

# LEVERAGING THE VALUE OF AN AGE-DIVERSE WORKFORCE

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A major opportunity is waiting for employers, and it's time to seize it. America's workforce is aging. The United Nations reports that population growth among those age 65 and older is outpacing the growth of 25-to-64-year-olds in most developed nations. Many mature employees want and need to remain active and engaged for years beyond what was once the typical retirement age. To reap the benefits of a productive age-diverse workforce, organizations need to move beyond outdated and limiting beliefs about older workers.

## Why Age Diversity and Inclusion Are Essential for Success

Most employers now recognize the need for diversity—making sure that people representing a variety of ethnicities, nationalities, races, sexual orientation, religions, disability statuses and ages are contributing to the functioning of the organization. PwC's 2015 Annual Global CEO Survey reported that 64 percent of CEOs had a strategy to promote diversity and inclusion (D&I).

But not all companies focus on inclusion as well as diversity. Inclusion goes beyond the identification of differences by encouraging a work environment that allows people to be who they are and to feel safe and respected. Employees will thrive only if they feel truly valued and included in the long-term strategy and day-to-day operations of their organization. Diversity and inclusion are essential to the health of any enterprise because they lead to greater engagement, teamwork, performance and innovation by workers.

The case for age diversity and inclusion in particular is indisputable. As many as five different generations are represented in today's workforce, from the Silent Generation (people born between 1925 and 1942) to Generation Z (those born in the mid-1990s and later). Yet, according to PwC, only 8 percent of organizations include age as a part of their D&I strategies.

## Age Diversity Improves Performance and Productivity

Age is a number, not a credential. Unfortunately, outdated stereotypes still influence perceptions of age in the workplace. Statements such as "he's too old to learn a new computer program" or "she's too young to lead a team" diminish the value and qualifications of the people involved. An employee's knowledge and experience increase with age. And a young person with strong skills and talent should not be held back because of his or her age.

Research clearly demonstrates that age diversity can improve organizational performance, and HR practices that improve the age diversity climate within

an organization have the potential to further improve performance and lower employee turnover. Studies also find that the productivity of both older and younger workers is higher in companies with mixed-age work teams. And age diversity within teams is positively related to performance when groups are involved in complex decision-making tasks.

**A workplace with Millennials, Gen Xers, Baby Boomers and the Silent Generation offers a unique opportunity for varied perspectives and approaches to day-to-day work.**

—Jo Ann Jenkins, CEO of AARP

Source: Disrupt Aging

## Lessons Learned From Intergenerational Diversity Leaders

After months of research, the AARP Public Policy Institute (PPI) put together case studies of five employers that are leading the way toward better diversity and inclusion practices for an age-diverse workforce: AT&T, Centrica, Huntington Ingalls Industries, PNC and UnitedHealth Group. These case studies examine a variety of programs and practices that address age diversity and managing an intergenerational workforce. Although the organizations' approaches, goals and measurement metrics vary, a few key trends in their strategies are notable and apply to firms of any size or category:

- Diversity in isolation is no longer a sufficient goal; inclusion must be part of the organization's overall strategy.
- Managers are held accountable for implementing CEO-approved D&I strategies throughout all levels of the organization.
- A good D&I strategy can have a positive effect on employee engagement, productivity and the bottom line.
- Changing demographics mean that attracting and retaining a workforce that mirrors the diversity of the organization's customer or client base is vital to success.

In its analysis of the five organizations, AARP also identified several promising practices for boosting age diversity and enhancing intergenerational understanding. Here managers and HR professionals will find practical actions they can implement to nurture all employee talent:

- Open apprenticeships to workers of all ages.
- Start a program to assist workers re-entering the workforce after a long absence.
- Facilitate cross-generational mentoring to improve knowledge transfer.
- Raise awareness of intergenerational differences to enhance team functioning.
- Organize employee resource groups that increase workers' engagement and provide mentoring opportunities. These groups may evolve into problem-solving or leadership-development groups.
- Actively recruit talent across all ages to build a diverse, experienced workforce.

This briefing highlights three of the employers examined in the AARP PPI report and three of the key practical actions they are implementing.

