

Rehiring Retirees → Phased Retirement Options → Disability Benefits → Job Sharing
Targeted Education and Training Opportunities → Specialized Career Opportunities
Job Mobility → Mentoring → Knowledge Transfer → Employee Assistance Programs
On-Site Rehabilitation → Lifelong Learning Options → Professional Development
Partnering → Positive Corporate Culture → Financial Packages → Eldercare Services
Caregiving Support → Proactive Hiring Practices → Community Partnership Options
Prescription Drug Benefits → Workplace Flexibility → Long-term Care Insurance
Retention → Hiring Practices → Job Sharing → Profit Sharing → Volunteer Programs
Health and Wellness Programs → Flexible Schedules → Part-time Health Benefits
Career Management → Succession Planning → Workplace Redesign → Rehabilitation
Job Transfer Opportunities → Retiree Relations → Employee Attraction + Retention



Staying Ahead of the Curve 2004: **Employer Best Practices for Mature Workers**

Executive Summary

Study Conducted for AARP by
Mercer Human Resource Consulting

August 2004



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Staying Ahead of the Curve 2004: Employer Best Practices for Mature Workers

Executive Summary

A major shift is taking place in the U.S. workforce. It is aging rapidly. In 2002, 14% of the workforce was aged 55 or older. By 2012, 19% of workers will be at least 55, an increase of more than 10 million workers in that age group.¹ The number could be substantially higher if anticipated labor shortages materialize, employers implement strategies to attract and retain older workers, and/or if many of the boomers who say they expect to work in retirement, actually do.

AARP's goal is to expand employment opportunities for older workers, helping both workers and employers in the process. Toward that end, it has established the AARP Best Employers for Workers Over 50 (AARP Best Employers) program. Launched in 2001, this program seeks to recognize employers for their exemplary policies and practices. Employers who wish to be considered for the AARP Best Employers honor complete an extensive application describing their practices in areas such as recruiting, workplace culture, training and development opportunities, alternative work arrangements, health benefits, pensions and retirement savings plans, and retiree benefits. A multi-tiered selection process

used to select the AARP Best Employers includes a detailed assessment of each company's application by an outside consulting firm under the supervision of AARP, a review by a panel of external judges, and a due diligence process designed to ensure that the honorees have practices and policies that are generally consistent with AARP's public policies.

In 2004, AARP engaged Mercer Human Resource Consulting (Mercer) to conduct an analysis of the workforce practices and policies of many of the most recent and former AARP Best Employers.² Through this analysis, based primarily on an extensive review of the applications submitted by

¹ Source: 2002 figures from Mitra Toossi, "Labor Force Projections to 2012: The Graying of the U.S. Workforce," Monthly Labor Review, February 2004.

² The descriptions of the workforce practices and policies included in this report are based primarily on AARP Best Employers applications submitted by employers that received the AARP Best Employers designation in 2002, 2003, or 2004. In some cases, additional information was gathered through phone interviews or email communication with these companies. The information that the employers submitted, either on the applications or through subsequent communication, was assumed to be accurate and was not independently verified. Prior to publication of this report, the employers were given the opportunity to review content related to their practices.

winning companies in 2002, 2003, and 2004, Mercer identified many employer programs that are used to support, attract, retain, and manage a mature workforce. In a number of instances, Mercer supplemented its analysis with information from telephone interviews with representatives of winning companies as well as from outside sources. This report highlights numerous examples of best practices implemented by the AARP Best Employers that can be adopted, perhaps with modifications, by other employers to create a workplace of choice that appeals to older workers. It may also encourage employers to identify and implement other policies, programs, and practices that meet the needs of mature workers and their employers.

The information highlighted in this project should prove of value to employers, employees, and society as a whole in light of the changes that are occurring in the workforce. Not only is the workforce aging, it is growing more slowly than it had been when the huge boomer cohort was entering the labor force. Those boomers will soon begin reaching retirement age. More than half of the workforce of one of the AARP Best Employers, Deere & Company, for example, is expected to retire within 10 years. Deere & Company is not alone. Other organizations in the public and private sectors—particularly utilities and aerospace companies, universities and health care organizations, and the federal government—will face similar high retirement rates. The pool of replacement workers may not be sufficient to meet employer needs. Many employers have not yet identified what the workforce changes may mean to their

organizations and what they will have to do to meet their workforce needs.

