



STATE SUMMARY REPORT

Minnesota

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This report is one of the resources prepared for managers and supervisors as part of the States as Employers-of-Choice project. The information contained in this customized report complements the benchmarking PowerPoint decks sent to each survey respondent about their own agency. Questions about this report or the overall project can be directed to either Tay McNamara at Boston College (mcnamatd@bc.edu) or Bob Davis at the Twiga Foundation, Inc. (davismcs@msn.com).

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We would also like to express our appreciation to the representatives of nearly 200 state agencies in 25 states who took the time to respond to the survey questions.

States as Employers-of-Choice

A Collaborative Project of the Twiga Foundation, Inc., and the Sloan Center on Aging & Work

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I. INTRODUCTION

The aging of the population is a significant trend that will shape many facets of the American experience in the 21st century. In 1980, people aged 50 and older made up 26% of the population. According to the United States Census Bureau, just 5 years ago, this percentage had increased slightly to 28%, but by 2050, people 50 and older are projected to be 37% of our population.

From a practical point of view, aging is an important issue for state leaders in their roles as policy makers and service providers. For example, state leaders across the country are paying attention to the aging of the population because they want to consider how best to respond to changes in the service expectations and needs of older adults.

Aging is also important to public sector leaders who have roles and responsibilities as employers. Labor economists anticipate that workers aged 55 and older will make up an increasing percentage of the workforce. Further, there are indications that the public sector workforce is aging even more rapidly than that of the private sector.

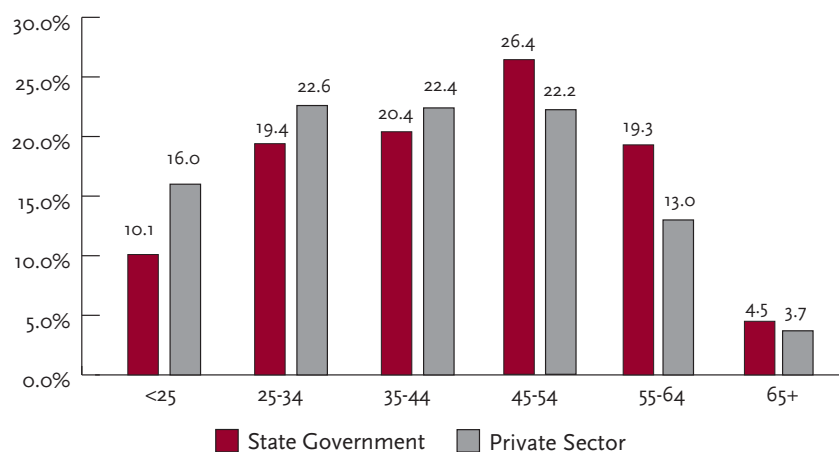
As the oldest of the Baby Boomers move towards the age of 62–65 years (the traditional years for retirement), state agencies that want to be employers-of-choice for employees of all ages—including older workers—will want to consider whether existing policies and programs help the agencies effectively recruit, engage, and retain the talented employees needed to maintain the delivery of high-quality state services. The time to get ready for this important demographic shift is now.

➡ WHY IS AGING OF THE WORKFORCE SIGNIFICANT TO STATE AGENCIES?

State agencies may want to pay close attention to the aging of the workforce. Although many workers have plans to work past retirement age, state agencies cannot assume that their employees will postpone retirement, particularly when considering the structure of retirement benefits for many state workers. In response to shifts in the age composition of state workforces, a number of state governments have implemented strategies to address their talent management concerns.

As depicted in Figure 1, state government workers are aging more rapidly than those in the private sector. In 2008, 47% of the state workforce was 45 years or older, compared to only 37% of the private sector.

Figure 1: Distribution of the State Government and Private Sector Workforces by Age, United States, 2008

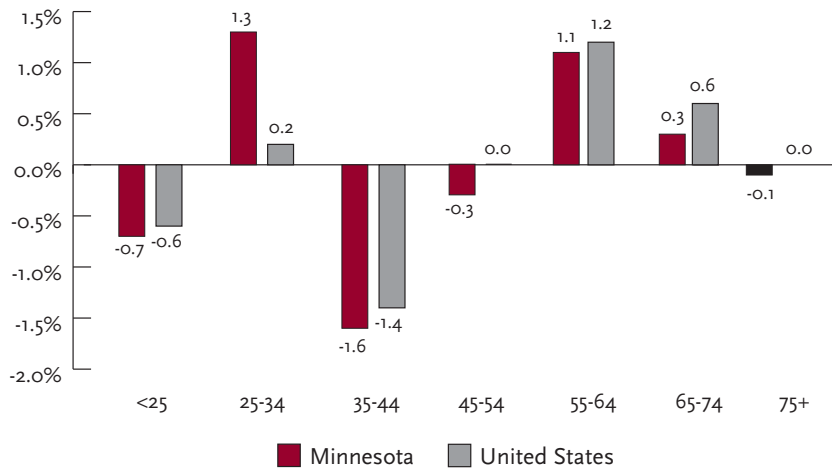


Source: Current Population Survey, October 2008

WHY IS AGING OF THE WORKFORCE SIGNIFICANT TO STATE AGENCIES IN MINNESOTA?

Minnesota, like the country as a whole, will experience dramatic age demographic changes in the coming years and as a result must pay attention to the aging of its workforce. As illustrated in Figure 2 below, Minnesota is projected to experience significant *decreases* in the population under the age of 25 and between the ages of 35–45 and *increases* in its population aged 55–74.

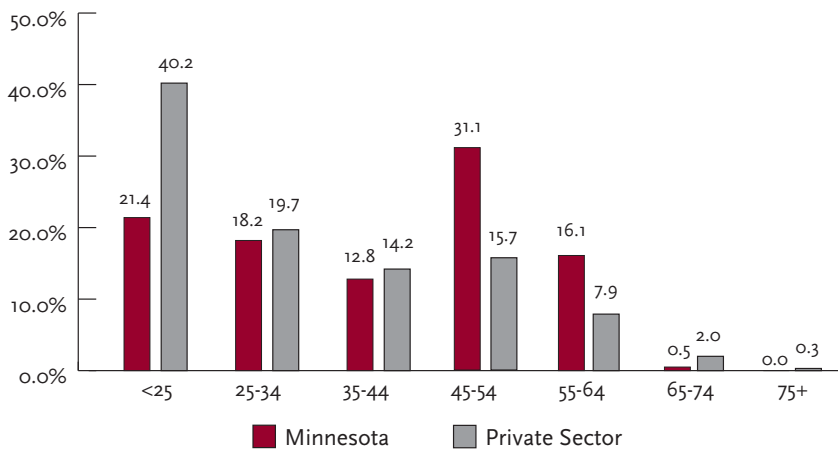
Figure 2: Anticipated Percentage-Point Changes in Minnesota and the United States Age Structures, 2006–2010



Source: American Community Survey, 2006; Census, 2000; Census, 2005

These demographic changes have direct implications for Minnesota’s public sector workforce. As depicted in Figure 3, the state government workforce is aging more rapidly than that of the private sector. In 2008, 47% of the state workforce was 45 years or older, compared to only 26% of the private sector.

