

Talent Pressures and the Aging Workforce:

Responsive Action Steps for the Wholesale Trade Sector



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The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st century multi-generational workforce. The Center integrates evidence from research with insights from workplace experiences to inform innovative organizational decision-making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

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The Industry and Aging Workforce Series

The Sloan Center on Aging & Work initiated the Talent Pressures and Aging Workforce Industry Report Series to help employers (and others interested in the aging of the workforce) understand the unique and emerging talent pressures within the leading sectors of the U.S. economy: Accommodation and Food Services; Administration and Support, Waste Management and Remediation Services; Construction; Finance and Insurance; Health Care and Social Assistance; Manufacturing; Professional, Scientific and Technical Services; Retail Trade; Transportation and Warehousing; and Wholesale Trade. The reports are designed to offer succinct accounts of five overarching concerns:

1. What are the contours of employment in the industry and how do they compare to employment in other sectors?
2. How might employee preferences inform strategies of retaining key talent in the industry?
3. How does the age and gender composition of the workforce map onto talent loss risks for employers?
4. What methods do employers in the industry rely on to understand talent loss risks?
5. What steps can employers use to attract and engage talent?

The report provides comparisons across time (2000-2008) and between economic sectors. Aging and workforce diversity is also considered.

Our analysis relies on three sources of data:

- Information about the U.S. workforce as reported by the United States Bureau of Labor Statistics,
- Information about workers' experiences as reported in the General Social Survey, and
- Information about U.S. organizations gathered by the Sloan Center on Aging & Work's 2009 Talent Management Study.

We anticipate that this information can help employers:

- Reflect on the adequacy of workplace practices,
- Identify ways to become more age responsive, and
- Consider strategies that might better align workplace practices with escalating pressures and opportunities that a diverse and aging workforce may pose for their enterprises.

Each report in this series concludes by considering steps that employers can take to become more responsive to the needs of a diverse and aging workforce.

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Executive Summary

The past decade witnessed profound changes in the economic pressures placed on employers, as well as in age demographics of their labor forces. Like changes in the latter part of the 20th century with the inclusion of women in organizations and professions, the aging of the population has the potential to reshape not only who works, but also how work can be performed.

We advise that employers consider the data presented in this report to better understand what employees desire, as well as the variation in talent management practices evident within (and beyond) the wholesale trade sector.

The wholesale trade sector's demographic profile is disproportionately composed of men, and like other sectors, the aging of the workforce is affecting the age profile of its employees. As the wholesale trade sector can expect a substantial exodus of older workers in the forthcoming years, employers may face tensions in matching workers to jobs. This may require rethinking longstanding workplace practices.

Our analysis reveals that many employers in the wholesale trade sector have only a limited knowledge of their workforce. Understanding the demographic composition of the organization's workforce can inform talent management strategies that could attract replacement workers, stem turnover, and facilitate knowledge transfer. While the wholesale trade sector is implementing flexible work arrangements at levels

*generally comparable to those offered in other sectors,
expansion of these opportunities may be a key strategy of
attracting and retaining the best talent available.*

Overview of Employment & Compensation in the Wholesale Trade Sector

INTRODUCTION

According to the U.S. Census Bureau the Wholesale Trade Sector (NAICS 42):

“ ... comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing. The wholesaling process is an intermediate step in the distribution of merchandise. Wholesalers are organized to sell or arrange the purchase or sale of (a) goods for resale (i.e., goods sold to other wholesalers or retailers), (b) capital or durable nonconsumer goods, and (c) raw and intermediate materials and supplies used in production. Wholesalers sell merchandise to other businesses and normally operate from a warehouse or office. These warehouses and offices are characterized by having little or no display of merchandise. In addition, neither the design nor the location of the premises is intended to solicit walk-in traffic. Wholesalers do not normally use advertising directed to the general public. Customers are generally reached initially via telephone, in-person marketing, or by specialized advertising that may include Internet and other electronic means. Follow-up orders are either vendor-initiated or client-initiated, generally based on previous sales, and typically exhibit strong ties between sellers and buyers. In fact, transactions are often conducted between wholesalers and clients that have long-standing business relationships”.

Key Points:

1. The 2008-2009 economic downturn had a significant impact on the wholesale trade sector and its employees.
2. Compensation¹ costs had been rising for all industries (on average by 9.1%), while they had been declining for the wholesale trade sector (by 2%) over the period of 2004-2008.
3. There had been a 4% decrease in the total number of establishments in the wholesale trade sector over the period of 2000-2006, and this trend was similar for the smaller establishments. However, the number of establishments with 100 or more employees rose.
4. Men accounted for 70% of the total workforce in the wholesale trade sector in 2007.
5. The percentage of workers in the wholesale trade sector aged 55-64 increased by about 35% from 2000-2007, and the proportion of workers over age 65 increased by about 10%.

EMPLOYMENT AND COMPENSATION

According to the Bureau of Labor Statistics (BLS), the wholesale trade sector provided employment for about 5% of the working population in the country in 2008.

About 6% of the workers in the wholesale trade sector were represented by unions compared to 15% of the same indicator for all industries in 2000. Union membership had remained stable in the wholesale trade sector and had declined in all industries (by about 8%) for 2000-2008. The compensation¹ costs for most employers increased in all industries (by 9%) and declined in the wholesale trade sector (by about 2%) over the period of 2004-2008.

Table 1.1 Employment in The Wholesale Trade Sector

	Wholesale Trade			All Industries		
	2000	2008	% Change	2000	2008	% Change
Employment in Thousands (seasonally adjusted) ¹	5,933	5,964	0.5	111,003	114,558	3.2
% Represented by Unions of Wage and Salary Workers ²	6.0	5.9	-1.7	14.9	13.7	-8.1
Separation Rates ^{1,3}	31.5	35.1	11.4	46 ⁵	48.7	5.0
Unemployment Rate (not seasonally adjusted) ⁴	3.3	4.5	36.4	4.0	5.8	46.4

Source: U.S. Bureau of Labor Statistics

1 Includes total private industries.

2 Excludes incorporated self employed of 16 and over.

3 Separation Rate is the number of total separations for the year divided by average monthly employment for the year (annual turnover).