Some employers, however, do seem better prepared to meet the staffing challenges that an aging workforce seems to promise, and some of them have become “AARP Best Employers.” The awardees have in place programs and policies that make their workplaces good for all workers, which means they are good for mature workers and younger workers. They may also have implemented programs and policies with an eye toward attracting and retaining mature workers.

Throughout this report, the term “employer of choice” is used to describe an organization whose policies, practices, and programs make it an attractive place to work. In some respects, however, the needs and priorities of mature workers may differ from those of other workers. Consequently, the mature workforce



may find certain policies, programs and practices more attractive or important than others, or than the younger workforce does. Moreover, there is considerable diversity within the mature workforce, so not all older workers will want or need the same programs or practices.

This study focuses largely on practices that address mature worker needs and interests.

The main themes that emerged in the analysis of the AARP Best Employers are as follows, in order of prevalence:

- Attraction and retention of the right workforce are important to the companies chosen as AARP Best Employers.
- Newly implemented programs reported by winners that focused on mature workers usually required only a modest investment.
- A company's individual industry and market focus can in many cases be leveraged to offer programs to support the maturing workforce.
- New programs are emerging to meet the workplace needs of the mature worker; the incidence of such programs has increased among the AARP Best Employers over the three years of the study.
- The AARP Best Employers in the healthcare sector appear to have more developed mature worker programs than AARP Best Employers in most other sectors.

Each of these themes will be discussed in more detail in the context of a framework that categorizes mature worker programs based on whether they are:

- **Fundamentals:** These are the policies, programs, and management practices that an informed individual is likely to regard as basic requirements when choosing a long-term job.
- **Core programs:** These programs involve job and career design, workplace design, work options and enablers of work options, flexibility, hiring and recruiting, and methods of leaving the workforce. They relate to the design and organization of a job.
- **Programs of significant value:** These programs create economic value but not career opportunity. They are also important in addressing the specific needs of mature workers and deal with their concerns about workplace flexibility, retirement security and healthcare. These programs give the worker a better deal and are of economic value to them.
- **Extras:** These programs may be a big help to some people, but they do not speak to the essence of the jobs, or the employment relationship. They create nominal economic value for employees.

This framework is used throughout the report to create a logical structure for thinking about the different types of employer programs and their significance.

The analysis identifies what is referred to by AARP as "best practices." There is no universally accepted definition of "best practices." For the purpose of this report, "best practices" are the practices implemented by winning companies in the AARP Best Employers for Workers over 50 program

that expand employment opportunities for mature workers, address their particular needs and interests, and generally make work more rewarding. More attention is paid to practices that are followed by a number of companies across several industries than to practices found in only one or two companies or one industry.

Several themes emerged from the analysis of the best practices among the AARP Best Employers:

Attraction and retention of the right workforce are important to the winning companies.

- Many of the best practices involve retention and focus on influencing the ways workers exit the labor force. A number of companies offer some form of phased retirement and/or rehire retirees. Examples of these include the programs of current and past winners such as **Pinnacle West Capital Corporation**, Phoenix, AZ; **SSM Health Care**, St. Louis, MO; and **Bon Secours Richmond Health System**, Richmond, VA.
- Flexibility is a key theme in supporting retention, and the best practices include options about work schedules and location. Restructuring job content was far less prevalent, although it likely will be a bigger issue in the future. Common options included job sharing, part-time work, and compressed work schedules. The case example of **Scripps Health**, San Diego, CA, illustrates a combination of job sharing and flexible scheduling.
- Retention was also fostered by efforts to



help employees move to different jobs and access new opportunities within the company. Some winners had formal systems to support and enable workers to move to new jobs within their organizations. Many offered career counseling. Some winners offered special assignments to mature workers. Mentoring was a form of special assignment that also facilitated knowledge transfer. Employers with such programs include **The Principal Financial Group**, Des Moines, IA, and **Deere & Company**, Moline, IL.

