

SPECIAL SUPPLEMENT

HR Magazine®



HR AND THE AGING WORKFORCE

TWO CEO POINTS OF VIEW

A. Barry Rand
AARP

Henry G. (Hank) Jackson
SHRM

OCTOBER 2010 | VOLUME:55 | NUMBER:10



HR, the Boomer Exodus, and Preparing for What's Next



Henry G. (Hank) Jackson

CEO, SHRM



The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 250,000 members in over 140 countries, the Society serves the needs of HR professionals and advances the interests of the HR profession. Founded in 1948, SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China and India.

It's been said that "in youth we learn; in age we understand." Those words may be prophetic when it comes to understanding the seismic impact an aging U.S. workforce could have on our way of life. There's cause for concern—and a real need for action.

As the first Baby Boomers move into their sixties, a much smaller generation of lesser-skilled employees have begun entering our workforce. If we don't accommodate the former, and better prepare the latter, the consequences could be severe and long term.

The Society for Human Resource Management (SHRM) and AARP are teaming up to meet that challenge. As the world's largest organization devoted to HR issues, SHRM is at the forefront of anticipating workforce needs. AARP's mission is helping people age 50 and older to have independence, choice and control in ways that are beneficial and affordable to them and society. Together, we share a natural concern about the coming changes in the workplace—and a common commitment to seek solutions.

SHRM and AARP have agreed to work together, promoting projects that raise awareness about the implications of an aging U.S. workforce. This joint supplement with AARP CEO A. Barry Rand represents the beginning of that collaboration.

From the perspective of HR, I believe there are three basic questions that demand our focus: Why should we be concerned about the approaching generational transition? What should be done? What role will human resources play?

Why should we be concerned?

With unemployment hovering near 10 percent and 16 million Americans out of work, it's difficult to imagine that in just eight years our nation could have as many as *four million* more jobs than workers to fill them.

Yet, that's the conclusion of MetLife and Civic Ventures, after analyzing government projections for economic growth, job creation, population shifts and retirement trends. The problem won't be too few people; it will be too few *skilled* people.

Today, 76 million Baby Boomers in the labor force are approaching retirement. The first wave, those born in 1946, turns sixty-four this year, and in the next several years unprecedented numbers of workers will be walking out the door with their skills, knowledge and experience. This is a tragic waste of human resources for two reasons: organizations are losing their histories, and many of the new workers aren't ready to fill the void.

New entrants into the U.S. workforce are not only fewer in number than the Baby Boomers, but studies by SHRM and others have shown that



they are sadly lacking in many skills today's employers require. Unless we do a better job of investing in *tomorrow's* workforce, the U.S. economy will suffer. Fast-growing economies like China and India are developing younger and increasingly well-educated labor forces ready to compete in the global marketplace.

There is a silver lining—pun intended—to this storm cloud. According to AARP, almost half of employees ages 45–70 envision working into their seventies or beyond. One reason is that the recent recession sliced 401(k)s to 201(k)s, forcing many to postpone their retirement dreams. Some have depleted their retirement savings, while the number of people who have borrowed against their 401(k) is at a 10-year high.

Another explanation is that people are living longer, they're healthier, and they want to continue to be valued by society. Even if they have no financial worries and love to golf, more and more of these older skilled workers want to remain employed. This will help lessen a sudden talent gap.

What needs to be done?

Every organization needs to view its older workers as highly valuable assets—and plan for the day they are no longer employees. That's part of strategic workforce planning, an analysis of an organization's entire workforce. It involves identifying critical positions, demographics, and the impact of external and internal developments on future business scenarios.

Human resource professionals are skilled in this sort of planning, helping their organizations spot potential skills gaps and labor shortages in time to avoid or fill them. Unfortunately, during the current economic climate of uncertainty, most organizations have been more concerned with day-to-day survival than long-term planning. A joint SHRM-AARP poll conducted recently found that almost half of the organizations—48 percent—have not conducted and do not plan to conduct strategic planning to analyze the impact of Baby Boomer retirements on their workforce.

