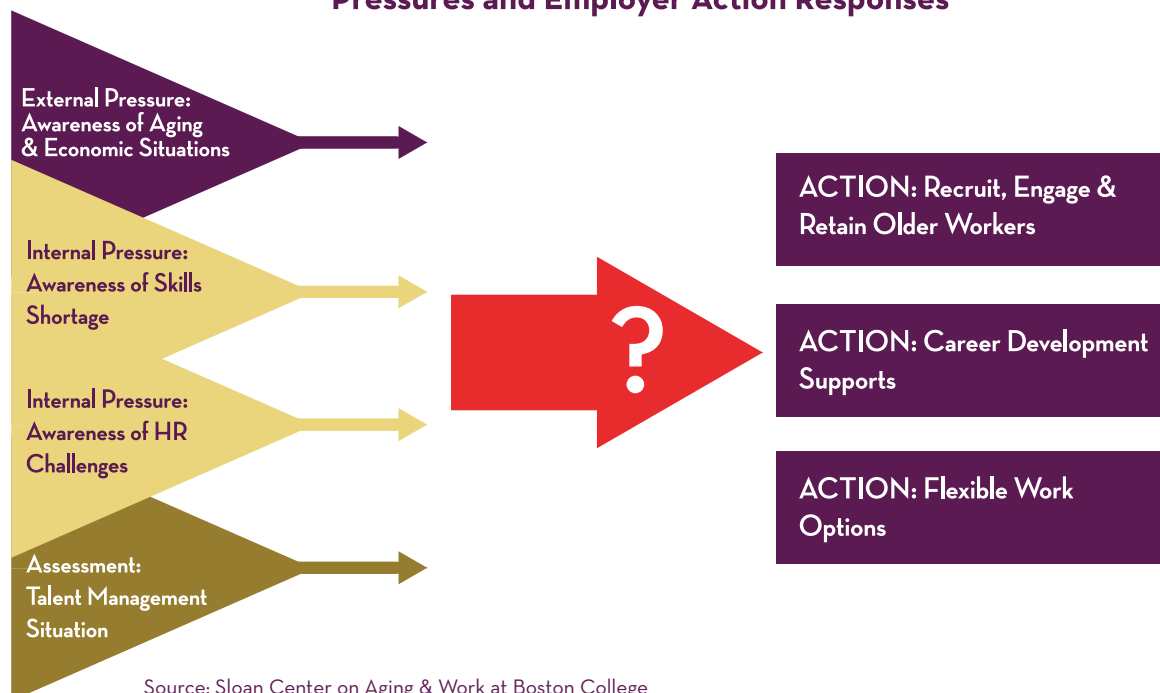


Source: Sloan Center on Aging & Work at Boston College

	WHAT IS IT?	WHAT QUESTIONS DID WE CONSIDER?
ACTION	Strategies, policies, and programs that organizations might adopt to leverage the multi-generational workforce as a competitive advantage.	<ul style="list-style-type: none"> • What action steps are employers taking to respond to their current older workers? • What career development opportunities are available at the workplace? • How available are flexible work options?
AWARENESS	Workplace recognition and interpretation of trends external to the organization, such as the aging of the workforce, and consideration of priority talent management concerns inside the firms.	<ul style="list-style-type: none"> • To what extent do employers feel that the current economic circumstances and shifts in the age demographics of the workforce are having an impact at their workplace? • To what extent do employers feel that they are faced with skill shortages and human resource management problems?
ASSESSMENT	Data collection used by organizations to assess the potential impact of important trends on their business strategies and on key stakeholder groups, including their own workforce, customers, and investors.	<ul style="list-style-type: none"> • Are employers gathering the information they need to ensure they will have the people they need, today, and in the future?

Analyzing data from the 2009 Talent Management Study, we consider whether employers' awareness and assessment of pressures affect three types of workplace action responses (see Figure 2 below).

Figure 2: Exploring the Relationships between Pressures and Employer Action Responses



Source: Sloan Center on Aging & Work at Boston College

About This Study

The 2009 Talent Management Study was designed to reveal how companies in the United States are responding to today's multi-generational workforce in the context of the changing economic landscape. The study gathered information from organizations operating in the 10 leading sectors: retail trade; manufacturing; health care and social assistance; accommodation and food services; administrative and support and waste management and remediation services; professional, scientific, and technical services; construction; wholesale trade; finance and insurance; and transportation and warehousing. A total of 696 organizations participated. A stratified sampling strategy was used to help us examine the responses based on enterprise size: smaller enterprises (with less than 100 employees), medium-sized enterprises (with 100-249 employees), and large enterprises (with 250+ employees) (Pitt-Catsouphes, Sweet, Lynch, & Whalley, 2009).

Talent Management Action

Employers interested in making the most of today's multi-generational workforce can choose to adopt a range of policies and programs that support their employees and help promote organizational effectiveness. As part of the planning process, employers will want to consider older workers' preferences and priorities. The Sloan Center on Aging & Work focuses on eight characteristics of the quality of employment that can be important to older workers, depicted in Figure 3 below.

Figure 3: Quality of Employment



Source: Sloan Center on Aging & Work at Boston College

The results of one study conducted by the Sloan Center on Aging & Work found that, among the employee respondents age 50 and older who were working in the U.S. (N = 393), more than 50.0% indicated that each of the eight blocks were “moderately/very important” to them (Lee, McNamara, & Pitt-Catsouphes, 2009). While the specific rank ordering of these different aspects of a ‘good job’ can vary depending on multiple factors, such as the older workers’ income and job type, it is important for employers to realize that the quality of the jobs they offer to older workers does matter.

Indeed, research has found that job quality is related to outcomes important to employers. Many employers use measures of employee engagement—the level of employees’ dedication to, absorption in, and vigor derived from the jobs—as an indicator of employees’ overall commitment to their work. The Sloan Center on Aging & Work (2012) has found that employees’ satisfaction with four of the blocks (opportunities for development, learning, and advancement; workplace flexibility; opportunities for meaningful work; and culture of respect, inclusion, and equity) explained variation in the level of employee job engagement. That is, there are relationships between higher levels of employee satisfaction and engagement and these four aspects of job quality. Based on evidence from studies such as this, employers may be more willing to invest in selected talent management policies and programs because they anticipate that the organization may accrue benefits from taking these action steps.

In the next three parts of this section, we examine the extent to which the employers have implemented policies and programs that can leverage the talents and contributions employees bring to the workplace.

Actions for Recruitment, Engagement, and Retention of Older Workers

What action steps are employers taking to respond to some of the priorities of current older workers?

The employment relationships between employers and employees can be separated into three basic stages: the recruitment stage (when the employer and the employee begin to clarify employment expectations and job characteristics); the engagement stage (when the employer and the employee enter into an exchange of resources for short- and long-term performance); and the retention stage (when the employee and employer clarify expectations for an extended employment relationship).