Figure 3: Distribution of the State Government and Private Sector Workforces by Age, Minnesota



Source: Current Population Survey, January 2006 through June 2007

Based on the most recent data from the Current Population Survey, in October 2008, 49.4% of Minnesota state agency workers were aged 45 or older, compared to 39.3% of Minnesota private sector employees. Although these figures are based on a relatively small sample size (N=69 for state government, N=1,526 for private sector), they highlight the special importance of the aging workforce for state agencies.

In response to the talent management opportunities and challenges associated with these demographic changes, state leaders in Minnesota are among a growing group of state leaders across the country who are assessing options for strategic human resource (HR) innovations. Participation in the States as Employers-of-Choice Study is an indicator of state leaders' effort to be sure they are ready for today's multi-generational workforce. (For additional descriptive information about the Minnesota state agencies that participated in this study, please see the box insert on page 30 at the end of this report.)

This customized Research Summary Report provides state agencies in Minnesota with information that can deepen their awareness and understanding of the demographic changes, help them assess their response to the aging workforce, and contribute to planning for possible action steps.

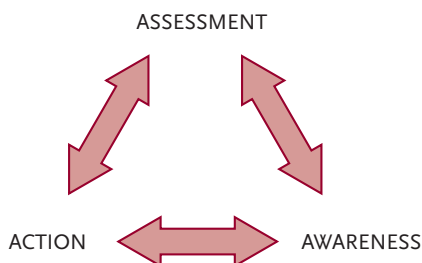
In This Report

This report focuses on three questions:

1. To what extent are Minnesota's state agencies assessing how the aging of the workforce might affect their organizations?
2. In general, how are late-career workers perceived at Minnesota's state agencies?
3. How are Minnesota's state agencies responding to today's multi-generational workforce?

These questions are relevant to three key phases of the adaptive responses that workplaces can make to the aging of the workforce: assessment, awareness, and action (depicted in Figure 4).

Figure 4: From Awareness to Action – A Conceptual Model

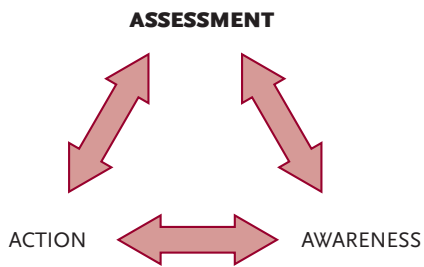


In this report, we present information specific to the responses provided by representatives of Minnesota state agencies. In some cases, we also provide comparative data and present information about the aggregated responses of the rest of the survey respondents.

Although this comparative information will help the Minnesota readers to “get their bearings,” given the relatively small number of Minnesota agencies that participated in the study, caution should be used when interpreting any apparent similarities or differences.

Furthermore, because the data in this report reflect the responses of a comparatively small number of agencies, readers should not assume that the responses can be generalized to all of the state agencies in Minnesota. Caution should also be used when interpreting the statistics presented as percentages.

II. ASSESSMENT



Are agencies getting ready to assess how the aging of the workforce could affect their agencies?
There are three basic steps to the assessment process.

1. Managers and HR departments might want to list the agency's current HR challenges as a first step.
2. Next, they can identify the characteristics of their current workforces and then project changes in the key characteristics of their workforces.
3. Finally, state agencies might want to consider readiness and vulnerabilities with regard to the competencies needed.

1. Considering HR Challenges

Agencies are more likely to view the aging of the workforce as an important issue if this demographic shift can be connected to HR strategic priorities and challenges.

As shown in Figure 5, the top HR issues noted by Minnesota agencies as being a challenge to a "moderate" or "great" extent were: recruiting competent job applicants, effective supervision, absenteeism, and being able to offer competitive pay and benefits.

Figure 5: Top HR Challenges Reported by Minnesota State Agencies
of respondents (out of 7)

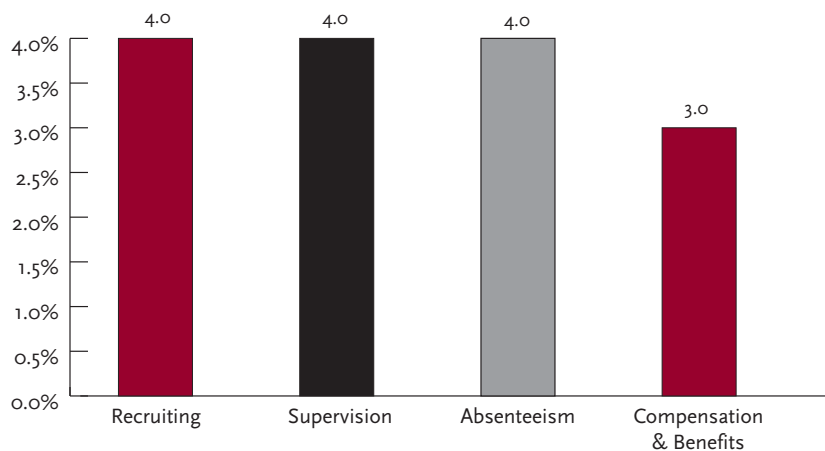


Table 1 provides a list of common HR challenges experienced by agencies (in general). The numbers of Minnesota agencies that felt that these were challenges to a “moderate” or “great” extent are noted in column 2 (with the numbers in parentheses indicating the ranking of each issue from highest to lowest in terms of the percentage of respondents endorsing it as a “moderate” or “great” challenge). In column 3, we provide comparative data indicating the percentage of the rest of the participating state agencies that rated the issue as a “moderate” or “great” challenge.

Table 1: HR Challenges
of respondents in Minnesota and % of respondents in the rest of the sample

Challenges	# of Minnesota Agencies That Considered it a Challenge to a “Moderate” or “Great” Extent (rank by # of respondents)	% of Agencies in Rest of Sample That Considered it a Challenge to a “Moderate” or “Great” Extent
Being able to offer competitive pay and benefits	3/7 (4)	76.7%
Knowledge transfer from experienced employees to less-experienced employees	2/7 (5)	57.6%
Recruiting competent job applicants	4/7 (1)	56.4%
Unwanted turnover	0/7 (9)	50.8%
Providing effective supervision	4/7 (1)	48.5%
Morale	1/7 (7)	41.7%
Employee performance	2/7 (5)	28.3%
Employee loyalty	0/7 (9)	27.3%
Absenteeism	4/7 (1)	26.5%
Responding to employees’ family needs	1/7 (7)	12.9%
Compliance with OSHA	0/7 (9)	10.9%
Compliance with EEO	0/7 (9)	6.1%
Compliance with ADA	0/7 (9)	5.3%
Compliance with ADEA	0/7 (9)	4.6%

The challenges associated with paying competitive salaries and benefits were noted by a majority of the survey respondents. Given the current economic downturn, this situation is likely to continue. Problems with recruitment and unwanted turnover have far-reaching repercussions for the workplace. When an employee leaves a position unexpectedly, it can cause a disruption in the workflow. Additionally, the direct and indirect costs of replacing employees include additional training and human resource costs for which many organizations are ill prepared. There was a wide range in the estimates that the agencies participating in the study provided about the costs associated with replacing employees, from a low of \$4,000 to a high of \$150,000 (none of the Minnesota agencies participating provided a response for this question).