## Apprenticeship Programs Recruit and Retain Talent at Huntington Ingalls Industries

Huntington Ingalls Industries (HII), the largest military shipbuilding company in the United States, needs highly skilled workers, including engineers, designers, electricians and mechanics. The HII workforce is quite age-diverse, and long tenure there is highly valued, with special recognition for employees—known as Master Shipbuilders—with 40 years or more of service.

**Tenure is valued. But we face a challenge because the younger generations may not want to stay with a company long term like the generations before them.**

—Dawn Smith, Director of EEO, Diversity and Inclusion,  
Huntington Ingalls Industries

Given the company's need for highly skilled employees, HII has initiated apprentice schools at its sites in Virginia and Mississippi. In 1996, age limits for entry were dropped, and one of HII's managers said that this was one of the best things the company ever did. Program completion rates are now highest for employees who enter after working for the company for several years. Over the past five years, 24 percent of apprentices were age 30 to 44, and 2 percent were age 45 and older.

### *Disrupting Aging in the Workplace: Profiles in Intergenerational Diversity Leadership*

To view the full AARP case studies and to learn more about these promising practices, visit [www.aarp.org/agediversityprofiles](http://www.aarp.org/agediversityprofiles)





The HII Apprentice School in Newport News, Va.

Photo courtesy of Chris Oxley/HII.

### **Assistance for Workers Re-entering the Workforce at Centrica**

Centrica PLC won the 2011 AARP Best Employers for Workers Over 50 Award because of its dedication to creating an age-diverse workforce, flexible work policies and age awareness training. Centrica is an energy and services company, with 36,000 employees worldwide.

One of Centrica's most innovative programs to source talent is called HitReturn. Launched in partnership with two other companies, this pilot program targets senior-level professionals who want to return to the workforce after a break of two or more years. Candidates participate in 12-week, paid "returnships" that offer professional assignments and expert coaching and mentors. Participation does not guarantee a permanent job, but this is certainly a possibility.

Centrica, like HII, offers an apprenticeship program open to people of all ages. The company believes in actively recruiting older workers and including more mature graduates in its graduate recruitment program.

### **Cross-Generational Mentoring Boosts Crucial Knowledge Transfer at PNC**

PNC Financial Services Group (PNC) is one of the largest diversified financial services companies in the country, with 2,700 branches in 19 states and the District of Columbia. The organization is committed to full engagement and respect for each worker, with leaders across the company actively involved in developing and expanding its talented, diverse workforce. Toward that goal, PNC sponsors 10 Employee Business Resource Groups (EBRGs), consisting of 64 different chapters. The EBRGs go beyond the typical functions of employee affinity groups to ensure that each incorporates a business component.

Housed within each EBRG is a Diversity and Inclusion Mentoring Program open to all EBRG members. The Mentoring Program aims to help employees navigate the corporate culture, network and increase employee engagement.

IGen, the newest EBRG at PNC, focuses on intergenerational issues and provides a more natural way to transfer knowledge from older generations to younger



generations. IGen is now partnering with PNC's talent development team to share best practices and personal anecdotes about career experiences. IGen is also seeking ways to further enhance employee retention.

**A diverse and multigenerational workforce better positions PNC to understand and provide for our customers' evolving preferences.**

—William S. Demchak, Chair, President and CEO, PNC

Source: 2015 Diversity & Inclusion Annual Report

**Conclusion: Shifting the Focus So Differences Become Strengths**

By removing the lens of age as a way to view existing or potential employees, you can shift the focus to their abilities, skills, experience and knowledge, where it belongs. You will also expand the talent recruitment pool, which ultimately benefits the organization.

There is no denying that differences exist in the experiences, expectations, styles and perspectives of people from different generations. Although these differences can sometimes be a source of conflict in a workplace, these same differences can also become a source of strength and innovation when addressed and managed effectively.

**About the Author**

**Lori A. Trawinski, Ph.D., CFP®**, is a director in the AARP Public Policy Institute, where she works on employment, debt and financial services issues. She was also the project director of the Future of Work@50+ Initiative ([www.aarp.org/futureofwork](http://www.aarp.org/futureofwork)) that examined employment issues and policy solutions to the challenges faced by older Americans. Lori is frequently quoted in the national press about mortgage, employment and financial issues.

