



States as
EMPLOYERS-OF-CHOICE

Report prepared by Tay McNamara, Michelle Wong,
Melissa Brown, and Marcie Pitt-Catsouphes



In partnership with



Table of Contents

Introduction	3
Assessment	6
1. Considering HR Challenges	6
2. Analyzing Workforce Demographics	8
3. Matching Competency Needs with Workforce Skills and Experiences	9
Awareness	10
Action	15
1. Recruitment	15
2. Engagement	17
a. Training and Career Development	17
b. Workplace Flexibility	19
3. Retention	24
Conclusion	26
Description of Measures	27
At a Glance: The States as Employers-of-Choice	28

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).

Acknowledgments

The Twiga Foundation, Inc., and the Sloan Center on Aging & Work at Boston College are appreciative of the support provided by the Alfred P. Sloan Foundation for the States as Employers-of-Choice project as well as other research initiatives of the Sloan Center on Aging & Work.

We would also like to express our appreciation to the representatives of nearly more than 220 state agencies in 27 states who took the time to respond to the survey questions.

States as Employers-of-Choice

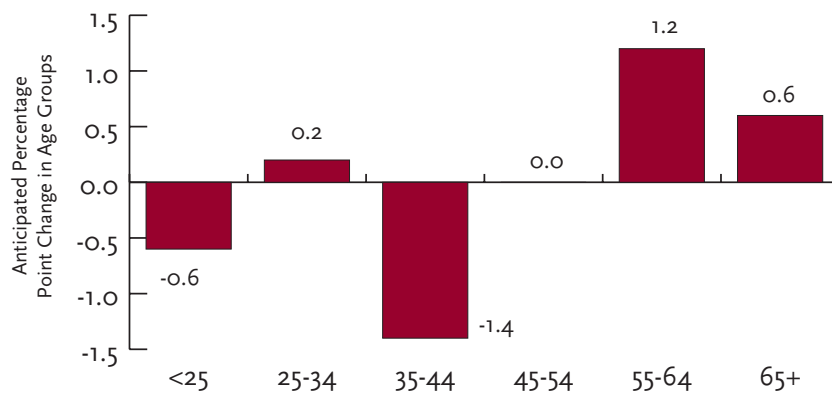
A Collaborative Project of the
Twiga Foundation, Inc. and
the Sloan Center on Aging & Work

INTRODUCTION

In today's economy, it has become increasingly important for employers to focus on talent management strategies that will both engage employees and promote their productivity. State agencies are grappling with options for aligning their policies and programs to meet the needs of the contemporary multi-generational workforce so that quality services are maintained and state workers of all ages have quality employment experiences.

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. Five years ago, this percentage had increased slightly to 28%, but by 2050, people aged 50 or older are projected to be 37% of our population. 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 the workforce. As illustrated in Figure 1 below, the United States overall is projected to experience significant decreases in its population under age 45 and increases in its population aged 55 and older.

Figure 1: Anticipated Percentage Point Changes in United States Age Structures, 2006–2010

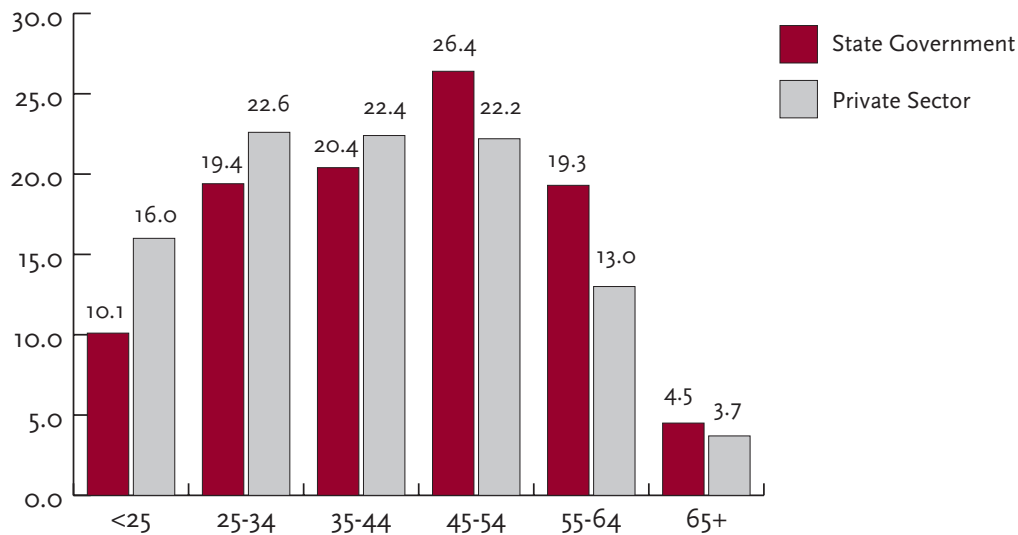


From a practical point of view, aging is an important issue for leadership within both the public and private sectors in their roles as service providers. For example, private insurance companies need to fine-tune their marketing strategies as populations age, just as state agencies need to consider how best to respond to changes in the service expectations and needs of older adults within their states.

Aging is also important to public and private sector leaders who have roles and responsibilities as employers. The focus in this research highlight is on state agencies compared to the private sector. Although there may be implications for other branches of the public sector such as local and federal agencies, state agencies most closely mirror the private sector in company size and diversity of human resource (HR) practices. Understanding how state agencies and the private sector are reacting to the aging workforce is especially important in today's economic climate for several reasons.

First, labor economists anticipate that workers aged 55 and older will make up an increasing percentage of the workforce. There are indications that the public sector workforce is aging even more rapidly than that of the private sector, as depicted in Figure 2. In 2008, 47% of the state workforce was 45 years or older, compared to only 37% of the private sector. Hence, the public sector provides a window into the demographic future for the private sector. Although many workers have plans to work past the typical retirement age, state agencies cannot assume that their employees will postpone retirement, particularly when considering the structure of retirement benefits for many state workers. The same holds true for private sector agencies, particularly those in industries with high turnover.

Figure 2: Distribution of the State Government and Private Sector Workforces by Age, United States 2008



Source: Current Population Survey, October 2008

Second, due to monetary constraints, the public sector has often been unable to offer high wages and salaries to employees. The current economic climate has exacerbated this situation for state agencies, but their existing human resource practices provide insights into what employers can do to be employers-of-choice in times of financial constraint.