Considerations for Agencies

A majority of the respondents (from Minnesota as well as from the sample overall) indicated that they find it difficult to offer competitive pay and benefits. State agencies might want to consider other low-cost/no-cost benefits that they might offer, such as flexible work options, that can help them to remain employers-of-choice.

Given the shifts in the age demographics of the workforce, HR managers at state agencies might want to give special consideration to HR challenges that may be associated with young adult employees, employees at midlife, and older employees. For example, over half of the respondents in the sample overall noted that knowledge transfer is challenging. Managers might want to pay particular attention to critical jobs/functions being assumed by workers who might leave the agency in the next 5 years (for example, with an anticipated retirement) so that they can address any potential knowledge transfer problems in advance.

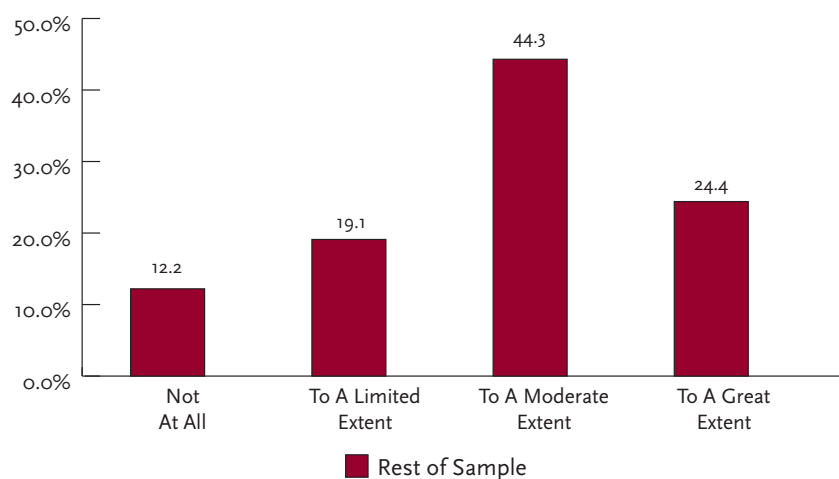
It can be helpful to explore whether the continued labor force participation of older workers (and the postponement of full-time retirement or re-entry of older adults into the labor force) might help the agency to address some of its HR challenges. For example, recruitment was identified as one HR challenge by Minnesota agencies. If older workers represent an “under-tapped” source of labor in Minnesota, special recruitment efforts could be focused on this population.

2. Analyzing Workforce Demographics

Examining the distribution of employees' ages is fundamental to developing an understanding of how the aging of the workforce might affect Minnesota state agencies.

- Seven Minnesota agencies responded to the question regarding the extent to which their agencies had analyzed the demographics of their workforces. None of the agencies in Minnesota that participated in the survey stated that their agencies had not analyzed the demographics of their workforces at all (compared to 12.2% in the rest of the sample; see Figure 6). Five out of seven felt that their agencies had pursued this type of analysis “to a great extent” (compared to 24.4% in the rest of the sample), whereas one respondent felt their agency had pursued this type of analysis “to a limited extent” (compared with 19.1% for the rest of the sample).

Figure 6: Percentage of Agencies in the Rest of the Sample That Have Analyzed Workforce Demographics



Agencies can prepare forecasts of changes in workforce composition in an effort to get ready for anticipated changes. Workforce projections are based on two types of information: statistics from the past and present, and information about circumstances that might change the composition of the workforce in the future.

State agencies can begin with data about tenure and attrition rates.

- The average employee in Minnesota state agencies has a 16.6-year employment tenure (compared to 10.7 years for the rest of the sample).
- All seven of the Minnesota agencies (compared to 72.7% in the rest of the sample) reported that they had made projections about the retirement rates of their workers to either a “moderate” or “great” extent. Respondents reported that the average retirement age at their agency is 59.6 years (compared with 61.1 years in the rest of the sample) and that they expect 23.1% of their employees (compared with 17.9% in the rest of the sample) will retire over the next 4 years (by 2012).

Considerations for Agencies: The assessment of workforce age demographics can go much deeper than descriptive statistics about the distribution of age groups in the agency overall.

Effective planning requires that state agencies have “easy” access to the workforce data they need to make decisions. Oftentimes, it is necessary for this information to be organized by departments if managers want to anticipate how the aging of the workforce could affect workforce planning.

Retirement patterns can vary significantly from agency to agency. HR managers may find it helpful to compare the average retirement ages for employees in critical positions with the general age demographics to identify “pockets” of the agency that might be at risk for losing the expertise needed for critical functions due to anticipated retirement.

A comprehensive analysis of workforce demographics can help HR managers to develop an index of workforce “vulnerability/resilience” with regard to the aging of the workforce.

3. Matching Competency Needs with Workforce Skills and Experiences

A strategic approach to talent management includes the assessment of skills and competencies needed. As indicated by the information in column 2 of Table 2 below, the competency shortages noted most often by Minnesota state agencies included: management skills, human resource skills, finance skills, and customer relations skills. The order of the competency shortages noted by Minnesota agencies varies a bit from the order listed by the rest of the survey respondents (column 3).

Table 2: Competency Shortages

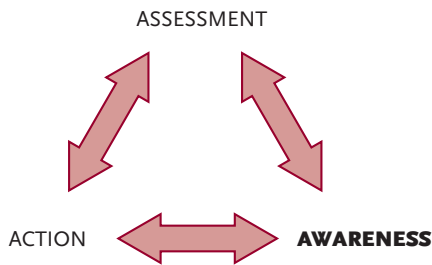
Types of Competency Shortages	# of Minnesota Agencies That Considered a Competency to Be in Short Supply (rank by # of respondents)	% of Agencies in Rest of Sample That Considered a Competency to Be in Short Supply
Management skills	4/7 (1)	45.9%
Technical computer skills	1/6 (7)	40.1%
Human resource skills	4/7 (1)	26.5%
Finance skills	3/6 (3)	25.8%
Operations skills	2/6 (5)	24.6%
Customer relations skills	3/6 (3)	24.4%
Other	0/3 (9)	23.9%
Sales skills	0/6 (9)	21.2%
Legal skills	2/6 (5)	17.4%
Administrative support skills	1/6 (7)	17.4%
Basic literacy in writing and math	0/6 (9)	16.7%

Considerations for Agencies

Agency managers could explore whether competency shortages are clustered in specific teams or departments and whether those units appear to have a disproportionate percentage of younger workers, workers at midlife, or older workers. If so, the HR managers might want to work with the teams to create plans for the development of those competencies (or for hiring people who already have those skills).

Given the natural connection between training opportunities and the development of competencies, agency leaders should consider whether employees of all ages are encouraged and expected to participate in training and learning opportunities. The emphasis on continuous learning should be relevant to the entire multi-generational workforce.

III. AWARENESS



How do state employers think about the human capital opportunities and challenges associated with the 21st century multi-generational workforce?

State employers may find it helpful to consider how prevailing attitudes and expectations about employees of different ages and career stages create facilitators or barriers to the effective employment of today's multi-generational workforce.