- Some companies retain employees by restructuring the workplace to make work less physically demanding. There were very few examples of this, but it is a promising area for the future.
- Extra benefits such as 401(k) “catch-up” contributions (optional additional contributions allowed for workers age 50 or older) and time off to care for dependents beyond that required by the Family and Medical Leave Act (FMLA) were used to support retention efforts. Many winning employers featured this option.

- Comprehensive programs specifically designed to attract mature workers were found in healthcare organizations, but not among other types of employers, except temporary agencies. Efforts in rehiring nurses after an absence from the workforce by **St. Mary's Medical Center**, Huntington, WV, is an example of such programs. What is happening at St. Mary's Medical Center and in other healthcare institutions may be a precursor of what will happen elsewhere.
- Comprehensive talent planning offers a way to deal with retention issues on a longer term and more comprehensive basis. Talent planning focuses on the talent that will be needed, where to get the talent, how to keep it, and how to manage its loss. This analysis uncovered little evidence of comprehensive talent planning among AARP Best Employers. Healthcare organizations appeared to have more programs with multiple components than did the other winning companies. Mercer's experience is that most employers are not yet doing such planning. Examples of Return on Investment (ROI) measures are mentioned in the case example of **Scripps Health** and examples from outside sources.

Newly implemented programs that focused on mature workers usually required at most a modest investment.

- Retirement planning and preparation programs were common. Through these programs, employers help workers plan and prepare for their retirement years, for which workers are shouldering more of the financial responsibility. Most of the

AARP Best Employers in 2004 provided some sort of retirement planning.

- Added benefits such as 401(k) "catch-up contributions," dependent-care spending accounts focused on elder care, and group offerings of long-term care insurance provide for tax breaks and group purchase, although employers seldom pay for the benefit. Such practices were very common among the 2004 AARP Best Employers.
- Workplace restructuring (changing the physical environment to make work easier) offers a good opportunity to impact productivity, but the AARP Best Employers applications provided few examples of this. This may be a big opportunity area.

Within the programs of significant value, retiree health is a major exception to the observation that programs do not cost much. Retiree health is a long-established benefit that is very costly.

Many of the companies honored as AARP Best Employers leverage their areas of market focus to offer programs to support the maturing workforce.

- Financial service and insurance companies were most likely to offer financial planning programs to employees, including access to their service centers and support mechanisms. **The Principal Financial Group** and **Farmers Insurance Group of Companies**, Los Angeles, CA, are examples of this.
- Some hospital systems and healthcare providers offered healthcare services either

at a substantial discount or at no cost to the employees covered under their health plans. Prime examples of these practices cited in the report are repeat winners **Scottsdale Healthcare**, Scottsdale, AZ, and **St. Mary's Medical Center**.

Newer programs are emerging to engage the mature worker. The incidence of such programs among these companies has increased over the three years of the study.

- These include programs to reinforce messages and show appreciation for longer service employees, such as the Personnel Achieving Long-Term Service (PALS) Program at **Children's Health System-Birmingham**, Birmingham, AL.
- Programs recognizing mature worker issues help mature employees work more effectively in a common work culture and integrate these individuals with other workers that have different needs and issues. **The Vanguard Group**, Valley Forge, PA, and **Scripps Health** both offer examples of these types of programs.
- Support for family care needs, the rehiring of retirees, phased retirement, and flexible work arrangements address some of the most burning issues of mature workers. Examples of these were found in a number of winners, such as **First Horizon National Corporation**, Memphis, TN, and **Volkswagen of America, Inc.**, Auburn Hills, MI.

The AARP Best Employers from the healthcare sector appear to have more developed mature worker programs

than most of the AARP Best Employers from other sectors.