Third, the private sector and the public sector compete for talent, and a better understanding of what each has to offer for employees should allow both to rethink their recruitment, engagement, and retention policies. As the oldest of the Baby Boomers move toward the ages of 62 to 65 (the traditional years for retirement), organizations that want to be employers-of-choice for employees of all ages will want to consider whether their existing policies and programs are effective. The time to get ready for this important demographic shift is *now*.

This Research Highlight provides information that can deepen state agencies' awareness and understanding of demographic changes, help them assess their response to the aging workforce, and contribute to planning for possible action steps.¹

¹ For more information on the data used in this research highlight, see p.28.

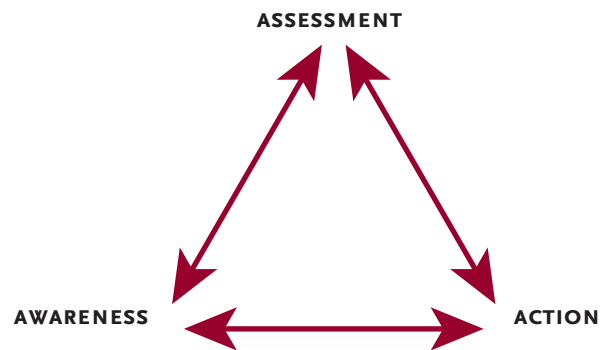
In This Report

This report focuses on three questions:

1. To what extent are state agencies assessing how the aging of the workforce might affect their organizations?
2. In general, how are late-career workers perceived at state agencies?
3. How are 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 3).

Figure 3: From Awareness to Action: A Conceptual Model



In this report, we present information specific to the responses provided by representatives of state agencies, along with discussion of the implications of those results for state agencies. We also compare these results to a similar study conducted in 2006 focusing on the private sector to highlight the ways in which the public and private sector can learn from each other.

Although this information will help readers to “get their bearings,” given the relatively small number of 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 the United States. Caution must be used when interpreting the statistics presented as percentages.

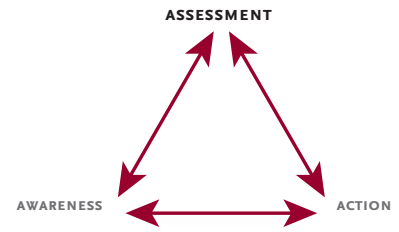
ASSESSMENT

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.

Managers and HR departments might want to list the agency's current HR challenges as a first step.

Next, they can identify the characteristics of their current workforces and then project changes in the key characteristics of their workforces.

Finally, state agencies might want to consider readiness and vulnerabilities with regard to the competencies needed.



1. Considering HR Challenges

Organizations 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 4, the top six HR issues noted by agencies as being a challenge to a “moderate” or “great” extent were: being able to offer competitive pay and benefits (75.0%), recruiting competent job applicants (56.4%), knowledge transfer from experienced employees to less-experienced employees (56.1%), effective supervision (49.0%), unwanted turnover (48.2%), and morale (40.2%). The private sector, in comparison, rated recruiting competent job applicants (59.8%) highest, with being able to offer competitive pay and benefits (43.4%) of less concern.

Figure 4: Top HR Challenges Reported by State Agencies and Private Sector Organizations
% of respondents

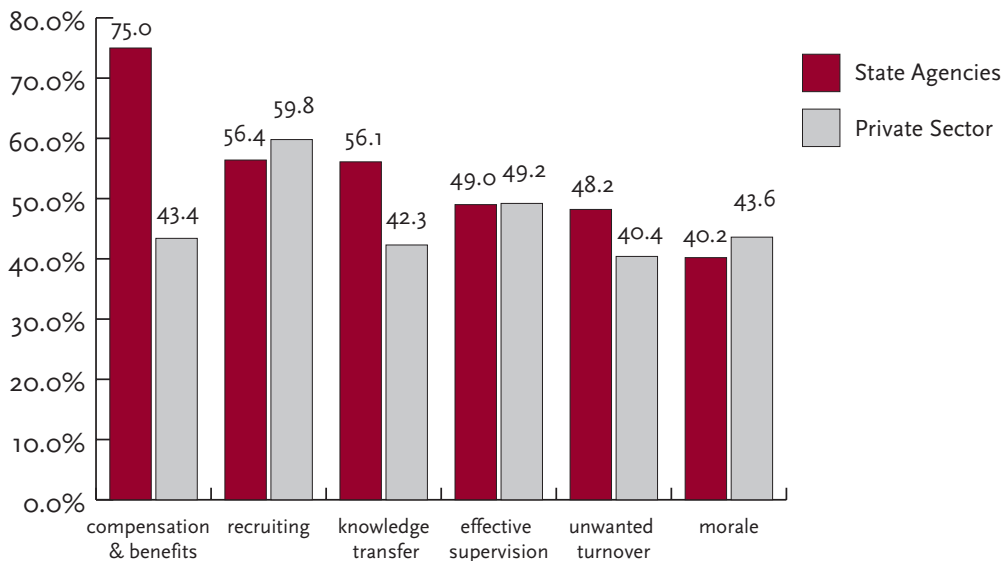


Table 1 provides a list of common HR challenges experienced by agencies in general.

Table 1: HR Challenges
% of agencies and organizations that considered it a challenge to a
“moderate” or “great” extent

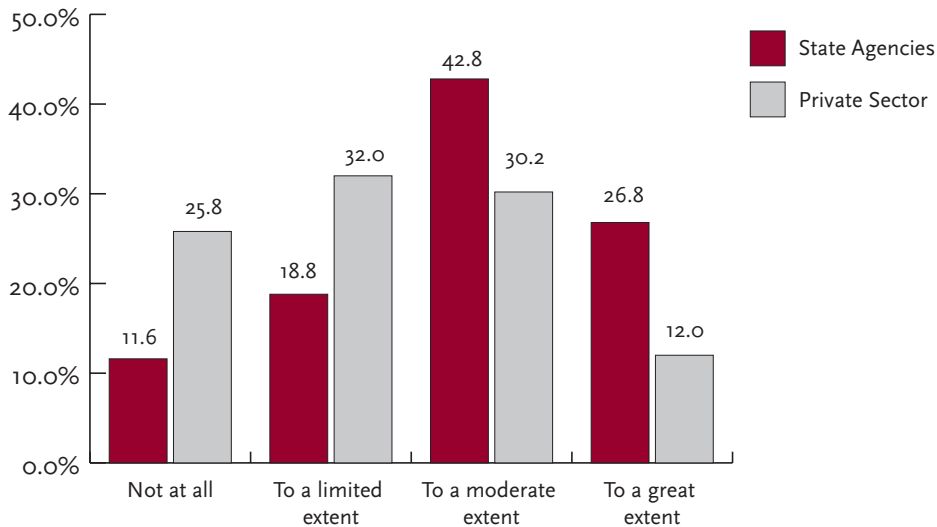
	State Agencies	Private Sector
Being able to offer competitive pay and benefits	75.0%	43.4%
Recruiting competent job applicants	56.4%	59.8%
Knowledge transfer from experienced employees to less-experienced employees	56.1%	42.3%
Providing effective supervision	49.0%	49.2%
Unwanted turnover	48.2%	40.4%
Morale	40.2%	43.6%

