STATEMENT OF CORNELIA GAMLEM

ON BEHALF OF THE

SOCIETY FOR HUMAN RESOURCE MANAGEMENT

PRESENTED TO THE

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

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Introduction
Chair Berrien, and distinguished Commissioners Ishimaru, Barker, Feldblum, and Lipnic, my name is Cornelia Gamlem and I appear today on behalf of the Society for Human Resource Management (SHRM). I have been a member of SHRM for over 20 years and I am currently the President of GEMS Group, Ltd., a management-consulting firm that offers Human Resources solutions. I have held numerous leadership positions with SHRM, including serving on its Board of Directors in 2000 and 2001, chairing SHRM’s Workplace Diversity Committee, and serving on SHRM’s Workplace Diversity Special Expertise Panel. Additionally, I have authored numerous articles and white papers for SHRM and other professional and industry publications, as well as presented at conferences on a variety of HR-related issues. I thank you for the opportunity to appear before the Commission today to discuss the issues associated with our nation’s mature workforce.

The Society for Human Resource Management 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.

SHRM vigorously opposes employment discrimination based on gender, race, religion, color, national origin, disability, pregnancy, sexual orientation or age, and strongly supports the Age Discrimination in Employment Act of 1967 (ADEA). Our members, human resource professionals, are responsible for developing and implementing workplace policies and practices that comply with the law and provide guidance to managers on fair and effective people management. SHRM members have reported numerous effective practices for creating workplaces that recognize the value of older workers and support their hiring and retention.

In this testimony, I will describe the changing demographics of the U.S. workforce, highlight new survey data on employer practices produced jointly by SHRM and AARP, and share several workplace policies that HR professionals design and implement for employers across the country to better capitalize on the experience, skills and abilities of older workers.

The Maturing Workforce of 2010
While the nation’s 9.6 percent unemployment rate poses challenges to employees of all ages, older workers face unique issues. Employees of the “Baby Boom” generation are remaining in – and even returning to – the workforce. Human resource professionals are directly involved in recruiting, employing, and retaining older workers in every industry.

Employers now employ four generations working side-by-side:

- Traditionalists (born before 1945)
- Baby Boomers (born 1946-1964)
• Generation X (born 1965-1980)
• Generation Y (also called Millennials or Generation Next; born 1980-1994)

Members of each generation or age cohort have in common certain values and perceptions of work that arise from the shared experiences of their formative years. Each group brings its own expectations regarding authority, work ethic, work behaviors and life issues, at times causing conflict or stress in multi-generational workplaces. Employers need to not only embrace the traits of each generation, but also provide training and education to enable them to work together effectively and productively.

Employment data show that older workers constitute the fastest growing segments of the workforce. Between 1998 and 2008, the number of workers ages 55 to 64 increased by 64%, those ages 65 to 74 increased by 57%, and those ages 75 and older increased by 88%.\(^1\) Better health, increasing longevity, economic security concerns and the changing nature of work make employment beyond traditional retirement age a viable option for the individual. Predicted labor shortages driven by the retirement of Baby Boomers in the future also points to the importance of more fully embracing and utilizing older workers.

**SHRM/AARP Partnership**
With a common interest in issues related to workers age 50 and older, SHRM and AARP are currently collaborating on a partnership to raise awareness about the implications of an aging U.S. workforce.

To measure the scope of issues facing both employers and mature workers, in July 2010 SHRM and AARP jointly surveyed a sample of 381 randomly selected HR professionals about strategic workforce planning, particularly with regard to retirement of older workers. The survey included the following findings:

• **Employers are bracing for the loss of mature workers.** One in five respondents thought that the potential loss of talent from Baby Boom retirements over the next decade would be a problem for their organizations, while 45% thought it would be a potential problem, and one-third thought it would not be a problem.

• **Employers are developing strategies to prepare for older worker retirements.**
  ➢ Almost four out of ten respondents (39%) reported that their organizations were beginning to examine internal policies and management practices in preparation for a shortage of workers when older workers retire (slide 8).
  ➢ Among organizations that had conducted or planned to conduct a strategic workforce planning assessment to analyze the impact of retirement by workers aged 50+, more than four out of ten (42%) are conducting

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assessments in 2010 and 2011, and 23% are planning to conduct assessments after 2011.

- Among organizations that had conducted or planned to conduct a strategic workforce planning assessment to identify workforce needs and potential skills gaps, 53% are conducting assessments in 2010 and 2011, and 14% are planning to conduct assessments after 2011.

