# Inter-Generational Workforce White Paper

## IEEE-USA Career & Workforce Policy Committee
### Career Issues Subcommittee

**Ed Perkins, Chair; Greg Hutchins, Member;**
**Elizabeth Lions, Resource member; Hank Lindborg, Resource Member**

## 1. Introduction

While companies and workers have been pre-occupied with globalization, competition and job dislocation, the impending crisis of an rapidly aging (and about to retire) U.S workforce has been looming. Those who cry of a shortage of tech workers while they disparage older workers risk discovering the folly of their ways when there is a real shortage of all workers. Immigration and importing workers from India and China will not solve this problem, as they (and many of the Western nations) will experience this same phenomenon. Companies will find a need to retain older workers, entice younger workers, and provide meaningful career options for midcareer workers. These groups exhibit distinctly different mores, attitudes toward work, and outlook, resulting in significant challenges to both companies and their workers.

In this paper, we first introduce and define what is meant by the "aging U.S. workforce", then we describe the different generations, and scope out the resulting impacts on companies, workers, and society. We list major issues resulting therefrom and conclude with some recommendations on actions that IEEE-USA and the CWPC can take in response.

## 2. What is the "Aging Workforce"

A rapidly aging global workforce – and the increasing numbers of older workers who want or need to work beyond normal retirement age – is creating an unexpected challenge and a major opportunity for employers and employees in the United States.

Some 64 million baby-boomers (over 40 percent of the US labor force) will be eligible to retire by the end of the decade, creating a potential shortage of up to 10 million workers. Compounding the problem, the number of 35-44 year olds, those normally expected to move into senior management ranks, will decline by 10 percent by 2010. Also by 2010, the number of US workers aged 45-54 will grow by 21 percent while the number of 55-64 year olds will expand by 52 percent.

To remain competitive in an increasingly technology-driven global economy, US employers will have to find new and innovative ways to retain their best and brightest older workers without compromising advancement opportunities for talented mid-career and younger workers. At the same time, many older workers who want to remain in their jobs for personal fulfillment and financial reasons will have to work harder to maintain their ability to add value in global labor markets that demand increasing flexibility and facility with rapidly changing technologies.

Private sector industries currently feeling the greatest pain in terms of imminent skills shortages include oil, gas, energy and healthcare as well as aerospace and defense. In the public sector, Federal, state and local government agencies are particularly hard-pressed.

Employer and employee-based organizations are beginning to realize that older workers represent an increasingly important ingredient in their continuing efforts to ensure continuing economic growth and productivity. The challenge is to find more and better ways to help older workers maintain their career vitality by leveraging their competitive strengths and by making it easier for different generations of workers to work together more effectively—especially in knowledge transfer.

IEEE-USA's efforts to assist its older members to maintain their employability and careers needs to include pro-active member educational and employment policy components.

Key elements of an appropriate response to the career vitality challenge include summary descriptions of:

1) how engineering workforce performance requirements are changing;
2) how employers rate the essential knowledge, skills and functional capabilities of older, mid-career and younger workers;
3) what private and public sector organizations are doing to strengthen key capabilities of older workers;
4) what IEEE and IEEE-USA can and should be doing to help older engineers maintain their professional employability and career vitality.

## 3. The Inter-Generational Workforce

There are three major employee groups in the workplace: Mature (55+), midcareer (35-54), and young (18-34) workers. The younger worker groups are also more diverse in terms of ethnicity than the mature workers.

Factors creating the current situation are: the large number of Baby Boomers, increased longevity, and low fertility/birth rates.

While the commonly expressed view by industry is that there are plenty of able workers in developing countries, especially India and China, who can be imported to fix all our shortages, the fact is that nearly all countries face these demographic changes. The fertility/birth rate for most of the developed and developing world is less than that needed to maintain the current population. This becomes most apparent after 2020 according to data projections by the US Census Bureau.