The healthcare industry depends on many specialized workers in different occupational groups, and the issues it is facing may be a precursor of what is coming to organizations in other sectors that depend on a number of specialized occupations. Examples of mature worker programs that have been implemented by healthcare organizations include:

- Healthcare organizations that have worked with professional schools to encourage and support entry into nursing. The initiatives of **Loudoun Healthcare, Inc.**, Leesburg, VA, with George Mason University is an example.
- Targeted recruiting programs that are being used to recruit professionals, particularly nurses, from as many sources as possible. Retirees and mature workers are clearly being targeted for these efforts. **St. Mary's Medical Center** and **Loudoun Healthcare** provide examples of these practices.
- Healthcare organizations that offer a wide variety of flexible work options.
- Hospitals that make the job of nurses less strenuous by, for example, installing hydraulically functioning hospital beds.
- Phased retirement and retiree rehire programs, which are more likely to be formalized within the healthcare industry than elsewhere.
- Specialized services at a discount to employees and/or retirees. **Scottsdale Healthcare** provides an example of this practice.

The Future: More Focus on Business Issues that Drive Policy

Given global competition and the expectations of investors, the business case and results produced by all workforce management programs are very important. In this climate, Mercer's experience has shown that most organizations are reluctant to implement or keep programs that they cannot make a business case for or show a positive return on. Business cases provide management an avenue to show to their boards that they are acting rationally. An important step in understanding the business issues is an analysis of the internal and external labor markets and the importance of finding a match between the two. The shift in the external labor market as the population ages and the corresponding shift in the internal labor market mean that the solutions of the past often will no longer work.³ Some of the issues that employers will be confronting:

- Availability of talent generally; particularly needed are specialties such as nursing and nuclear engineering.
- Importance of maintaining intellectual capital and relationships so that as one group leaves, the business will continue to benefit, maintain continuity of customers, regulators, etc.
- Costs of benefit programs.
- Retention of key employees.



- Potential changes in employee productivity (both increases and decreases).
- Rewards for performance suited to the maturing workforce.
- Careers and career progression.
- Market branding and customer perceptions.
- Work/family friendly (linked to employer of choice).
- Skilled worker shortages.
- Health and productivity.

³ External Labor Market: The demand and supply of current and future labor outside of an organization's own workforce. It is generally accessed for specific skills or job groups. Internal Labor Market: An organization's three interrelated flows of employee attraction, development, and retention, and the effectiveness with which these flows are managed. (Source: Mercer Human Resource Consulting)



Industry-Linked Business Issues

Some companies unwittingly exacerbated the effects of future demographic shifts when they slowed hiring and terminated younger workers during the economic slowdown in the early 1990s. As a result of these decisions, their workforces now lack younger and mid-career employees that would be part of these groups

Furthermore, entire industries are already feeling the pressure of the demographic shift. Aerospace and defense, utilities, healthcare, insurance and financial services, and public education, in particular, face some of the greatest threats of a “brain drain” as mature, experienced workers approach retirement and too few skilled replacements are available. The problem is not restricted to white-collar professions; the ranks of experienced blue-collar workers are already thinning, with implications for such industries as construction

and heavy manufacturing that are heavily reliant on the skilled trades. Nor is this problem limited to the private sector: the federal government is highly populated by individuals nearing retirement age and faces substantial talent shortages in certain jobs as a result. Some examples of how these issues are linked to specific industries are described below.

Aerospace and defense. The defense budget cuts of recent decades caused workforce pruning in aerospace and defense companies, with cuts often focused on workers with lower seniority. Budgetary restrictions also severely limited new hiring. During recent decades, many experienced employees were offered attractive buyouts under early retirement incentives. As a result, the average age of workers in the defense sector of the industry is now 51. Engineers, mechanics, and many other skilled personnel in these businesses are nearing retirement age, and the industry’s traditional retirement programs still encourage early retirement. Furthermore, the industry is not seen as very attractive by the best potential new entrants to the labor force.⁴ Much of the work requires security clearances, so options for getting work done offshore and/or using immigrants are not as readily available as they might be in other manufacturing businesses.