Figure 4: Policies and Programs across Employment Stages

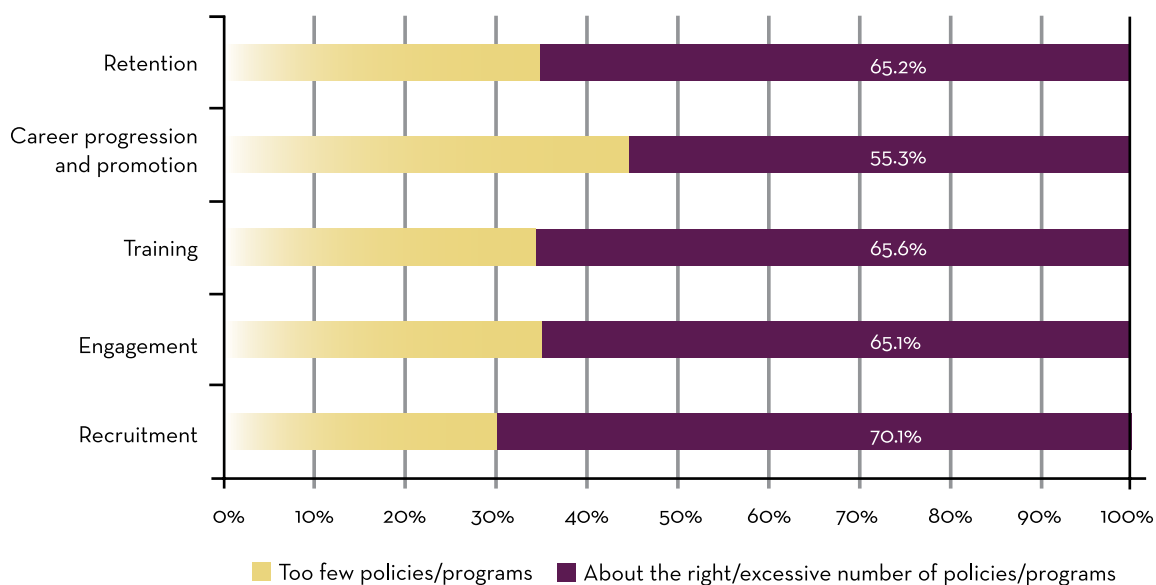


Source: Sloan Center on Aging & Work at Boston College

The Talent Management Study included numerous questions about different action steps that employers might take to establish and maintain relationships with job candidates and employees. In one section of the survey, we asked employers whether they had “too few policies/programs” ranging to “an excessive number of policies/programs” for recruiting; engaging (policies/programs for engaging older workers in general as well as training and career progression and promotion that can support employee engagement); and retaining older workers.

As noted in Figure 5 below, more than two-thirds of employers (70.1%) reported that their organizations had “just about the right number of policies/programs” or had an “excessive number of policies/programs” in place to recruit older workers. However, more than 4 out of every 10 employers (44.7%) felt that their organizations had “too few policies/programs” for the career progression and promotion of older workers. Less than 4.0% of employers reported that their organizations had an “excessive number of policies/programs” for each of the five action items.

Figure 5: Actions for Recruitment, Engagement, and Retention of Older Worker



Notes: Wording of items was “Does your organization have too few or about the right number/an excessive number of policies and programs for recruiting, engaging (training, career progression/promotion), and retaining older workers?”
 Source: Calculations based on the Sloan Center on Aging & Work at Boston College’s Strategic Talent Management Study

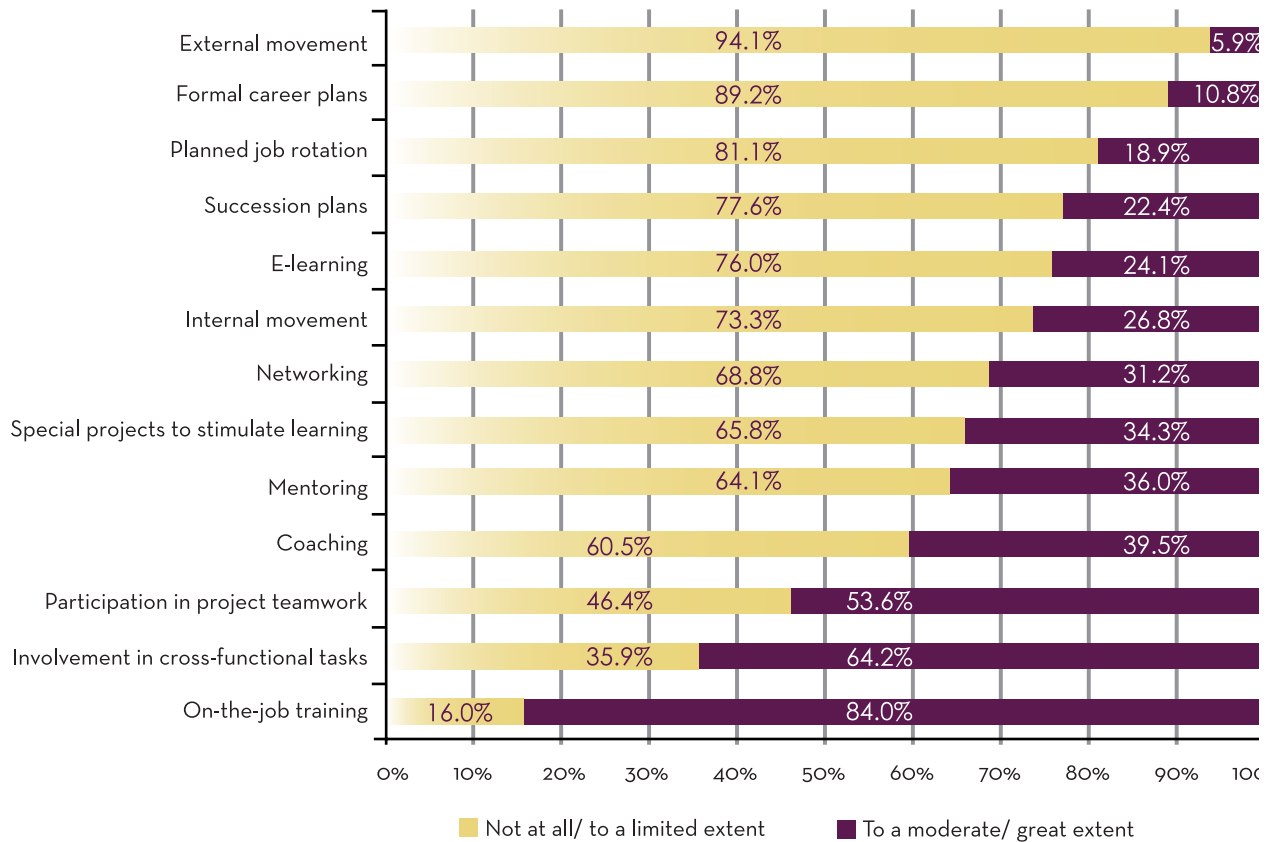
Actions for Career Development

What action steps are employers taking to provide employees with various career development opportunities?

Career development policies and programs can help employees keep their skills and knowledge up-to-date so that they are ready for the demands of today’s rapidly changing business environment. Employers may use a number of different approaches to career development: 1) special tasks/projects to stimulate learning; 2) on-the-job training; 3) involvement in cross-

functional tasks; 4) participation in project teamwork; 5) networking; 6) formal career plans; 7) succession plans; 8) planned job rotation; 9) internal movement to a different department; 10) external movement to a partner business for a temporary period; 11) coaching; 12) mentoring; and 13) e-Learning for career development.

Figure 6: Actions for Career Development



Note: Numbers do not exactly add to 100 due to rounding.

Source: Calculations based on the Sloan Center on Aging & Work at Boston College's Strategic Talent Management

As indicated by the information included in Figure 6, the career development approach adopted by the highest percentage of employers was on-the-job training, with 84.0% having reported that they used on-the-job training “to a moderate/great extent.” The two other career development practices used by more than half of the respondents “to a moderate/great extent” were involvement in cross-functional tasks (64.2%) and participation project teamwork (53.6%).