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 in the public sector and ramp up in the private sector. 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 for the costs associated with replacing employees, from a low of \$4,000 to a high of \$150,000; the average cost of replacing an employee across the sample was \$26,913.

➡ *Considerations for Agencies:*

- ▶ *A majority of the respondents 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. Private sector companies may want to consider low-cost benefits as well, in light of the economic climate.*
- ▶ *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 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. If older workers represent an “undertapped” source of labor in the United States, special recruitment efforts could be focused on this population.*

Figure 5: Percentage of Organizations That Have Analyzed Workforce Demographics



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 an organization.

- As shown in Figure 5, 11.6% of the agencies that participated in the survey stated that their agencies had not analyzed the demographics of their workforces at all. Approximately one quarter (26.8%) felt that their agencies had pursued this type of analysis "to a great extent."
- 25.8% of the private sector companies that participated in the survey stated that their organizations had not analyzed the demographics of their workforces at all. Approximately 12% felt that their agencies had pursued this type of analysis "to a great extent" (See Figure 5).

Organizations 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 state agencies has an 11.0-year employment tenure.
- Nearly three quarters (74.1%) of the agencies 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 61.0 years, and that they expect 18.2% of their employees to retire over the next 4 years (by 2012).

Despite these projections, just over a third of the state agencies (34.3%) have developed processes to capture and transfer institutional knowledge from late-career employees to mid- and early-career employees to a "moderate" or "great" extent.

- *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 state agencies included: management skills, technical computer skills, human resource skills, and finance skills. The private sector was substantially less likely to mention management, technical, or financial skills as shortages.

Table 2: Competency Shortages

	State Agencies	Private Sector
Management skills	46.5%	39.9%
Technical computer skills	39.2%	31.2%
Human resource skills	28.0%	28.5%
Finance skills	26.8%	21.4%

- *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.*

AWARENESS

How do state employers think about the human capital opportunities and challenges associated with today's 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 in Table 3.

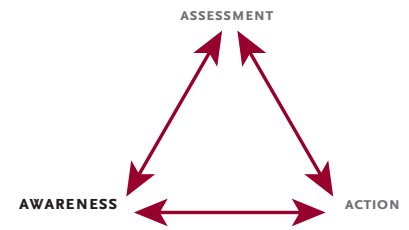


Table 3: Selected Comments about Career Stages (from all states in study)

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 of 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
- productive

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. The information contained in 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.

Table 4: Perceptions of Positive Workforce Characteristics by Career Stages
% of organizations stating “true for most”

	True for Most Early-Career State Agency Employees (rank by % of respondents)	True for Most Early-Career Private Sec- tor Agency Employees (rank by % of respondents)	True for Most Mid-Career State Agency Employees (rank by % of respondents)	True for Most Mid-Career Private Sector Employees (rank by % of respondents)	True for Most Late-Career State Agency Employees (rank by % of respondents)	True for Most Late-Career Private Sector Employees (rank by % of respondents)
Take initiative	35.4% (4)	30.7% (2)	39.5% (6)	34.5% (6)	36.4% (8)	32.1% (9)
Creative	39.5% (3)	35.4% (1)	28.2% (9)	34.0% (7)	20.9% (9)	29.1% (10)
Loyal	21.5% (6)	22.4% (6)	32.3% (8)	37.7% (5)	65.9% (2)	53.8% (1)
Productive	46.6% (1)	28.5% (3)	58.5% (1)	42.1% (2)	51.5% (7)	38.5% (7)
Reliable	42.7% (2)	23.5% (5)	55.7% (2)	46.1% (1)	59.1% (3)	51.3% (3)
Established networks of professional colleagues	14.6% (8)	16.5% (10)	34.6% (7)	29.4% (10)	53.1% (5)	46.3% (6)
High levels of skills	20.8% (7)	21.0% (7)	50.4% (3)	38.4% (4)	53.1% (5)	46.7% (5)
Strong work ethic	30.0% (5)	24.4% (4)	48.9% (4)	39.4% (3)	58.0% (4)	51.9% (2)
Low turnover	14.6% (8)	19.0% (9)	39.8% (5)	33.6% (8)	66.7% (1)	50.3% (4)
Want to lead	11.5% (10)	20.4% (8)	18.6% (10)	33.2% (9)	16.9% (10)	36.0% (8)

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. The private sector differed in several ways. Private sector companies were substantially less likely to say that their early-career employees were reliable, for instance, but more likely to say their mid- and late-career employees wanted to lead.

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.

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.

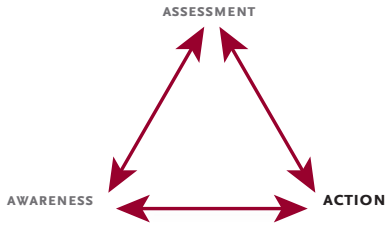
The information included in Table 5 indicates that similar percentages of agencies in states across the country (within a 10-percentage-point spread) felt it is “true for many/true for most” that—as groups—employees in early-career, mid-career, and late-career stages have high rates of absenteeism due 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/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. Of particular notice, the private sector reported substantially more negative perceptions of workers of all career stages.