The States as Employers-of-Choice Study asked the agencies three sets of questions:

- How do they define early-career, mid-career, and late-career employees?
- What are the perceived advantages associated with the diverse populations of early-career, mid-career, and late-career employees?
- What are the perceived challenges associated with the diverse populations of early-career, mid-career, and late-career employees?

The respondents to the study provided helpful guidance about ways to define employees at early-, mid-, and late-career stages. Their comments suggest that, although it is possible to attach age ranges to these career stages, the notion of career stages reflects three dimensions: extent of education and training relevant to the career, extent of prior experience relevant to the career, and extent to which employees intend to continue to pursue work experiences related to the career. Several of the respondents made careful distinctions between age and career stage, including observations such as, "Not really defined by age but by experience and ability."

We have included a few selected comments shared by agency representatives in states across the country (not limited to Minnesota) in Table 3 below.

Table 3: Selected Comments about Career Stages (from all states in study)

Early	Mid	Late
<p>“Entering the work force in an entry-level position with minimal experience.”</p> <p>“...just beginning their careers.”</p> <p>“... I would consider the number of years worked in the respective field to be the determining factor—for early-career employees, perhaps 0–3 years.”</p> <p>“Early career would be a person who was new to state government. This may be the person’s first, second, or even third career.”</p>	<p>“Those who have worked at a few organizations, have good idea of the various practices within that field, can come into the job and immediately understand what needs to be done (as opposed to early-career individuals who need to be told what needs to be done).”</p> <p>“Previous work experience that is applicable. Promotional potential.”</p> <p>“Mid-career would be from 8–15 years of time in a profession. The employee has mastered the functions and skills for the position and they are content with their responsibilities.”</p> <p>“Established career professionals, with sufficient years in state service for retirement vesting.”</p> <p>“Seasoned in their career area, but not an expert.”</p>	<p>“Those...[with]... a great deal of experience and have the ability to come in and make changes for the better of the organization based on past experiences and knowledge. May act as a mentor to early- and mid-career candidates.”</p> <p>“Lots of knowledge. A leader.”</p> <p>“Late career would be employees who were in their positions for 15–25 years. At this point in time, they are evaluating their retirement benefits and determining if they want to maximize their finances by promoting one more level to take on more responsibility.”</p> <p>“Very well seasoned, experienced, understands management techniques and is able to make decisions regarding overall agency operations.”</p>

In the next part of the survey, the respondents provided information about their perspectives on the assets that employees in early-career, mid-career, and late-career stages typically bring to the workplace.

The respondents were asked to think “in general” about the characteristics of employees in different career stages. Clearly, caution must always be exercised when discussing the attributes—either positive or negative—of any employee group.

Ascribing general characteristics of groups to individual employees without considering the important variations within groups almost always produces negative consequences.

Over 50% of the respondents (from all of the participating states) indicated that they associated several positive attributes with late-career workers:

- ▶ low turnover
- ▶ loyalty
- ▶ reliability
- ▶ strong work ethic
- ▶ high levels of skills compared to what is needed on the job
- ▶ established professional networks
- ▶ productivity

In contrast, the highest percentage of respondents feeling that early-career employees bring these positive attributes to the workplace was the 46.6% who observed that it is true that most early-career workers are productive.

Table 4 below focuses on the percentage of respondents who reported that the following positive attributes are “true for most” employees at each of the three career stages. We found that similar percentages of agencies (within a 10-percentage-point spread) felt it is “true for most” late-career employees that they take initiative as did those who reported that this is “true for most” early-career and mid-career employees. This finding is contrary to some stereotypes of older workers. There was also limited difference in the percentages of agencies who felt it was “true for most” mid-career and late-career employees that they are productive.

Table 4: Perceptions of Positive Workforce Characteristics by Career Stages
(total sample from all participating states)
 % of agencies stating “true for most”

	“True for Most” Early-Career Employees (rank by % of respondents)	“True for Most” Mid-Career Employees (rank by % of respondents)	“True for Most” Late-Career Employees (rank by % of respondents)
Take initiative	35.4% (4)	39.5% (6)	36.4% (8)
Creative	39.5% (3)	28.2% (9)	20.9% (9)
Loyal	21.5% (6)	32.3% (8)	65.9% (2)
Productive	46.6% (1)	58.5% (1)	51.5% (7)
Reliable	42.7% (2)	55.7% (2)	59.1% (3)
Established networks of professional colleagues	14.6% (8)	34.6% (7)	53.1% (5)
High levels of skills	20.8% (7)	50.4% (3)	53.1% (5)
Strong work ethic	30.0% (5)	48.9% (4)	58.0% (4)
Low turnover	14.6% (8)	39.8% (5)	66.7% (1)
Want to lead	11.5% (10)	18.6% (10)	16.9% (10)

Are there challenges associated with the multi-generational workforce?

The respondents to the States as Employers-of-Choice survey reported that it was “true for many” or “true for most” early-career employees that they tend to “look outside the agency for new career opportunities.” In addition, they felt that mid-career employees and late-career employees tend to be “burned out” much more than are early-career workers. Finally, the agencies reported that it was “true for many” or “true for most” late-career employees that they tend to be reluctant to try new technologies (see Table 5).

Of course, individual employees at any particular career stage may or may not exhibit the characteristics of co-workers who belong to the same career stage or generation.

Table 5 indicates that similar percentages of agencies in states across the county (within a 10-percentage-point spread) felt it is true for “many” or “most” that—as groups—employees in early-career, mid-career, and late-career have high rates of absenteeism due to illness, want to take a lot of time from work to deal with personal or family issues, and do not work well with co-workers or supervisors from different generations. Whereas the respondents were more likely to feel that it is “true” or “very true” that their early-career employees look outside of the organization for a new career (when compared to mid-career or late-career employees), they were more likely to report that their late-career employees are resistant to change, burned out, and reluctant to try new technology.

Table 5: Perceptions of Workforce Characteristics that Might Present Negative Consequences for Agencies by Career Stages (total sample from all participating states)
 % of respondent agencies stating true for “many” or “most”

	True for “Many” or “Most” Early-Career Employees (rank by % of respondents)	True for “Many” or “Most” Mid-Career Employees (rank by % of respondents)	True for “Many” or “Most” Late-Career Employees (rank by % of respondents)
Difficult to train	6.1% (6)	9.9% (9)	18.4% (5)
Burned out	5.5% (7)	27.4% (2)	36.0% (2)
Reluctant to try new technology	0.8% (10)	15.0% (5)	34.1% (3)
High absenteeism due to illness	10.2% (3)	13.3% (6)	16.4% (8)
Time off for family issues	20.7% (2)	29.6% (1)	24.0% (4)
Not work well with co-workers from other generations	10.2% (3)	10.3% (8)	17.3% (6)
Not work well with supervisors from other generations	7.9% (5)	7.9% (10)	14.2% (9)
Reluctant to travel	4.0% (8)	11.4% (7)	17.1% (7)
Look outside organization for new career	53.1% (1)	20.7% (4)	9.5% (10)
Resistant to change	3.1% (9)	27.3% (3)	41.4% (1)

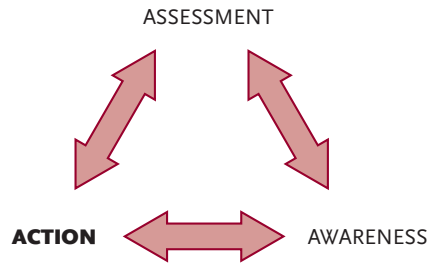
Considerations for Agencies

Some workplaces promote understanding about differences that may exist among young employees, employees at midlife, and older employees by offering training about the multi-generational workforce. Supervisors who develop competencies for managing the 21st century multi-generational workforce may be able to improve retention rates of their employees. Three out of the six Minnesota agencies reported that this type of training is provided to managers and supervisors (compared to 55.2% in the rest of the sample).