As talent managers, HR knows what needs to change—and we hope to see that change when we

field a follow-up poll next year. We also hope that organizations take advantage of AARP's free online Workforce Assessment Tool, which SHRM co-sponsors. Barry Rand's companion article describes this valuable planning resource in more detail.

And there's more potential good news: the notion of "traditional" retirement is as outdated as drive-in movie theaters and rotary phones. Today, older workers and would-be retirees are yearning to do something that matters, to make a difference. To get the most from their later years, they want flexible, interesting work that accommodates their lifestyle and schedule.

What's needed is for organizations to embrace new ways to hang on to older workers as long as possible, and to offer options such as phased retirement, targeted training opportunities, flexible scheduling, teleworking, part-time hours, bridge jobs to other careers, and wellness and other health-related programs.

Competitive employers are already embracing this idea of a flexible workplace. They're transforming the what, when and how of work in order to leverage these workers' invaluable skills and experience. At the same time, through partnerships with community colleges, technical schools, the military, and business groups, SHRM members are helping to give young or prospective workers the expertise they need to be ready to fill in behind these older employees.

No organization can afford to lose the institutional knowledge of its older workers—or ignore the needs of its future labor force. Well before our walking libraries leave their places of employment for the last time, companies need to implement systematic knowledge transfer programs, such as coaching and mentoring.

What's the role of HR professionals as we go forward?

For perhaps the first time, the workforces of many organizations today include four different generations. Understanding the needs and traits of each will be critical if we're to engage and motivate these employees, and empower them to strengthen the corporate culture.

Human resources leaders will be increasingly critical players in meeting the challenges posed by an aging workforce. They will be the long-term thinkers who understand demographic challenges, see around the corner, anticipate change and prepare to welcome it. They leverage the power of diversity, the bottom-line benefits of flexible work arrangements, and the value of deep experience. They see solutions because—they see next.

Next means a new way of thinking—and it means now. Waiting another two or three years will be two or

three years too late. All of us need to be advocates for this effort, articulating the risks of inaction.

John F. Kennedy said, “There are risks and costs to a program of action. But they are far less than the long-term risks and costs of comfortable inaction.”

Unless we start changing the U.S. workplace today, it will be far from a comfortable place tomorrow. Fortunately, SHRM and its members, along with AARP, are ready to lead. [ir](#)

HR and the Aging Workforce Success Story: The YMCA of Greater Rochester

The YMCA of Greater Rochester, New York, is a non-profit, charitable organization that last year helped improve the lives of more than 120,000 children, teens, adults, seniors and families in the Greater Rochester area with a multitude of educational, recreational, and wellness programs.

This organization, which employs more than 2,700 people, has been recognized as an outstanding place to work for older workers. For the past five years, AARP has included the Rochester “Y” on its list of “Best Employers for Workers Over 50.”

Fernan Cepero, a long-time SHRM member and volunteer leader, is the Vice President of Human Resources at the Rochester YMCA. For several years, he and his dedicated HR team have focused on recruiting and retaining older workers – especially retirees. As a result of their efforts, the percentage of workers over age 50 grew from five percent in 2005 to 18 percent today.

The Rochester “Y” currently has 40 retirees in its workforce. A full-time staff member serves as a liaison with these highly valued workers, managing all employee support and relations activities, including special social events. The organization also maintains a roster of outside retirees available for work, and calls on them for temporary assignments, consulting projects, telecommuting

opportunities, full and part-time work, and volunteer or donor activities.

In terms of benefits, the Rochester “Y” offers its older workers the opportunity to participate in a phased retirement program in which they can gradually work fewer hours and begin to receive pension benefits at the same time. When retirees are rehired, they can continue collecting payments into their retirement savings plan. The “Y” recruiters work with specialized placement agencies to identify qualified older job seekers, and they offer a targeted health care package, called “silver sneakers,” to attract and retain such employees. Additionally, through its Mentoring Across Generations program, the organization helps its older, experienced workers pass on their knowledge and skills to younger employees.

The HR team at the Rochester “Y” knows how valuable these workers are in helping the organization in its mission to improve the lives of people in the region.