4 Includes Civilian Labor Force of age 16 and over. Data from 2000 are for February. Data from 2008 are for January.

5 Data from 2001.

In 2008, jobs in the wholesale trade sector offered comparatively high compensation, with the average worker earning \$20 an hour, including benefits, around \$29 an hour. Unlike in some other sectors, there were no appreciable shifts in benefits as part of employer expenditures. For example, the share of insurance increased both in the wholesale trade sector and in all industries by 5% and 8%, respectively, over the period of 2004-2008. However, retirement payments as a percentage of compensation costs declined modestly in the wholesale trade sector (by about 8%) while staying fairly constant for employers operating in most sectors.

From 2000-2006 there was a 4% decrease in the total number of establishments in the wholesale trade sector. However, the number of establishments with 100 or more employees increased over this period.

Table 1.2 The Main Labor Market Indicators in the Wholesale Trade Sector

	Wholesale Trade (42)		
Employers	2000	2006	% Change
Total Establishments	446,237	429,952	-3.6
# Under 20 Employees	306,630	290,869	-5.1
# 20-99	56,106	51,800	-7.7
# 100-499	25,150	27,321	8.6
# 500+	58,351	59,962	2.8
Hours, Earnings, and Benefits¹	2000	2008	% Change
Average Weekly Hours of Production Workers, (seasonally adjusted)	38.8	38.2	-1.4
Average Hourly Earnings of Production Workers, (seasonally adjusted) ²	20.3	20.1	-0.9
Compensation³	2004	2008	% Change
Compensation Costs (\$/Hr) ²	29.9	29.3	-1.9
Wages and Salaries as % of Compensation	70.5	70.1	-0.6
Benefits as % of Compensation			
Total Benefits	29.5	30.0	1.5
Insurance	8.1	8.5	5.2
Retirement	3.5	3.2	-8.0
Labor Turnover	2000	2008	% Change
Median Years of Tenure ⁴	3.9	5.0	28.2

Source: U.S. Bureau of Labor Statistics

1 Includes total private industries.

2 Adjusted for Consumer Price Index (2008=100).

3 The total compensation for all industries includes private industries population.

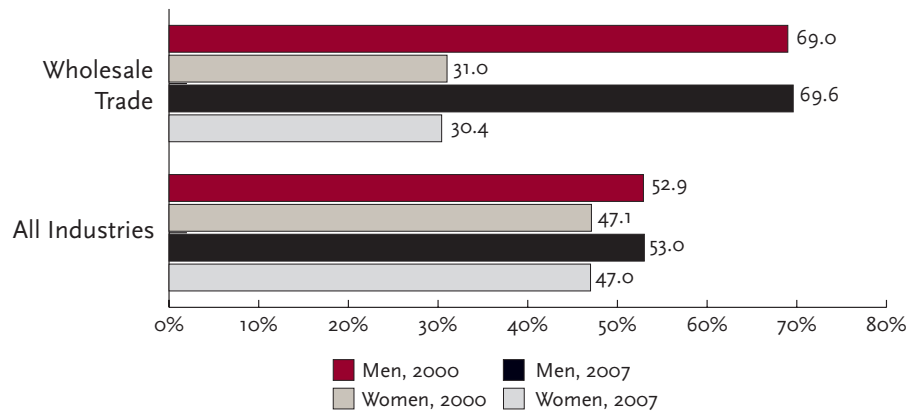
4 The data from 2000 are for February. Data from 2008 are for January.

WORKFORCE COMPOSITION

As Figure 1.1 shows, the wholesale trade sector is heavily reliant on male workers, as men accounted for 70% of the total workforce both in 2000 and in 2007.

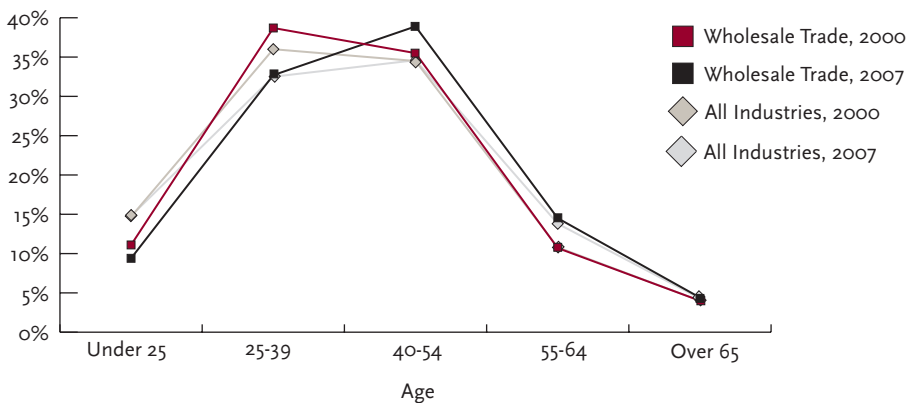
Figure 1.2 shows that the aging of the workforce is affecting the demographic profile of employees in the wholesale trade sector in ways that are similar to other sectors of the economy. While this sector is somewhat more reliant on younger workers as compared to other sectors of the economy, in comparison to a decade ago, greater shares of its workers are in older age groups. In 2007, the share of workers aged 55 and above accounted only for 19% in the wholesale trade sector and 18% in all industries. The share of the workers aged 55-64 increased by 35%, while the share of the workers aged 65 and above increased by 10% over the period of 2000-2007. In all industries, both the number of workers aged 55-64, and the number of workers aged 65 and above, grew by 28% and 7%, respectively.