Work teams can also benefit from training that debunks oversimplified notions about generational differences that unintentionally reinforce negative stereotypes about young employees, employees at midlife, and older employees.

State agencies can periodically audit the prevailing workplace culture to detect age-related stereotypes. For example, it can be useful to look at agency websites and examine pictures and narrative content to see how employees are portrayed.

IV. ACTION



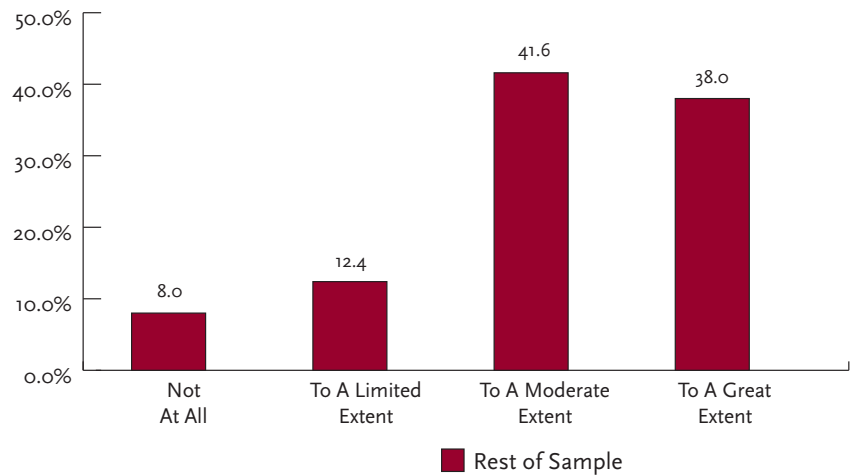
What steps are state agencies taking to leverage the opportunities associated with the 21st century multi-generational workforce? Examples of state agencies’ efforts to recruit, engage, and retain the best talent available are emerging across the country.

1. Recruitment

During hiring processes, agencies have a chance to select individuals who bring specific talents, experiences, and perspectives that could help the agency meet its current and anticipated human capital needs.

Compared with Figure 7 below, only two out of seven (compared to 38.0% in the rest of the sample) of the respondents from Minnesota indicated that their agencies adopted practices to recruit employees of diverse ages “to a great extent.” Similarly, two agencies reported that they adopt such practices “to a limited extent” or “to a moderate extent,” with one agency reporting not adopting practices to recruit employees of diverse ages at all.

Figure 7: Extent of Adoption of Recruitment Practices
% respondents



One of the agencies in Minnesota (out of the six that answered the question) said it was “occasionally true” that their agencies were reluctant to hire older workers.

In general, state agencies will find it easier to attract job candidates of all ages—including older workers—if they provide competitive benefits. One of the most commonly cited reasons older workers remain in or rejoin the workforce is access to additional income and/or benefit plans. As Table 6 indicates, the Minnesota agencies that participated in this study offer a range of benefits to “all” (rather than “none,” “some,” or “most”) of their employees.

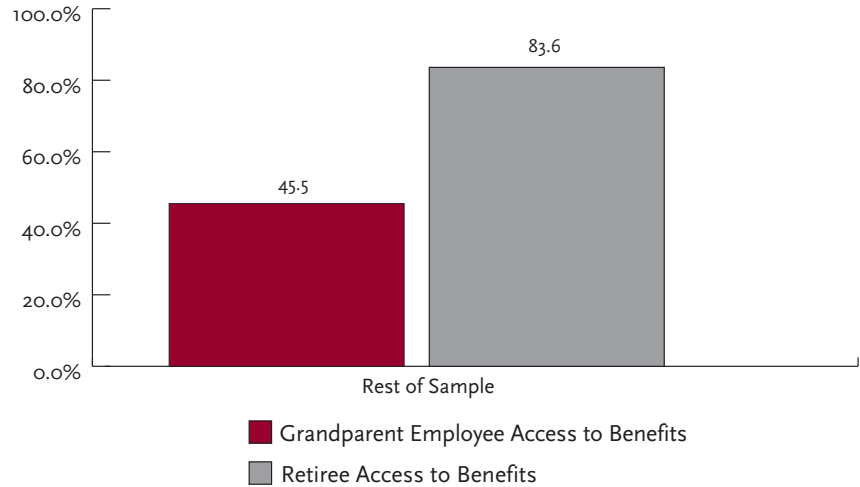
Table 6: Profiles of Available Benefits
of respondent agencies reporting available to “all” employees

Benefits	# of Minnesota Agencies Offering Benefit to “All” Employees (rank by # of respondents)	% of Agencies in Rest of Sample Offering Benefit to “All” Employees
Employee assistance program	6/6 (1)	76.2%
Unpaid sick/medical leave	4/6 (2)	66.7%
Retirement planning seminars	2/6 (4)	65.3%
Wellness program	2/6 (4)	64.0%
Life insurance	2/6 (4)	62.9%
Paid sick days	1/6 (14)	61.9%
Dental insurance	2/6 (4)	61.6%
Defined-contribution retirement plan	4/6 (2)	57.3%
Paid vacation days	1/6 (14)	57.1%
Defined pension benefits	2/6 (4)	56.9%
Pre-tax accounts for dependent care	2/6 (4)	55.6%
Short-term disability	2/6 (4)	52.8%
Long-term care insurance for employee & immediate family	2/6 (4)	40.8%
Employer contributions to retirement	2/6 (4)	38.8%
Access to elder-care information	1/6 (14)	36.6%
Unpaid days to volunteer	1/6 (14)	35.2%
Paid personal days	0/6 (19)	34.4%
Paid time off	0/6 (19)	30.1%
Flexible benefits plan	0/6 (19)	27.9%
Educational assistance for employees	2/6 (4)	26.6%
Seminars on family issues	0/6 (19)	25.4%
Dependent-care subsidies	0/6 (19)	18.4%
Long-term care insurance for employees' parents	1/6 (14)	14.8%
Paid days to volunteer	0/6 (19)	12.2%
Respite care	0/6 (19)	9.1%
Reimbursement for dependent care for work travel	0/6 (19)	7.3%
Financial assistance for employees' children to attend college	0/6 (19)	5.6%
Services to help employees' children apply to college	0/6 (19)	3.3%

All (six out of six) of the Minnesota state agencies reported that part-time employees can access pro-rated benefits (compared to 70.1% of the state agencies in the rest of the sample).