Utilities. Many utilities downsized their workforces in the face of deregulation and new types of competition. These businesses have skilled workers—nuclear engineers are one example—that are aging and in short supply in the labor market. The industry’s traditional

⁴ Source: Mercer Human Resource Consulting.

retirement plans still offer attractive early-retirement options that accelerate the loss of seasoned workers with critical skills.

Healthcare. Hospitals use many skilled health professionals who are projected to become increasingly scarce. This is particularly true of nurses, who are already in short supply. The average age of nurses today is in the late 40s. As a result of healthcare cost controls, hospital re-engineering, and higher patient acuity levels as care of less-ill patients has shifted to out-of-hospital settings, nursing has become an increasingly difficult job. With many more professional options now available to women, for whom nursing was once one of the few occupations open to them, many women have left nursing for other jobs, and many who might have chosen nursing are making other choices. Retired nurses who still want to work often can find less demanding work in less stressful environments.



Public education. A growing number of teachers in the public education system will soon be eligible for early retirement, which typical public-sector retirement programs make very attractive. The U.S. General Accounting Office (GAO) reports that as a way to deal with teacher shortages, some states now allow critical teachers to collect their pension benefits and continue working. Arkansas, California, Louisiana, and Ohio have all adopted incentives for older teachers to stay on the job rather than retire. Many public entities have installed Deferred Retirement Option Plans (DROPs) that allow workers to continue working beyond retirement age but with the provision that the benefits they would have collected are set aside in a special fund to be paid to them in a lump sum when they retire.⁵ However, the degree to which such policies (which may not be legally available to private-sector employers) can stem the loss of experienced teachers and therefore meet the need for teachers is uncertain.

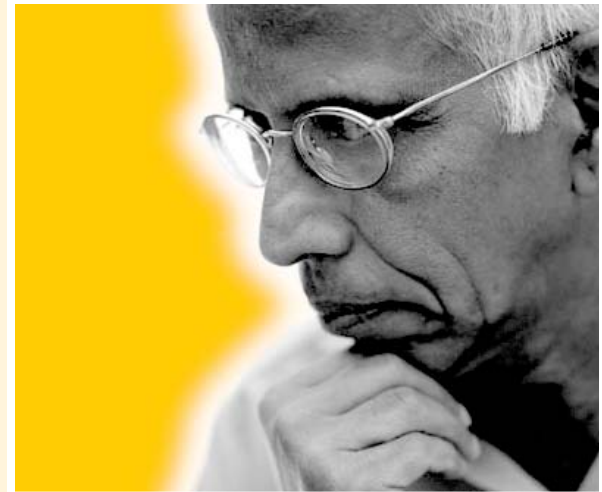
⁵ Source: GAO-02-85, Nov.,2001, Demographic Trends Pose Challenges for Employers and Workers, page 27–29

Looking to the Future

The general aging of the workforce in the U.S.A. and overseas is likely to lead to substantial shifts in the workforce. At a minimum, companies will experience major talent challenges in some occupations. Some observers are projecting major talent shortages nationwide, but there is less consensus about this. This study suggests to employers a combination of a long and short term strategy. It also raises issues that require policy attention.

In the short term, employers will want to look at their current programs, identify problems and unmet needs, and think about how to improve what they are doing now. They will also want to make a first-round assessment of how the changing demographics will affect them and identify specific occupational groups where there may be problems and where a strategy is needed.

Over the longer term, employers will have several opportunities for more effective



responses to mature workforce challenges and issues. Today's responses are often piecemeal rather than comprehensive. Addressing these challenges as a business issue and focusing on the business cases in their responses will allow organizations to provide justification for new programs to managers and to boards of directors. In addition, employers can improve productivity through workplace and program redesign in ways that will respond well to mature worker issues. Finally, talent shortages will be a major problem for many employers. Talent planning is vital to understand where staffing gaps are likely to fall and to build job-specific strategies to fill them, particularly in scarce occupations. Organizations have many options to address all of these challenges; and by doing so in a comprehensive way, they can turn potential staffing liabilities into business opportunities.

