



**THE CHAMBER OF COMMERCE OF HAWAII**  
**VOICE OF BUSINESS**

March 2007

**SEASONED WORKERS ARE GOOD  
FOR ALL SEASONS**

The American workforce is aging. Attracting, retaining and engaging older workers will be critical in the years ahead

**IS YOUR BUSINESS PREPARED?**



## Older Workers – Why a Seasoned Workforce is Good for Business

**Bruce Bottorff**, Associate State Director Communications, AARP Hawaii

Older Americans celebrated a milestone last year that has some employers feeling anxious. With the first of the baby boomers turning 60, questions have been raised about the impact older workers may have on companies if they are part of a mass corporate exodus at the traditional retirement age of 65.

The prospect of a retirement-induced labor shortage is of particular concern in Hawaii, where the loss of experienced workers adds to the pressures of looking for talent in a state with an already tight labor market and comparatively low unemployment.

At the heart of these concerns is the fact that the American workforce is getting older. According to projections by the Bureau of Labor Statistics, by 2012 nearly 20 percent of all workers will be over the age of 55. That percentage will remain fairly constant until 2025. Compare that to 1992 when mature employees comprised just 12 percent of the total workforce.

But there's a bright side to the graying of the workforce: older workers show no signs of pining for retirement or wanting to slow down. Indeed, as our workforce ages, more employees are expressing a strong desire to work well into the traditional retirement years—and beyond. According to one recent study, nearly 70 percent of people between the ages of 45 and 74 is either looking for work or plans to work in some capacity during retirement. Many say they have no plans to retire at all.

That's good news, because the longer workers 50 and older stay on the job, the more they'll have a positive impact on corporate productivity and competitiveness. The bottom line—older workers are good for business.

Indeed, given the productive advantages of 50+ workers, employers are finding that older workers are cost-effective in all kinds of ways. Just over a year ago, AARP and the human resources consulting firm Towers Perrin released a comprehensive study on the value of older workers titled "The Business Case for Workers Age 50+." The study debunked the perception of many employers that 50+ workers "cost more" than younger workers. Without exception, the 10 major U.S. employers interviewed for the study said that the experience, maturity, and positive attitudes of 50+ workers provide enormous value to their businesses.



The study found that older workers are highly engaged in their work and motivated to exceed expectations on the job.

Perrin's research demonstrated that employee "engagement" is viewed as a key factor in predicting the financial success of a company. Moreover, given the high cost of turnover, the higher engagement levels among workers 50+ are an important consideration for companies seeking to maximize their investment in human resources.

Today's business leaders recognize that future success depends on combining strategic business needs with workplace practices in ways that maximize the experience of their workers. The most effective companies have adopted workplace policies and practices that are designed to capture the skills, experience and enthusiasm of mature employees. Examples of workplace innovation include flexible work options, training and development opportunities, and competitive retirement and health benefits.

For many businesses, remaining competitive starts with a workplace planning process that relates to the aging workforce and a company's particular workforce challenge area.

Here are some of the common challenges:

- **Numbers retiring** – Staying aware of the average age of your workforce and being able to anticipate when a large number of individuals are eligible to retire soon or at the same time.
- **Knowledge loss** – Even if large numbers of employees are not retiring, there could be significant loss of corporate knowledge or culture due to the retirement of key staff, such as leaders or department heads.
- **Skill shortages** – Companies may have enough applicants, but they may not be reaching the highly qualified applicants they need to fill certain positions.
- **Turnover** – The inability to retain valued employees costs time and money in continually recruiting and training new candidates.
- **Management** – Companies may be concerned with managing an increasingly multigenerational workforce and ensuring that they're putting into place the benefits, environment, training opportunities, flexibility and fair practices that will attract and retain a quality workforce.

- **Recruitment** – Companies may have a hard time attracting job candidates either because of the nature of the job or because candidates are unaware of the opportunities available to them.

Though some employers have been slow to adapt to the realities of our aging workforce, a growing number realize that mature workers are a great competitive asset. They know that attracting, retaining and engaging older workers will be critical in the years ahead. Creating a positive work environment that is mutually beneficial to workers and companies makes good business sense—for employers and employees alike. ☺



## How can we prepare our businesses for an aging workforce?

**Jim Tollefson**, President & CEO The Chamber of Commerce of Hawaii

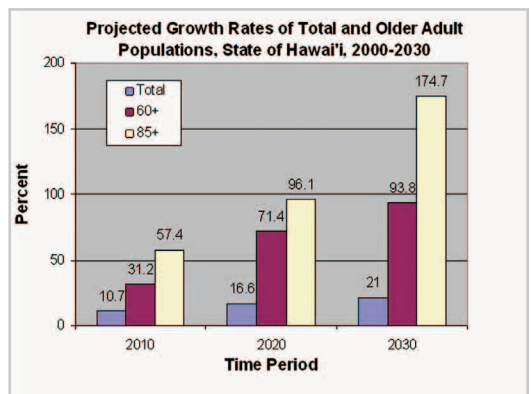
One of the most important trends impacting our state over the next 30 years will be the rapid aging of our island population. By 2030 it is predicted by the Center on the Family, UH Manoa that almost 28% of Hawaii's population will be over the age of 60. This will have a phenomenal impact on the senior population, our healthcare system, the dynamics of family life, and we will experience a much smaller youth population. This trend will affect every area of our society.