The number of Minnesota state agencies that offer benefit support to grandparent employees (zero out of six) is lower than the number that allows retirees to have access to benefits (five out of six). Such a trend is also reflected in Figure 8 below, which depicts the rest of the agencies from other states that participated in the survey.

Figure 8: Access to Benefits by Grandparents and Retirees
% of respondents in rest of sample indicating “yes”



Considerations for Agencies

Employers find that it is useful to periodically assess whether their benefits package responds to the preferences of employees. It could be useful to use focus groups or surveys to gather information from employees in different age groups about their satisfaction with existing benefits.

An analysis of the utilization rates might provide some clues about the extent to which existing benefits are more or less aligned with the needs of younger employees, employees at midlife, or older employees.

2. Engagement

Employee engagement is important to agencies, in part because engagement is related to performance and productivity. Employee engagement can be enhanced by providing employees with resources, such as training and career development opportunities, or by offering flexible work options.

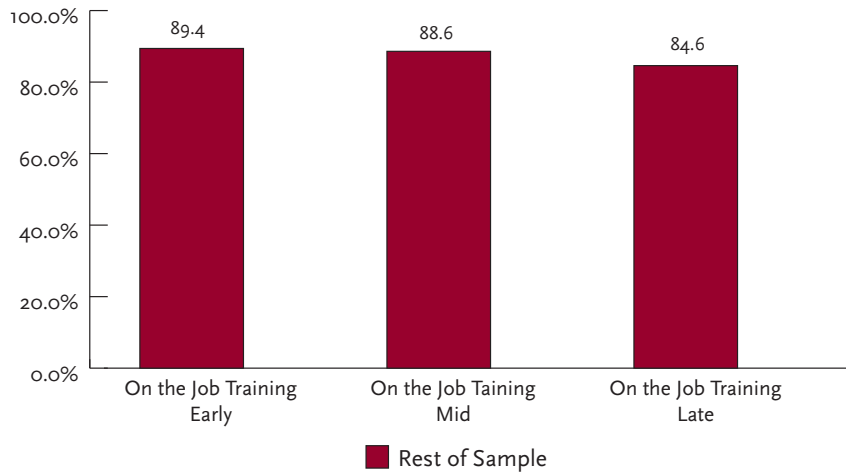
a. Training and Career Development:

Overall, a significant percentage of the agencies who participated in the States as Employers-of-Choice Study indicated that they have a learning culture at their workplace. However, only one out of six Minnesota respondents (compared to 36.9% of agencies from other states that participated in the study) reported that their agency is oriented to learning, saying it is “very true” that their agency expects employees at all stages of their careers to develop new skills and competencies. Similarly, none of the Minnesota agencies (compared to 34.7% of the rest of the sample) stated that it is “very true” that they encourage employees to adopt a lifelong learning perspective.

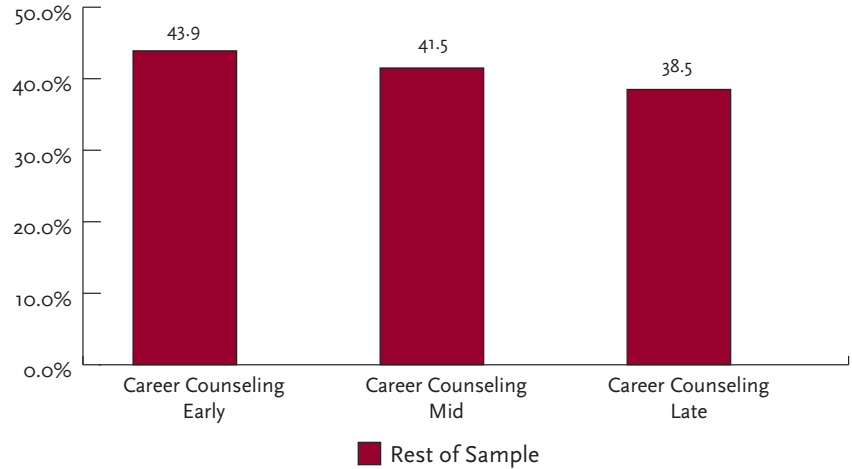
- None of the Minnesota agencies (compared to 34.6% of the rest of the sample) reported that they had assessed their employees’ career plans and work preferences to either a “moderate” or “great” extent.
- However, one of the Minnesota agencies stated that they offer training to supervisors so that they can provide career advice to employees at different stages of their careers, compared to 29.4% of the rest of the sample.

Offering formal and informal supports for career development communicates to employees that the agency recognizes employees’ growth potential. Figure 9 shows the percentages of state agencies in the rest of the sample offering various career development opportunities broken down by career stage.

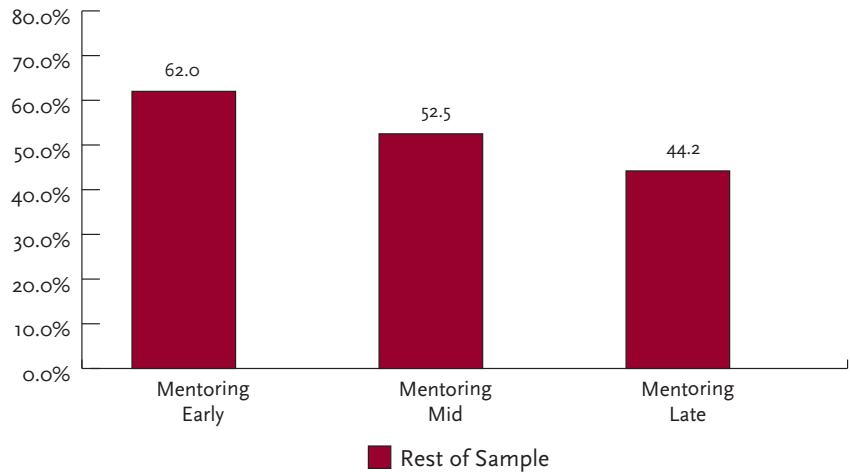
Figure 9: Availability of Career Development Opportunities by Career Stage



Availability of Career Counseling by Career Stage



Availability of Mentoring by Career Stage



Out of the six agencies in Minnesota that responded, on-the-job training was the most likely to be offered to employees: early-career (five out of six), mid-career (four out of six) and late-career (three out of six). The same number of Minnesota agencies (two out of six) reported offering career counseling and mentoring across all career stages. Noticeably, more Minnesota agencies indicated that opportunities for on-the-job training are available to early-career employees, compared with mid- and late-career employees.

Considerations for Agencies

Understandably, employers often focus their career development supports on early-career employees. However, because older workers are less likely to leave their agency than younger workers, managers may also want to develop opportunities for employees at all career stages, including late-career employees.

Supervisors might want to explore whether different types of learning opportunities are more interesting to or more effective with employees in different age/generational groups.

