

Talent management study: The pressures of talent management

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TALENT MANAGEMENT STUDY

The Pressures of Talent Management

Marcie Pitt-Catsouphes, Stephen Sweet, and Kathy Lynch, with Elizabeth Whalley

Selected Findings

The Talent Management Study found that:

- Four of every 10 employers (40%) surveyed anticipate the aging of the workforce will have a “negative/very negative” impact on their business over the next three years.
- Two-thirds (68%) of employers surveyed reported not having analyzed the demographics of their workforce (“not at all” or only “to a limited extent”).
- 77% stated that they have not analyzed the projected retirement rates of their employees (“not at all” or “to a limited extent”).
- Approximately one-third of employers surveyed reported not having enough programs for the recruitment (30%) and training (35%) of older workers.
- Two-thirds (63%) of employers felt their organizations had just about the right number of policies and programs to enhance the engagement of older workers.
- Only one-third of employers (31%) felt they had established options for employees to work in a flexible manner “to a moderate/great extent.”

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The Sloan Center on Aging & Work is grateful for the generous support of the Alfred P. Sloan Foundation for the Talent Management Study as well as other Center activities. We also want to express our appreciation for the patient support of the 696 organizations that collaborated with us to make this study a success. The research team for the Talent Management Study included (in alphabetical order): Shoghik Hovhannisyan, Kathy Lynch, Marcie Pitt-Catsoupes (Co-Principal Investigator), Stephen Sweet (Co-Principal Investigator).

I. INTRODUCTION: COMPLICATED BUSINESS REALITIES

Two dramatic changes—economic and demographic—are currently delivering shock waves to many organizations. Simply put, cracks have appeared in the foundations of the economy and the workforce is getting older.

In 2008–2009, the news was dominated by stories of the global economic crisis and how it has altered the business landscape. Indicators of the global downturn abound—from waves of bank and business closures to the spiking rates of unemployment. Companies are under remarkable pressures to manage the immediate problems of skyrocketing costs and shrinking revenues while they strive to position themselves for a more stable future.

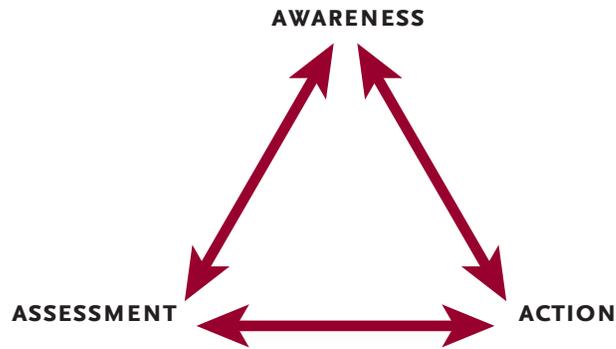
At the same time, most employers are aware of the fact that the proportion of older workers is growing steadily. The changing demographics of America's workforce may seem less urgent today than the current economic crisis, but it is of critical concern for the future. Long-term, the implications of the aging of the workforce are significant for many business strategies, especially in the area of age-related employment practices.

Taken together, these economic and demographic trends represent both challenges and opportunities, putting pressure on organizations to innovate and adapt. One way of thinking about the intersection of the demographic and economic pressures is to view these as opposing forces, each competing for attention and resource commitments. On one side, the pressures from changing demographics will pull organizations to commit resources to addressing talent needs. On the other side, economic strains can draw attention to other issues that are more pressing, at least in the short-term. In addition, economic pressures can limit a company's resources, which in turn can influence how it prioritizes the aging workforce relative to other organizational investments.

The impact that demographic changes and economic turmoil have can vary from workplace to workplace. For some companies, the rationale for responding to the aging of the workforce during a time of economic turmoil is clear, because effective management of today's multi-generational workforce presents new opportunities and competitive advantages. For others, the business case may be overshadowed by more immediate and pressing concerns. It is somewhat ironic that now, more than ever, organizations need to take a concerted look at workforce demographics and begin planning for a state of organizational readiness for the economic recovery.

In this issue brief, we use the Sloan Center on Aging & Work's Awareness to Action model to discuss findings from the 2009 Talent Management Study, which provide some insight into the following important questions:

1. To what extent do employers feel that the current economic conditions and shifts in the age demographics of the workforce are having an impact at their workplace?
2. Are employers gathering information that will help them better understand how shifts in the age composition of the workforce might affect their organizations?
3. What action steps are employers taking to adapt to the 21st century workforce?



There are three components to the Awareness to Action model.

Awareness: Business leaders recognize and interpret important trends related to today's multi-generational workforce.

Assessment: Organizations gather information needed to assess the potential impact of important trends on their own business strategies or on members of their key stakeholder groups (including their own workforce, customers, and investors).

Action: Workplaces adopt strategies, policies, and programs that leverage the multi-generational workforce as a competitive advantage.

II. AWARENESS OF ECONOMIC PRESSURES AND THE AGING OF THE WORKFORCE

How are employers thinking about the human capital opportunities and challenges associated with the 21st-century multi-generational workforce? To study these questions, we examined talent management practices at 696 organizations representing the 10 leading sectors of the economy that account for 83% of employment and 85% of payrolls in the United States. The data were collected in April–August 2009 from leading officers in these companies, most commonly human resource directors or chief executive officers. (For more information, refer to the section “About the Talent Management Study” on page 19.)

The Talent Management Study asked two basic questions:

- How are employers responding to the current economic crisis?
- How are employers responding to shifts in the age demographics of the workforce?

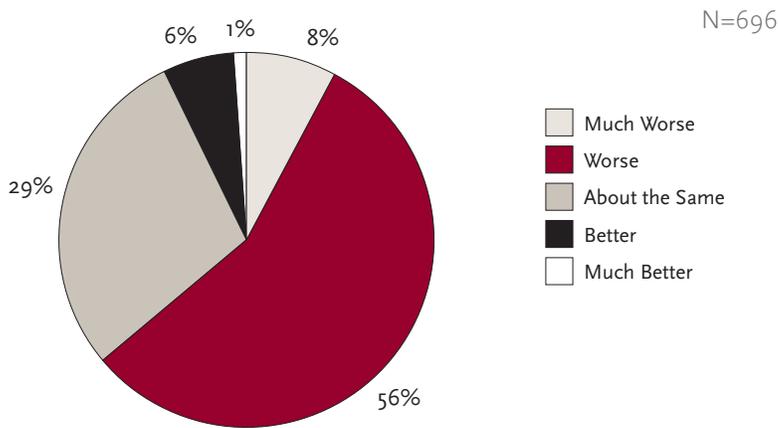
Based on the answers to these two important questions, we explored whether there are differences in how employers have assessed their labor force demographics and we also examined variations in some types of policies and programs that organizations have put into practice that specifically target older workers.