Figure 1.1 Gender Distribution of the Labor Force



Source: The Integrated Public Use Microdata Series (IPUMS-USA)

Figure 1.2 Age Distribution of the Labor Force



Source: The Integrated Public Use Microdata Series (IPUMS-USA)

ESSENTIAL OCCUPATIONS

A wide range of occupations are essential to the wholesale trade sector, but it is distinguished by a heavy reliance on five essential occupations, shown in Table 1.3. Sales representatives, wholesale and manufacturing, except technical and scientific products account for a 16% share, laborers and freight, stock, and material movers (hand) account for a 7% share, and (i) sales representatives, wholesale and manufacturing, technical and scientific products, and (ii) truck drivers, heavy and tractor-trailer, and (iii) wholesale and retail buyers, except farm products, account for a combined 9% in the total number of employees. Summary descriptions of these key occupations are described below, abstracted from the Bureau of Labor Statistics 2010-2011 Occupational Outlook Handbook (http://www.bls.gov/oco/oooh_index.htm).

Table 1.3 Employment by Essential Occupations, 2008

Laborers and freight, stock, and material movers, hand	408,050
Sales representatives, wholesale and manufacturing, except technical and scientific products	964,070
Sales representatives, wholesale and manufacturing, technical and scientific products	252,790
Truck drivers, heavy and tractor-trailer	212,380
Wholesale and retail buyers, except farm products	55,680

Source: U.S. Bureau of Labor Statistics

Sales Representatives, Wholesale and Manufacturing

Retrieved from the Bureau of Labor Statistics 2010-2011 Occupational Outlook Handbook

Sales representatives are an important part of manufacturers' and wholesalers' success. Regardless of the type of products they sell, sales representatives' primary duties are to make customers interested in their merchandise and to arrange the sale of that merchandise. The process of promoting and selling a product can be extensive, at times taking up to several months. Whether in person or over the phone, sales representatives describe their products, conduct demonstrations, explain the benefits that their products convey, and answer any questions that their customers may have. Sales representatives—sometimes called manufacturers' representatives or manufacturers' agents—generally work for manufacturers, wholesalers, or technical companies. Some work for a single organization, while others represent several companies and sell a range of products. Rather than selling goods directly to consumers, sales representatives deal with businesses, government agencies, and other organizations. Some sales representatives specialize in technical and scientific products ranging from agricultural and mechanical equipment to computer and pharmaceutical goods. Other representatives deal with all other types of goods, including food, office supplies, and apparel.

Sales representatives stay abreast of new products and the changing needs of their customers in a variety of ways. They attend trade shows at which new products and technologies are showcased. They also attend conferences and conventions to meet other sales representatives and clients and discuss new product developments. In addition, the entire sales force may participate in company-sponsored meetings to review the firm's sales performance, product development, sales goals, and profitability. Frequently, sales representatives who lack the necessary expertise about a given product may team with a technical expert. In this arrangement, the technical expert—sometimes a sales engineer—attends the sales presentation to explain the product and answer questions or concerns. The sales representative makes the preliminary contact with customers, introduces the company's product, and closes the sale. Under such an arrangement, the representative is able to spend more time maintaining and soliciting accounts and less time acquiring technical knowledge. After the sale, representatives may make follow up visits to ensure that the equipment is functioning properly and may even help train customers' employees to operate and maintain new equipment. Those selling technical goods also may arrange for the product to be installed. Those selling consumer goods often suggest how and where merchandise should be displayed. When working with retailers, they may help arrange promotional programs, store displays, and advertising. Sales representatives have several duties beyond selling products. They analyze sales statistics, prepare reports, and handle administrative duties such as filing expense accounts, scheduling appointments, and making travel plans. They also read about new and existing products and monitor the sales, prices, and products of their competitors. Sales representatives generally work in either inside sales, interacting with customers over the phone from an office location, or outside "field" sales, traveling to meet clients in person. Inside sales representatives may spend a lot of their time on the phone, selling goods, taking orders, and resolving problems or complaints about the merchandise. These sales representatives typically do not leave the office. Frequently, they are responsible for acquiring new clients by "cold calling" various organizations—calling potential customers to establish an initial contact. They also may be responsible for

arranging meetings for outside sales representatives. Outside sales representatives spend much of their time traveling to, and visiting with, current clients and prospective buyers. During a sales call, they discuss the client's needs and suggest how their merchandise or services can meet those needs. They may show samples or catalogs that describe items their company provides, and they may inform customers about prices, availability, and ways in which their products can save money and boost productivity. Because many sales representatives sell several complementary products made by different manufacturers, they may take a broad approach to their customers' business. For example, sales representatives may help install new equipment and train employees in its use. There generally is no formal educational requirement for sales representative positions, but many jobs require some post-secondary education. Regardless of educational background, factors such as communication skills, the ability to sell, and familiarity with brands are essential to being a successful sales representative.

Laborers and Freight, Stock, and Material Movers

Retrieved from the Bureau of Labor Statistics 2010-2011 Occupational Outlook Handbook

Think about a common bicycle; over the course of its creation many workers have to transport a variety of materials to get it to your local store. First, the raw metal must be produced, either from a mine where an excavator operator digs into the earth to gather rocks with the proper minerals and places them on a conveyor operated by a conveyor tender; or by a recyclable material collector that picks up unwanted metal household goods. Next, the metal is refined in a foundry, at which point a crane operator or hoist and winch operator may place it on a trailer for shipping. After arriving at a factory, an industrial truck operator unloads the metal and a machine feeder loads it into a machine for production. After being assembled, the bicycle is placed into a box by a hand packager and then moved into a tractor trailer by a truck loader. Many products, like this bicycle, are handled by a variety of workers because, even with the use of machinery, moving goods and materials around worksites still requires significant human effort. Material moving workers are generally categorized into two groups—operators, who control the machines that move materials, and laborers, who move materials by hand.