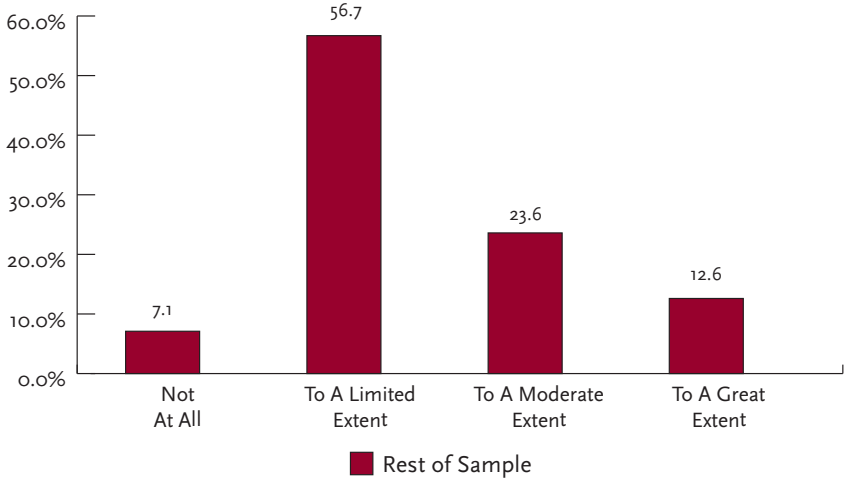
Traditionally, mentoring has been conceptualized as a “one-way” process where a more-senior person provides insight and opportunities to a less-senior person. Managers might want to experiment with different forms of mentoring. For example, the mentoring process might be a two-way experience, where the less-senior employee also brings competencies and opportunities to share with the more-senior person. In addition, mentoring could be very useful for an experienced employee who has recently changed job responsibilities or career paths.

b. Workplace Flexibility:

Enhancing the fit between employees’ priorities and the characteristics of their jobs (or, conversely, reducing the mismatch between employees’ preferences and the realities of their jobs) is another strategy for increasing employee engagement. Options for flexible work arrangements make it possible for supervisors and employees to tailor the way that work gets done so that the agency achieves its goals and the employee is able to fulfill both work and personal responsibilities.

None of Minnesota’s agencies (compared to 12.6% of the rest of the sample; see Figure 10) indicated that their agencies link workplace flexibility and overall agency effectiveness “to a great extent.” The majority of the Minnesota respondents (five out of seven) indicated that their agency makes a link “to a limited extent,” with one respondent stating that their agency does not make the link at all and one stating that their agency makes it “to a moderate extent.” Similarly, none of the Minnesota agencies that responded to the survey stated that it was “generally true” or “very true” that their agencies clearly communicate the importance that working and managing flexibly has for agency success.

Figure 10: Linking Workplace Flexibility to Agency Effectiveness



When asked about the extent to which their agencies had implemented flexible work options, most of the Minnesota agencies (five out of seven) stated that they had “to a limited extent” established options for employees to work in a flexible manner. Two out of seven stated they were available “to a moderate extent,” whereas none indicated flexible work options were available “to a great extent.” About one-third (33.3%) of the rest of the sample reported that their agencies had done so “to a moderate extent,” whereas 12.7% reported doing so “to a great extent.”

Table 7 lists the flexible work options offered by the agencies to “most” or “all” of their full-time employees.

Table 7: Profiles of Available Flexible Work Options

Flexible Work Option	# of Minnesota Agencies Offering Option to “Most” or “All” Full-Time Employees (rank by # of respondents)	% of Agencies in Rest of Sample Offering Option to “Most” or “All” Full-Time Employees
Take extended leave for caregiving	2/7 (3)	67.7%
Request change in starting/ quitting times from time to time	4/7 (1)	46.8%
Choose a schedule that varies from the typical schedule	2/7 (3)	43.8%
Take paid/unpaid leave for education or training	0/7 (9)	38.6%
Transfer to jobs with reduced pay and responsibilities	2/7 (3)	33.9%
Compress workweek	2/7 (3)	29.4%
Have input into decisions about amount of overtime they work	0/7 (9)	24.4%
Request changes in work responsibilities so that job is a better fit with their skills and interests	0/6 (9)	18.6%
Choose shift to work	0/6 (9)	14.5%
Request change in starting/ quitting times daily	1/7 (7)	13.3%
Work partly or entirely off-site	0/7 (9)	8.6%
Phase into retirement	2/6 (2)	8.0%
Take sabbatical	1/7 (7)	7.1%
Reduce work hours and work part-time in same position/ same pay level	0/7 (9)	6.3%
Job share	0/7 (9)	4.8%
Work part-year	0/7 (9)	2.4%
Work part-year one site, part-year another site	0/7 (9)	2.4%

None of the Minnesota respondents (out of six, compared to 17.3% in the rest of the sample) stated that it is “generally true” or “very true” that their agencies acknowledge supervisors who support effective flexible work arrangements.

Considerations for Agencies

Workers at all career stages, including older workers, tend to indicate that they want access to flexible work options. In fact, most older workers who say that they want to extend the number of years that they remain in the labor force also state that the typical 8-hour day/5-day workweek is not the employment structure they want. Agencies that fail to communicate that flexible work options can result in positive outcomes for both the agency and the employees who use them may inadvertently miss opportunities to make the most of flexible work options that can support employee engagement.

Agencies can provide formal and informal training to supervisors so that they understand the rationale for promoting the use of existing flexible work options.

Previous studies have found relationships between employees' use of flexible work options and the level of engagement (see, for example, Pitt-Catsouphes & Matz-Costa, 2008). Managers could gather data that would make it possible to examine the relationships between employees' use of flexible work options and positive outcomes such as levels of engagement and job commitment.

3. Retention

Agencies may make special efforts to retain individual employees and groups of employees who are strong contributors to agency goals and objectives. In general, retention strategies are designed to create a good fit between employees' preferences and their work situations (for example, in job quality, the work environment, and the rewards packages).

As suggested by the information in Table 8 below, almost none of the Minnesota state agencies reported that, to a "moderate" or "great" extent, they had created benefits to encourage their early-, mid-, or late-career employees to remain with the agency.

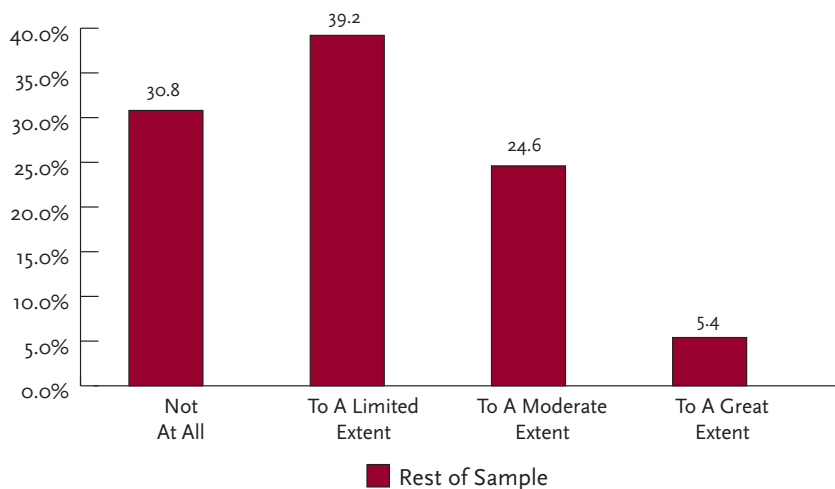
Table 8: Use of Benefits for Retention by Career Stage

Career Stage	# of Minnesota Agencies That Created Benefits for Retention		% of Agencies in Rest of Sample That Created Benefits for Retention	
	Not at all/to a limited extent	To a moderate/great extent	Not at all/to a limited extent	To a moderate/great extent
Early-career	6/6	0/6	68.3%	31.8%
Mid-career	5/6	1/6	66.7%	33.3%
Late-career	5/6	1/6	68.5%	31.5%

➡ WHAT ABOUT EFFORTS TO ENCOURAGE OLDER WORKERS TO STAY WITH THE AGENCY?