As expected, we found that financial pressures presented significant concerns to many employers. Figure 1-A reveals that two of every three (64%) of the companies reported that economic conditions were worse than they were a year ago (that is, being “much worse/worse” in terms of the impact on their own business operations).

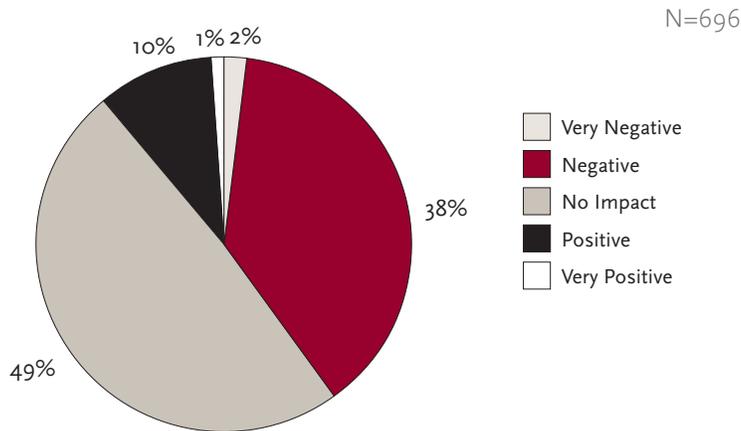
We also found that the aging of the workforce presents significant concerns to many employers. As reported in Figure 1-B, 40% of the companies in our study stated that the aging of the workforce will likely have a “very negative/negative” impact on their organization in the next three years.

Figure 1. Impact of Economic Circumstances and Impact of the Aging Workforce

1A: When you think about the ways that economic circumstances affected your own organization, how would you characterize today's situation compared to one year ago?



1B: 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)?

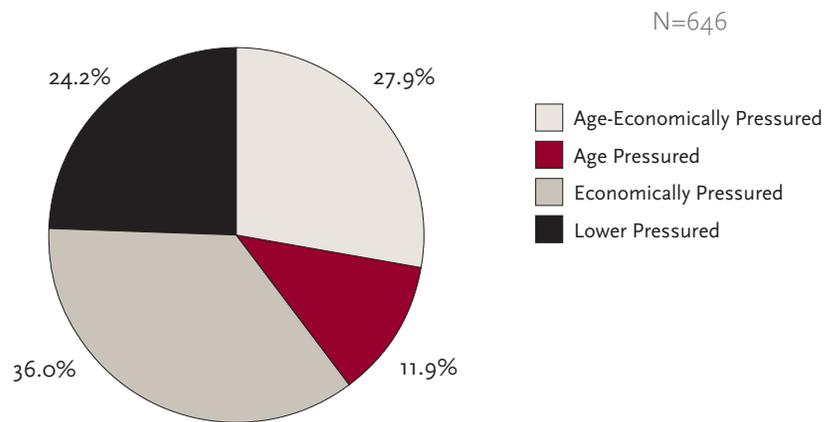


Discussions about workplace response to economic volatility and to the aging of the workforce typically treat these two issues separately. In this report, we consider these two pressure points as they operate in tandem. By considering the intersections of these two forces, it is possible to identify four different groups of employers. (See Figure 2 below.)

- “Lower Pressured Employers” anticipated a positive/neutral impact from the aging of the workforce and felt that the economic circumstances had a positive/neutral impact on their business operations during the previous year.¹ 24% of the employers are in this group.
- “Economically Pressured Employers” experienced a negative impact of the economy in the past year and on business operations during the previous year but did not anticipate a negative impact resulting from the aging of the workforce over the next three years.² 36% are in this group.

- “Age Pressured Employers” anticipated a negative impact associated with the aging of the workforce over the next three years but reported that economic circumstances did not have a negative impact on their business operations during the previous year.³ 12% of the employers are in this group.
- “Age/Economically Pressured Employers” anticipated a negative impact associated with the aging of the workforce over the next three years and reported that the economic circumstances had a negative impact on their business operations during the previous year.⁴ 28% of the employers are this group.

Figure 2. Employer Groups by Impact of Economic Pressures and Aging Workforce



In the following sections of this report, we examine the extent to which these four groups of employers have taken steps to assess changes in the age demographics of the workforce and have implemented policies and programs to leverage the talents and contributions that late-career workers can bring to the workplace.

III. GETTING READY UNDER PRESSURE

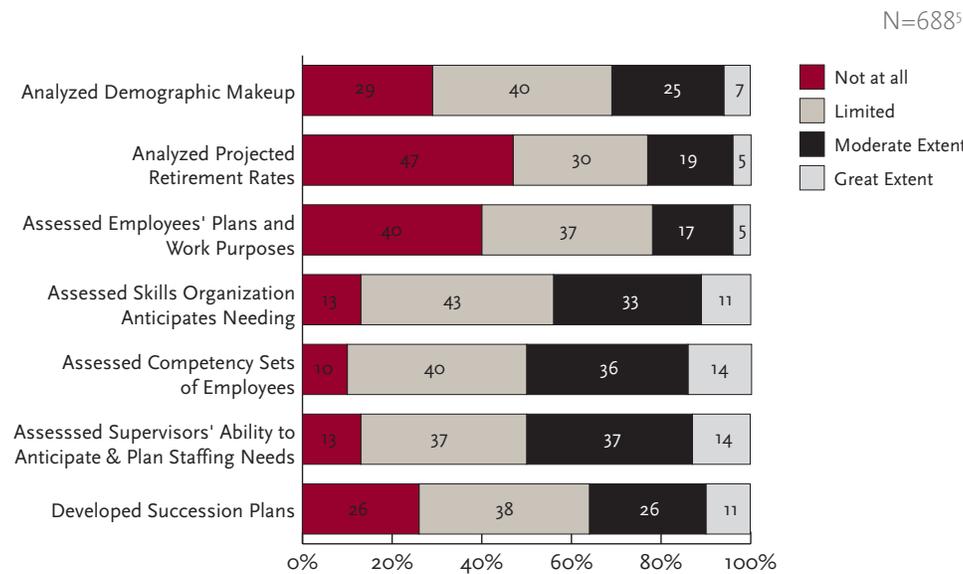
In today's challenging economic climate, employers need to position their businesses for recovery and growth. Even though business leaders may have a good sense of the impact that the economic downturn and the aging of the workforce have had (and will have) on their businesses, awareness of the business landscape may not be enough to move organizations toward action. Most employers want to determine whether these trends are significant for their own organizations before they adjust existing policies and program or adopt new ones.