Policy barriers to the expansion and implementation of best practices programs must be identified. In particular, policy issues around phased retirement and rehiring retirees should be examined.

Recommendations

Companies will soon face the demographics of a changing talent pool, if they are not doing so already. These companies can use the following steps to define a process to address issues such as impending talent shortages, knowledge transference as the boomers retire, and skill development of the growing number of older workers:

- **Analyze workforce demographics:** In performing the workforce analysis, use quantitative as well as qualitative approaches. Talent issues are quite likely to be job specific—for instance, in healthcare there can be shortages in nursing.
- **Identifying potential solutions:** The best practices identified in the report provide some ideas, and many other solutions are available as well.
- **Assess the fit to the company:** As part of this step, most organizations will want to calculate the return on investment. Identification of methods of measuring success is an important step towards improving programs and keeping them in place. Choose directions to take. Based on the assessment of fit and resources available, a company will select the types of programs to implement and set timing of when to introduce them.
- **Design the details of the specific program to fit the context:** Programs need to be tailored to each environment.
- **Pay particular attention to implementation:** Good implementation is vital to

success. Many good ideas fail to live up to their potential not because they are bad, but because the implementation was not adequate.

- **Monitor results and utilization of programs implemented:** Use predetermined success measures.
- **Evaluate:** Determine what benefits are being achieved and whether they justify the cost. If not, move resources to other areas.
- **Refine as necessary:** Many programs must be fine tuned and adjusted as the business context changes. Often, the plan is to expand them. Most organizations will want to start small and build later. Measurements of success for the earlier parts of the program help build the business case for future additions.



Selected Examples of Best Practices⁶

Job Mobility at Deere and Company, Moline, IL (Excerpts from Case Example 5-2):

Deere and Company reports that in 2004 it has “a self-nomination process for job openings for career movement.” The company has “many team and special assignments that are provided for development, along with task forces, presentations and steering committees.” Managers are encouraged to seek out opportunities with employees as part of the annual performance review process. The advantage of these programs for mature workers is that they provide workers with opportunities for mobility and skill building that are institutionalized in the company, something that is fairly uncommon. (Source: AARP Best Employers applications)

Phased Retirement Options (Excerpts from Case Example 5-4):

Among those companies that offer phased retirement, several allow employees to collect their full retirement benefits while continuing to work part-time or reduced hours while also allowing health and ancillary benefits. This is especially true among healthcare organizations. Some winners such as **SSM Health Care**, St. Louis, MO; and **Bon Secours Richmond Health System**, Richmond, VA, allow their long-

tenured employees to do this once they qualify for retirement. Other winners, such as **St. Mary's Medical Center**, Huntington, WV, adjust pension calculations to allow workers to reduce hours in their final years of employment without decreasing their final pension benefit. St. Mary's Medical Center notes that these options are typically taken by mature workers who have not yet reached retirement age—in addition to transitioning, it allows mature or infirm workers to cut down on their hours without risking loss of retirement benefits in the final years of their mandatory employment. This particular program, in fact, was driven by employee demand.

On another level are companies that allow long-tenured and older employees to stagger or reduce their work hours, often to part-time or per-diem status, without jeopardizing benefits that otherwise would not be available to part-time workers. Several winning companies had formal programs that fit this profile, while others had informal arrangements that were implemented at the discretion of individual managers.

Finally, there are practices that encourage work after retirement but not through formal phased-retirement options. Rather,

⁶ These examples represent either complete case studies or excerpts from case studies that appear in the full report. Additional case studies are included in the full report.

these practices encourage the hiring of retired workers in part-time and contracting positions. Workers with these arrangements have jobs similar to those that they had prior to retirement, but receive the pay and benefits of part-time employees. Such arrangements offer flexibility as employees begin retirement and can be attractive to smaller firms where elaborate phased-retirement planning is beyond the scope and capabilities of the human resources and administrative staff. Examples of these arrangements were reported by several winners, including **Adecco Employment Services**, Melville, NY. (Source: AARP Best Employers applications and subsequent communication with the employers)



Rehiring Retirees at Hoffmann-La Roche, Inc., Nutley, NJ, and St. Mary’s Medical Center, Huntington, WV (Excerpts from Case Example 5-6):

Several winning companies had hiring practices that target retirees. These programs included hiring retirees as temporary and replacement workers and the establishment of pools of retirees who could be called in times of increased labor demand. Other programs were aimed at reintroducing retirees as full-time participants into the workforce.