Actions for the Availability of Flexible Work Options

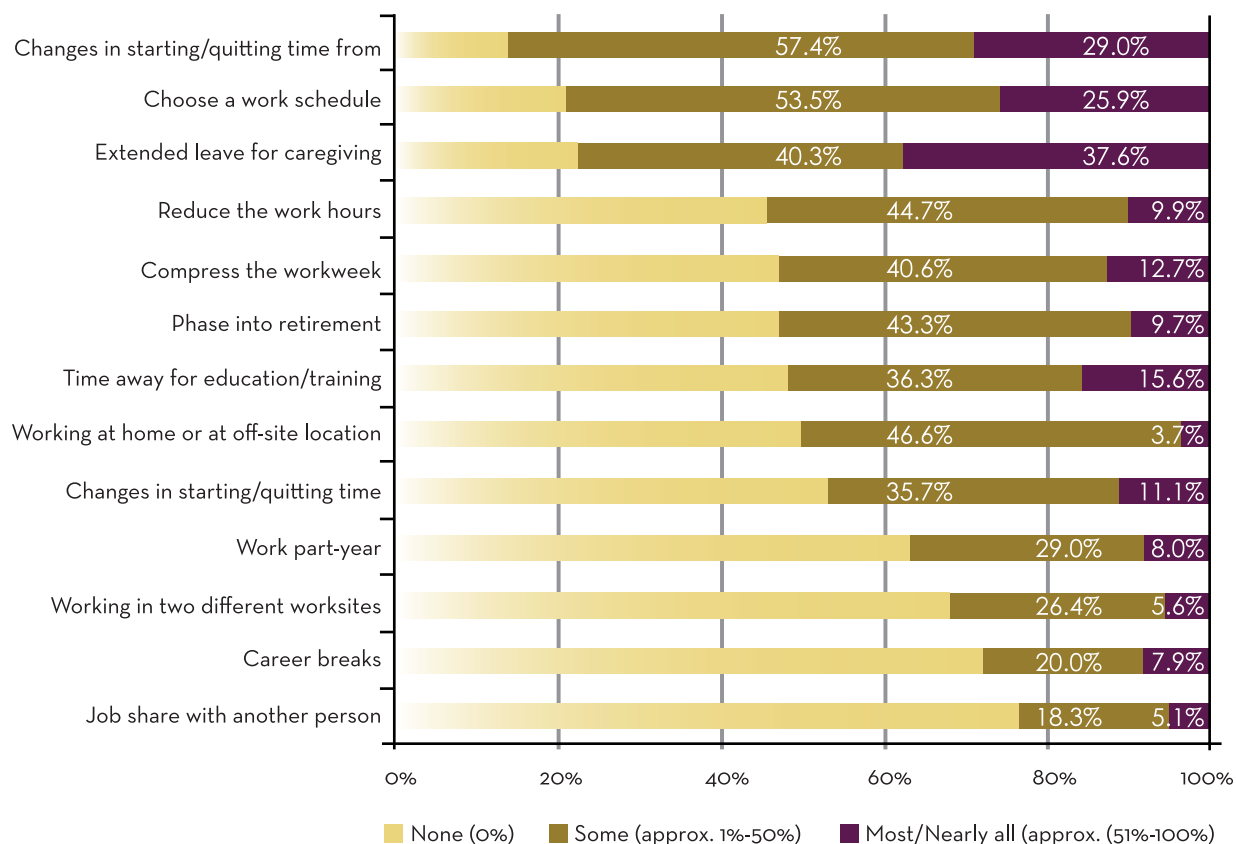
What action steps are employers taking to provide employees with flexible work options?

Survey research consistently finds that older workers indicate they would like to have access to options which give them and their supervisors some additional choices and control with regard to when, where, and how much they work during a given week, month, or year (Bank of America Merrill Lynch, 2011; Society for Human Resource Management, 2011; Work+Life Fit, 2011; World at Work, 2011). While some older workers would like to explore options for reducing the number of hours they typically work, including arrangements such as phased retirement or part-year

employment, others might want to work remotely for part or all of their workweeks. In addition, some older workers might be interested in flexible schedules.

We asked employers about the availability of different flexibility policies and programs, inquiring about the proportion of employees who could: 1) choose a work schedule that varies from the typical schedule at the worksite; 2) request changes in starting and quitting times from time to time; 3) request changes in starting and quitting times on a daily basis; 4) compress their workweek by working longer hours on fewer days for at least part of the year; 5) if working full-time, reduce their work hours, and work on a part-time basis while remaining in the same position or at the same level; 6) structure their jobs as a job share with another person where both receive proportional compensation and benefits; 7) phase into retirement by working reduced hours over a period of time prior to full retirement; 8) work part-year—that is, work for a reduced amount of time on an annual basis; 9) take sabbaticals or career breaks—that is, take leaves, paid or unpaid, of six months or more and return to a comparable job; 10) take paid or unpaid time away from work for education or training to improve job skills; 11) take at least 12 weeks of extended leave, paid or unpaid, for caregiving or other personal or family responsibilities; 12) work part (or all) of their regular workweek at home or some other off-site location, possibly linked by telephone or computer; 13) work for part of the year at one worksite, and then part of the year at another worksite.

Figure 7: Actions for the Availability of Flexible Work Options



Note: Numbers do not exactly add to 100 due to rounding.

Source: Calculations based on the Sloan Center on Aging & Work at Boston College's Strategic Talent Management

Our data show that the number of flexible work initiatives at most workplaces is limited in scope. As indicated by the information included in Figure 7, the options most commonly available to “most/all” of their employees include: extended leave for caregiving (37.6%), changing in starting/ quitting times from time to time (29.0%), and choosing a work schedule (25.9%). A majority of employers reported that “job share with another person” (76.6%) and “career breaks” (72.1%) were not available to their employees.

Opportunities for Change

The above findings suggest several opportunities for change that employers and the public sector might consider:

- Organizational investment in employee programs and resources can leverage the engagement of older workers.
- A majority of today’s older workers anticipate that they may extend their labor force participation into their retirement years. Resources that can help them prepare for work in their late career stages could enhance their productivity and provide them with a wider range of employment options.
- Employers with small and large workforces could use a range of career development approaches—including low and no-cost options, such as mentoring and networking—that could help employees at all career stages (including late career employees) to continue to invest in their career trajectories.
- Employers have opportunities to expand the availability of flexible work options that both fit with the needs of the organization and respond to the preferences of their employees. While employees of different ages and career stages might use flexible work options for different reasons, these policies can help employers to recruit, engage, and retain early career and mid-career as well as late career employees.

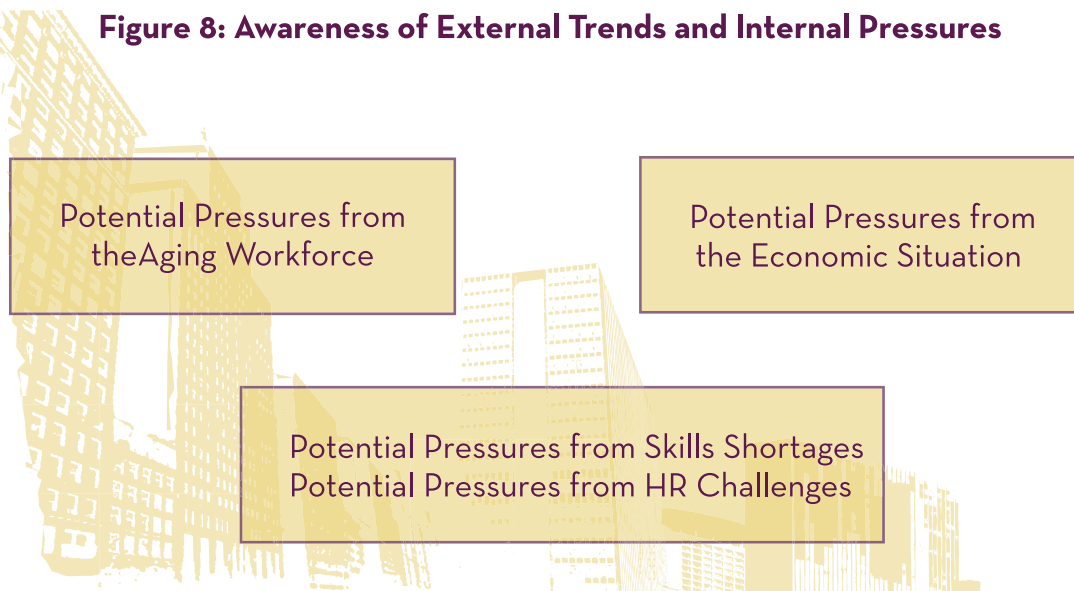
In light of our results about the programs and policies available at the workplace, in the next section we consider whether employers’ awareness of pressures has an effect on the extent to which they have taken any of the three groups of action steps.

Awareness of External and Internal Pressures

Effective organizations attempt to periodically scan their internal and external environments so they can pick up on cues for rising needs and then make requisite adjustments.

In this section of the report, we explore if and how employers perceive trends external to the organization and needs internal to the organization as pressures. As suggested by Figure 8, two important external trends that could exert pressure on organizations are the aging of the workforce and the current economic situation. Internal needs that could exert pressure on organizations include skill shortages and HR challenges.

Figure 8: Awareness of External Trends and Internal Pressures



Source: Sloan Center on Aging & Work at Boston College

Awareness of External Trends: The Aging Workforce and Economic Pressures

Two of the most significant trends that have gripped businesses across the country include the aging of the workforce and the on-going recession. In this section of the report we present information about organizational awareness of these trends and the extent to which these trends are perceived as pressures.