Operators use machinery to move construction materials, earth, petroleum products, and other heavy materials. Generally, they move materials over short distances—around construction sites, factories, or warehouses. Some move materials onto or off of trucks and ships. Operators control equipment by moving levers, wheels, or foot pedals; operating switches; or turning dials. They also may set up and inspect equipment, make adjustments, and perform minor maintenance or repairs. Laborers and hand material movers move freight, stock, or other materials by hand; clean vehicles, machinery, and other equipment; feed materials into or remove materials from machines or equipment; and pack or package products and materials. Many material moving occupations require little or no formal training. Most training for these occupations is done on the job. For those jobs requiring physical exertion, employers may require that applicants pass a physical exam.

Truck Drivers, Heavy and Tractor-trailer

Retrieved from the Bureau of Labor Statistics 2010-2011 Occupational Outlook Handbook

Almost every product sold in the United States spends at least some time in a truck. While planes, trains, and ships are also used to transport goods, no other form of transportation has the same level of flexibility as a truck. As a result, trucks are used to transport everything from canned food to automobiles. Truck drivers and driver/sales workers operate these vehicles. Drivers are responsible for picking up and delivering freight from one place to another. This may be from a manufacturer to a distribution center, from a distribution center to a customer, or between distribution centers. In addition, drivers may be responsible for loading and unloading their cargo. They are also responsible for following applicable laws, keeping logs of their activities, and making sure that their equipment is in good working condition. Heavy truck and tractor-trailer drivers operate trucks or vans with a capacity of at least 26,001 pounds gross vehicle weight (GVW). The vast majority of these are over-the-road or long-haul drivers, meaning they deliver goods over intercity routes that may span several states. Some drivers have regular routes or regions where they drive the most, while others take on routes throughout the country or even to Canada and Mexico. Drivers who operate trucks with a gross vehicle weight of 26,001 pounds, or who operate a vehicle carrying hazardous materials or oversized loads, need a commercial driver's license (CDL). Training for the CDL is offered by many private and public vocational-technical schools. A standard driver's license is required to drive all other trucks. Many jobs driving smaller trucks require only brief on-the-job training.

Wholesale and Retail Buyers, except Farm Products

Retrieved from the Bureau of Labor Statistics 2010-2011 Occupational Outlook Handbook

Purchasing managers, buyers, and purchasing agents buy a vast array of farm products, durable and nondurable goods, and services for companies and institutions. They attempt to get the best deal for their company—the highest quality goods and services at the lowest possible cost. They accomplish this by studying sales records and inventory levels of current stock, identifying foreign and domestic suppliers, and keeping abreast of changes affecting both the supply of, and demand for, needed products and materials. Purchasing professionals consider price, quality, availability, reliability, and technical support when choosing suppliers and merchandise. To be effective, purchasing professionals must have a working technical knowledge of the goods or services to be purchased. There are several major types of purchasing managers, buyers, and purchasing agents. Wholesale and retail buyers purchase goods, such as clothing or electronics, for resale. Purchasing professionals

employed by government agencies or manufacturing firms usually are called purchasing directors, managers, or agents; sometimes they are known as contract specialists. Purchasing professionals in government place solicitations for services and accept bids and offers through the Internet. Purchasing specialists who buy finished goods for resale are employed by wholesale and retail establishments, where they commonly are known as buyers or merchandise managers. Wholesale and retail buyers are an integral part of a complex system of distribution and merchandising that caters to the vast array of consumer needs and desires. Wholesale buyers purchase goods directly from manufacturers or from other wholesale firms for resale to retail firms, commercial establishments, and other organizations. In retail firms, buyers purchase goods from wholesale firms or directly from manufacturers for resale to the public. Buyers largely determine which products their establishment will sell. Therefore, it is essential that they have the ability to predict what will appeal to consumers. If they fail to purchase the right products for resale, buyers jeopardize the profits and reputation of their company. They keep track of inventories and sales levels, check competitors' sales activities, and watch general economic conditions to anticipate consumer buying patterns. Buyers working for large and medium-sized firms usually specialize in acquiring one or two lines of merchandise, whereas buyers working for small stores may purchase the establishment's complete inventory. Evaluating suppliers is one of the most critical functions of a purchasing manager, buyer, or purchasing agent. Many firms now run on a lean manufacturing schedule and use just-in-time inventories: any delays in the supply chain can shut down production and potentially cost the firm its customers. Purchasing professionals use many resources to find out all they can about potential suppliers. The Internet has become an effective tool for searching catalogs, trade journals, industry and company publications, and directories. Purchasing professionals attend meetings, trade shows, and conferences to learn of new industry trends and make contacts with suppliers. They often interview prospective suppliers and visit their plants and distribution centers to assess their capabilities. It is important to make certain that the supplier is capable of delivering the desired goods or services on time, in the correct quantities, and without sacrificing quality. Once all of the necessary information on suppliers is gathered, orders are placed, and contracts are awarded to those suppliers who meet the purchaser's needs. Most of the transaction process is now automated through use of the Internet. Purchasing professionals often work closely with other employees in a process called "team buying." For example, before submitting an order, the team may discuss the design of custom-made products with company design engineers, the problems involving the quality of purchased goods with production supervisors, or the issues in shipping with managers in the receiving department. This additional interaction improves the quality of buying by adding different perspectives to the process. Workers may begin as trainees, purchasing clerks, junior buyers, or assistant buyers. Most employers prefer to hire applicants who have a college degree and who are familiar with the merchandise they sell and with wholesaling and retailing practices. Prospects often need continuing education or certification to advance.