- **Organizations appeal to older workers with specialized recruitment and retention practices.**
  - The most popular strategies currently in use to recruit and retain workers past traditional retirement age are offering part-time positions to older workers (42%) and hiring retired employees as consultants or temporary workers (40%).
  - The most popular benefits offered specifically with older workers in mind are flexible scheduling (59%) and retirement savings or pension plans with specific provisions for older workers (52%).

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**Best Practices for Recruiting, Retaining, and Managing Mature Workers**

SHRM provides numerous programs and information to the HR community to educate and strengthen employers’ understanding of applicable federal, state, and local laws. Furthermore, the Society promotes the implementation of employer policies and practices that actively promote responsive, equitable, and fair treatment of all employees. These “effective practices” vary in focus and scope depending on the needs of the particular organization.

**Training**

With more than half of America’s workforce already over 40, SHRM members recognize that there is increasing potential for workplace discrimination on the basis of age. Employees and job applicants who are 40 years of age or older are protected from employment discrimination based on age by the Age Discrimination in Employment Act of 1967 (ADEA). Effective management training includes tying the legal requirements of the ADEA and other laws to the practical implications of everyday, people management and decision making. It also provides managers with the skills required to implement workplace policies and practices.

SHRM recognizes the importance of training and believes that a comprehensive program makes a significant difference in ensuring that all employees, including HR professionals and people managers, are aware of respectful and legal workplace practices. SHRM also recognizes the importance of going beyond “compliance training” and considering inclusiveness and diversity issues in any organization’s work-life programs.

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2 SHRM-AARP Strategic Workforce Planning Poll (2010).
Organizations focus diversity initiatives and training on principles of inclusion and respect – valuing each individual for the unique qualities he or she contributes. Training objectives often include: raising awareness about the dimensions of diversity including age and generational differences and their relationship to the workplace; recognizing and practicing workplace behavior that demonstrates respect; and challenging assumptions and stereotypes.

**Strategic Workforce Planning**
I am very pleased to testify today alongside Deborah Russell of AARP. With a common interest in issues related to workers age 50 and older, SHRM and AARP are currently collaborating on a partnership to raise awareness about the implications of an aging U.S. workforce.

A key effective practice for employers is to conduct a workforce review to consider the demographics of their current workforce and prepare for the demographic changes ahead. SHRM has been pleased to co-sponsor and promote AARP’s free online Workforce Assessment Tool. The Workforce Assessment Tool, which can be accessed online at [http://www.aarpworkforceassessment.org](http://www.aarpworkforceassessment.org), is a resource for human resource professionals to assess how retiring workers will affect their organization, create a work environment that attracts qualified workers of all ages, and better manage a multi-generational workforce.

**Workplace Flexibility**
SHRM has a long history as a public policy leader on workforce flexibility issues. In 2009, the SHRM Board of Directors adopted a new Workplace Flexibility Public Policy Position Statement, reflecting HR professionals desire to engage in a new dialogue about work-life public policy issues. This new policy addresses the realities of the 21st Century workforce and has elevated SHRM’s profile on this issue among key stakeholder groups and public policy decision makers who now look to SHRM to lead on this issue.

Although often thought of as a program to address the needs of employees with young children, workplace flexibility benefits can provide many subsets of employees, including older workers, the flexibility to successfully work and manage their personal lives. According to the SHRM survey results,3 half of HR professionals indicated that their companies offer flextime by allowing employees to choose their work hours within limits established by the employer. In addition to flextime, 51% of human resource professionals indicated that their employers offered some form of telecommuting.

The top five formal flexible work arrangements rated “very successful” by HR include: 1) part-year work; 2) telecommuting from a satellite location; 3) flex time with core hours — employees choose their work hours within limits and must be present on a daily basis

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during core hours; 4) flex time without core hours — employees must work full-time but can choose which hours to work; and 5) compressed workweek-fulltime employees work longer days for part of the week or pay period in exchange for shorter days or a day off each week or pay period. SHRM believes that offering nontraditional scheduling options for employees not only improves work-life balance for the employees, but it also allows organizations to recruit and retain motivated workers who may not be able or willing to work a traditional nine-to-five schedule. This workplace strategy can be especially helpful for older workers needing additional flexibility.