### But what does this mean to our businesses and our future workforce?

It means that as employers we must recognize that the demographics of our workforce will steadily get older and we will need to structure our businesses to prepare for this trend. As the population ages in Hawaii, we as employers will no longer be able to rely on a large pool of young workers. We will have to expand our hiring efforts to include older workers and emphasize retention and recruitment of these workers.

I believe as we adjust to this shift in workforce to older workers, we will find value in their lifetime of experience, and knowledge of the business world. Currently, over 50% of the Chamber staff is over 50. With low unemployment we are already seeing results of this trend in Hawaii's business community. Although there are generational differences, I find that the office dynamic is a strong blend of experience and youthful enthusiasm.

I think as business leaders, if we approach this trend with forethought and make it a part of our company's strategic plan now by expanding our company practices to accommodate the needs of the older workforce, we will be on track to adapt to the change in our future workforce. By recognizing that it will be in our company's interest to start planning now, we can assure that the aging workforce does not impact the future success of our businesses. ☺



Hawaii's Older Adults: Demographic Profile. UH, Center on the Family

## MEMBER SPOTLIGHT

### AARP

With nearly 38 million members across the country—including more than 152,000 members in Hawaii—AARP is America's largest membership and advocacy organization serving people over the age of 50. As part of its service to older Americans, AARP offers information resources to businesses to help them stay on top of issues related to aging:



- Employer Resource Center – an online tool offering information on everything from workforce trends to retention strategies: [www.aarp.org/money/careers/employerresourcecenter](http://www.aarp.org/money/careers/employerresourcecenter).
- Best Employers for Workers Over 50 – a national recognition program showcasing today's innovative business leaders.
- Worksite Caregiver Resource Kit – Balancing work and family caregiving can be stressful. AARP helps employers address their workers' caregiving challenges by providing a free resource kit comprised of aging and eldercare related materials.
- 10-Week Walking Program – contributes to a healthier workforce by encouraging employees to form exercise groups. AARP provides pedometer and tracking tools.
- SmartBrief – a free, twice monthly e-mail newsletter designed specially for employers.


For information about these and other resources available to businesses call 808-545-6006.



## Business After Hours

Relaxed, informal business-to-business networking event

The Chamber's most popular event exclusive to Chamber members! The Chamber's Business After Hours is an opportunity to network, make contacts and promote your business while experiencing some of Honolulu's most unique venues. As an added value to the members, complimentary tables are set for members to display their collateral and numerous door prizes are donated. The event provides members with a dynamic networking environment

and a great opportunity to increase their visibility, build referrals and establish valuable relationships. To find out more contact Lydia Tsugawa at 545-4300 ext 313. 

**"It was a lot of fun. There are so many marketing opportunities and business transactions to be done. At the Honolulu Airport Hotel, I met a member at the very last minute, and from that short encounter, I did business with him today! The Business After Hours is such a worthy event. Life is about opportunities and The Chamber of Commerce of Hawaii definitely maximizes and gives us the edge in business."**

Dr. Steven Rawson, Wellife Chiropractic Center.

## EVENT LISTING

### MARCH 2007

- 1 Marketing Seminar, HHV-Coral Ballroom, 7:30am-2:00pm
- 7 Education Meeting, University of Hawaii, 7:00-8:00am
- 15 Tourism Committee, Location TBA, 7:30-9:00am
- 15 New Member Welcome, CCH Office, 5:00 – 6:15pm

### APRIL 2007

- 4 Education Meeting, University of Hawaii, 7:00-8:00am
- 5 Business After Hours, 5:30 -7:30pm
- 26 Hawaii Military Appreciation Month Opening Ceremonies, Ford Island/Pacific Aviation Museum, 6:30-8:30pm

### MAY 2007

- 2 Education Meeting, University of Hawaii, 7:00-8:00am
- 19 Combined Military Band Concert, Hawaii Theatre, 7:00-8:30pm
- 24 Military Recognition Luncheon, HHV-Tapa Ballroom, 11:00am – 1:30pm

### JUNE 2007

- 2 Honolulu Zoo Day, USO
- 6 Education Meeting, University of Hawaii, 7:00-8:00am
- 7 New Member Welcome, CCH Office, 5:00 – 6:15pm
- 11-15 MAC Delegation, Visit to DC
- 21 Business After Hours, 5:30 - 7:30pm

### JULY 2007

- 12 157th Annual Membership Luncheon, 11:00am – 2:00pm

For a complete listing of Chamber events go to [www.cochawaii.org](http://www.cochawaii.org).

For questions or information on these events please contact Kyle Okamura at 545-4300 ext 317 or email at [kokamura@cochawaii.org](mailto:kokamura@cochawaii.org)