Gathering firm-specific information can help business leaders develop a business case for responding to the aging of the workforce. Organizations might consider a range of factors, including the age demographics of their own workforce, projected employee retirement rates, employee career planning, future skills and competency set needs, supervisor planning abilities, and succession planning.

So, are employers gathering the data that they need? The responses to the Talent Management Study indicate that most companies simply aren't collecting and analyzing the information that might help them to get ready. (See Figure 3 below.)

Figure 3. Employer Readiness for Aging-Related Business Factors

In your opinion, to what extent has your company/organization analyzed its workforce demographics to ensure that it will have the people it needs, today and in the future?



Numbers do not add to 100 due to rounding

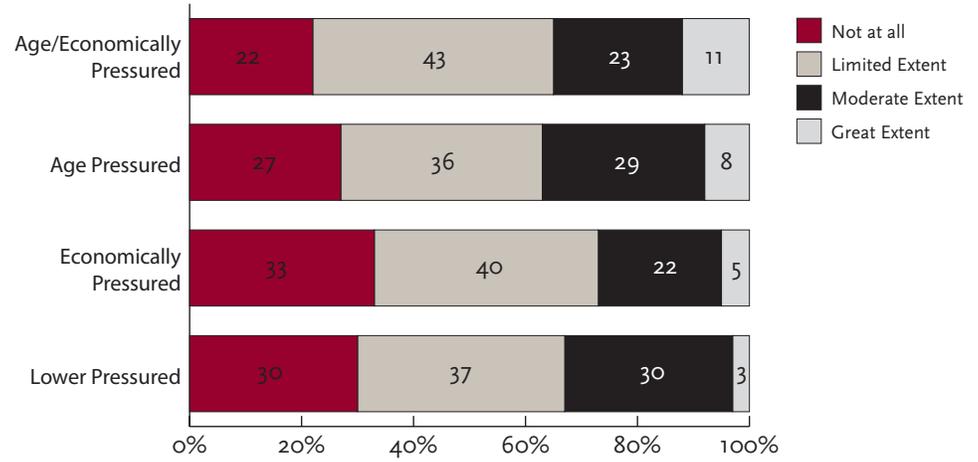
While it is critical that employers ensure they have the workers they need today and in the future, more than two-thirds (68%) of employers reported that they had not analyzed the demographics of their workforce (“at all” or only “to a limited extent”). (See Figure 3 above.) As indicated by the information included in Figure 4 below, organizations that were in the age/economically pressured group were more likely to report that they had analyzed the age demographics of their workforce to a “great extent” than those in the other three pressure groups.

Figure 4. Employers Analysis of Workforce Demographics, by Pressure Groups

In your opinion, to what extent has your company/organization analyzed its workforce demographics to ensure that it will have the people it needs, today and in the future?

p=.010

N= 685



Numbers do not add to 100 due to rounding

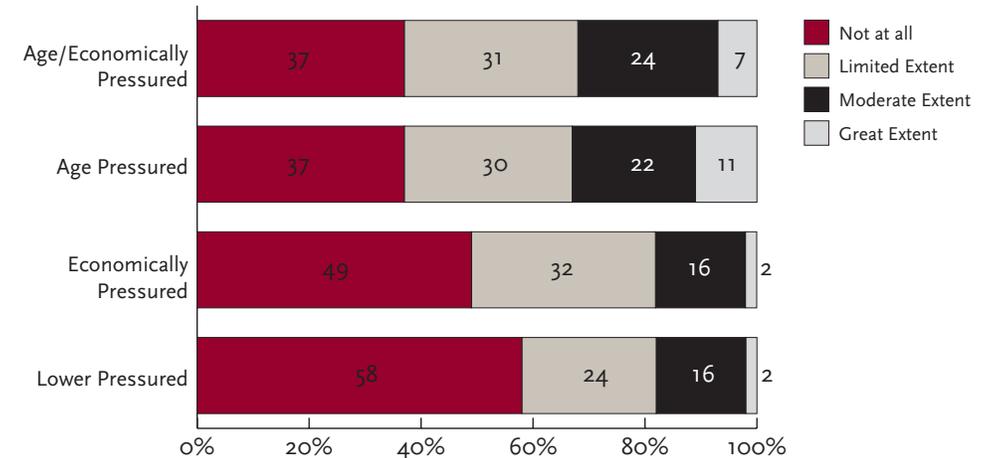
One aspect of effective talent management is anticipating the need to replace employees who are approaching retirement. However, approximately three-fourths of all employers surveyed (77%) stated that they have not analyzed projections about the retirement rates of their employees (either “not at all” or “to a limited extent”). (See Figure 3 page 8.) As indicated by the data in Figure 5 below, organizations in the two groups of employers who anticipated that the aging of the workforce will have a high negative impact on their organizations (the age pressured group and age/economically pressured group) were more likely to have projected the retirement rates “to a moderate/great extent” than organizations anticipating limited negative impact of the aging of the workforce.

Figure 5. Employers' Analysis of Projected Workforce Retirement Rates, by Pressure Groups

In your opinion, to what extent has your company/organization projected retirement rates to ensure that it will have the people it needs, today and in the future?

p=.000

N= 685



Numbers do not add to 100 due to rounding

Paralleling this finding, approximately three-fourths (77%) of the employers surveyed reported that they had not assessed their employees' career plans "at all" or only "to a limited extent". (See Figure 3 above.) The responses of the four pressure groups of employers were similar (that is, the differences were not statistically significant).

As employers deal with changing economic circumstances and the changing workforce, a key element of their planning would appear to be repositioning themselves for today's new business realities. However, the study found that more than half of the employers surveyed (56%) have not assessed the skills that their organizations need ("not at all" or "to a limited extent"). (See Figure 3 above.) Notably, employers' responses did not vary by expectations of the impact of the aging of the workforce or by perceptions of the impact of economic circumstances on business operations.