“We have seen what a great contribution our older workers and their strong work ethic make to our organization,” says Fernan Cepero. “That’s why we are constantly looking for new ways to keep them on our payroll, and bring back those who have left and want to continue contributing.”

To learn more about the Greater Rochester YMCA, please visit AARP’s Best Employers for Workers Over 50 web site at the link below:

www.aarp.org/work/employee-benefits/info-08-2009/YMCA_of_Greater_Rochester.html

Leveraging the Talent of a Multigenerational Workforce

A recent report by Bloomberg News found that US employees old enough to retire now outnumber teenagers in the workforce for the first time since 1948. Our own AARP research finds that more and more of our members want or need to keep working past traditional retirement age.



A. Barry Rand
CEO, AARP



Founded in 1958, AARP is a non-profit, nonpartisan organization that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole.

This is having a disruptive influence in corporate America as businesses struggle to find ways to manage their intergenerational workforces effectively. At the same time, they are continually seeking ways of getting the most out of a workforce that includes a larger proportion of older workers.

If we think about it, our world has changed dramatically. The 20th century was transformational. Life expectancy has almost doubled; living to a ripe old age has become the norm. People today expect to live into their 80s and beyond and are living their lives accordingly. For more and more people, that means working longer.

In yesterday's world, most people went through a fairly sequential pattern in their lives: education was for the young, work was for adults, and leisure (retirement) was for the old. But that pattern has changed. Age no longer defines what we do in our lives, or when we do it. This is especially evident in the workplace. Just as the population is getting older as a result of the aging of the boomers and people living longer, so too is the workforce. People are working longer, either out of choice or necessity. Some retire, then go back to work, others start their own businesses, and still others work part-time for pay and volunteer part time.

In a survey of human resources managers conducted in July by AARP and the Society for Human Resource Management, we found that, by and large, employers are not preparing adequately for an increasingly older workforce. Almost half of the organizations in the survey, for example, indicated that they had not conducted – nor did they plan to conduct—strategic workforce planning to analyze the impact of retirements by their workers aged 50+.

This result highlights the need for even greater educational and outreach efforts by AARP and other concerned groups. With this in mind, AARP and the Society for Human Resource Management (SHRM) recently agreed to expand our cooperative initiatives to promote a heightened awareness of the value of older workers and the strategies needed to retain and engage them as part of an increasingly diverse U.S. workforce. This article and the poll I just cited are among these joint projects we are pursuing. SHRM has also agreed to co-sponsor and promote among its members AARP's free online Workforce Assessment Tool. This unique planning resource, which has already been used by over 1,500 companies, provides a quick snapshot of an organization's workforce and demographics, especially its older workers and the programs in place to leverage their talents and experience.

History tells us that companies that fail to adapt to societal changes, including diversity and aging populations, risk stagnation that comes from being mired in the old way of doing things.

We are in discussions with SHRM on a range of other initiatives to increasingly engage HR professionals in the campaign to keep older workers in productive workforce roles as long as possible and to plan systematically for the transfer of their knowledge and skills long before their retirement.

These are issues we care deeply about at AARP. We have been working for years to help both older workers and employers bridge the gap to facilitate the shift to an older workforce. We have been conducting Helping Experience Work@50+ Career Fairs in which we partner with employers who have job openings. These job fairs help our members, who are experiencing record levels of unemployment, succeed in the job search process. Each career fair features employers with job openings, help with job search strategies, career counseling, information on social networking and information on personal branding and image.

We have held over 40 career fairs in 19 states with the highest unemployment for people 50+. More than 20,000 people found jobs through these career fairs. In addition to these career fairs, we have created several other programs and initiatives to help bring 50+ workers and employers together (see sidebar).

Employers who seek out older workers realize that they bring a wealth of skills and experience to the workplace, as well as low rates of turnover and high levels of engagement. AARP's research on American Business and Older Employees found that employers value older workers for their commitment to doing quality work; for getting along well with others; for having solid performance records; for possessing basic skills in reading, writing and arithmetic; for being someone to count on in a crisis; and for being loyal and dedicated to the company.