Table 5: Perceptions of Workforce Characteristics that Might Present Negative Consequences by Career Stages
% of organizations stating “true” or “very true”

	True for Many/Most Early-Career State Agency Employees (rank by % of respondents)	True for Many/Most Early-Career Private Sector Employees (rank by % of respondents)	True for Many/Most Mid-Career State Agency Employees (rank by % of respondents)	True for Many/Most Mid-Career Private Sector Employees (rank by % of respondents)	True for Many/Most Late-Career State Agency Employees (rank by % of respondents)	True for Many/Most Late-Career Private Sector Employees (rank by % of respondents)
Difficult to train	6.1% (6)	26.0% (4)	9.9% (9)	19.7% (6)	18.4% (5)	25.3% (5)
Burned out	5.5% (7)	19.9% (7)	27.4% (2)	32.9% (3)	36.0% (2)	37.7% (2)
Reluctant to try new technology	0.8% (10)	12.9% (9)	15.0% (5)	21.3% (4)	34.1% (3)	44.0% (1)
High absenteeism due to illness	10.2% (3)	26.5% (3)	13.3% (6)	16.9% (8)	16.4% (8)	20.7% (7)
Time off for family issues	20.7% (2)	29.6% (2)	29.6% (1)	33.9% (2)	24.0% (4)	26.9% (4)
Not work well with coworkers from other generations	10.2% (3)	20.8% (6)	10.3% (8)	15.2% (9)	17.3% (6)	20.2% (8)
Not work well with supervisors from other generations	7.9% (5)	21.6% (5)	7.9% (10)	17.7% (7)	14.2% (9)	22.4% (6)
Reluctant to travel	4.0% (8)	15.7% (8)	11.4% (7)	19.8% (5)	17.1% (7)	28.1% (3)
Look outside organization for new career	53.1% (1)	52.3% (1)	20.7% (4)	35.4% (1)	9.5% (10)	19.8% (9)

➡ *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. Over half (55.0%) of agencies reported that this type of training is provided to managers and supervisors.*
- ▶ *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.*



ACTION

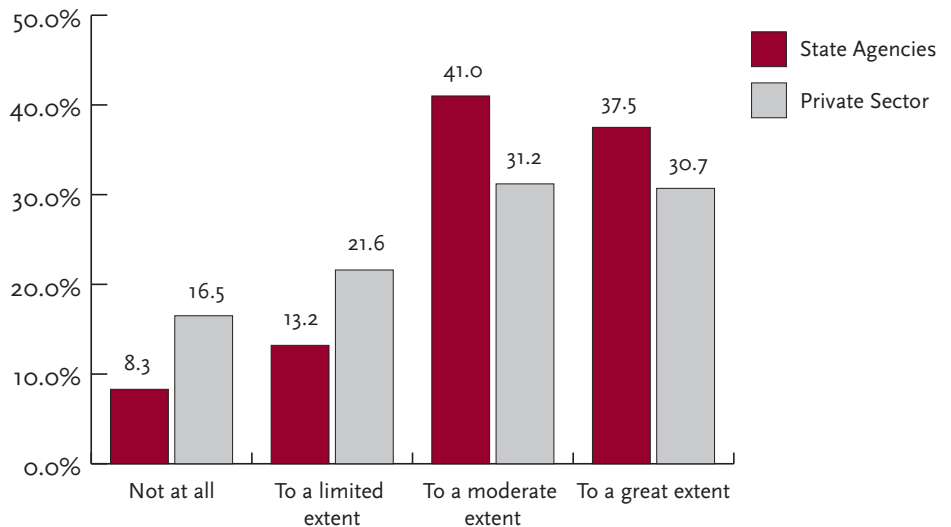
What steps are state agencies taking to leverage the opportunities associated with the 21st century multi-generational workforce? Examples of state agencies' efforts to recruit, engage, and retain the best talent available are emerging across the country.

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.

As noted in Figure 6, 37.5% of the respondents indicated that their agencies adopted practices to recruit employees of diverse ages “to a great extent.”

Figure 6: Extent to Which Agencies Adopted Practices To Recruit Employees of Diverse Ages
 % of respondents



Fewer than 10% of the agencies (7.8%) 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 agencies that participated in this study offer a range of benefits to “all” (rather than “none,” “some,” or “most”) of their employees. Compared to the private sector, state agencies offered substantially more benefits to all their employees, including employee assistance programs, retirement planning seminars, and life insurance.

Table 6: Profiles of Available Benefits
% of organizations reporting available to "all" employees

	State Agencies	Private Sector
Employee assistance program	77.3%	25.1%
Retirement planning seminars	63.8%	24.8%
Life insurance	61.5%	35.5%
Dental insurance	60.3%	37.8%
Paid sick days	59.8%	37.9%
Defined contribution retirement plan	57.7%	41.2%
Defined pension benefits	55.8%	17.9%
Paid vacation days	55.3%	40.3%
Pre-tax accounts for dependent care	54.5%	20.3%
Short-term disability	51.9%	38.1%
Long-term care insurance for employee & immediate family	40.5%	27.0%
Employer contributions to retirement	38.6%	33.9%
Access to elder-care information	35.7%	19.1%
Paid personal days	32.8%	29.5%
Paid time off	28.7%	24.0%
Educational assistance for employees	26.9%	18.1%
Flexible benefits plan	26.6%	21.5%
Seminars on family issues	24.2%	12.0%
Dependent-care subsidies	17.6%	11.5%
Long-term care insurance for employees' parents	14.8%	15.3%
Paid days to volunteer	11.6%	12.9%
Respite care	8.7%	11.1%
Reimbursement for dependent care for work travel	7.0%	12.8%
Financial assistance for employees' children to attend college	5.4%	9.6%
Services to help employees' children apply to college	3.1%	12.7%

More than two-thirds (71.5%) of the state agencies reported that part-time employees can access pro-rated benefits.

➤ *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 benefit 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.*
- ▶ *Benefits are an area in which state agencies excel compared to the private sector. This can be used as a competitive advantage in attracting and managing talent.*

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 resources, such as training and career development opportunities, or by offering flexible work options.

a. Training and Career Development:

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. Just over one-third (35.9%) of the respondents reported that their agencies are oriented to learning, saying it is “very true” that their agencies expect employees at all stages of their careers to develop new skills and competencies. Similarly, 33.1% of the agencies stated that it is “very true” that they encourage employees to adopt a lifelong learning perspective.

- Approximately one-third (32.8%) of the agencies reported that they had assessed their employees’ career plans and work preferences to either a “moderate” or “great” extent.
- However, only 28.8% of the agencies stated that they offer training to supervisors so that they can provide career advice to employees at different stages of their careers.

Offering formal and informal supports for career development communicates to employees that the agency recognizes employees’ growth potential. Approximately the same percentage of agencies that participated in the study indicated that opportunities for on-the-job training and career counseling are available to early-, mid-, and late-career employees (see Figure 7). However, agencies were less likely to say that they offer mentoring to employees at mid- or late-career stages compared to the early-career stage. The rates of career development opportunities in the private sector were similar.