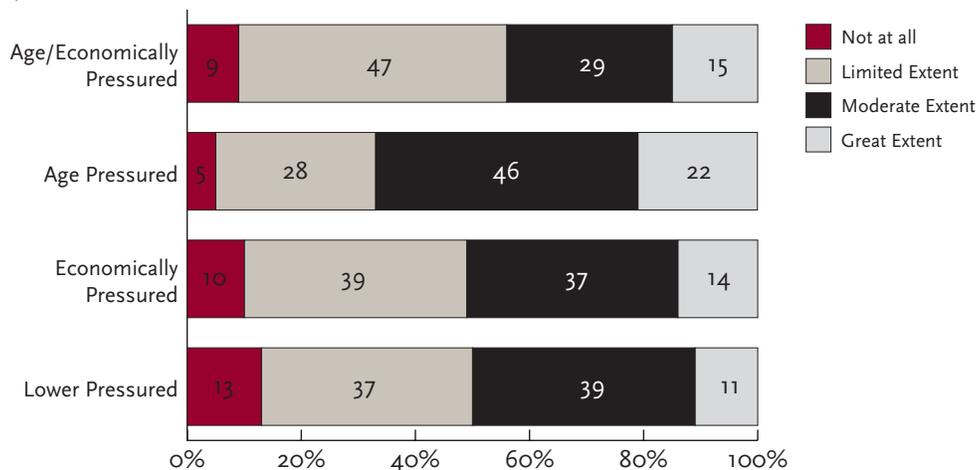
Half (50%) of the employers surveyed indicated that they had not assessed the competency sets of their employees ("not at all" or "to a limited extent"). (See Figure 3 page 8.) Age pressured employers were the most likely to have reported that they have assessed their employees, competencies "to a moderate/great" extent. (See Figure 6.)

Figure 6. Employers' Assessment of Employee Competency Sets, by Pressure Groups

In your opinion, to what extent has your company/organization assessed employee competency sets to ensure that it will have the people it needs, today and in the future?

p=.022

N= 685



Numbers do not add to 100 due to rounding

This apparent lack of planning also extends to employers' efforts in ensuring that their supervisors are adequately aware of future staffing needs. Half (52%) of the employers surveyed reported that they had not assessed the ability of their supervisors to anticipate and plan for staffing needs ("not at all/to a limited extent"). (See Figure 3, page 8.) The responses did not vary by employers' anticipated impact of the aging of the workforce and the impact of economic circumstances on business operations.

Succession planning can be a critical component of talent management because succession planning helps managers to identify important skills and competencies that might be needed in the future and then make decisions about ways to ensure that they have the talent that they will need. Yet, nearly two-thirds (64%) of the employers surveyed reported that they have not developed succession plans ("not at all/to a limited extent"). (See Figure 3.) Employers in the four pressure groups responded in similar ways to this question (that is, the differences were not statistically significant).

Prism of Age

The Sloan Center on Aging & Work refers to the “prism of age” because age is multi-dimensional. People may feel “old” in some ways (for example, they might be “old” in terms of a life stage event such as having grandchildren or providing eldercare) but “young” in other ways (such as starting a new career). In fact, findings from our recent Age & Generations Study [<http://www.bc.edu/research/agingandwork/projects/generations.html>] suggest that many people in their 50s (and older) say they are still in early career. In short, different age-related factors complicate or inform how we see our own or another person’s “age.”

Why is this important?

Thinking about age as a multi-dimensional construct can help all of us—it challenges our assumptions about young employees, employees at mid-life, and older employees. Indeed, age-related factors (such as the age of a youngest child) could have a larger impact on someone’s employment experiences than chronological age alone. In addition, many policies and practices that are institutionalized at the workplace (ranging from recruitment to leadership training) reflect outdated expectations related to age. If we expand our thinking about age to include life stage, generation, or career stage, we might think more creatively about the resources and opportunities available to employees of all ages.

Workplace Considerations—Assessment

In light of current economic and demographic pressures, employers should consider several key assessments:

1. *Analyze your workforce demographics, including projected retirement rates.*

While workforce demographic assessments may seem fairly straightforward, progressive employers are exploring some more creative approaches when factoring in current economic and demographic forces. For example, some employers are looking beyond individual employee age to consider life stage and career stage as important dimensions of age diversity. This Prism of Age (see adjacent) offers employers a tool, when considering changes to the size or makeup of their workforce, to recognize that not all older workers are ready for retirement, while some mid-life employees may appreciate a break to tend to more pressing personal needs. At the same time, this expanded age concept encourages employers to think beyond unspoken assumptions and stereotypes about chronological age and look more broadly at who may be “right” for a job.

2. *Identify the key characteristics of your current and future workforce, including skills assessments and career plans.*

A concrete skills assessment is a critical first step when confronting your organization’s current fiscal health and future needs and goals. It tells you what type of work your organization will need to get done, though it doesn’t tell you who should do it. Progressive employers have begun to think differently about who might have the right skills and who might be a match for which job. For example, some employers who are facing staff downsizing are looking at their retirement-eligible employees as a talent pool for what had once been considered stepping-stone jobs. In these cases, older workers may be willing to trade positions for flexibility or job security. Other progressive employers are looking beyond the standard career-model ladder and exploring a new “career lattice” concept.

At the forefront of this thinking is Deloitte and Touche’s Mass Career Customization (MCC) program. MCC offers a new way to consider careers and provides concrete tools for employers and employees that focus on four dimensions of the career experience: pace, workload, location, and role.

3. *Project staffing needs and develop succession plans to support them.*

Succession planning is about ensuring a trained pipeline of high-quality talent for key organizational positions. The aging of the baby boomers in general, and more specifically the sudden job cuts caused by the global economic crisis, has revealed potentially critical gaps in many organizations’ long-term planning. For this reason, leading employers are coming to realize that ongoing knowledge management is the key to both smooth succession and to positioning their organizations for economic recovery.