### Multiple Generations in the Workplace

At this time in American history we have four generations side by side (pre-Boomers (60+), Boomers, Gen X, Gen Y) in the workplace. In the past, companies could put the generations into three tidy packages:

- The older generation was a group that would retire and was concerned with their pensions.
- The middle generation was the bulk of the workforce, focused on compensation, earning potential and benefits.
- The younger generation was a group that would support the future, and was in need of education and training.

Currently (2006), nothing fits in a neat little package, largely due to the changing workforce demographics. Dominating the workplace, the Baby Boomer population is slated to retire within the next ten years.

But beyond that, consider these statistics. According to AARP, by 2025 workers age 55 and older will be more than 20 percent (1 out of 5) of the total workforce.

The effects from the transition in the workforce from the boomer retirements will affect all areas of US society - government, utilities, military, and the private sector. How this will specifically affect science and engineering professions is a subject of much concern. For example, the recent National Academy of Science "Gathering Storm" study reports that over 60 percent of the federal science and engineering workforce is over age 45, including 79.1 percent of EE and Computer workers[1].

Complicating matters is that fact that for the past 15 years, companies have been aggressively moving from a more paternalistic view of their workers (e.g. “no layoff policy”) to a more bottom-line approach driven by “core competencies”, cost reduction, reductions in force, project orientation, and focus on skills for current projects. Certainly in the fast changing technologies, older workers are viewed as unproductive, obsolete, and undesired; younger workers as fresh, current, and more productive.

How the collision of this management attitude with the realities of scarce workers plays out will be critical to the continued and future prosperity of the country.

The US BLS has projected the distribution of the labor force by age for ten year periods from 1984 to 2014. Due to the Boomers, the average age of the workforce has increased over time as they have progressed through their careers. See “Employment outlook, 2004-2014” on-line at http://www.bls.gov/opub/mlr/2005/11/contents.htm

**Generational Characteristics**

The major generational groups have the following characteristics:

- Pre-Boomers, 60 and older, who may be staying on in the workforce instead of retiring at 62-65. This group grew up during the latter part of the Great Depression and WW II. Culturally, those now in the work force are close to the Boomers. Health care and gradual phasing out of the workforce are their main issues.

- The Baby Boomer population, born from 1946-1960, is unique in that during their work tenure, this group has experienced health improvements and employment in occupations that are physically less taxing on the body, which has led to their longevity in the

workplace. Gone are the days where by 65 you retire to a sunny beach and wait out the rest of your days. Other factors prevent this generation from leaving the workplace, including financial necessities. Some Boomers simply have a growing interest in making a contribution through work and continue to stay working. From an employer perspective, older workers impact companies in positive ways due to their knowledge of business basics. Lacking in the younger generations, is the ability to be a team player (e.g. understand and do what the organization expects), have high work ethic and understanding the big picture in business.

- Following the Baby Boomers is Gen X, born from 1960-1980. Fifty one million Americans are considered members of Gen X. Just like the generation before them, Gen X grew up in a different world. The greatest impact on this generation has been the rise of divorce during their upbringing. As a result of the divorce rate increasing, most of Gen X was brought up in single mother households. Worth noting, this was the first generation of latch key kids. Behavior that resonates in this generation is their uncanny ability to show strong traits of independence, resilience and their adaptability to change. Gen X grew up in a time that not only saw the family unit dissolve, but also witnessed their parents laid off. Due to this, Gen X has redefined loyalty, and this is evident in their long term relationships including marriage and as employees. This generation is not loyal to the company, but however, may show loyalty to the bosses they report to or the engineering teams that they work within. They tend to be employees that do not like to be micro managed, and prefer to have creative freedom and feedback in the workplace.

- Born from 1980-2000, Gen Y (sometimes called Millennials) grew up in households run by Baby Boomers or Gen X parents. A generation that is eager to learn, and reports always being felt loved and cared for by their parents. It's no small wonder this generation walked away with that perception. Gen Xer's complained that their two career parents never had time for them and swore they would not let this happen to their children.

  Older Baby Boomers who parented Gen Y, now had time to focus less on long work hours and turn their attention back to their families.