Figure 7a: Availability of On the Job Training by Career Stage

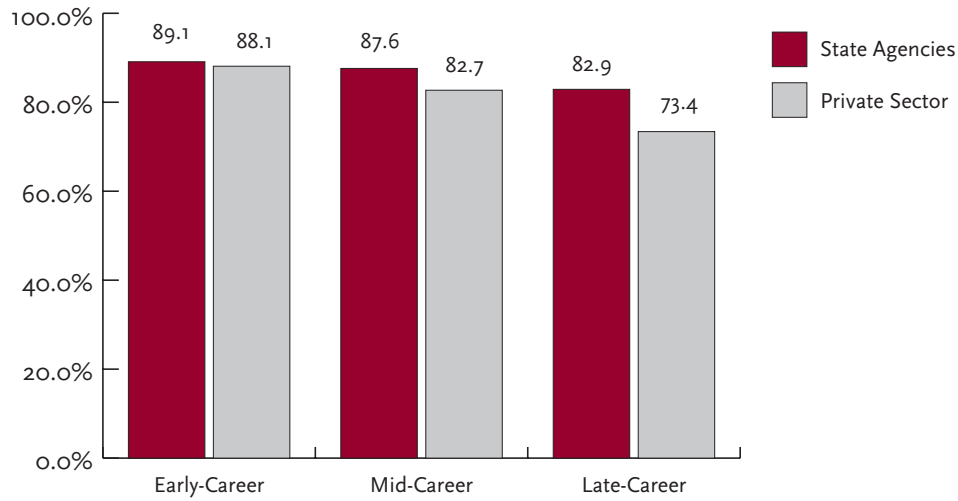


Figure 7b: Availability of Career Counseling by Career Stage

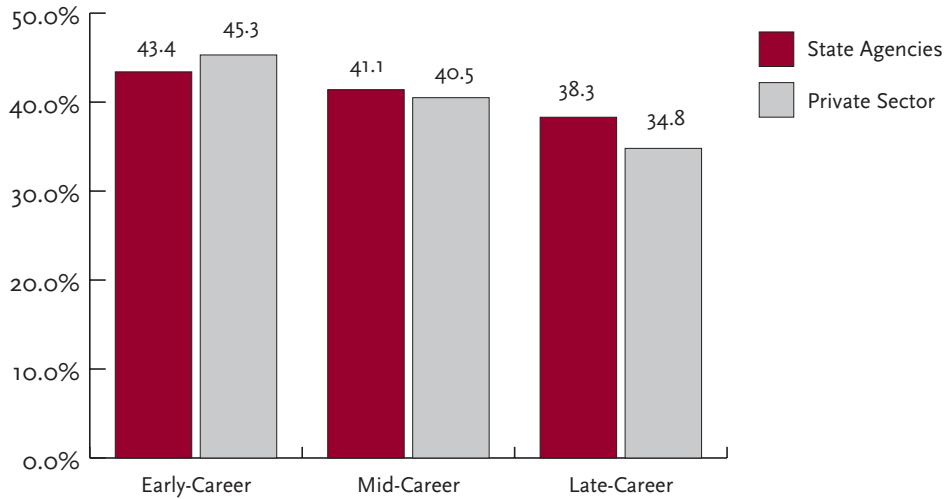
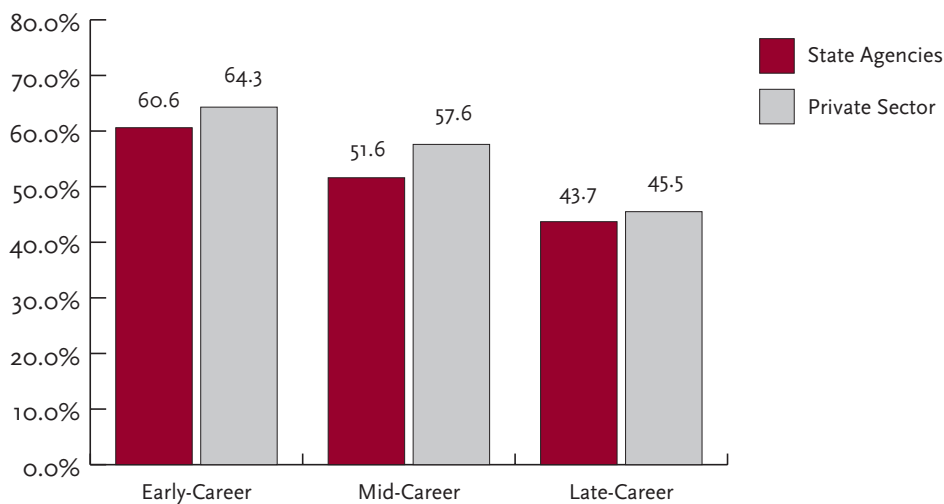


Figure 7c: Availability of Mentoring by Career Stage



➤ *Considerations for Agencies:*

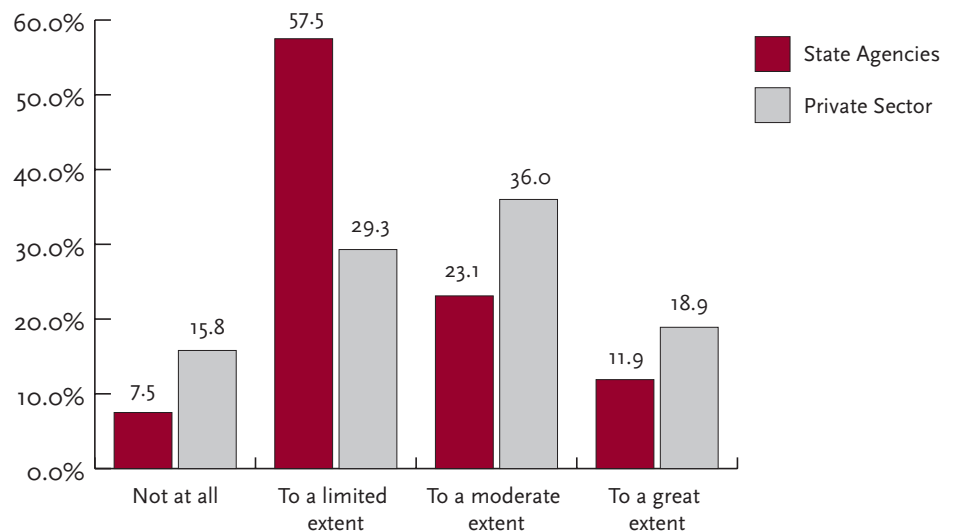
- ▶ *Understandably, employers often focus their career development supports on early-career employees. However, because older workers are less likely to leave their agency than younger workers, managers may also want to develop opportunities for employees at all career stages, including late-career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

As shown in Figure 8, only 11.9% of the sample indicated that their agencies link workplace flexibility and overall agency effectiveness “to a great extent.” Similarly, only 6.2% agencies that responded to the survey stated that it was “very true” that their agencies clearly communicate the importance that working and managing flexibly has for agency success.