Hoffmann-La Roche has an on-site agency that places former/retired employees in temporary Roche job openings. **St. Mary’s Medical Center** has a program targeted at nurses that is designed to include re-entry training and a flexible work schedule. The program is intended to meet the personal work/life situations of retired employees and

employees returning to the workforce after a long absence. St. Mary’s Medical Center reports particular success with this program, noting that many returning workers prefer the part-time work options offered by the practice. In addition, returning mature workers bring a wealth of experience to the job that new entrants do not have.

There are many advantages to rehiring retired employees, including their proven job skills and familiarity with the existing culture, norms, and practices within an organization. As such, it makes business sense to do so. Programs such as these that aid the participation of retired, mature workers in the workforce provide benefits to all parties and take advantage of an otherwise untapped resource. (Source: AARP Best Employers applications and subsequent communication with the employers)

Individual Accommodations (Excerpts from Case Examples 5-9):

The Principal Financial Group, Des Moines, IA: The company purchased a magnicam to help an employee who had developed vision difficulties. The employee could place paper documents under a camera and view the documents on a TV monitor.

Pitney Bowes, Inc., Stamford, CT: The company offered to retrain a mature employee who had developed a chronic heart condition. The employee had previously worked a strenuous job but successfully transitioned to a less strenuous job that required computer skills.

DentaQuest Ventures, Inc., Boston, MA: An accommodation was provided for an employee who developed carpal tunnel syndrome. The organization provided a new computer mouse and armrests that helped the employee perform the job effectively.

Adecco Employment Services, Melville, NY: A blind IT Help Desk Analyst was given accommodations that helped him perform his work, including special hardware and software as well as a workstation large enough to accommodate his dog. A buddy system helped him to navigate through the building. (Source: AARP Best Employers applications)

Partnering with Local Colleges at Loudoun Healthcare, Inc., Leesburg, VA (Case Example 5-12):

A strategy for developing needed skills in scarce specialties is by partnering with local educational institutions. Such arrangements can bring the classroom to the workplace,



making it convenient for current employees to receive training and to upgrade their skills. This is especially true for technical and clinical skills that are not easily taught through online offerings.

Loudoun Healthcare, partnered with George Mason University in Arlington, VA. The University held classes for its Masters of Science in Nursing program on site at Loudoun Healthcare facilities. Current employees are encouraged to join the program through a tuition forgiveness program, which is funded through the hospital. The organization reports that the opportunity to pursue continued education, on site and employer-funded, is a terrific retention and recruiting tool. To date, the program, in place since 2001, has assisted dozens of nurses to further their studies. In this “best practice,” Loudoun Healthcare is able to further the careers of all its workers, including mature workers, while filling a need within the hospital: trained nurses.

Partnering with local colleges will become increasingly important in areas with scarce skills in the future. In addition to healthcare jobs, skill shortages will be a vital issue for other skilled jobs such as machinists, carpenters, electricians, etc. Traditionally, apprentice programs were used to train workers for these jobs. However, many of these jobs are not favored by today's entrants to the workforce. Mentoring, mentioned above, is another way to facilitate learning at different life stages. (Source: AARP Best Employers applications and subsequent communication with the employer)

Lifelong Learning at The Principal Financial Group, Des Moines, IA (Excerpts from Case Example 5-11):