  A generation full of heroes, Gen Y has had role models such as Michael Jordan, Bill Gates and Tiger Woods, which left them with the idea that anything is possible.

  A generation not afraid of technology, they can certainly program the newest techno gadget in the household. Contrary, this generation has been subjected to extreme violence such as the series of school shootings, particularly Columbine, Colorado, as well as 9/11.

The diversity of the workplace has been increasing as well, starting after the civil rights movement of the late 1960s. A quick note on diversity in the engineering workplace. There are statistics that point to the erosion of English being the primary language spoken in America. Spanish speaking residents grew by 50% in the 1980's, Chinese speaking residents grew by 98%. According to The English Company UK, a producer of books and E-Learning, they predict that by 2050 the world will have:

1,384 million native speakers of Chinese
556 million native speakers of Hindu and Urdu
508 million native speakers of English
486 million native speakers of Spanish
482 million native speakers of Arabic

## 4. Impact of the Aging Workforce Problem

The upcoming Boomer retirements will impact the following entities:

- Companies
- Communities
- Society
- Government
- Workers (Engineers and Scientists) (those remaining as well as those retiring)

**Companies will risk:**

- Loss of institutional knowledge
- Need for succession planning
- Work not getting done
- Systems failing as a result

**Communities, Society, and Government will face:**

- Loss of competitiveness
- Loss of high value jobs
- Loss of income
- Loss of military innovation
- Loss of economic innovation
- Loss of viable communities (from non-Competitiveness and lack of innovation)
- "The sky is falling" (Political fear)

There are differing viewpoints on what the future will bring. Edward E. Gordon, author of *The 2010 Meltdown: Solving the Impending Jobs Crisis,* in a recent white paper [3, p. 32] feels that there will be a worker shortage and a "skills drought" which will impact the US economy around 2010, following the Boomer exodus from the workforce. "Labor shortages in a broad range of employment sectors have already begun to appear across the United States [3, p. 37]."

Importing foreign workers as H1-Bs will not solve the problem, as the world's supply of skilled workers will not meet the demand. "America's long-term over-reliance on a short-term strategy may cause significant labor-market imbalances in different regions of the United States. Ultimately, the labor-market will adjust. However, there may be major economic consequences felt by many Americans along the way. [3, p.32]"

According to Gordon, America is not the only country facing a shortage of skilled workers. India, China, Japan and Europe will see a worldwide skills drought over the next 15 to 20 years. Further, he cites studies that show many Indians and Chinese are so poorly educated that they are unemployable in the modern business world [3, p. 29].

He sees as a key component of this problem, "the need to overhaul U.S. cultural attitudes about education, careers, and lifelong learning." He says "most Americans continue to live in a mythical world of the past that defies the current realities - 'It is like trying to research and do business in the 21st century in a culture that wants to live in the 19th,' says a noted scientist at the University of Illinois [3, p. 34]."

Gordon concludes: "Only after exhausting all these short-term fixes can we expect businesses and responsible community leaders to face the reality that this is not their parent's workforce They will slowly begin to increase incumbent worker training inside businesses and refocus efforts that will raise the quality of personal education for more students to better meet the demands of the global economy. However, it will take time for the United States to seriously adjust its education and training systems. Neither was designed for a rapid response to producing a much larger skilled workforce. Yet this 2010 crossroad, when the baby boomers will begin retiring, is rapidly approaching. Neither China nor India can bail out the U.S. economy. What are we waiting for?" [3, p. 38]

Noted economist Richard Freeman has different view. He feels the addition of the India, China and ex Soviet bloc workers into the world economy will trump any worker shortage. He writes in [4, p. 23-24]: "… the forces of globalization associated with the doubling of the global work force will trump demographic developments associated with slower population growth in determining supply/demand balances in the labor market. Because the transition to a global labor market will be lengthy, the economic and labor market policies that countries, the international community, unions, and firms can help determine whether it proceeds smoothly, or bumpily, or – invisible hand forbid – aborts. … My assessment is thus that the transition will take 40 to 50 years."