Many of the issues encompassed by an aging workforce are also addressed in a new book by Peter Cappelli and Bill Novelli (former AARP CEO) titled, *Managing the Older Worker: How to Prepare for the New Organizational Order*. In the foreword to the book,

I make the point that the changes we face today in adapting to an older workforce are similar to those I experienced when I began my career as a sales trainee with Xerox in 1968. At that time, the issue was not how to deal with an influx of older workers, it was how to deal with the increasing number of women and minorities in the workforce.

Embracing diversity has been a long and continuing journey for corporate America. It has taught us the power of inclusion, and that diversity is America's strength. The struggle today to embrace older workers is a continuation of that journey. And that journey begins with a commitment from the top.

As CEO of AARP, I have our Chief Human Resources Officer reporting directly to me. Yes, I want to ensure that we are building a more diverse workforce because I believe it is the right thing to do morally or ethically, but we also have a strong business case for doing so. The population we serve, people 50+, is growing older because people are living longer, and it is also becoming more diverse as Hispanics, African-Americans and Asians are becoming a greater percentage of that growing population. We need people who understand their wants and needs and fears and dreams.

The lesson here with regard to older workers is clear. As the customer base of corporate America grows older, businesses also need workers who understand and can relate to those customers. While most corporate leaders today understand and readily accept the business advantage of a diverse workforce, far fewer see older workers as part of that mix. They don't recognize the business advantage they gain by retaining, retraining and recruiting older workers. And, they don't see it as a practical business response to a changing, growing and more affluent 50+ consumer marketplace.

History tells us that companies that fail to adapt to societal changes, including diversity and aging populations, risk stagnation that comes from being

mired in the old way of doing things. That's one of the reasons that nearly 80 percent of the companies that made up the *Fortune* 500 forty years ago have disappeared. They became irrelevant. Their customers voted them out.

At AARP, we believe that everyone needs to understand the unique issues and challenges faced by a growing 50+ population that is diverse, forward-looking, focused on the future and continuously asking "What's Next."

We also believe that anyone 50+ 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.

We are committed to that goal and will continue working to achieve it for the benefit of people 50+ and society.

AARP Programs and Initiatives to Help Employers and 50+ Workers

EMPLOYER PROGRAMS & INITIATIVES

- **AARP Best Employers for Workers Over 50**
An award given to employers who demonstrate good policies and practices for recruiting and retaining older workers.
- **AARP-SHRM Workforce Assessment Tool**
A free electronic tool that assists employers in assessing their current workforce and anticipating the impact that the aging of their workforce will have on future business.
- **AARP Employer Resource Center**
The premier website for employers seeking information, resources, and best practices with respect to hiring, managing and retaining an older workforce.
- **AARP SmartBrief**
A bi-weekly newsletter for employers that addresses aging workforce issues.
- **Aging Workforce Industry Network (AWIN)**
A group of industry leaders interested in leveraging the skills and abilities of older workers.
- **National Employer Team**
(www.aarp.org/employerteam)
A recruitment program that identifies employers that are actively recruiting older workers.

EMPLOYEE PROGRAMS & INITIATIVES

- **Consumer Webinars**
Quarterly web-based seminars for AARP members and older job seekers on issues related to recareering and job search.
- **The Water Cooler**
An online social networking community for 50+ job seekers.
- **Senior Community Service Employment Program (SCSEP)**
A Department of Labor-funded program to assist low-income workers 55+ to gain the skills needed to re-enter the workforce.
- **Worksearch**
An online system that provides interest and ability inventories, online courses/trainings, skills assessments and access to job openings in the community.



For questions and comments, please contact:



Fredric Emmert
Senior Speechwriter & Speakers
Bureau Manager

Society for Human Resource
Management
1800 Duke Street
Alexandria, VA 22314
Phone: 703-535-6480
E-mail: fredric.emmert@shrm.org



Deborah Russell
Director of Workforce Issues

AARP
601 E Street, NW
Washington DC 20049
Phone: (202) 434-2067
E-mail: drussell@aarp.org