Another example is **The Principal Financial Group's** commitment to "Lifelong Learning." Employees are encouraged and, in fact, held accountable for upgrading their knowledge and skills throughout their careers at The Principal. Rather than focusing the training programs on new hires and younger workers, The Principal advocates a career-long learning process, one that is also aimed at enhancing educational opportunities for long-service and older workers. An example of this is its Managing Diversity course, which includes examples and a case study that focus on the need and value of developing older workers. As part of its overall commitment to employee development and its people development core value, The Principal is in the midst of a significant revision of its entire core curriculum. A particular focus will be placed on leadership and management, high performance culture,

engaged employees, business and financial acumen, corporate responsibility, and enhanced productivity (including wellness). There is an expectation that all employees at The Principal will have an individual development plan that is supported through the company's development consultants and human resource generalists. (Source: AARP Best Employers applications and subsequent communication with the employer)

Flexible Schedules and Job Sharing at Scripps Health, San Diego, CA (Case Example 6-6):

Workplace flexibility comes in many guises. **Scripps Health** has addressed the issue in two complementary ways: flexible work options and job sharing.

Job sharing at Scripps is available to all employees, especially those who want to work part-time or work fewer hours. Two employees in the same job position can share the same job, work fewer hours, yet keep their skills competitive. This is in addition to the flexible work options that are provided for employees phasing into retirement, compressed workweeks, telecommuting, and specific individual accommodations. The value of this approach is that it does not try to achieve a "one size fits all" solution. Rather, it offers a broad range of options, including support, such as home office equipment and training that give its employees freedom to choose what works best for them. (Source: AARP Best Employers applications and subsequent communication with the employer)

Flexible Spending Accounts for Elder Care at Volkswagen of America, Inc., Auburn Hills, MI (Case Example 6-2):

An added benefit that emerged in several winning applications was Flexible Spending Accounts for elder care. In many instances, companies had set up flexible spending accounts that allow employees to put away money for elder care pretax. While a company rarely matches the contributions to these accounts, it does bear the costs of administering the program. **Volkswagen of America** provides this benefit, allowing workers to allocate \$5,000 in pretax earnings to such accounts. Although most employees elect to use this program for childcare, the fact that this benefit is also directed at mature workers and may be used to care for aging dependent parents makes a statement about how the company has decided to spend its benefit budget. By steering funds into a mature worker-focused benefits program, Volkswagen not only provides for these employees, it sends a message that they are valued and that the company has an interest in attracting and retaining them. (Source: AARP Best Employers applications and subsequent communication with the employer)

Measuring Program Results and Return on Investment at Scripps Health, San Diego, CA (Case Example 8-3):

In its 2004 AARP Best Employers application, **Scripps Health** describes the measures it uses to evaluate the success of its Career Transition Program (CTP). Positioned as a retention and attraction device in an industry facing a talent shortage, Scripps uses the program to allow displaced employees “to enroll in the CTP and receive pay and



benefits at their current base rate for up to 12 weeks while they look for positions they are qualified for both internally and externally.” Notably, Scripps Health is able to report reliable measures of the success of this program: “from October 2002 through March 4, 2004, the CTP has realized total savings of \$684,451 to the organization by placing employees internally and externally.” (In addition, it has a high success rate in placing mature workers both within and outside of the organization.) The advantages of this approach extend beyond the retention effects and cost savings. Through rigorous tracking of its results as well as a quantifiable return on investment, program administrators are better able to make informed decisions about potential changes in the program. They are not forced to rely on “gut instinct” and guesswork when it comes to evaluation and potential modifications. (Source: AARP Best Employers applications and subsequent communication with the employer)

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Rehiring Retirees → Phased Retirement Options → Disability Benefits → Job Sharing
Targeted Education and Training Opportunities → Specialized Career Opportunities
Job Mobility → Mentoring → Knowledge Transfer → Employee Assistance Programs
On-Site Rehabilitation → Lifelong Learning Options → Professional Development
Partnering → Positive Corporate Culture → Financial Packages → Eldercare Services
Caregiving Support → Proactive Hiring Practices → Community Partnership Options
Prescription Drug Benefits → Workplace Flexibility → Long-term Care Insurance
Health and Wellness Programs → Flexible Schedules → Part-time Health Benefits
Career Management → Succession Planning → Profit Sharing → Volunteer Programs
Job Transfer Opportunities → Retiree Relations → Employee Attraction + Retention
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