However, Freeman sees the need for economic policies to ensure that: "the absorption of China, India, and the ex-Soviet bloc into world capitalism goes as smoothly as possible. The bent of policy in the US and elsewhere should be in the direction of favoring labor rather than capital, which ought to be able to take care of itself in a global economy with twice as many workers, many available at low wages. There should be sustained international pressure on developing countries to raise their labor standards and to distribute the benefits of growth to workers. And there should be efforts to maintain or improve living standards if not wages of all workers in the advanced countries so that even the less skilled gain some from the movement to a global labor market."

**Society can expect impacts to several vertical sectors:**

Private sector industries currently feeling the greatest pain in terms of imminent skills shortages include oil, gas, energy and healthcare as well as aerospace and defense. In the public sector, Federal, state and local government agencies are particularly hard-pressed.

Academia – many professors are nearing retirement age – where will the new faculty come from?

**Engineers and scientists remaining employed will face:**

- Increased stress (more work)
- Reinventing lost knowledge
- Feeling lost (lack of mentors)
- Increased risk (loss or injury)

**Retiring Engineers and scientists will face:**

- Loss of value (no work)
- Loss of face (no job)
- Loss of energy (no goals)
- Loss of mental acuity (no challenge)
- Loss of income (reliance on retirement savings)
- Loss of job and professional identity

**Midcareer workers (35-54 - includes most Boomers and older Gen X) face:**

- people are bottlenecked – limited upward mobility
- work/life balance issues
- lack of retirement savings
- skills obsolescence coupled with increasing workload (limited time for retraining)
- disillusionment with employer
- burnout
- career disappointment

**Skills Shortage**

According to [1] (p. 9) a fact that has received little widespread publicity is that there will be a SKILLS shortage before there is a shortage of workers. We may indeed be seeing the beginnings of this as many employers are complaining that they cannot find workers to meet specific skill needs – this has been dismissed as the result of management's unwillingness to hire anyone who appears to need any on-the-job training. The demand for labor is based on several factors: economic conditions, productivity, outsourcing/offshoring of jobs, and immigration. The supply of workers is based on education (skills) and workforce participation (how many people are available/desire to work).

**Company Reactions**

The National Academy of Social Insurance (NASI) is a nonprofit, nonpartisan organization which covers social insurance systems—such as Social Security, Medicare, Workers' Compensation and unemployment insurance—and related social assistance and private employee benefits. Its 18th annual conference, “Older and Out of Work: Jobs and Social Insurance for a

Changing Economy" was held in January 2006 (see http://www.nasi.org/calendar_reg3634/calendar_reg_show.htm?doc_id=292484).

William Anone, of Ernst & Young LLP, in "Aging of the U.S. Workforce: Employer Challenges and Responses" (see http://www.nasi.org/publications2763/publications_show.htm?doc_id=341425) reported on a survey done by E&Y of Human Resource Executives at large employers.

Top human capital concerns for these employers were:

--Availability of Talent: 38%
--Talent Management: 29.1%
--Retention of Key Employees: 20.9%
--Maintaining Intellectual Capital: 17.4%

And their view of the aging workforce issue was:

--An issue to be dealt with: 42.4%
--An opportunity to be leveraged: 24.7%
--Little or no impact: 32.9%

Those viewing aging of workforce as an issue to be dealt with felt this issue:

--Will lead to workforce shortage: 52.9%
--Will lead to excess of older workers: 8.8%
--Barriers to dealing with this issue were listed as:
>Legal statutes: 11%
>Costs: 10%
>Cultural concerns: 8%

(Thus only 50% of 40% (e.g. 1 out of 5 large companies) felt there would be any workforce shortage. Whether this reflects their internal planning or wishful thinking remains to be seen.)

Additionally, the topic of loss of "business wisdom" was investigated. Results are not encouraging. Only 30% said that their organization has attempted to define "business wisdom" and identify where it resides. Mainly this was done through informal discussions with business line leaders. About one-fifth had a formal program, and the rest used "other methods".