Figure 8: Linking Workplace Flexibility to Overall Agency Effectiveness



When asked about the extent to which their agencies had implemented flexible work options, 54.1% of the agencies stated that they had “to a limited extent” established options for employees to work in a flexible manner. Some 33.1% stated they were available “to a moderate extent,” whereas only 12.0% indicated flexible work options were available “to a great extent.”

Table 7 lists the flexible work options offered by the agencies to “most/all” of their full-time employees. The public sector is unusual in that 65.7% of agencies offer options to “most/all” full-time employees to take extended leave for caregiving. Only 30.5% of private sector companies said the same.

Table 7: Profiles of Available Flexible Work Options
% of organizations offering option to “most” or “all” full-time

	State Agencies	Private Sector
Take extended leave for caregiving	65.7%	30.5%
Request change in starting/quitting times from time to time	47.4%	41.4%
Choose a schedule that varies from the typical schedule	43.0%	39.6%
Take paid/unpaid leave for education or training	36.6%	27.9%
Transfer to jobs with reduced pay and responsibilities	33.6%	24.7%
Compress workweek	29.4%	20.7%
Have input into decisions about amount of overtime they work	23.3%	25.5%
Request changes in work responsibilities so that the job is a better match for their skills and interests	17.6%	24.0%
Choose shift to work	13.9%	23.8%
Request change in starting/quitting times daily	13.3%	18.4%
Phase into retirement	9.2%	25.6%
Work partly or entirely off-site	8.1%	12.3%
Take sabbatical	7.4%	16.0%
Reduce work hours and work part-time in same position/same pay	6.0%	16.9%
Job share	4.6%	15.0%
Work part-year	2.3%	13.1%

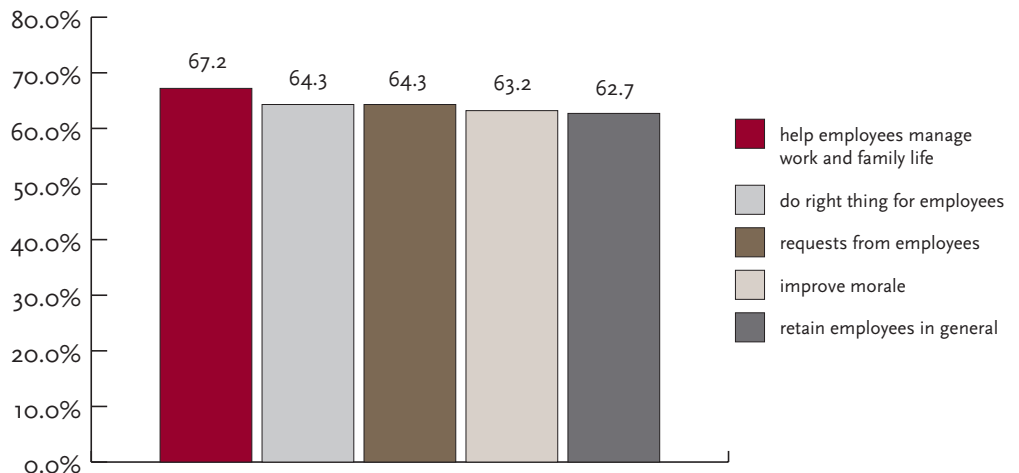
Only 16.5% of respondents stated that it is “generally true” or “very true” that their agencies acknowledge supervisors who support effective flexible work arrangements.

➡ *Considerations for Agencies:*

- ▶ *Workers at all career stages, including older workers, tend to indicate that they want to have 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.*

Why do some state agencies adopt flexible work options while others do not? We asked agencies to identify the motivators and barriers to adopting these policies. State agencies reported that they were motivated to adopt flexible work options for a variety of reasons. As shown in Figure 9, the top five reasons across all state agencies were: to help employees manage work and family life (67.2%), to do the right thing for their employees (64.3%), to respond to requests from employees for more flexibility (64.3%), to improve morale (63.2%), and to retain employees in general (62.7%).

Figure 9: Top Motivators to Establishing Flexible Work Options
 % of respondents motivated to adopt flexible work options to a “moderate” or “great” extent



Agencies indicated that they were equally motivated to adopt flexible work in order to recruit, retain, and engage workers of different ages. A similar percentage of agencies reported they were motivated to adopt flexible work options to a “moderate” or “great” extent in order to retain older workers (40.0%), workers at midlife (44.0%), and younger workers (41.6%), as well as to recruit older workers (31.5%), workers at midlife, (33.4%), and younger workers (33.1%). Additionally, approximately the same percentage of agencies reported that they were motivated to adopt flexible work options to a “moderate” or “great” extent to increase the level of job engagement of older workers (43.2%) as to increase the engagement of workers at midlife (45.6%) or younger workers (45.1%).

Table 8: Motivators to Establishing Flexible Work Options
% of agencies that were motivated to adopt flexible work options to a “moderate” or “great” extent

To help employees manage work and family life	67.2%	To support agency's commitment to workforce diversity	44.3%
To do the right thing for their employees	64.3%	To retain workers at midlife	44.0%
To respond to requests from employees for more flexibility	64.3%	To increase commitment and engagement of older workers	43.2%
To improve morale	63.2%	To recruit highly skilled employees	42.2%
To retain employees in general	62.7%	To retain younger workers	41.6%
To manage today's workforce effectively	62.7%	To retain older workers	40.0%
To increase commitment and job engagement in general	60.3%	To recruit in general	38.4%
To retain highly skilled employees	57.1%	To recruit workers at midlife	33.4%
To compete with other employers offering these programs and policies	48.4%	To recruit younger workers	33.1%
To increase productivity	46.7%	To save money	32.5%
To reduce absenteeism	46.4%	To recruit older workers	31.5%
To increase commitment and engagement of workers at midlife	45.6%	To respond to request from agency decision-maker	22.8%
To increase commitment and engagement of younger workers	45.1%		

Despite the numerous motivations that agencies cited for adopting flexible work options, they also reported various barriers to offering flexible work options. Understanding the most common barriers to implementing workplace flexibility may help state agencies adapt the manner in which work gets done so that the agency and its employees may reap the many benefits discussed above.