Are business decision-makers aware of the aging of the U.S. labor force?

Since business leaders are the people who ultimately make decisions about whether their organizations view the aging of the workforce as an opportunity or threat, it is important to explore whether top managers are aware of this significant demographic shift.

More than half (57.1%) of the respondents to the Talent Management Survey reported that the top management of their organization was aware of the changing age demographics of the U.S. workforce “to a moderate/great extent.” In other words, 11.8% felt that the top management of their organization was not aware of the changing workforce demographics at all. The extent of reported awareness decreases across job levels within the organizations. Over half (53.6%) of the respondents reported that their department heads/middle managers, two-thirds (65.5%) reported that their supervisors, and a majority reported that their line employees (84.1%) had only a “limited/no awareness” of the aging of the workforce (See Appendix Figure 1; the appendix is available online at http://www.cael.org/pdfs/TMT_Workplace_Action_Steps_Appendix).

These findings were observed regardless of organizational size or industry sector (See Appendix Table 1).

To what extent do employers perceive shifts in the age demographics of the labor force or the current economic circumstances as pressures?

Organizations might anticipate that some external trends will have a positive impact on their businesses while they expect that others will have a negative impact. For this report, we considered employers' perceptions of negative impact as 'pressure.'

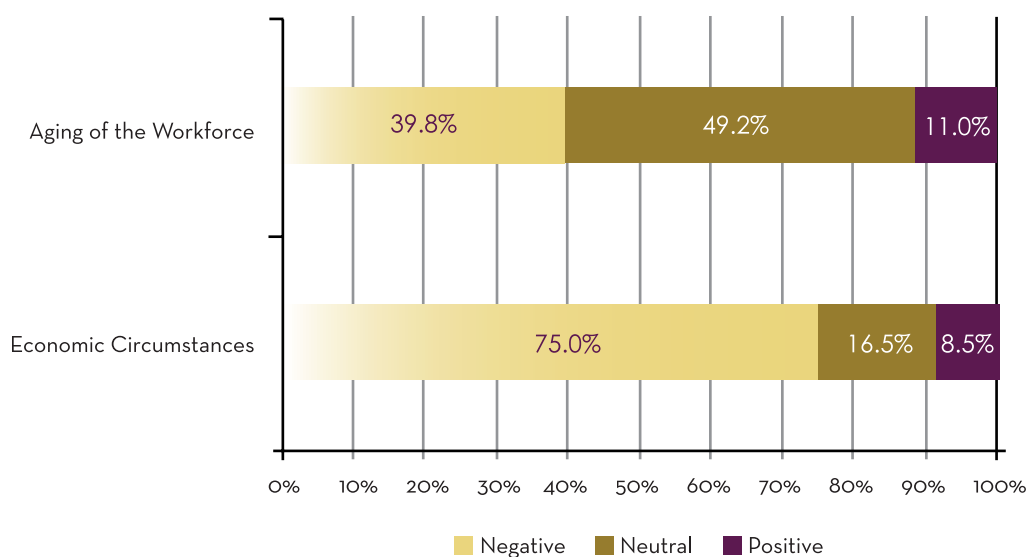
Aging As a Pressure

Only 11.0% of employers reported that the aging of the workforce would have a "very/somewhat positive" impact on their organizations "over the next three years" whereas a substantial percentage (40%) of the respondents stated that the aging of the workforce would likely have a "very/somewhat negative" impact (See Figure 9).

Economic Pressures

As expected, we found that most employers felt the current economic situation is perceived as a pressure. Three-quarters (75.0%) of the companies reported that today's economic circumstances would likely have a "very/somewhat negative" impact on their organizations.

Figure 9: Awareness of the Aging Workforce and Perceptions of Today's Economic Circumstances



Note: Question phrasing was "In your opinion, what impact will the aging of the workforce have on the economic environment affecting your company/organization in the near future (that is, over the next 3 years)?" and "How would you characterize the impact of today's economic circumstances on your own company/organization?"

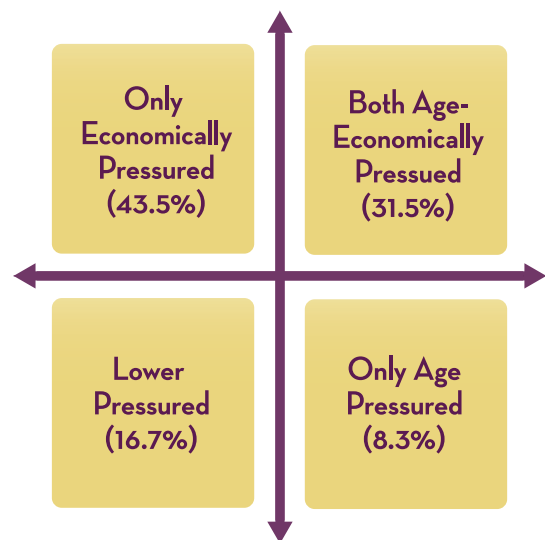
Source: Calculations based on the Sloan Center on Aging & Work at Boston College's Strategic Talent Management Study

Discussions about organizations' responses to the current economic pressure or to the aging of the workforce typically treat these two pressures separately. To consider the intersections of these two external pressures, in this report we identify four different groups of employers, those who are: 1) "both age-economically pressured"; 2) "only age pressured"; 3) "only economically pressured"; or 4) "lower pressured."

As depicted by Figure 10, nearly one-third of the employers (31.5%) who responded to the Talent Management Survey characterized both the aging of the workforce and the current

economic circumstances as being “negative” pressures. Less than 10% (8.3%) of the employers anticipated a “negative” impact associated with the aging of the workforce but reported that economic circumstances had had a “neutral/positive” impact on their business operations. Approximately two of every five (43.5%) of the employers were in the “only economically pressured” group and indicated that they had experienced a “negative” impact from the economic circumstances but anticipated a “neutral/positive” impact resulting from the aging of the workforce. Lastly, “lower pressured” employers (16.7%) anticipated a “neutral/positive” impact from the aging of the workforce and felt that the economic circumstances had made a “neutral/positive” impact on their business operations.

Figure 10: Awareness of the Aging Workforce and Perception of Today’s Economic Circumstances: Two Pressures in Tandem



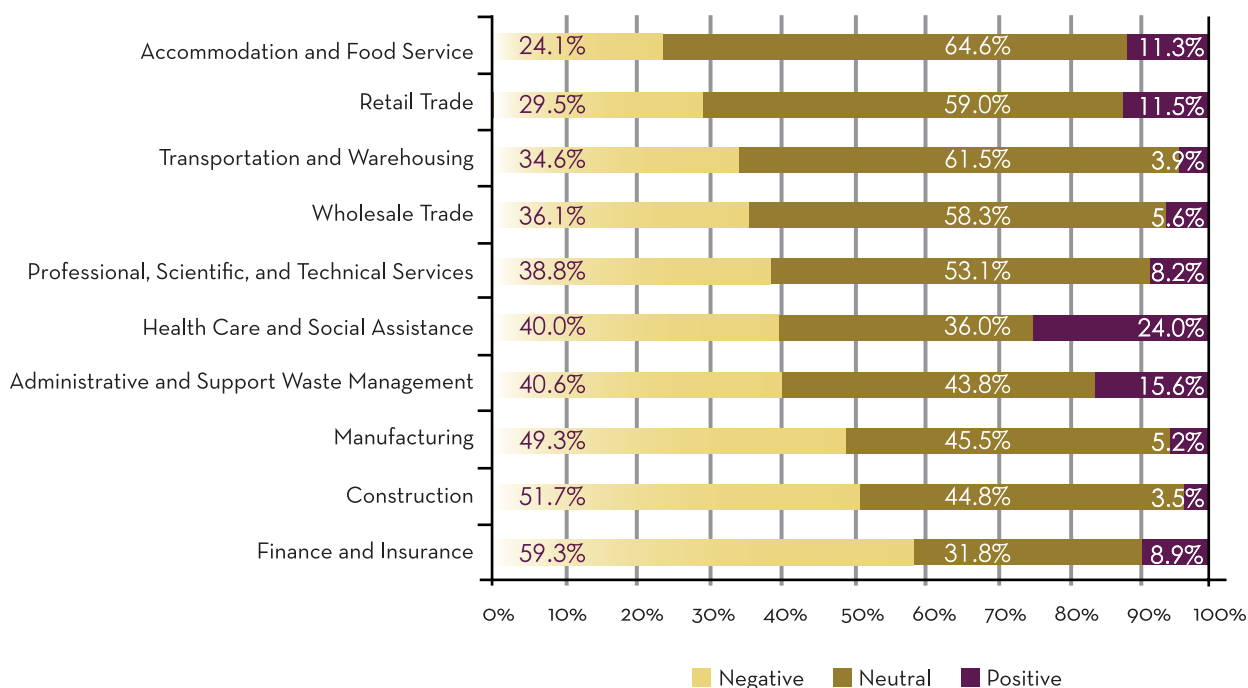
Note: Question phrasing was “In your opinion, what impact will the aging of the workforce have on the economic environment affecting your company/organization in the near future (that is, over the next 3 years)?” and “How would you characterize the impact of today’s economic circumstances on your own company/organization?”