The most cited processes used to capture and pass on business wisdom cited were:

--Leadership Succession Planning: 21.6%
--Mentoring: 18.6%
--Informal Knowledge Networks: 17.5%
--Web-based tools: 15.5%
--Interviews with retiring employees: 9.3%
--Training Programs: 9.3%
--Performance Reviews: 7.2%
(Respondents were able to select all that applied)

The most effective processes cited were:

| | |
|---|---|
| --Mentoring: | 47.6% |
| --Leadership Succession Planning: | 19% |
| --Informal Knowledge Networks: | 14.3% |
| --Others: | 19.1% |

Only 14% (1 in seven) had any ongoing and formal programs to retain older workers. Reasons cited for NOT having any programs were:

| | |
|---|---|
| >Not a priority: | 42.9% |
| >Costs: | 18.6% |
| >Cultural barriers: | 8.6% |
| >Other: | 29.9% |

This appears to confirm the common feeling that organizations are not that concerned about retaining or insuring knowledge transfer from their older workers – yet.

**Flexible Retirement**

Mature workers can follow one of three career arcs: continuing to work, retiring ("traditional"), and "downsizing" (continuing to work but reducing amount of time spent at work). Strategies for the mature workers include flexible retirement which requires reforms in pensions and benefits to support those choosing to continue to work and those who are downsizing. A Google search shows that the UK is ahead of the US in thinking about flexible retirement.

Companies can follow four options to support flexible retirement:
- reduce hours worked as employee phases into retirement
- hire retirees as contractors
- bring retirees in a consultants
- allow employees to continue to work under revised agreements

Regulations affecting earnings are a barrier for flexible retirement. The "Senior Citizen Freedom to Work Act" of 2000 removed the Social Security earnings test for workers over 65.

Health care is another major issue that must be addressed. Premiums for older workers are expensive. Medicare is only available to those who are on Social Security. Dychtwald et al [1] recommend several options for companies:
- Multi-employer Welfare Arrangements
- Self-insurance
- Retiree Health Accounts (defined contribution plans)
- Voluntary Employees Beneficiary Association (401(k)-like accounts for health care).
- Health Savings Accounts

Policy recommendations for flexible retirement [1, p. 62]:
- Amend pension rules to prohibit reductions in pension benefits if an employee's pay drops

- Eliminate penalty on early distribution if more than 30 years of service and allow distributions from 401(k) plans before 59.
- Allow people 55-65 to purchase Medigap insurance coverage
- Liberalize nondiscrimination tests for flexible retirement plans

**What We Know We Don't Know**

We know that Generation Y ("Milennials") are our replacement workforce—though there are not enough of them to make up the coming shortfall. We know that though they are sometimes perceived as "job hoppers," they want help in developing careers and thrive on learning new things on the job—especially technology. We don't know how they and the young people following them can be engaged in engineering professions affected by outsourcing and ongoing perceptions that corporations regard engineers that have reached middle age as "expendable."

We need to learn:

- How does this play out across various industry segments (semi, high tech, power, defense, etc.)?

- How aware engineers are of generational workforce issues, including preparing a new generation of professionals, as well as retaining and learning from those who wish to remain in the workforce beyond traditional retirement.

- How aware corporations are of demographic trends and how these will affect their competitiveness.

- What support both mid-career and late-career engineers require to extend their productive work lives in turbulent times.

- What resources/partnerships corporations will need to insure a competent and engaged workforce to help them reach competitive goals. (We make some specific suggestions in Section 5.)

- What strategies need to be implemented to engage rising generations in preparing for careers in engineering as the "best and brightest" find increased competition for their talents.

## 5. Possible Solutions

Possible solutions to help engineers include:

- Professional societies must provide members perspectives and strategies on career lifecycles that include scans of the work environment, ongoing assessment of a full-range of work skills, generational awareness (how older and younger workers get along), job search, and guidance in work/life balance under stress. Further, they must research the values (motivators) that attract youth to the profession and sustain engineers throughout their careers.