As shown in Figure 10, the most common barriers cited by state agencies were: difficulty with supervision (52.3%), concerns about treating employees equally (50.8%), concerns about reactions of clients/customers (49.6%), concerns about abuse of policies (49.2%), and concerns about co-worker resentment (41.3%). Although these were all a factor in the private sector as well, the private sector reported lower barriers in general to the adoption of flexibility benefits.

Figure 10: Top Barriers to Establishing Flexible Work Options
% of respondents citing barriers to flexible work options to a
“moderate” or “great” extent

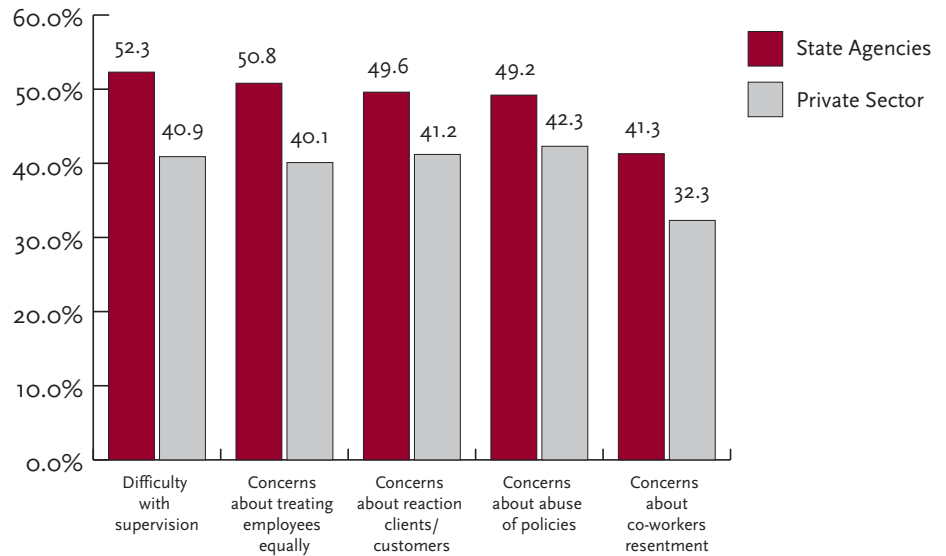


Table 9: Barriers to Establishing Flexible Work Options
% of organizations that reported they were reluctant to adopt flexible work options to a
“moderate” or “great” extent

	State Agencies	Private Sector
Difficulty with supervising employees	52.3%	40.9%
Concerns about treating employees equally	50.8%	40.1%
Concerns about reactions of clients/customers	49.6%	41.2%
Concerns about abuse of policies	49.2%	42.3%
Concerns about co-worker resentment	41.3%	32.3%
Administrative hassles	38.6%	34.7%
Concerns about loss of productivity	38.3%	40.6%
Concerns about employee complaints or liability	26.1%	28.4%
Union considerations	23.2%	18.0%
Concerns about increased absenteeism	22.2%	26.1%
More pressing issues	17.8%	33.5%
Not cost-effective	17.6%	33.3%
No productivity payoff anticipated	16.7%	30.8%
Implementation costs	11.0%	20.8%
Employees don't seem to want flexibility	5.6%	27.5%

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 10 below, similar percentages of state agencies reported that to a “moderate” or “great” extent they had created benefits to encourage their early-, mid-, and late-career employees to remain with the agency. Overall, more private sector companies reported creating benefits for retention.

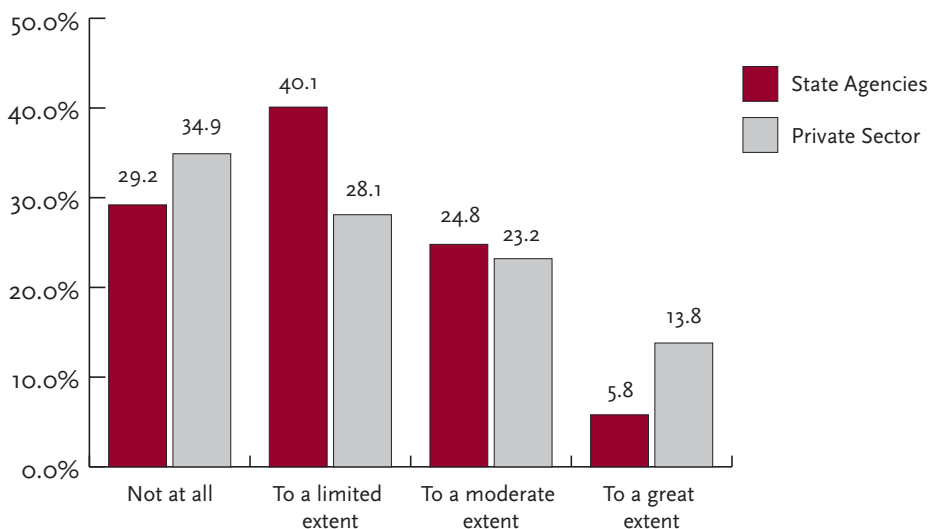
Table 10: Use of Benefits for Retention by Career Stage

Stage	% of State Agencies Created Benefits for Retention		% of Private Sector Created Benefits for Retention	
	<i>Not at All/To a Limited Extent</i>	<i>To a Moderate/ Great Extent</i>	<i>Not at All/To a Limited Extent</i>	<i>To a Moderate/ Great Extent</i>
Early-career	69.6%	30.4%	49.4%	50.6%
Mid-career	67.4%	32.5%	49.2%	50.8%
Late-career	69.1%	30.9%	55.6%	44.4%

What about efforts to retain to encourage older workers to stay with the agency?

As indicated in Figure 11, 30.6% of the agencies stated that they had adopted strategies to encourage late-career employees to work past the normal retirement age to a “moderate” or “great” extent. The private sector was more likely to report both having no strategy to encourage late-career employees to work past retirement and having adopted such strategies to a great extent.

