

Study: Businesses Unprepared for Aging Workforce

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More than a quarter of U.S. businesses have failed to plan for the effects of the aging American workforce, finds a new study.

Despite reports that the United States is facing a shortage of millions of workers within the coming decade as baby boomers retire, The National Study of Business Strategy and Workforce Development found that many U.S. business are unprepared for the changing demographics.

More than one quarter of U.S. business have failed to plan for the effects of the aging American workforce, finds the study, released by the Boston College Center on Aging and Work on March 13.

"Even though organizations know that the work force is aging and understand that their own workers are looking at retirement, many are not making plans for how business will adjust to these changes," said Marcie Pitt-Catsoupes, co-director of the Boston College Center on Aging and Work.

Mick Smyer, co-director of the center, said, "Companies that do not plan for this aging workforce may find themselves suddenly faced with a loss of labor, experience and expertise that will be difficult to offset given the relatively small pool of new workers and the competition for new talent likely to result from so many companies facing the same problem."

In reviewing responses from 578 organizations across the United States

in sectors including retail trade, manufacturing, health care and social assistance, the study found that only 37 percent of employers had adopted strategies to encourage late-career workers to stay past the traditional retirement age.

This is in spite of the fact that late-career workers were considered to have the highest level of skills, "strong professional and client networks, a strong work ethic, low turnover" and were called loyal and reliable.

Still, respondents seemed aware of the tough job they will have down the road replacing retired workers. Sixty percent of responding employers indicated that recruiting competent job applicants was a significant HR challenge and 40 percent felt that management skills were in short supply in their organization.

But, many businesses haven't done all of the work they can, the study said. Only 33 percent of employers reported that their organization had made projections about retirement rates of their workers to either a moderate (24.1 percent) or great (9.7 percent) extent.

Furthermore, researchers found that flexibility resonated with older workers.

"Most older workers who say that they want to extend the number of years they remain in the labor force also say that the typical 8-hour day/5-day week doesn't work for them," said Pitt-Catsouphes.

"Employers who fail to consider flexible work options may be missing important opportunities to enhance both their business performance and their employees' engagement."

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