SUMMARY

In sum, like other industries, the wholesale trade sector is experiencing an aging of its workforce. Because it is heavily reliant on men as workers, one means of addressing talent deficits could be to expand jobs to attract women workers, as well as to reconfigure work to potentially keep older, valued employees in their jobs. Performance of many jobs in this sector not only requires knowledge of products that are sold, but also benefits from a worker's possession of social capital, including personal relations with buyers. A large-scale exodus of workers could leave some employers in this sector with stiff challenges in locating replacement employees. It is likely the financial incentives offered by work in this sector will be insufficient to fully address this concern.

Perspectives & Experiences of Employees in the Wholesale Trade Sector

INTRODUCTION

One means of understanding talent loss risks is to consider what employees value in their jobs and their overarching levels of satisfaction with their employment situations. Additionally, it is important to gauge how jobs fit into the lives of individuals in diverse and complex ways. To help understand these dynamics as they map onto the wholesale trade sector, we examine data from the 1998-2008 General Social Survey. As we show below, work in the wholesale trade sector offers considerable intrinsic rewards and flexibilities that are less commonly available outside of this sector.

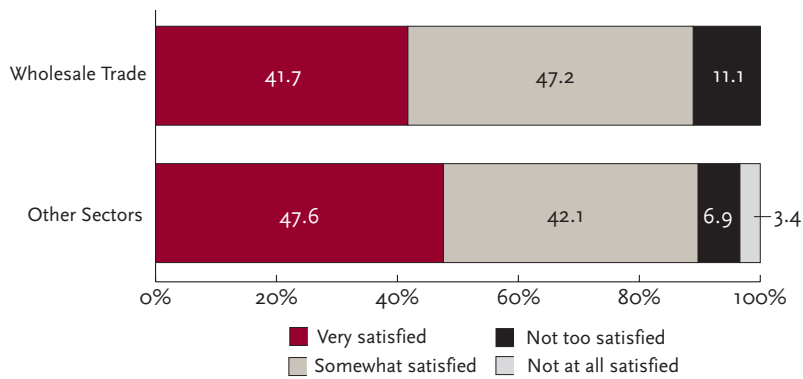
Key Points

1. Employees in the wholesale trade sector are very or somewhat satisfied in their jobs, but significantly less likely to be very satisfied as compared to employees in other sectors. The level of job satisfaction is lower for younger employees in the wholesale trade sector.
2. Wholesale trade employees (37%) have work flexibility options, like the ability to change their schedules, compared to 34% in other sectors.

WORK INCENTIVES & ORGANIZATIONAL COMMITMENT

Organizational commitment is strongly associated with employee “job satisfaction”. This satisfaction can translate to productivity – achieved by employees working harder and by their long-term commitment to employers. Figure 2.1 shows that nine out of ten workers in the wholesale trade sector are very or somewhat satisfied with their job. Figure 2.1 also shows that employees in the wholesale trade sector are significantly less likely to be very satisfied compared to employees in the other sectors of the economy.

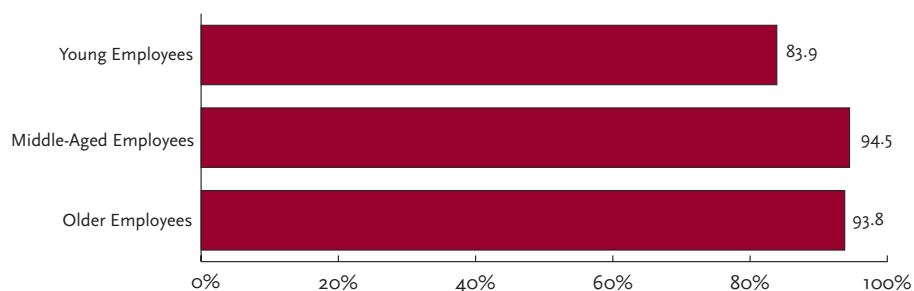
Figure 2.1 General Satisfaction With Their Job: Wholesale Trade Employees In Comparison to Other Sectors



Note: Analyses from 1998-2008 General Social Survey; Significant difference at $p < .05$; $N = 3,495$

Workers at different life and career stages do not always evaluate their jobs in the same ways or put the same emphasis on the relative importance of different aspects of their jobs. Figure 2.2 shows that age also predicts job satisfaction. Note that even though most employees in the wholesale trade sector report being either satisfied or very satisfied in their jobs, the level of satisfaction was significantly lower for younger employees. Since the wholesale trade sector is heavily reliant on young employees, employers in this sector may benefit by directing extra attention towards identifying, and responding to the sources of dissatisfaction.

Figure 2.2 Percent Reporting Being Somewhat Satisfied or Very Satisfied in their Job: Comparisons of Wholesale Trade Employees at Different Ages

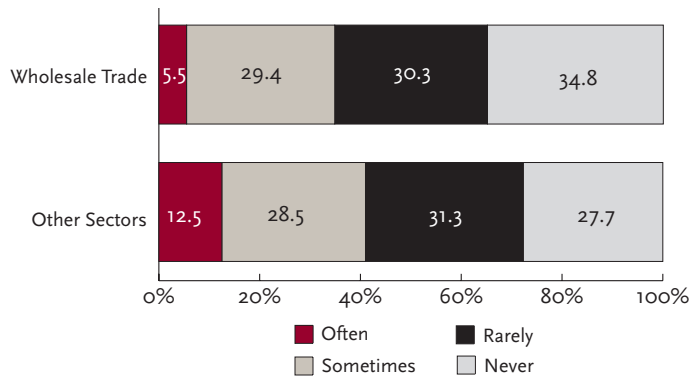


Note: Analyses from 1998-2008 General Social Survey; Significant Differences, $p < .1$; $N = 108$

The past three decades of research by the “work-family” community of scholars has shown that work can impact the family in profound ways and that family commitments can affect the capacity of workers to commit themselves to their jobs. While much attention has focused on the ways that work and family commitments conflict, a growing emphasis is placed on identifying approaches that harmonize these institutions, so that both employers and families benefit by rethinking work designs. However, because many employers have been slow to adapt their organizations, there still exist numerous mismatches that can undermine both workplace effectiveness and family functioning.