Source: Calculations based on the Sloan Center on Aging & Work at Boston College’s Strategic Talent Management Study

Do the economic or the aging workforce pressures faced by employers differ by industrial sector or organizational size?

As presented in Figure 11, there were differences in employers’ awareness of the impact of the aging of the workforce across the industrial sectors. About

Figure 11: Awareness of the Aging Workforce as a Pressure by Industrial Sector



Note: The confidence level was 95% (p<.05). Numbers do not exactly add to 100 due to rounding. Question phrasing was “In your opinion, what impact will the aging of the workforce have on the economic environment affecting your company/organization in the near future (that is, over the next 3 years)?”

Source: Calculations based on the Sloan Center on Aging & Work at Boston College’s Strategic Talent Management Study

60% of employers from the finance and insurance sector (59.3%) and about 50% of employers from the construction sector (51.7%) and the manufacturing sector (49.3%) felt that the aging of the workforce might have a “very/somewhat negative” impact on their organizations in the next three years, whereas a quarter of employers (24.1%) from the accommodation and food services sector reported “negative” pressure associated with the aging workforce.

There were no statistically significant differences in employers’ awareness of aging workforce pressure by organizational size (see Appendix Table 2).

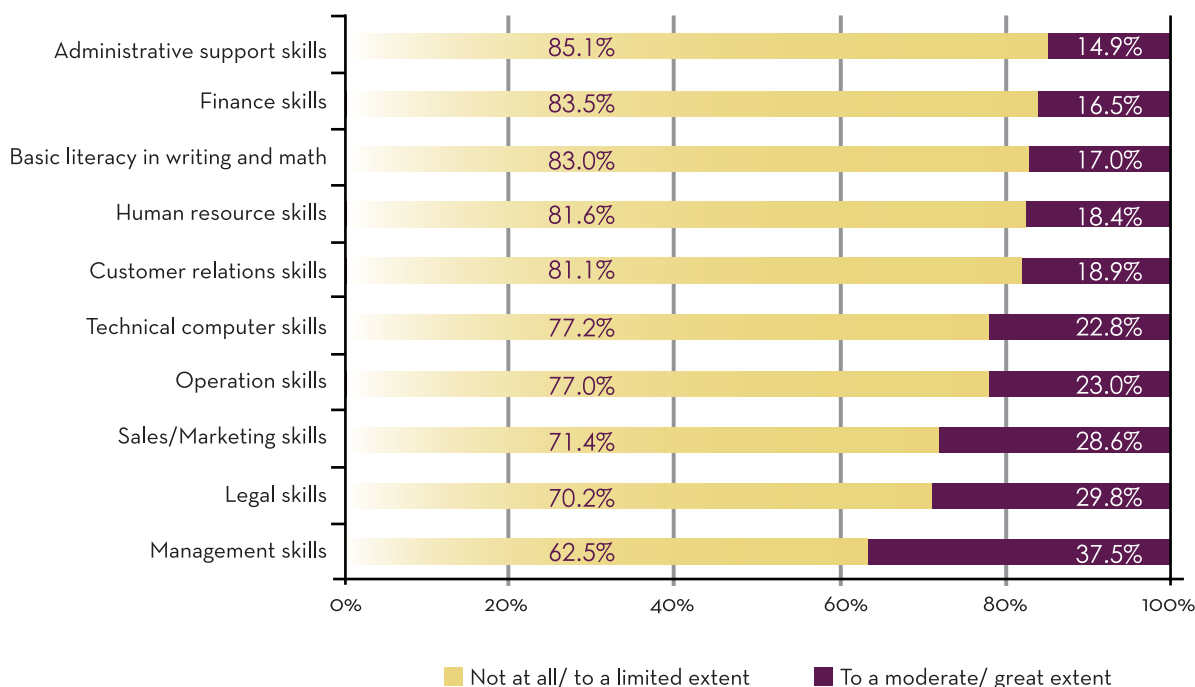
In contrast to the variation across industry sectors in employers’ awareness of the pressure associated with the aging of the workforce, the economic pressure reported by employers related to current economic circumstances was similar across the different industry sectors and the workforce size groups (see Appendix Table 3).

Awareness of Internal Needs: Skill Shortages and HR Challenges

Pressures that build up within organizations can become motivators for change and adaptation, much like pressures that come from the outside. Since many employers view the aging of the workforce primarily through the lens of talent management, we wanted to put our investigation into a broader talent management framework applicable to today’s multi-generational workforce.

To what extent do employers feel that employees’ skills are in short supply at their organizations?

Figure 12: Awareness of Skill Shortages



Note: The confidence level was 95% (p<.05). Numbers do not exactly add to 100 due to rounding. Question phrasing was “To what extent are the following skills in short supply at your organization?”

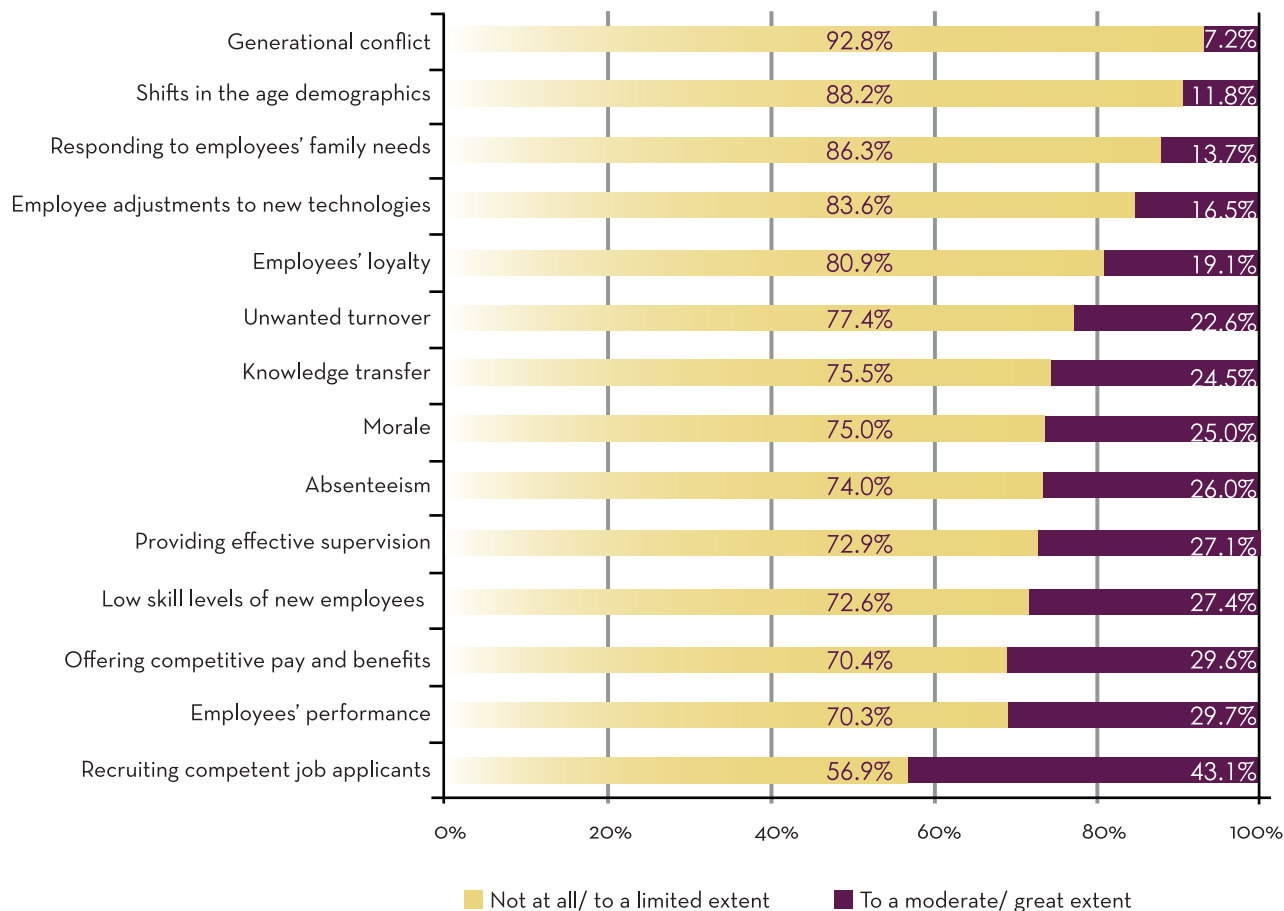
Source: Calculations based on the Sloan Center on Aging & Work at Boston College’s Strategic Talent Management Study