- Many older workers who want to remain in their jobs for personal fulfillment and financial reasons will have to work harder to maintain their ability to add value in global labor markets that demand increasing flexibility and facility with rapidly changing technologies. There is a growing need for experienced workers in homeland security and risk analysis. They may be interested in providing pro bono services. They may need:
    - Additional monies for retirement
    - Continuing education/training

- Companies will likely face major challenges. After spending years trying to commoditize the workforce (just Google "human capital" and look at the list of sites returned) - referring to employees as "human resources", "human capital", "assets", etc. - and attempting to treat employees as if they were "skills" that could be brought on to address specialized needs and then discarded, they will now have switch gears into employee retention.

  To remain competitive in an increasingly technology-driven global economy, US employers will have to find new and innovative ways to retain their best and brightest older workers without compromising advancement opportunities for talented mid-career and younger workers. They must also recruit new workers in a changing market.

  See Appendix A for a list of specific actions companies may need to consider.

- Government must play a role in helping employers and employees create a work force of the future that includes older Americans. The GAO says the Labor Department should work with other agencies to remove barriers and create opportunities for older workers. AARP says government could provide incentives for employers to hire older workers and for older workers to continue working. Further, government must continue to enforce laws against age discrimination in the workplace.

- Schools (K-12) must provide inadequate preparation and advisement for research/engineering

- Schools of engineering/technology must increase career guidance

## 6. Options For Future Research

- Do boomers really want to retire
- Do boomers want to consult
- Do boomers want to be "on call" (see Mitre Corp)
- Do boomers want to teach
- Are the work values of engineers stable across generations?
- Need we worry about recent graduates being career savvy? And adaptable and flexible?
- Are engineers aware of the range of skills required to sustain a career in technology?

## 7. CWPC Public Policy Recommendations

- The US is facing a future competitiveness issue that must be addressed *now*
- Training for K-12 kids in math and science is needed to avoid "technological illiteracy"
- Burnishing image of engineers to encourage interest in the profession
- Detailed study/research on intergenerational issues for engineers
- Amend pension rules to prohibit reductions in pension benefits if an employee's pay drops
- Support flexible retirement
- Eliminate penalty on early distribution if more than 30 years of service and allow distributions from 401(k) plans before 59.
- Allow people 55-65 to purchase Medigap insurance coverage
- Liberalize nondiscrimination tests for flexible retirement plans

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[1] Dychtwald, Ken; Erickson, Tamara J.; Morison, Robert; "Workforce Crisis – How to beat the coming shortage of skills and talent", Harvard Business School Press, 2006.

[2] The Employment Policy Foundation (EPF) is a Washington D.C. Nonprofit think tank that states its mission is "to shape the direction and development of U.S. employment policies by providing policymakers, the media and the public with timely, high quality economic analysis and commentary. Federal and state executive branch officials and legislators, corporations, think tanks, universities, media and the public use EPF as a primary source of unbiased, reliable data, research and knowledge on employment and labor issues."

[3] Gordon, Edward E.; "White Paper: Unmasking a Workforce Myth: Why China and India Cannot Bail Out the U.S. Economy", unpublished, July 2006.

[4] Richard B. Freeman; "Labor Market Imbalances: Shortages, or Surpluses, or Fish Stories?", Boston Federal Reserve Economic Conference - "Global Imbalances – As Giants Evolve", Chatham, Massachusetts, June 14-16, 2006

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# Appendix A

## A.0 Aging Workforce Impact on Companies Ability to Attract and Retain Workers

The process of recruiting human resources will place a heavy demand on organizations, as each company competes for top talent. The days of the employer holding all the cards, are gone due to the diversity and tenure of the workplace. It's the name of supply and demand. The pendulum has swung and the workers are now in demand.

To accommodate older employees HR Policies will have to be changed.