Figure 2.3 shows that employees in the wholesale trade sector are, on the whole, as likely to experience work-family conflicts compared to employees in the other sectors of the economy. In particular, Figure 2.3 shows that more than one in three employees (34.9%) in the wholesale trade sector report that their job interferes with family life “sometimes” or “often.”

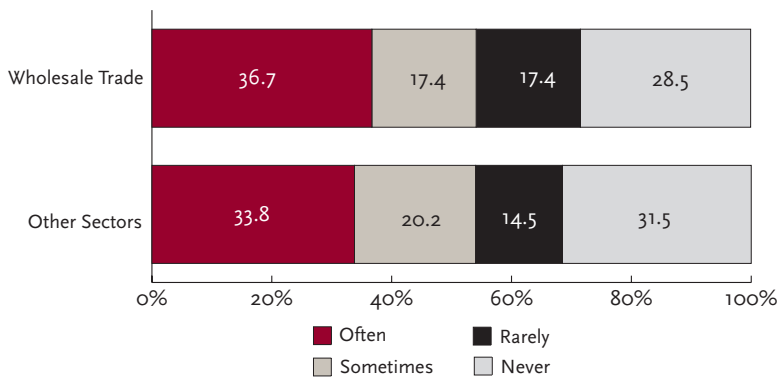
Figure 2.3 How Often Job Interferes With Family Life: Wholesale Trade Employees In Comparison to Other Sectors



Note: Analyses from 1998-2008 General Social Survey; No significant differences observed, N=3,491

Flexible work arrangements enable workers to do their jobs in ways that challenge more rigid job designs by allowing them, for example, to work according to different schedules and at different locales. Figure 2.4 shows that there is a slight difference between wholesale trade and other sectors in the availability of flexible scheduling options. Slightly less than two in five workers (37%) in the wholesale trade sector are often allowed to change their schedule, compared to one in three (34%) employees in other sectors.

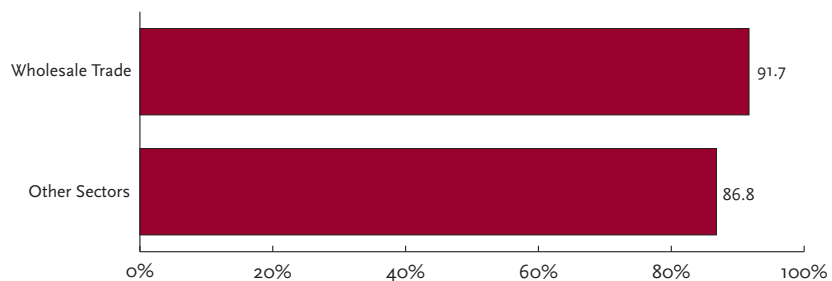
Figure 2.4 Freedom to Change Work Schedules: Wholesale Trade Employees In Comparison to Other Sectors



Note: Analyses from 1998-2008 General Social Survey; No significant differences are observed; N=3,482

Figure 2.5 shows that most of the employees (92%) in the wholesale trade sector have complete or some freedom in deciding how to do their job.

Figure 2.5 Percent of Employees Who Report Having Complete Or Some Freedom In Deciding How To Do Their Jobs: Wholesale Trade Employees In Comparison to Other Sectors



Note: Analyses from 1998-2008 General Social Survey; No significant differences are observed; N=3,476

SUMMARY

In sum, based on the limited data available in the General Social Survey on this segment of the workforce, we conclude that the wholesale trade sector offers jobs that are received favorably by employees. It is an open question if jobs could be even more flexible or if there are prospects to enhance satisfaction even further. These observations may inform additional strategies of recruiting, developing, and retaining the best talent available. Minimizing work-family conflicts by reconsidering job designs and expectations may be a productive means of addressing these concerns.

Organizational Responses in the Wholesale Trade Sector to a Diverse, Multigenerational Workforce

INTRODUCTION

One of the primary questions for employers in the wholesale trade sector concerns the means to access, motivate, and retain key talent. Employers in this sector also need to be able to identify the risks of talent losses and to anticipate means of addressing those events when they occur.

In this section, we consider how employers in the wholesale trade sector are responding to the economic and talent pressures identified in the previous sections. To do so, we report analyses of data gathered from the 36 wholesale trade organizations that participated in the 2009 Talent Management Study (which gathered data from a total of 696 organizations). We compare the responses of employers in the wholesale trade industry to those offered by employers that operate in nine other leading sectors in the economy. A detailed description of methods of the 2009 Talent Management Study, its samples and measures, as well as additional relationships, are presented in Appendix 3.1 to Appendix 3.6.

Key Points:

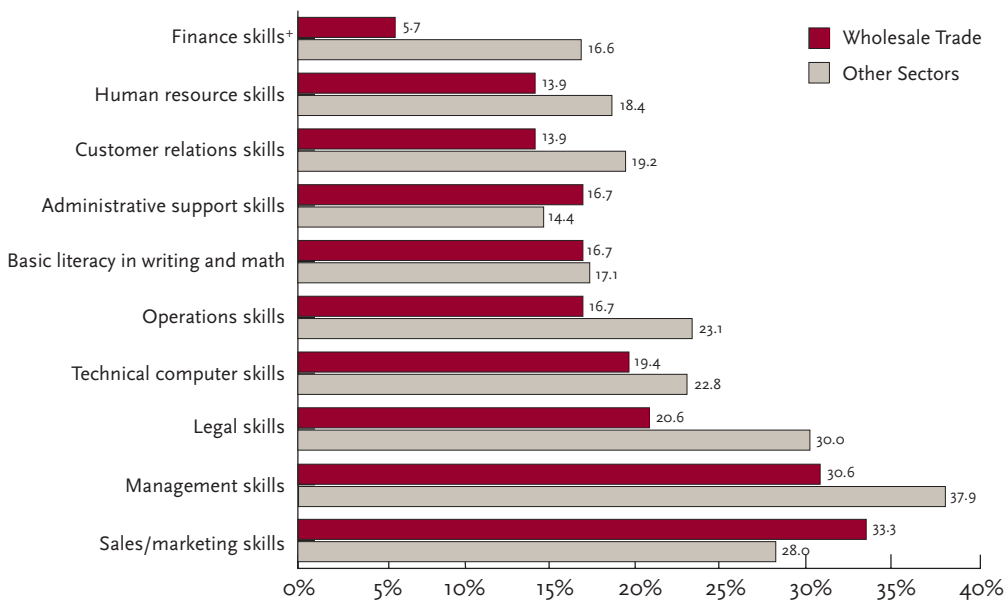
1. Wholesalers report greater problems associated with shifts in the age demographics of the workforce compared to organizations in other sectors.
2. Wholesalers offer similar flexible work options compared to organizations in other sectors.
3. In comparison to employers in other sectors, wholesalers are less likely to embrace a culture of flexibility in terms of rewarding supervisors who support flexible work arrangements.

AGE PRESSURE, TALENT NEEDS AND TALENT LOSS RISKS

What types of talent sets are in short supply in the wholesale trade sector?

Figure 3.1 shows that wholesalers are experiencing the same types of skill shortages evident in other sectors of the economy. Like employers in other sectors, management, sales/marketing, and legal skills shortages were especially pronounced. Because these same skills are in short supply in other sectors, this means that the pressure to locate and keep workers with these talents may be felt even more strongly as older workers exit the labor force.

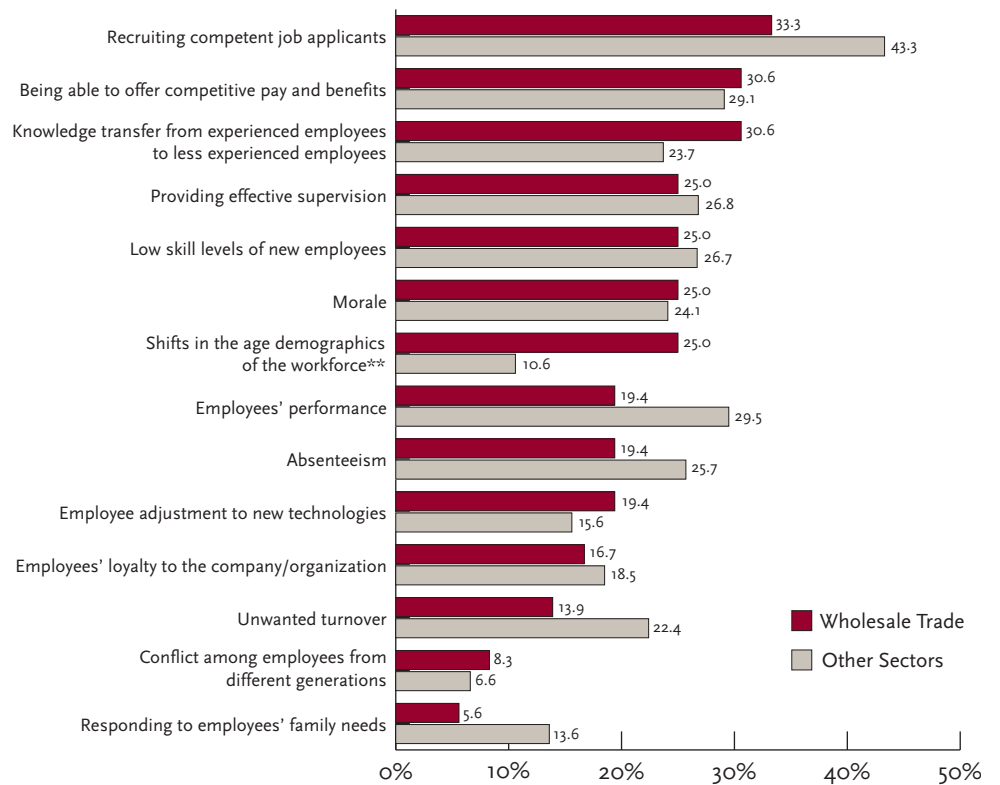
Figure 3.1 Skills in Short Supply to a Moderate/Great Extent in the Wholesale Trade Sector Compared to Other Sectors: 2009 Talent Management Study



Note: Analyses from 2009 Talent Management Study; Individual Items are reported in Appendix 3.3; Chi-Square Tests Used to Assess Significant Differences, †p<.1 *p<.05 **p<.01; N=685

When asked about what problems organizations face in talent management, employers in the wholesale trade sector reported greater concerns regarding shifts in the age demographics of the workforce in comparison to employers in other sectors of the economy. As Figure 3.2 shows, the most frequently cited concern in the wholesale trade sector was recruiting competent job applicants, suggesting that these organizations may be especially concerned about the loss of talent associated with the exit of older workers from the workforce.