Skill shortages represent one talent management pressure. We asked employers about the extent to which they have felt skills shortages in the following areas: 1) management skills; 2) operation skills; 3) human resource skills; 4) finance skills; 5) administrative skills; 6) legal skills; 7) technical computer skills; 8) sales/marketing skills; 9) basic literacy in writing and math; 10) customer relations skills. As shown in Figure 12, more than a third of employers (37.5%) reported that management skills were in short supply “to a moderate/great extent,” while only 14.9% of employers reported that administrative support skills were in short supply “to a moderate/great extent.” The skills in short supply as reported by the largest percentage of organizations included: management skills (37.5%), legal skills (29.8%), sales/marketing skills (28.6%), operations skills (23.0%), and technical computer skills (22.8%).

As employers compare the skills they have with the skills they need (both today and for the future), they have opportunities to consider whether older workers might help them fill the skills gaps.

To what extent do employers feel that they are faced with human resource management problems at their organizations?

Figure 13: Awareness of Human Resource Challenges



Note: Numbers do not exactly add to 100 due to rounding. Question phrasing was “To what extent are the following problems for your business/ organizations?”

Source: Calculations based on the Sloan Center on Aging & Work at Boston College’s Strategic Talent Management Study

Managers and supervisors can face a range of different talent management challenges.

We asked the respondents to the Talent Management Study about the extent to which their organizations experience any of the following types of challenges: 1) recruiting competent job applicants; 2) employees' performance; 3) absenteeism; 4) responding to employees' family needs; 5) being able to offer competitive pay and benefits; 6) employees' loyalty to the company/organization; 7) morale; 8) providing effective supervision; 9) unwanted turnover; 10) knowledge transfer from experienced employees to less experienced employees; 11) low skill levels of new employees; 12) shifts in the age demographics of the workforce; 13) conflict among employees from different generations; 14) employee adjustment to new technologies.

As shown in Figure 13, the human resource concerns reported by the highest percentage of employers were: recruiting competent job applicants (43.1%), employees' performance (29.7%), being able to offer competitive pay and benefits (29.6%), and low skill levels of new employees (27.4%).

It is important to note that a minority of employers identified generational conflict (7.2%) or shifts in the age demographics of the workforce (11.8%) as human resource challenges.

Effect of Awareness on Talent Management Action

Is employer awareness of pressures related to action steps?

The more employers feel aging of the workforce will have a negative impact, the fewer policies or programs they have to recruit, engage, or retain older workers. In other words, the more employers feel aging of the workforce will have a positive impact, the more they are likely to take action steps to recruit, engage, and retain older workers (see Appendix Table 4).

Our data show that employer awareness of economic pressure is not related to their talent management actions. This information suggests that, despite the current economic downturn, there might still be room for employers to take action steps to hire and retain older workers (see Appendix Table 4).

Employer awareness of skill shortages is inversely related to the action steps they take to recruit, engage, and retain older workers. That is, the more they are aware of skill shortages, the fewer action steps they take to recruit, engage, and retain older workers (see Appendix Table 4).

However, employer awareness of skill shortages is positively related to the number of flexible work options available. In other words, the more employers are aware of skill shortages, the greater the scope of flexible work options provided (see Appendix Table 4).

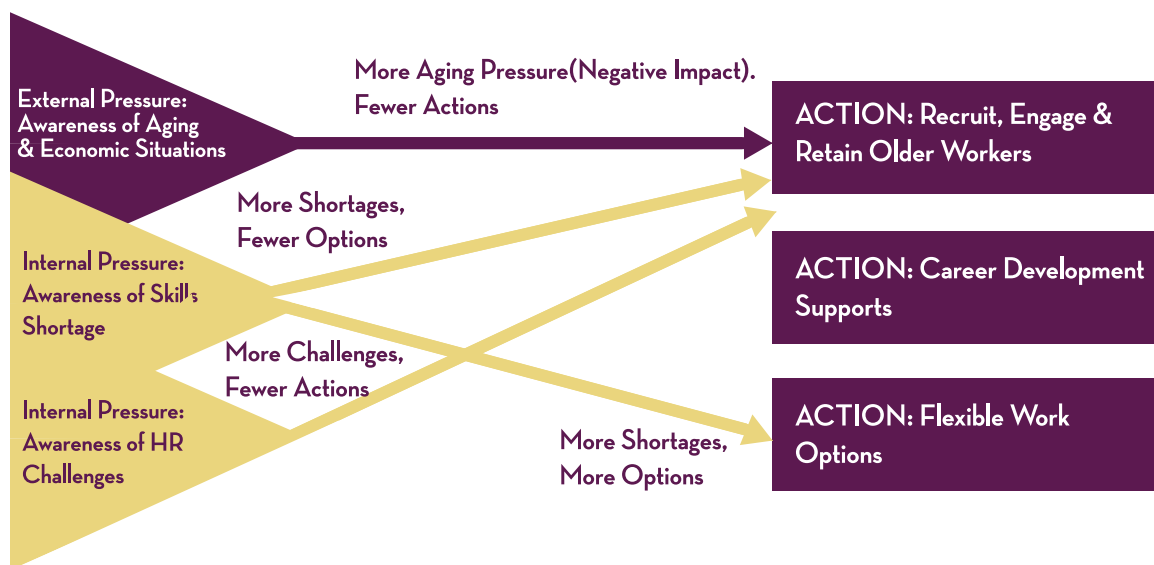
Employer awareness of skill shortages is unrelated to the extent of organizations' career development initiatives (see Appendix Table 4).

Employer awareness of HR challenges is negatively related to their actions for older workers. The more employers are aware of HR challenges, the fewer policies or programs to recruit, engage, and retain older workers (see Appendix Table 4).

However, employer awareness of HR challenges is unrelated either to the extent of their career development initiatives or to the number of flexible work options available (see Appendix Table 4).

These findings are summarized in Figure 14 below.

Figure 14: Relationships between Pressures and Action Steps



Source: Sloan Center on Aging & Work at Boston College

Opportunities for Change

The findings in this section suggest several additional opportunities for change:

- Given the significant media attention that has been paid to the aging of the workforce, it was unexpected that more than two of every five organizations would report their top managers had just limited awareness of this important trend. Unless top managers have an awareness of this significant demographic shift, it is unlikely that the aging of the workforce will appear on companies' strategic radar screens.

In addition, since department heads and supervisors make many critical decisions that could affect the employment opportunities and work experiences of older adults, it is essential to identify ways to raise their awareness of this demographic trend.