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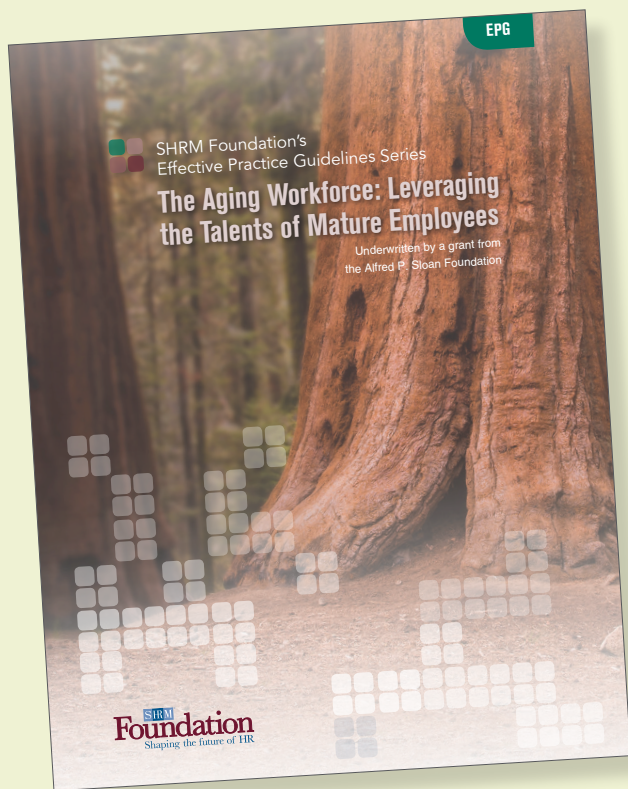
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**Reap the (re)wards of experienced workers.**



# Prepare for the Aging Workforce

The Bureau of Labor Statistics forecasts that nearly one quarter of U.S. workers will soon be age 55 or older. Mature workers possess institutional knowledge, experience and skills that may be lost unless companies actively plan for these demographic changes.



## ***The Aging Workforce: Leveraging the Talents of Mature Employees***

This new report from the SHRM Foundation will help you understand and prepare for these changes. Separating fact from fiction, it gives you tips on recruiting and retaining older workers to better leverage this valuable source of talent.

At the SHRM Foundation, we offer unmatched knowledge for the benefit of HR and other business leaders. Our Effective Practice Guidelines and Executive Briefing series provide relevant, actionable insights for HR management practice.

Don't miss these other complimentary resources:

- *Evaluating Worksite Wellness: Practical Applications for Employers*
- *Leveraging Workplace Flexibility for Engagement and Productivity*
- *Investing in Older Workers (DVD)*

These resources are made possible by your generous, tax-deductible contributions to the SHRM Foundation.

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## Company Diversity and Inclusion Websites

### AT&T: Diversity & Inclusion

[http://about.att.com/sites/diversity/our\\_people](http://about.att.com/sites/diversity/our_people)

### Centrica: Embracing Workplace Diversity

[www.centrica.com/news/embracing-workplace-diversity](http://www.centrica.com/news/embracing-workplace-diversity)

### Centrica: 8 Business Principles: Building a Better Business (pdf)

[www.centrica.com/files/pdf/business\\_principles\\_leaflet.pdf](http://www.centrica.com/files/pdf/business_principles_leaflet.pdf)

### Huntington Ingalls Industries: Valuing Diversity & Inclusion

[www.huntingtoningalls.com/employees/diversity/index](http://www.huntingtoningalls.com/employees/diversity/index)

### PNC: Diversity & Inclusion

[www.pnc.com/en/about-pnc/corporate-responsibility/diversity-and-inclusion.html](http://www.pnc.com/en/about-pnc/corporate-responsibility/diversity-and-inclusion.html)

### United Health Group: Diversity & Inclusion

[www.unitedhealthgroup.com/diversity/](http://www.unitedhealthgroup.com/diversity/)

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1800 Duke Street  
Alexandria, Virginia, 22314-3499 USA

Phone: 703.535.6020  
Fax: 703.535.6368  
TDD: 703.548.6999

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