Compared to Figure 11, three out of the seven Minnesota agencies (compared to 30.0% for the rest of the sample) stated that they had adopted strategies to encourage late-career employees to work past the normal retirement age to a "moderate" or "great" extent.

Figure 11: Extent of Adoption of Strategies to Encourage Late-Career Employees to Work Past Retirement



In an effort to retain valued employees, agencies may offer promotions to particular workers. When asked about the extent to which they had adopted practices to promote specific groups of employees, the Minnesota respondents were more likely to report that their agencies had "to a great extent" adopted practices to promote men and women equitably (four out of seven compared to 55.5% of the rest of the state agencies) than employees of diverse ages (three out of seven compared to 44.1% of the rest of the state agencies) or employees from diverse cultural backgrounds (three out of seven compared to 34.3% of the rest of the state agencies).

Considerations for Agencies

Agencies may have concerns about unwanted turnover among their younger workers, workers at midlife, and/or older workers. HR managers might find that the deleterious consequences of unwanted turnover become more visible if they can gather evidence about the impact that unwanted turnover can have on service delivery.

Periodic employee surveys can help agency managers to evaluate which benefits are most valued by employees and to assess whether employees from different age/generational groups feel that specific benefits are more important than others.

V. CONCLUSION

How do the state agencies in Minnesota compare to state agencies around the country in terms of their assessment of the aging workforce, their awareness of late-career workers, and their actions in response to today's multi-generational workforce? Figure 12 compares Minnesota agencies to the average agency along these three dimensions.

Figure 12: Awareness, Assessment, and Action



This figure highlights areas of both strength and weakness. Individual Minnesota agencies are very similar to the average state agency in terms of their assessment and actions, but their awareness of older workers is particularly low. Increasing awareness may help to bolster the other dimensions by prompting conversations about flexible actions and assessment.

The three scales are defined using survey responses:

Assessment: An index measuring whether the agency has taken the following steps to ensure that it will have the people it needs, today and in the future:

- Analyzed demographic makeup of company's/organization's workforce
- Analyzed projected retirement rates
- Assessed employees' career plans and work preference (e.g., through a survey or some other mechanism)
- Gathered information about employees' preferences for policies and benefits (e.g., through a survey or some other mechanism)
- Assessed employees' attitudes about work, such as their job satisfaction, commitment, or engagement (e.g., through a survey or some other mechanism)

Awareness: An index indicating whether human resource managers think their late-career employees:

- Take initiative
- Are creative
- Are loyal to the agency
- Are productive
- Are reliable
- Have established networks of professional colleagues
- Have high levels of skills relative to what is needed for their jobs
- Have a strong work ethic
- Have low turnover rates
- Want to lead and supervise others

Action: An index indicating how many full-time employees can:

- Choose a work schedule that varies from the typical schedule at the worksite (e.g., the traditional 8-hour day such as 9–5, Monday–Friday)
- Request changes in starting and quitting times from time to time
- Request changes in starting and quitting times on a daily basis
- If working full-time, reduce their work hours and work on a part-time basis while remaining in the same position or at the same pay level
- Structure their jobs as a job share with another person where both receive proportional compensation and benefits
- Compress their workweek by working longer hours on fewer days for at least part of the year
- Take sabbaticals or career breaks—that is, take leaves, paid or unpaid, of 6 months or more and return to a comparable job
- Take paid or unpaid time away from work for education or training to improve job skills
- Take an extended leave for caregiving or other personal or family responsibilities (e.g., parental or elder-caregiving responsibilities)
- Work part-year—that is, working reduced time on an annual basis such as working full-time during the fall, winter, and spring and then taking the summer off
- Work part (or all) of their regular workweek at home or some other off-site location, possibly linked by telephone or computer
- Transfer to jobs with reduced pay and responsibilities if they want to
- Request changes in their work responsibilities so that the job is a better fit with their skills and interests
- Phase into retirement by working reduced hours over a period of time prior to full retirement
- Make choices about which shifts they work

At a Glance: The States as Employers-of-Choice Study

The States as Employers-of-Choice Project is a collaborative initiative being implemented by the Twiga Foundation, Inc., and the Sloan Center on Aging & Work at Boston College. This project is supported by the Alfred P. Sloan Foundation. The 2-year project provides resources to HR managers at state agencies so that they can respond to shifts in the age demographics of the workforce.

The States as Employers-of-Choice Study is one component of the overall project. Data collection began in spring 2008 and was concluded in fall 2008.

Nearly 200 state agencies in 25 states responded to the online survey used to gather information, including 9 Minnesota agencies.

The following list provides some background information about the agencies in Minnesota that participated in the study (compared to the rest of the sample).

Among the participating Minnesota state agencies, approximately:

97.3% of the employees are full-time employees (compared to 91.3% in the rest of the sample).

57.4% of the employees are women (compared to 50.4% in the rest of the sample).

20.2% of the employees are members of a racial/ethnic minority group (compared to 19.7% in the rest of the sample).

2.3% of the workforce is under the age of 24 (compared to 4.2% in the rest of the sample), 26.8% are between the ages of 25–39 (compared to 26.0% in the rest of the sample), 45.7% are between 40–54 (compared to 41.8% in the rest of the sample), 23.0% are between 55–65 (compared to 24.3% in the rest of the sample), and 2.4% are over the age of 65 (compared to 3.2% in the rest of the sample).

60.7% of the agencies experienced an increase in the percentage of workers between the ages of 55–65 when compared to 1 year ago (compared to 30.8% in the rest of the sample).

13.3% of the respondents from the rest of the sample are managers (no Minnesota agencies responded to this question).

47.3% of the employees from the rest of the sample are professional or technical employees (no Minnesota agencies responded to this question).

Data used in this report

American Community Survey (ACS): Public Use Microdata Sample: 2004.

Current Population Survey (CPS), January 2006–June 2007 and October 2008.

States as Employers-of-Choice Survey, December 2008.

United States Census, Public Use Microdata Sample: 2000–2005.

Organizations

Established in 2005, the Sloan Center on Aging & Work at Boston College is a research center committed to: developing a research agenda focused on aging and work in the 21st century; engaging the broader business community in the adoption, implementation, and utilization of flexible work options for older workers; impacting public discussion about aging and work; and becoming the premier source of quality information about flexible work options for older workers.

The Twiga Foundation, Inc., founded in 2005, is a nonprofit corporation dedicated to inspiring, promoting, and maintaining family consciousness at home, in the workplace, and in the community. Workplace flexibility is a key component in addressing the mismatch between the workplace and family needs. The Twiga Foundation's efforts are centered on bringing to light an understanding of workplace flexibility as a good business strategy that, additionally, helps to insure a strong workforce for the future.

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