- About two of every five organizations felt that the aging of the workforce would have a negative impact. Employers need access to business-relevant information that will shift the paradigm so that older workers are perceived as potential assets. For example, a majority of employers who responded to the Center's 2006 National Study of Business Strategy and Workforce Development indicated that late career workers typically bring a number of valued assets to the workplace, including their professional and client networks as well as high levels of competencies for the jobs they hold.

- There is widespread perception in three industry sectors that the aging of the workforce will have a negative impact on business: finance/insurance, construction, and manufacturing. It is important to identify credible ‘messengers’ (such as leaders of industry associations) who can convey to business leaders in these sectors some of the potential benefits and opportunities associated with the aging of the workforce.
- Employers may well view older workers who possess—or can develop—the competencies that employers need to address their skill shortages as critical assets.
- Over 40% of employers indicated that they experienced problems recruiting competent job applicants and over 25% expressed concerns about the low skill levels of new employees. Innovative strategies for expanding the older applicant pool could be beneficial for employers.
- Despite media fascination with the possibilities of conflict that might be connected with the aging of the workforce, most HR managers do not view this as being problematic. Indeed, HR managers might view age diversity as a strength that could be leveraged for the benefit of the organization.
- Since employers who view the aging of the workforce as having a positive impact on their organizations were more likely to have taken action steps to recruit, engage, and retain older workers, it is important to provide business leaders with evidence about the assets that older workers can bring to the workplace, how they can help address skills shortages, and how they might contribute to the solutions for some HR challenges.

Assessment of Human Resource Needs

In this section of the report, we explore the types of information that organizations might gather—such as changes in the age demographics of their own workforces and projections of retirement rates among different groups of their own employees—which can help them link their awareness of different pressures to business priorities and, ultimately, to strategic responses.

Information Gathering

Are employers gathering the necessary information to ensure they will have the people they need, today and in the future?

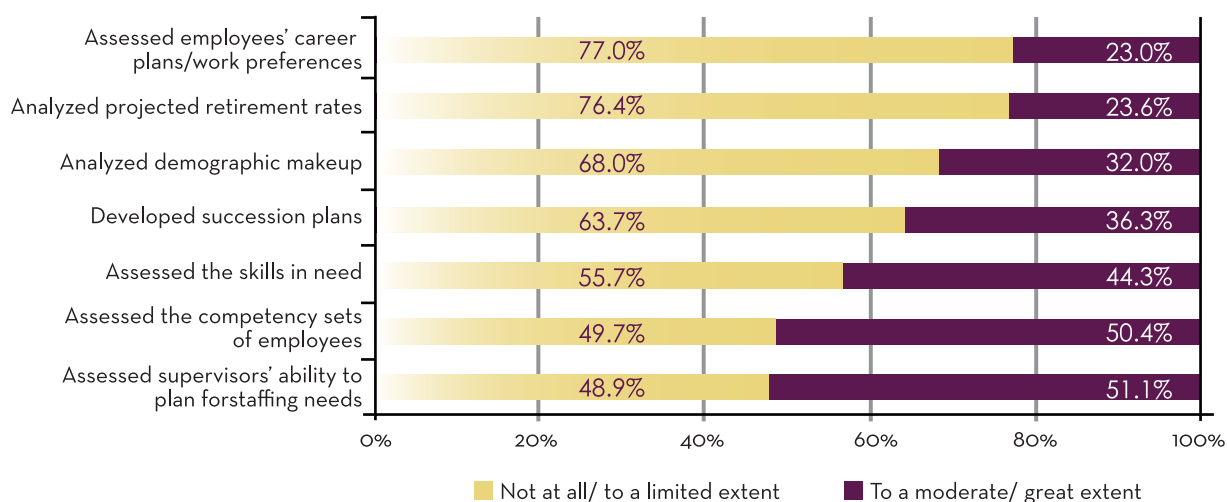
Talent management is predicated on assumptions that organizations will be better prepared for tomorrow’s human resource needs if business leaders gather information today. For example, employers who are interested in employees’ career priorities may be better able to create development plans that work both for the employees and for the business.

Interested in the different ways employers gather information that might provide them with some insight about workforce changes, we asked them whether their organizations had: 1) analyzed the demographic makeup of their workforce; 2) analyzed projected retirement rates; 3) assessed employees’ career plans and work preferences (e.g., through a survey or some other mechanism); 4) assessed the skills the organization anticipated needing; 5) assessed the competency sets of current employees; 6) assessed supervisors’ ability to anticipate and plan

for staffing needs; and 7) developed succession plans. Despite the insights employers can gain from examining data about their own workforces, many organizations reported that they did not devote extensive attention to these assessments. In fact, more than two-thirds (68.0%) of the employers reported that they had either not done any analysis or had done only limited analysis of the demographic make-up of their own workforces. Furthermore, more than three-fourths had “not analyzed/analyzed only to a limited extent” information about employees’ career plans/work preferences (77.0%) or projected retirement rates (76.4%) (see Figure 15).

While a higher percentage reported that they assessed supervisors’ ability to anticipate and plan for staffing needs “to a moderate/great extent” (51.1%) and assessed the competency sets of their current employees “to a moderate/great extent” (50.4%), nearly half of the respondents had “not done these assessments at all/only to a limited extent.”

Figure 15: Assessment of Human Resource Needs



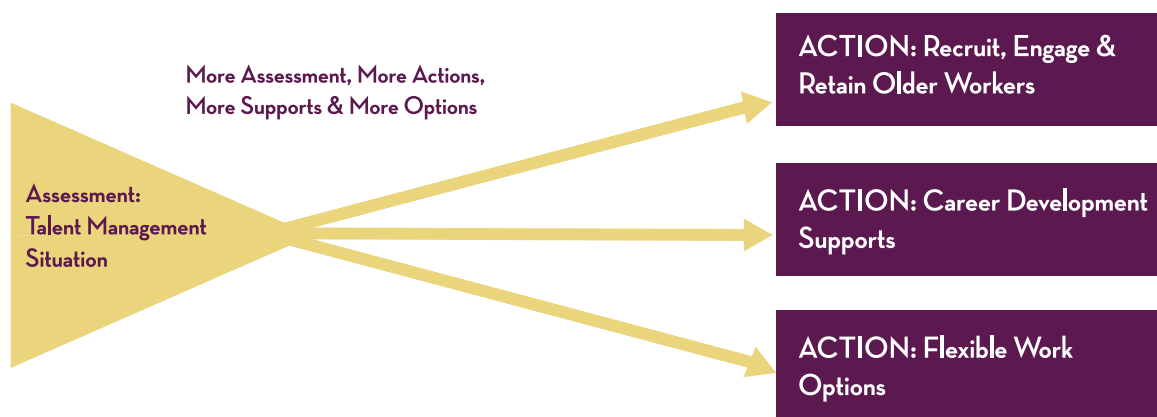
Note : Numbers do not exactly add to 100 due to rounding. Question phrasing was “In your opinion, to what extent has your company/ organization taken the following planning steps to ensure that it will have the people it needs, today and in the future?”
 Source: Calculations based on the Sloan Center on Aging & Work at Boston College’s Strategic Talent Management Study

Effect of Assessment on Talent Management Action

Is employer awareness of pressures related to action steps?

Employers’ assessments of HR factors are positively related to their talent management actions. The more employers analyze their own talent management situations, the more likely they are to have policies and programs to recruit, engage, and retain older workers; the more likely they are to have more comprehensive career development initiatives; and the more likely they are to have a greater number of flexible work options (see Appendix Table 4). These results are highlighted in Figure 16.

Figure 16: Relationships between Assessments and Action Steps



Source: Sloan Center on Aging & Work at Boston College

Opportunities for Change

Our examination of the impact of assessing human resource needs point to the following implications and opportunities for change:

- Without having access to talent information, it is difficult for employers to consider how they can better utilize older workers.
- Even though organizations may have a good sense of the pressures from the trends which exist outside of the organizations as well as from the internal needs, mere awareness of the pressures may not be enough to compel companies toward timely action. Employers who do not gather and evaluate data about their own workforces may well be missing opportunities for strengthening their organizations' positions in the future.
- Talent management assessments appear to be critical drivers of employer action steps that could help organizations make the most of experienced and competent older workers. Employers who conduct more of these talent management assessments are more likely to have policies to recruit, engage, and retain older workers and are more likely to have more comprehensive career development resources and more extensive flexible work options; therefore, policy makers should pay particular attention to providing employers with simple-to-use tools and low-cost approaches for assessing organizations' talent management situations.