As mature workers age, they have several reasons why they are interested in flexible work arrangements. Many older employees are taking on eldercare responsibilities. According to a 2004 national caregiver survey, there are 44.4 million family caregivers in the United States, and 60 percent of these caregivers are employed (see testimony of Laurie T. Charest at the White House Conference on Aging, June 2, 2005, available online). While elder care concerns affect an increasing segment of the workforce, they are often hidden by employees and overlooked by employers. As a benefit to these employees, SHRM’s 2010 Employee Benefits Survey reported that 11% of HR professionals offered an eldercare referral service to employees at their organizations, 11% offer eldercare leave above federal FMLA requirements and 7% indicated that they offer emergency eldercare.

Additional flexible scheduling options that have been particularly successful for older workers include:

- Traditional part-time work or voluntary part-time work (V-Time) offered by New York state government offices where all employees can work between 70% and 100% of their schedule in 5% intervals.
- Casual employment programs, such as that offered by Aerospace Corp. of southern California, where skilled retirees work up to 1,000 hours each year without jeopardizing their pension benefits.
- Non-traditional part-time work, such as one week on/one week off.
- Phased retirement, featuring reduced hours over a period of time, as offered by Cambridge, Mass.-based Polaroid Corporation and Corning, based in Corning, N.Y.

Although many organizations and employees have expressed interest in the concept of phased retirement, many workplaces find that obstacles still exist regarding implementation of these programs. While the Pension Protection Act lifted restrictions on an employer’s ability to pay retirement plan benefits before the employee reaches retirement age, the Act leaves important legal questions unresolved leading many employers to wait for additional guidance before taking action to implement these desirable programs.

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4 SHRM Research, Workplace Flexibility in the 21st Century, October 2010.

• “Rehearsal retirement,” providing adults with the chance to work part-time with their employer and offering non-paid hours to a volunteer organization, such as that offered by Kollmorgen Corporation’s Electro-Optical Division in Northampton, Mass.,

• Job-sharing, which partners an older adult with a younger trainee.

• Snowbird programs allowing older employees to change location during some months of the year. Employees at Borders or pharmacists at CVS may work in Florida for the winter months (for the same organization) and return to their previous job locations up north during the summer months.

Career Management
Employers may need to reignite employee engagement and determine how to keep older workers motivated. One strategy for counteracting “retirement in place” is to conduct career management discussions with older employees to determine whether their current role is a good fit for them. It could be that a lateral move or other change in position may be appropriate given an individual’s drive, lifestyle choices and interest in career challenges. As part of this strategy, additional training or retraining may be needed by the employee. Many employers are rethinking these training strategies. For example, older learners may prefer a building-block approach to learning because it permits them to increase their self-confidence while building on past learning. Employers may need to fine-tune other features of training delivery to make them effective for workers over 50 by making adjustment to the pace, visual and audio presentation, and use of technology.

Retention Programs
Even employees who are seriously considering retirement could be retained if provided with the right incentives. A SHRM/AARP survey indicated that 20% of employers without targeted retention programs said their older workers had no interest in remaining on the job. While many older individuals may choose retirement, many still want or need to work. Other older individuals desire continued employment if they can meet personal needs through scheduling options and other conditions of employment that meet their work and personal needs. Research conducted by the Employee Benefit Research Institute shows that several incentives, including feeling truly needed for an assignment or being able to work on a contract basis, are particularly effective in retaining older workers.6

Job Design
Jobs may need to be redesigned to accommodate older workers who develop limitations or disabilities due to the aging process. Some organizations have found that they are able to attract and hire more dependable and loyal employees by engaging in job analysis and redesigning jobs to appeal to older employees.

Knowledge Management and Transfer
When employees retire, they take with them their knowledge of organizational history, customer relationships, evolution of internal processes, and other critical information.

Tapping into -- or capturing -- and documenting employee knowledge takes a number of forms. Some companies interview employees and keep written records of their answers, sometimes in searchable files on the organization's intranet. Others feature employees as the stars of their own "how-to" videotapes. Still others encourage workers seen as experts in specific areas to mentor other staffers or to remain on call after their departure dates. In addition, some organizations use job sharing tactics to help transfer knowledge from more seasoned employee to newer employee. The strategy used will vary from workplace to workplace but serves a valuable function of maximizing the expertise of long-time employees and preventing critical knowledge from leaving as employees retire.

**Business Resource Group**
Business Resource Groups, also known as Affinity Groups, are a tool for workers in specific groups to come together to discuss ways to make the workplace more accommodating to the specific issues faced by this group. Topics for older worker groups may include on-site wellness program options (offering low-impact aerobics), benefits coverage (including pension benefit issues), or specific training or retirement planning needs.