Figure 11: 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 respondents were more likely to report that their agencies had “to a great extent” adopted practices to promote men and women equitably (55.6%) than employees of diverse ages (44.1%) or employees from diverse cultural backgrounds (34.7%).

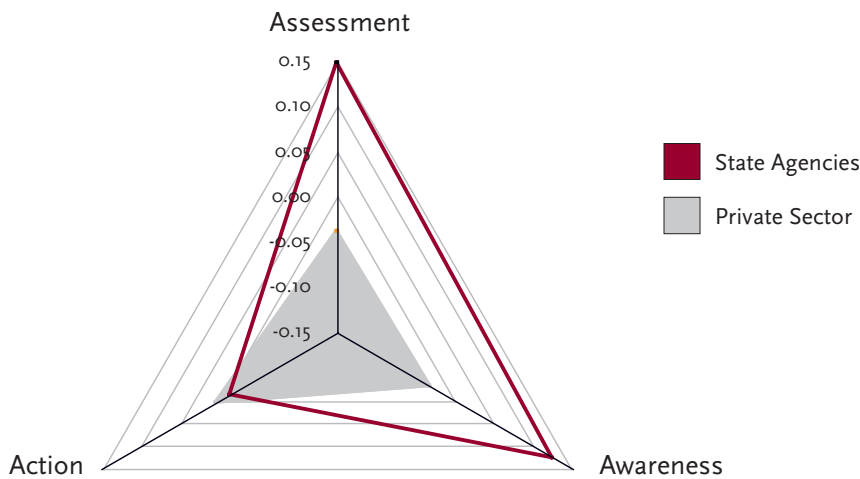
➡ *Considerations for Agencies:*

- ▶ *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.*

CONCLUSION

How do the state agencies compare to the private sector 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 the private sector and state agencies along these three dimensions. State agencies excel in their awareness and assessment, but lag slightly behind the private sector in action. We used responses to twenty-seven questions from the survey (see p. 27) to compute scores for awareness, assessment, and action. As shown in Figure 12, the scores of state public agencies are higher than those of private sector workplaces in assessment, indicating that state agencies are more aware of their workforce demographics. State agencies also exceeded the private sector in their awareness of the potential benefits of older workers. However, they were behind in the action dimension, indicating that they had adopted fewer benefits that would prove helpful in recruiting, engaging, and retaining employees across the life course.

Figure 12: Awareness, Assessment, and Action



Note: See Description of Measures

The private sector is becoming increasingly aware of changing demographics and economic constraints much like those that have challenged state agencies for years. Hence, the private sector can learn from the approaches that state agencies have taken, particularly in terms of their assessment and awareness of older workers within their labor forces.

Although state agencies have particular strengths in some low-cost benefits, overall, they report slightly fewer action steps than workplaces in the private sector. By taking into account information on both state agencies and the private companies with which they coexist, organizations in both sectors can refine and rethink policies and practices surrounding the aging workforce.

Description of Measures

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)

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 work-site (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 State as Employers-of-Choice Study is one component of the overall project. Data collection began in spring 2008 and was concluded in fall 2008. A total of 222 agencies from 27 states responded to the online survey used to gather information.

The following list provides some background information about the agencies in that participated in the study. Due to the relatively small number of agencies that participated in this study, we do not present the results of statistical tests that calculate the probability that the differences between the agencies could have occurred by chance. Among the participating state agencies, approximately:

92.4% of the employees are full-time employees.

51.8% of the employees are women.

19.8% of the employees are members of a racial/ethnic minority group.

3.8% of the workforces is under the age of 24,

26.1% are between the ages of 25–39,

42.6% are between 40–54,

24.1% are between 55–65, and

3.0% are over the age of 65.

37.0% of the agencies experienced an increase in the percentage of workers between the ages of 55–65 when compared to 1 year ago.

13.4% of the employees are managers.

47.3% of the employees are professional or technical employees.

The survey results are compared in a number of areas with the 2006 National Study of Business Strategy and Workforce Development conducted at the Center on Aging & Work. Although the economic and demographic situation has evolved over the 2-year time span, the two studies ask many of the same questions and provide a unique window into how thinking and practices in the private and public sector compare.

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.
National Study of Business Strategy and Workforce Development, 2000.

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.

Authors

Tay McNamara, Ph.D., is the Director of Research at the Center on Aging & Work. Her research interests focus on quality of employment for older workers both within the United States and globally.

Michelle Wong is a Research Assistant at the Center on Aging & Work and a law student at Boston College. Her previous work includes state profiles focused on labor force characteristics.

Melissa Brown is a Research Assistant at the Center on Aging & Work and a doctoral student in the School of Social Work at Boston College. Her research interests include the work-eldercare interface and flexible work options for workers at all career stages.

Marcie Pitt-Catsoupes, Ph.D., directs the Sloan Center on Aging & Work at Boston College. She is an Associate Professor at the Boston College Graduate School of Social Work and holds appointments at the Boston College Carroll School of Management as well as the Middlesex University Business School in London. Dr. Pitt-Catsoupes received the 2006 Work-Life Legacy Award from the Families and Work Institute.



ACKNOWLEDGEMENTS

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. Twiga is dedicated to being a voice for family consciousness to strengthen each individual's commitment to themselves, their family and their community. Twiga focuses on the workplace, finding workplace flexibility to be a key component in addressing the mismatch between the workplace and family needs. Twiga's efforts are centered around bringing to light an understanding of workplace flexibility as a good business strategy that, additionally, helps to insure a strong workforce for the future through healthy families and communities.

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 multi-generational 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 multi-tiered strategy includes combining employer engaged research and academic rigor with innovative communications. We engage multi-disciplinary teams of researchers from around the world to forward three research streams – the US National Initiatives, the State Initiatives, and the Global Initiatives.

The Sloan Center's State Initiatives partners with organizations including the National Governors Association, the National Council on Aging, and the National Conference of State Legislatures. Together we explore the variations in state population age demographics across the country that can have significant consequences for state leaders planning for economic/workforce development and services. Current projects include: States as Employers-of-Choice, State Profiles, and the Massachusetts Task Force on Workers 50+.

The Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

Previous Research Highlights from Our U.S. National Initiatives

Research Highlight 1: Context Matters: Insights About Older Workers From the National Study of the Changing Workforce

Research Highlight 2: The Diverse Employment Experiences of Older Men and Women in the Workforce

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

Research Highlight 5: The Citi Sales Study of Older Workers

Research Highlight 6: Age & Generations: Understanding Experiences at the Workplace