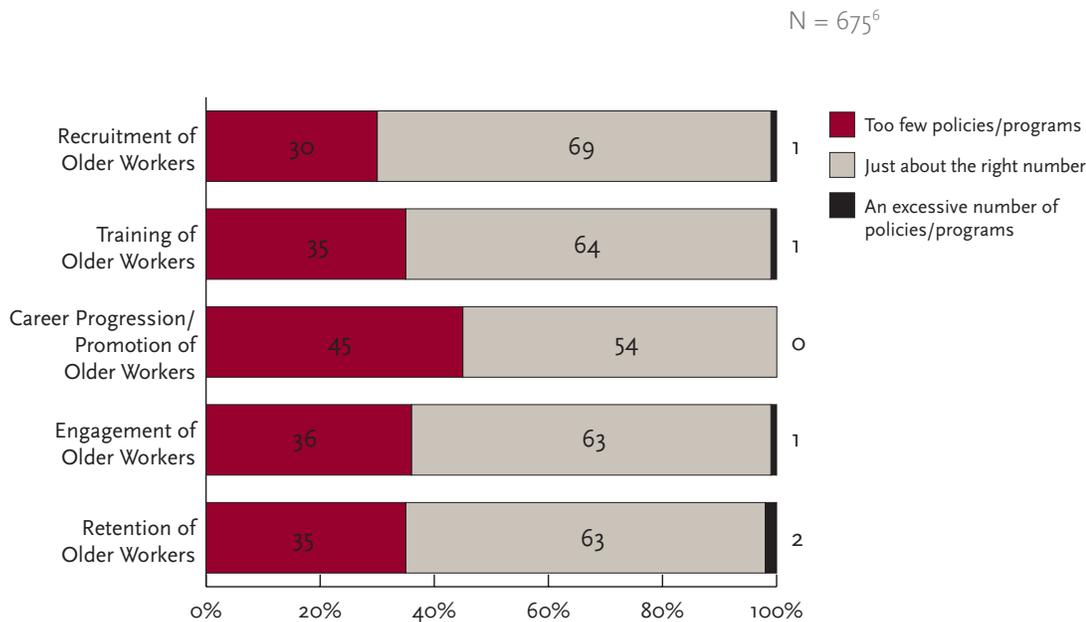
Programs such as MITRE’s Cross Generational Networking Circles are designed to engage early- and late-career employees in cross-mentoring discussions and to identify opportunities for sharing knowledge across and among work teams. An intended result of programs such as MITRE’s is the nurturing and development of critical talent pipelines.

IV. PRESSURE AND INNOVATION

Examples of employers' efforts to recruit, engage, and retain the best talent available—including older workers—are emerging across the country. But how common is this?

The Talent Management Study revealed that some companies are taking action steps with regard to older worker. Figure 7 presents data about the actions related to recruitment, promotion, training, engagement, and retention of older employees.

Figure 7. Companies Having Taken Steps Regarding Aging of the Workforce



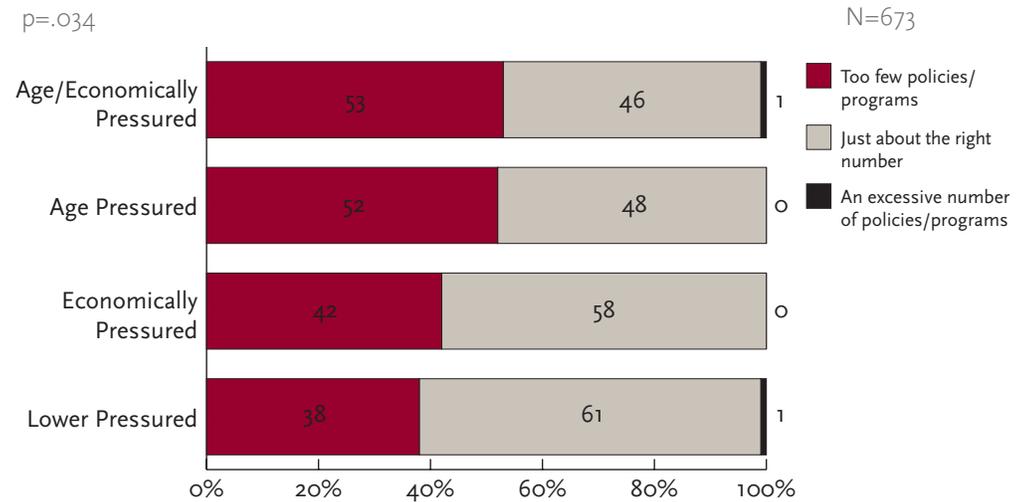
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Overall, approximately two-thirds of employers (69%) reported that their organizations have just about the right number of policies and programs in place to recruit older workers. The differences in the responses of employers in the four pressure groups were not statistically significant.

Nonetheless, more than four of every 10 (45%) of the employers surveyed felt that their organizations have “too few policies and programs/not enough” for the career progression and promotion of older workers. Age pressured and age/economically pressured employers were more likely to report that their organizations had “too few/not enough” policies and programs for the career progressions/promotion of older workers. (See Figure 8, page 13.)

Figure 8. Career Progression and Promotion Programs for Older Workers, by Pressure Groups

In your opinion, to what extent does your organization have programs or policies for the career progression and promotion of older workers?



For this report, we use the term “employee engagement” to mean: A positive, enthusiastic, and affective connection with work that motivates an employee to invest in getting the job done not just “well” but “with excellence” because the work energizes the person.

Training policies and programs are key components in keeping older workers abreast of the skills and knowledge they need for today’s business. Overall, approximately two-thirds (64%) of the employers said they had “just about the right number” of policies and programs for older workers’ training. There were no statistically significant differences in the responses according to their assessment of the impact of the aging of the workforce or the impact of the economic circumstances on business operations.

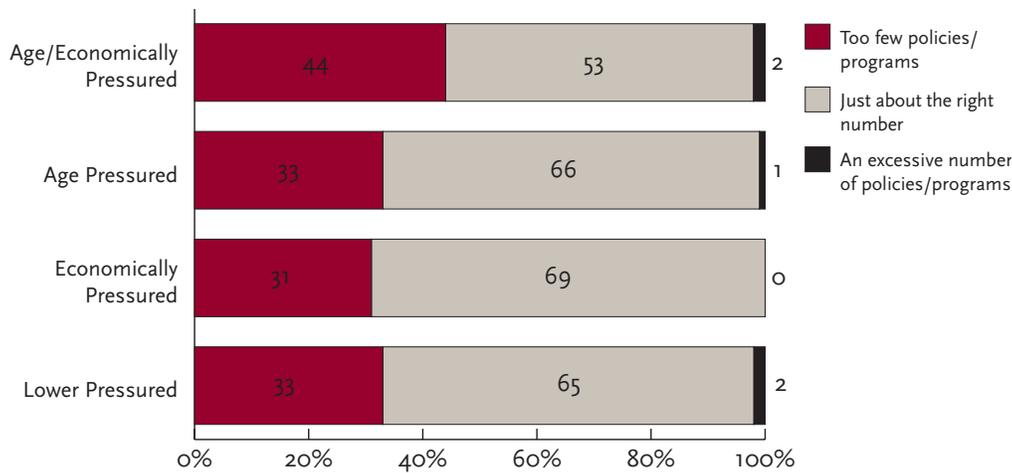
Similarly, approximately two-thirds of employers surveyed (63%) reported that their organizations “have about the right number” of policies and programs to engage older workers. (See Figure 7, page 12) Age/economically pressured employers were the most likely to feel that there were “too few/not enough” policies and programs. (See Figure 9, page 14.)