**Policies and Programs to Manage Reductions in Force (RIF)**
Reductions in force (RIF) remain a tool that is sometimes necessary to ensure continued financial survival of the organization, particularly in times of severe economic downturn. Because “people” costs—compensation and benefits—typically represent half of a company's total operating expenses, it is natural that organizations aiming to reduce expenses tend to focus on reducing costs through downsizing. There are several approaches organizations can take to determine which employees will be affected by a layoff, each with its own benefits and risks. Even well thought-out decision-making processes can raise issues of potential disparate impact. For this reason, it is recommended that when a reduction in force is necessary, line management, along with Human Resources, make selection for layoff based on a combination of factors which include the organization's needs and the employee skills, knowledge, ability, reliability, performance and length of service.

Organizations should take into account specific considerations regarding the organization's needs such as:
- What does the current organization look like in terms of positions and skills needed to perform the work?
- What does the proposed or reorganized company need to look like in terms of positions, skills, etc?

In addition, the organization should take into account specific considerations regarding the employee's qualifications, including:
- Does the employee possess a broad base of skills or one unique skill that the organization needs?
- Does the employee possess specific technical knowledge or institutional knowledge that the organization needs?
• Has the employee demonstrated the ability to perform in a variety of circumstances?
  Has the employee demonstrated flexibility and agility?
• Has the employee demonstrated reliability?

Consideration of multiple factors can still result in two people who possess equal skills, knowledge, ability, reliability and similar performance records. When this happens, organizations should consider the person with the least length of service for the layoff first.

**Targeted Recruitment**
To attract older adult job seekers, employers should use more focused, active forms of recruitment activities. The most effectively designed targeted activities include:

- Offer “unretirement” parties, as does Hartford, Conn.-based The Travelers to entice its own retirees as well as other older adults to join the pool of part-time and temporary workers to meet the organization’s temporary staffing needs.
- Participate in open houses and career fairs specifically for older adults, often sponsored by organizations such as AARP.
- Advertise in sections other than the help-wanted section. Consider alternate sections, including the lifestyle, television or sports sections, and consider different newspapers, including local and community papers, church bulletins, club publications, and convenience store bargain shoppers.
- Purchase mailing lists that permit targeting older adults within certain zip code locations, those with specific technical or professional experience, or those with industry-specific certifications or licenses.
- Ask current employees for referrals or suggestions on how to recruit other older adults. Consider re-hiring retirees who possess industry-specific experience and background, and work with an employee leasing company if pension programs do not encourage post-retirement re-employment.
- Radio is an excellent medium to attract workers over 50. Check listener demographics to find the stations appealing to the over-50 market.
- Use targeted recruitment messages that specify “mature,” “experienced” and “reliable” to let the older reader know that they are being sought after for employment opportunities. The Equal Employment Opportunity Commission (EEOC) approves of employers targeting older workers for employment purposes.

**SHRM Resources**
As part of SHRM’s ongoing effort to provide HR professionals with the most relevant and comprehensive treatment of various HR topics, SHRM provides toolkits that aggregate resources, articles, links, and other practical information related to a specific topic. SHRM provides its members a toolkit on the subject of “Employing Older Workers,” and another called “Generations,” both of which provide tips on leading and successfully managing an intergenerational workforce.
Conclusion
The retirement of the 76 million-member Baby Boom generation — who begin turning 65 next year — will influence the U.S. workforce for years to come. Employers recognize the impact older workers are having in the workplace and the potential loss of critical information and skills as employees retire. As a result, employers recognize the need to engage in strategic workforce planning to assess how retiring workers will affect their organizations. In addition, employers are developing effective practices such as providing flexible work arrangements, re-designing jobs, and providing career management and retention programs, to keep older workers engaged and in the workforce. Although many effective practices have developed, employers still face challenges in some areas. For example, generational differences regarding expectations of authority or work behavior can cause conflict in the workplace. In addition, stereotypes and discriminatory comments can plague the work environment. As employers create workplace policies, such as developing a phased retirement program or a planned reduction in force, they must be cognizant of the impact on older workers and the risk of inadvertently running afoul of the law.

We appreciate the Commission’s interest in older worker employment issues. SHRM encourages exploration of changes to government regulations that would make voluntary workplace flexibility policies and phased retirement easier to implement for employers and more beneficial for employees. In seeking to encourage the adoption of effective practices to avoid discrimination, SHRM believes that public policy should provide a flexible framework so that employers are able to develop programs that address the needs of the workplace and of the older employee.

Thank you for your invitation to participate in today’s meeting. I look forward to answering any questions that you may have.