## A.1 Workplace Policies

Below are some suggestions as to how the workplace HR Policies may look in the future:

- **In-house Medical Support Policy** – This is a policy that would supplement heath care benefits and would take into consideration an internal infirmary that would decrease time away from work and would in the long haul, pay for itself. It would contain, but not be limited to, health care benefits including flu shots, weight management, and a nurse hotline that could field questions in case an employee were ill.

- **Transportation Policies** – Transportation policies would help older workers in their ability to access transportation to work. Organizations could set up a carpool system or shuttle buses to help those who are less mobile get to work.

## A.2 Life-balance Policies

Other HR policies would support the life/balance style and encourage employees to maintain that balance. Consider implementation of these policies:

- **Family Appreciation Day** – Twice a year, the company could have a policy that rewards the family unit outside of working duties and brings them together in the workplace. A spin on the company picnic, but this time with invitations to the extended family of the worker. This may include the workers, children, friends, parents and even pets.

- **Bereavement Leave for Non Family** – Employees would be allowed to register the name of a person that they would consider immediate family. This may or may not be a blood member of their family, but of someone of great importance to the employee. Upon death of this member, the employee would receive time off without question or concern.

- **Expanded Medical Leave** – Baby Boomers are now in charge of the care of their parents before they die. This policy would recognize the need for extended time off to care for a terminally ill family member.

- **Tutors** – Companies could provide support and assistance to the employee's children for tutors for their children.

- **Homework Help** – A similar policy to the tutor policy, this would enable a network to form to help the children of employees with their homework. The network may include a pool of internal employees that want to 'give back' and mentor others.

- **School Application Assistance** – A policy would be put into place to have a professional help with employee's children who are pursuing a scholarship and financial aid opportunities.

- **Legal Advice** – A policy that would cover basic legal advice and support the family unit on paperwork surrounding lease agreements, mortgage assistance and rental agreements.

Specific to the Generational Gap, here are some ideas for HR Policies:

- **Mentoring Program** – Older workers would couple up with younger workers for a designated time to teach and mentor this population several times a week. Topics would be work related and focused on productive habits.

- **Flexible Hours for Exercise** – This policy would encourage workers to take time at lunch to work out at a nearby gym or an internal facility.

### A.3 Compensation Policies

The discussion of compensation is always and important topic. Different generations have different needs, and due to the talent shortage, companies need a variety of workers to make their operations profitable. Organizations will be forced to reinvent how they compensate workers in order to attract a variety of talent. With this in mind, Total Flexible Compensation has been discussed within the HR field.

- **Total Flexible Compensation Policy** would also encompass that a new hire would be able to pick their compensation based on a cafeteria style plan that would fit their needs, as opposed to a general one stop shopping benefits program. This takes the guessing game out of what employees define as a 'benefit'.

- **Total Flexible Compensation** would be an HR policy and would include flexible, results based promotion opportunities. Published pay ranges would be available to all employees via the intranet, where they would have a clear outline of what would be expected in the next pay grade, along with a guideline and a mentor that would help them achieve their goal. Job descriptions would be redesigned to be clear cut and performance reviews would be given on a bi yearly basis.

    - The twenty-something's compensation package would include options to receive compensation, training, promotion and career coaching, auto insurance, lease review, extra vacation for extra work hours, gym membership and continuing education.

    - The thirty-something's compensation package would include compensation along with mortgage assistance, career path planning, infertility/adoption assistance,

savings/stock plan education, extra work hours for extra vacation time, and a gym membership.

- The forty-something's compensation package would include compensation along with housecleaning, elder or child care, time flexibility, retirement benefits and advice, savings plan and gym membership.

- The fifty-something's compensation package would include compensation, receive retirement and financial planning, investment counseling, time flexibility, significant time off for family medical leave, life insurance priorities, extra disability, college tuition assistance and subsidies.

- The sixty- and seventy-something's compensation package would include flexible hours and part time work, retirement planning, less life insurance and less disability assistance, driver/shuttle service.

Total Flexible Compensation would be easy to administer and provide competitive benefits to all workers.