Figure 9. Policies and Programs to Engage Older Workers, by Pressure Groups

In your opinion, to what extent does your organization have programs or policies for engaging older workers?

p=.019

N=669



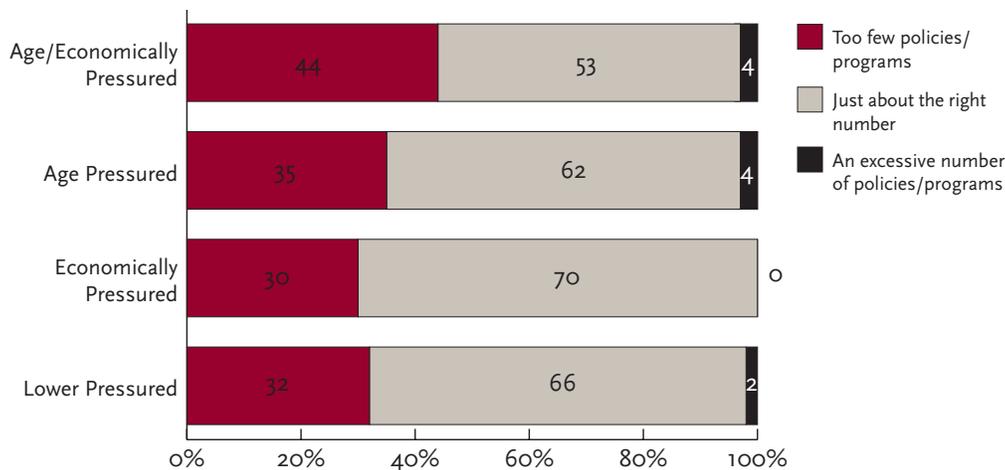
Numbers do not add to 100 due to rounding

Approximately two-thirds (63%) of employers reported that they have “just about the right number” of policies and programs in place to retain older workers. (See Figure 7, page 12.) Age/economically pressured employers were the most likely to state that their organization has “too few/not enough” policies and programs to retain older workers. (See Figure 10 below.)

Figure 10. Policies and Programs to Retain Older Workers, by Pressure Groups

p=.003

N=672



Numbers do not add to 100 due to rounding

WORKPLACE ACTION
Abbott's Freedom to Work

Abbott has put a strategic new program in place – Freedom to Work – that takes a new approach to retirement planning. The program is designed to meet the evolving needs of Abbott's employees nearing retirement, while at the same time meet the needs of Abbott's business by keeping experienced talent longer and ensuring business continuity in the coming years. The Freedom to Work program consists of custom scheduling, which allows participating employees to buy additional vacation time, and an emeritus program, which allows participants to change responsibilities without decreasing pay/grade.

Over 40% of Abbott's US workforce is under 40 years of age, but almost 25% are 50 and over. The average age of retirement from the company is 57. Freedom to Work offers flexibility and allows employees to continue to make valuable contributions, while building financial security for the future and pursuing other interests. Abbott has found that many employees see the program as a “good step towards retirement.”

There are many different types of flexibility. We consider there to be five categories of flexible work options:

1. *Flexibility in the Number of Hours Worked.* Examples include part time work, part year work, job share, phased retirement, and input into overtime.
2. *Flexible Schedules.* Examples include: changes in starting/ quitting times, changes in starting/quitting times, in compressed work, schedule that varies from typical schedule, choices about shifts.
3. *Flexible Place.* Examples include: working from home/remote site, or being able to select or periodically/seasonally change the work location.
4. *Options for Time Off.* Examples include: paid leave for caregiving/personal/family responsibility, extra unpaid vacation days, paid/unpaid time for education/training, volunteering, or sabbatical.
5. *Other Options.* Additional examples include: control over the timing of breaks, and allowing employees to transfer to a job with reduced responsibilities and reduced pay, if they want to.

Workplace flexibility is one policy that has the potential to enhance employers' efforts to recruit, engage, and retain older workers. Furthermore, workplace flexibility can contribute to organizational nimbleness—an asset during turbulent economic times.

Only one third (31%) of the employers surveyed said they had established options for employees to work in a flexible manner “to a moderate/great extent.” Employers in all four of the age pressured groups responded in similar ways to this question.

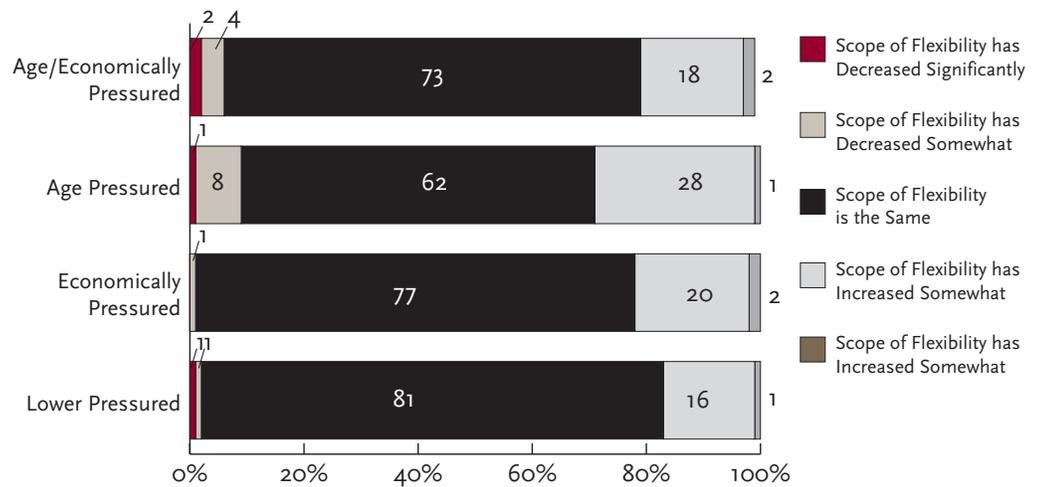
Overall, approximately three-fourths (76%) of the employers reported that the scope of their flexibility initiatives had remained the same over the past year, and 21% stated that the scope had increased (either “somewhat” or “significantly”). As shown by Figure 11 below, age pressured employers were more likely to indicate that the overall scope of their flexible work options had increased over the past year than other organizations.