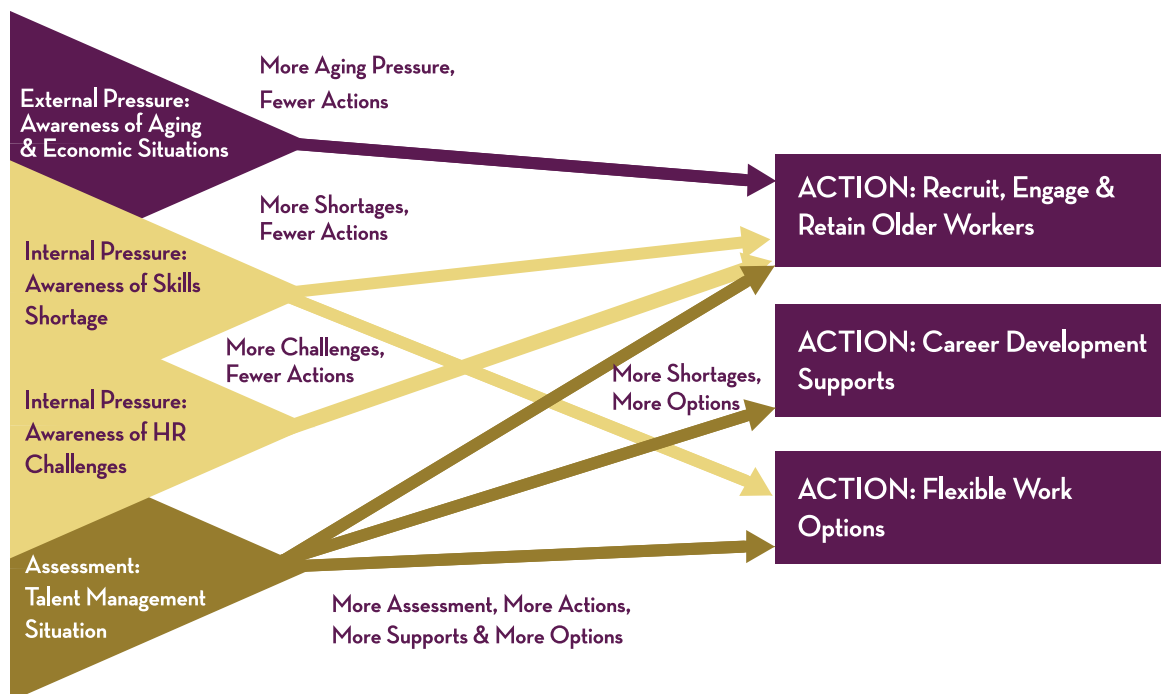
Summary & Conclusion

Our findings in this report include:

- More than half (57.1%) of the respondents to the Talent Management Survey reported that the top management of their organizations was aware of the changing age demographics of the U.S. workforce "to a moderate/great extent" and 11.8% felt that the top management of their organizations was not aware of the changing workforce demographics at all.

- Only 11.0% of employers reported that the aging of the workforce would have a “very/somewhat positive” impact on their organizations “over the next three years” whereas 39.8% of the respondents stated that the aging of the workforce would likely have a “very/somewhat negative” impact.
- Most employers (75.0%) reported that today’s economic circumstances would likely have a “very/somewhat negative” impact on their organizations.
- The skills in short supply, as reported by the largest percentage of organizations, included: management skills (37.5%), legal skills (29.8%), sales/marketing skills (28.6%), operations skills (23.0%), and technical computer skills (22.8%).
- The human resource concerns reported by the highest percentage of employers were: recruiting competent job applicants (43.1%), employees’ performance (29.7%), being able to offer competitive pay and benefits (29.6%), and low skill levels of new employees (27.4%). However, a minority of employers identified generational conflict (7.2%) or shifts in the age demographics of the workforce (11.8%) as human resource challenges.
- More than two-thirds (68.0%) of the employers reported that they had either not done any analysis or had done only limited analysis of the demographic make-up of their own workforces. Furthermore, more than three-fourths had “not analyzed/analyzed only to a limited extent” information about employees’ career plans/work preferences (77.0%) or projected retirement rates (76.4%).

Figure 17: Awareness of Pressures, Assessments, and Action Steps



Source: Sloan Center on Aging & Work at Boston College

The findings of this report also provide some explanation about why some employers have responded to the aging of the workforce while others have not. Not surprisingly, we found that employers who anticipate that the aging of the workforce will have a “positive” impact on their organizations are more likely to take steps to recruit, engage, and retain these workers. Employers who are aware of skills shortages are more likely to have more comprehensive flexible work initiatives. Furthermore, employers who have collected data needed to assess the potential impact of important trends on their own business strategies are more likely to take actions for all employees, including older workers. Gathering information that ensures employers will have the people they need will also guide employers in planning the necessary action steps to support the aging workforce in this country. Our findings are summarized in Figure 17.

Clearly, the aging of the U.S. workforce is an important societal issue. There are far-reaching implications associated with the extent to which older workers who want to work can find employment situations that fit their experiences, interests, and priorities. However, the shifts in the age composition of the workforce are also a significant business issue. Employers who are able to maximize the benefit of today’s multi-generational workforce will be ready for emergent talent management opportunities.

Supplemental figures and tables for this article can be found in an online appendix at http://www.cael.org/pdfs/TMT_Workplace_Action_Steps_Appendix.

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Notes

- 1 These relationships were found after controlling for a number of important factors: gender, education, marital status, tenure, work hours, occupational group, supervisory status, and income.
- 2 “Both age-economically pressured” employers reported that the aging of the workforce and today’s economic circumstances would have “very/somewhat negative” impacts on their organizations. “Only age pressured” employers reported that the aging of the workforce would have a “very/somewhat negative” impact on their organizations; however, today’s economic circumstances would likely have a “neutral” or “very/somewhat positive” impact on their organizations. “Only economically pressured” employers reported that today’s economic circumstances would likely have a “very/somewhat negative” impact on their organizations; however, the aging of the workforce would have a “neutral” or “very/somewhat positive” impact on their organizations. “Lower pressured” employers reported that the aging of the workforce as well as today’s economic circumstances would have a “neutral” or “very /somewhat positive” impact on their organizations.
- 3 We coded this item reversely so that the higher score would represent higher pressure.
- 4 We coded this item reversely so that the higher score would represent higher pressure.

Additional CAEL Resources for Tapping Mature Talent

For Employers:

Just Add the Seasoning: A Business Case for Tapping Mature Talent - by CAEL (supported by The Atlantic Philanthropies), 2012. http://www.cael.org/pdfs/2012_TMT_Employer_Paper

For State Policy Leaders:

State Strategies to Support the Maturing Workforce: A Paper for CAEL’s Tapping Mature Talent Initiative - by CAEL (supported by The Atlantic Philanthropies), 2011. http://www.cael.org/pdfs/2011_TMT_State_Policy_email

For Those Interested in the Direct Experience of Mature Workers:

Maturity in the Workplace: Stories of Workers Aged 55+ on Their Journeys to New Work and Careers - by CAEL (supported by The Atlantic Philanthropies), 2011. http://www.cael.org/pdfs/2011_TMT_Profiles_for_email

Earlier Publications from Tapping Mature Talent:

Developing the Workforce as It Matures - by CAEL and the Council on Competiveness (supported by The Atlantic Philanthropies), 2011. This monograph describes the work of the U.S. Department of Labor’s Aging Worker Initiative grantees and emerging practices at the mid-point of the project. <http://www.cael.org/pdfs/TMT-Monograph>

Regional Economic and Workforce Strategies: A Focus on the Mature Workforce New Opportunities for Meeting Skill Needs - by CAEL and the Council on Competiveness - (supported by Atlantic Philanthropies), 2009. http://www.cael.org/pdfs/115_regionaleconomicandworkforcestrategies_final



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