Figure 11. Changes in the Overall Scope of Flexibility Initiatives, by Pressure Groups

Over the past year, has there been any change in the overall scope of your workplace flexibility initiative?

p=.023

N=636



Numbers do not add to 100 due to rounding

Workplace Considerations—Action

Given both demographic and economic pressures, there are several key actions employers should consider:

1. *Retention of key talent is critical to business success.*

During times of economic challenge, when staffing and resources are lean, it is vital for companies to retain their best people. Successful employee retention requires a deep cross-functional commitment by the organization. Compensation and benefits create the core, as expected, but research shows that's simply not enough. Progressive employers have learned that—across all ages, life stages, and career stages—employees want and need flexibility to manage the demands of their work and personal lives. Employers such as the University of Kentucky are designing innovative training programs for supervisors to ensure that workplace flexibility is both managed and manageable, thus making it an effective retention tool.

2. *Employee engagement is an important link between retention and productivity.*

Progressive employers are exploring important linkages between employee engagement and areas such as training and development, health and wellbeing, and opportunities for meaningful work. For example, GlaxoSmithKline is considered a leader in the area of employee resilience. The company's efforts to help employees manage their workloads are recognized as an important step to bridging the gap between health and engagement. Research also has shown that employee engagement is an important retention tool.

3. *Employee recruitment is key to finding the best people who will fit within a company's culture and contribute to its success.*

Until recently, recruitment was seen as a downstream step in the staffing process. However, leading employers know that their recruiting departments may have valuable information about what motivates or attracts a variety of employee populations. For example, understanding why mid-career workers accept or turn down job offers can have significant implications for a business' staffing or career-development policies. These employers are creating opportunities for recruitment staff to become involved much earlier in the hiring process.

WORKPLACE ACTION

St. Luke's Hospital

Despite the economic downturn, St. Luke's has been able to maintain its focus on the aging workforce. St. Luke's has continued to drive succession planning throughout the organization and developed a strategy for knowledge management initiatives. Additionally, St. Luke's has successfully retained several individuals in "encore" roles within the organization to support knowledge transfer and leverage their skills in new ways.

V. IMPLICATIONS FOR EMPLOYERS

The evidence is clear: the workforce is aging and the make-up of the U.S. labor force has been and is fundamentally changing. It also is apparent that, across the United States, employers of all sizes are faced with challenging economic realities. Never before has a strategic approach to workforce planning been as important.

Regardless of which factors are driving organizational decision-making, workforce planning is simply good business, because this approach to talent management helps to ensure that the right people with the right skills are in the right jobs at the right time.

The good news of this study is that there can be positive outcomes and opportunities associated with the pressures on organizations, such as the pressures of the economy and the aging of the workforce. For example, age pressured and age/economically pressured employers are the most likely to have considered their organization's future staffing needs as indicated by the steps they have taken to get ready (analysis of workforce demographics, analysis of projected retirement rates, and assessment of employees' competencies).

However, these employers also are the most concerned that their organizations offer too few policies or programs for the career progression and promotion of older workers. This might seem like the bad news, but it could also reflect the fact that age pressured and age/economically pressured employers are more attentive to talent management as it pertains to shifts in the age demographics of the workforce.

Understanding the pressures that affect a business' organizational situation (i.e., being age pressured, economically pressured, etc.) can help employers best tailor their workforce planning. For example, age pressured employers will want to carefully assess the demographics of their workforce to determine the critical risk areas, and use this data to drive decision making. On the other hand, economically pressured employers may need to revisit earlier human resources priorities and redirect limited organizational resources to more immediately pressing issues. However, even in this case, it is important that longer-term projections not be ignored; ongoing demographic assessments are still important.

Following the core steps of workforce planning, Table 1 (page 18) suggests some possible considerations for employers in each of the four pressure groups.

Table 1: Workforce Planning Considerations for Employers, by Pressure Group

	Age Pressured	Age/Economically Pressured	Economically Pressured	Lower Pressured
Integration with Other Organizational Planning Processes	<ul style="list-style-type: none"> Identify potential partners within human resources and organizational development. Consider who else is looking at age demographics, such as training and development, and staffing. Discuss how they can use information you have gathered to support your mutual goals. 	<ul style="list-style-type: none"> Identify potential partners outside of human resources. Instruct your marketing and R&D departments to assess changing age demographics and the impact on your business. Identify areas of common interest. 	<ul style="list-style-type: none"> Identify other organizational strategies that have been impacted by the economy. Consider, for example, whether your organization is planning a workforce reduction. Look at any demographic projections that could support this strategy. Ask whether knowledge management has been included in these discussions. 	<ul style="list-style-type: none"> Consider your organization's overarching strategic goals, including growth, globalization, and deeper market penetration. Explore how talent management can support these goals. Identify your potential partners.
Assessment of Workforce Supply	<ul style="list-style-type: none"> Identify how your organization's age demographics align with your organizational goals. Consider whether there are particular areas or occupations that have higher risk. 	<ul style="list-style-type: none"> If you haven't done so already, consider doing a complete criticality assessment. Consider which business areas and positions are most at risk for talent shortages. Identify and target specific risk points that can help you to better allocate limited resources. 		<ul style="list-style-type: none"> This can be an excellent opportunity to do a thorough assessment of organizational demographics. Consider including such age dimensions as life stage and career stage in your assessment to provide more detailed information on your workforce's goals and expectations.
Forecast of Workforce Need	<ul style="list-style-type: none"> This can be an excellent time to engage partners outside of HR. Note the areas of your business that are experiencing growth. Identify any specific occupations that are becoming more critical to your business success. Considered new staffing options, such as mid-career hires in addition to college recruits. 	<ul style="list-style-type: none"> This can be a good time to take a more micro rather than macro approach to workforce planning. Identify the areas of your business that, despite the economy, are still growing. Explore where talent shortage is still a burning issue. 	<ul style="list-style-type: none"> Downsizing may offer an opportunity to reconsider "traditional" staffing and training models. Consider whether there are opportunities for any employees to "re-career" within your organization. Take a second look at your learning and development and/or career-planning areas. 	<ul style="list-style-type: none"> Proactive planning is essential for lower pressured employers. Industry and occupational benchmarking can provide important insights into the future for your organization. Identify the skills and competencies your organization will need to support its strategic goals.
Gap Analysis	<ul style="list-style-type: none"> In all cases, understanding your organizations' labor force needs is critical. Identify whether you have pipeline issues, problems in a particular business area, or unique challenges with particular occupations. Look at where your organization is concentrating its R&D dollars. Consider whether you will have the right talent in place when it's the right time to support these new opportunities. For organizations that are economically pressured, it is especially important to prioritize these gaps. Size of the workforce gap is an important measure; however, it also is important to measure risk. Consider the potential costs to the business if this gap is not filled. 			

VI. ABOUT THE TALENT MANAGEMENT STUDY

The 2009 Strategic Talent Management Study was designed to reveal how companies in the United States are responding to the challenges of providing employment to today's multi-generational workforce in the new economy. Our selection of companies focused on those organizations operating in the 10 leading sectors (accounting for 83% of employment and 85% of payrolls in the United States), including: 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. In total, 696 organizations were studied. Because there is reason to suspect that the practices and needs of small employers differ significantly from those of larger employers, our stratified sampling strategy also was designed to help us understand organizational dynamics based on enterprise size.⁷ Our study pays particular attention to three groups of employers: smaller enterprises (employing < 100 employees), medium-sized enterprises (100-249 employees), and large enterprises (250+ employees).

A Snapshot of America's Aging Workforce

Unemployment rates among workers 55+ increased between July 2008–July 2009 from 3.7% to 6.7%. By comparison, unemployment among younger workers (ages 25–34) jumped from 5.7% to 10.0%. (U.S. Census Bureau, 2009)

By 2012, adults aged 55+ will constitute 19.1% of the labor force, compared to 15% for those under 25 and 66% of those 25–54 years, according to the Bureau of Labor Statistics. (Toosi, 2004)

The number of unemployed workers age 55+ increased by 56.8% in less than one year (December 2007–November 2008), compared to 35% for all age groups. (Garr, E., 2009)

29% of employers surveyed in 2009 hired a worker age 55+ for a permanent position within the past six months. (Careerbuilder.com, 2009)

28% of workers 55+ who were laid off in the last 12 months found new jobs, compared to 71% for those aged 25–34. (Careerbuilder.com, 2009)

ENDNOTES

- 1 The impact of the aging of the workforce was anticipated to be either “very positive,” “positive,” or “neither negative nor positive” over the next three years, and the impact of economic circumstances on business operations was assessed as being “very positive,” “positive,” or “neither negative nor positive” in comparison to one year ago.
- 2 The impact of the aging of the workforce was anticipated to be either “very positive,” “positive,” or “neither negative nor positive” over the next three years and the impact of economic circumstances on business operations was assessed as being “somewhat negative” or “very negative” in comparison to one year ago.
- 3 The impact of the aging of the workforce was anticipated to be “somewhat negative” or “very negative” over the next three years and the impact of economic circumstances was assessed as being either “very positive,” “positive,” or “neither negative nor positive” in comparison to one year ago.
- 4 The impact of the aging of the workforce was anticipated to be “somewhat negative” or “very negative” over the next three years and the impact of economic circumstances on business operations was assessed as having had a “somewhat negative/very negative” impact in comparison to one year ago.
- 5 The number of employers responding to the question about the extent to which they have assessed supervisors’ ability to anticipate and plan for staffing needs was 639.
- 6 675 employers responded to the question about recruitment; 675 about training; 675 about career progression/promotion; 672 about engagement; and 675 about retention.
- 7 The Bureau of Labor Statistics defines an enterprise as “a business organization consisting of one or more domestic establishments that were specified under common ownership or control. The enterprise and the establishment are the same for single-establishment firms. Each multi-establishment company forms one enterprise—the enterprise employment and annual payroll are summed from the associated establishments.” In other words, one can think of a hotel chain as being an enterprise, but each individual hotel is an establishment. While our analysis considers both enterprise and establishment variation, our sampling strategy was designed primarily to gain a representative sample of enterprises in each sector of the economy.

Authors

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The Sloan Center on Aging & Work at Boston College

The Sloan Center on Aging & Work at Boston College was founded in 2005. Working in partnership with workplace decision makers, the Center promotes the quality of employment for the 21st century multigenerational workforce. The Center strives to put evidence into practice to improve employment experiences for both employers and employees. We place a particular emphasis on workplace flexibility that supports 21st century ways of getting work done and enhances employees' work experiences. Our multitiered strategy includes combining employer-engaged research and academic rigor with innovative communications. We engage multidisciplinary teams of researchers from around the world to forward three research streams—the U.S. National Initiatives, the State Initiatives, and the Global Initiatives.

The Sloan Center's U.S. National Initiatives partners with scholars and employers across the United States, placing a particular emphasis on workplace flexibility. Together, we explore the intersection of employee preferences with employer practices and chronicle emerging strategies as they evolve. Current projects include analyses of the Health and Retirement Study, Elder Care, Workplace Flexibility, and Multigenerational Talent, and the Age & Generations Study.

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For more information about the Sloan Center on Aging & Work at Boston College, please visit: <http://agingandwork.bc.edu>.

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Issue Briefs

- Issue Brief 1: Older Workers: What Keeps Them Working?
- Issue Brief 2: Businesses: How Are They Preparing For the Aging Workforce?
- Issue Brief 3: Getting the Right Fit: Flexible Work Options and Older Workers
- Issue Brief 4: How Old Are Today's Older Workers?
- Issue Brief 5: One Size Doesn't Fit All: Workplace Flexibility
- Issue Brief 6: Down Shifting: The Role Of Bridge Jobs After Career Employment
- Issue Brief 7: Civic Engagement: Volunteering Dynamics and Flexible Work Options
- Issue Brief 8: Does Health Insurance Affect The Employment of Older Workers?
- Issue Brief 9: The 21st Century Multi-Generational Workplace
- Issue Brief 10: Today's Multi-Generational Workforce: A Proposition of Value
- Issue Brief 11: Responsive Workplaces for Older Workers: Job Quality, Flexibility and Employee Engagement
- Issue Brief 12: Generational Differences in Perceptions of Older Workers' Capabilities
- Issue Brief 13: Quality of Employment and Life Satisfaction: A Relationship that Matters for Older Workers
- Issue Brief 14: The Interlocking Careers of Older Workers and Their Adult Children
- Issue Brief 15: Self Employment As A Step in The Retirement Process
- Issue Brief 16: Older And Out Of Work: Trend in Older Worker Displacement
- Issue Brief 17: Older And Out Of Work: Employer, Government and Nonprofit Assistance
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Research Highlights

- Research Highlight 1: Context Matters: Insights About Older Workers From the National Study of the Changing Workforce
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- Research Highlight 3: The Benchmark Study, Phase I of The National Study of Business Strategy and Workforce Development
- Research Highlight 4: The National Study, Phase II of The National Study of Business Strategy and Workforce Development
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- Research Highlight 6: Age & Generations: Understanding Experiences at the Workplace