Figure 3.2 Talent Recruitment and Loss Risks (Reported at a Moderate/Great Extent) in the Wholesale Trade Sector compared to Other Sectors: 2009 Talent Management Study



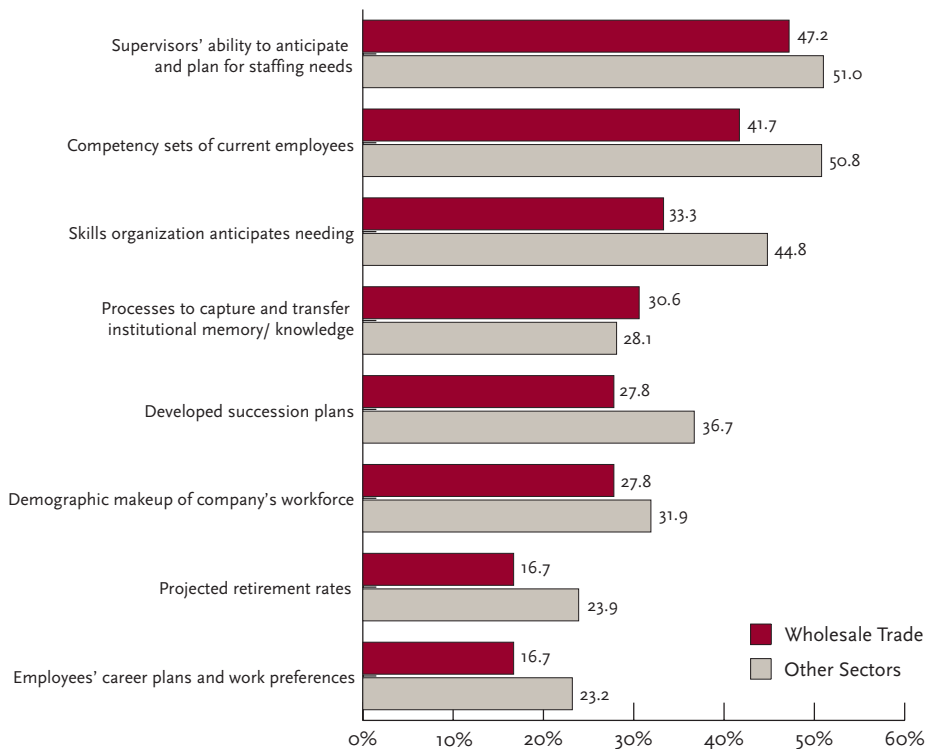
Note: Analyses from 2009 Talent Management Study; Individual Items are reported in Appendix 3.3; Chi-Square Tests Used to Assess Significant Differences, +p<.1 *p<.05 **p<.01; N=671

ASSESSMENT

The churn of the economy and the entry/exit of workers will result in significant changes in the demographic composition of many companies' workforces. With the large exodus of the Baby Boomer generation from the workforce, there are strong prospects that entire talent sets could be lost – that is, unless systematic means of identifying skill/knowledge needs are engaged. Additionally, the aging of the population presents new opportunities for employers to integrate older workers, who may be interested in pursuing new careers in the “second acts” of their lives. Participants in the Talent Management Study were asked to identify the extent that their organization engaged in planning steps to ensure that it would have the people it needed, today and in the future. Are employers in the wholesale trade sector prepared for the challenges and opportunities that correspond with changes in the age composition of the workforce?

Figure 3.3 shows that wholesalers are engaging in assessment steps at levels generally comparable to employers operating in other sectors. The Talent Management Study reveals that the primary assessment activities included appraising supervisors' abilities to anticipate staffing needs; understanding the competency sets of employees, and considering the skills the organization anticipates needing.

Figure 3.3 Assessment Activities Engaged in to a Moderate/Great Extent in the Wholesale Trade Sector Compared to Other Sectors: 2009 Talent Management Study



Note: Analyses from 2009 Talent Management Study; Individual Items are reported in Appendix 3.4; Chi-Square Tests Used to Assess Significant Differences, +p<.1 *p<.05 **p<.01; N=688

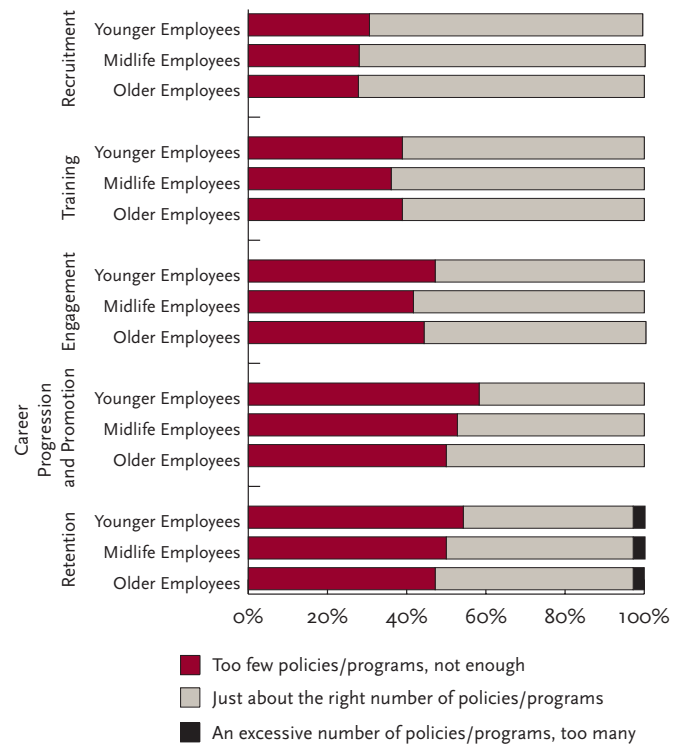
RECRUITMENT AND CAREER DEVELOPMENT

In what ways are employers altering the structure of jobs and their approaches to attracting and retaining talent?

Responses from the Talent Management Study indicate that many wholesalers are rethinking their approaches to talent management. The scope of policies and programs designed to recruit and retain employees of different ages is one indicator of organizational attention to the changing workforce.

As Figure 3.4 shows, it is rare for any wholesalers to say that they have “too many” programs for any aspect of recruitment and employee development, regardless of the age group of employees. The most common response we received was that the organizations had too few programs, indicating a considerable need for expansion of recruitment and career development programs. Most notable is the identification of the need for more career progression and promotion programs, training, and retention programs, which are critical both for the continued engagement of older workers who are currently at the workplace as well as for the replacement of workers aging into retirement who may leave in the future.

Figure 3.4 Career Programs/Policies Offered to Employees in the Wholesale Trade Sector: 2009 Talent Management Study



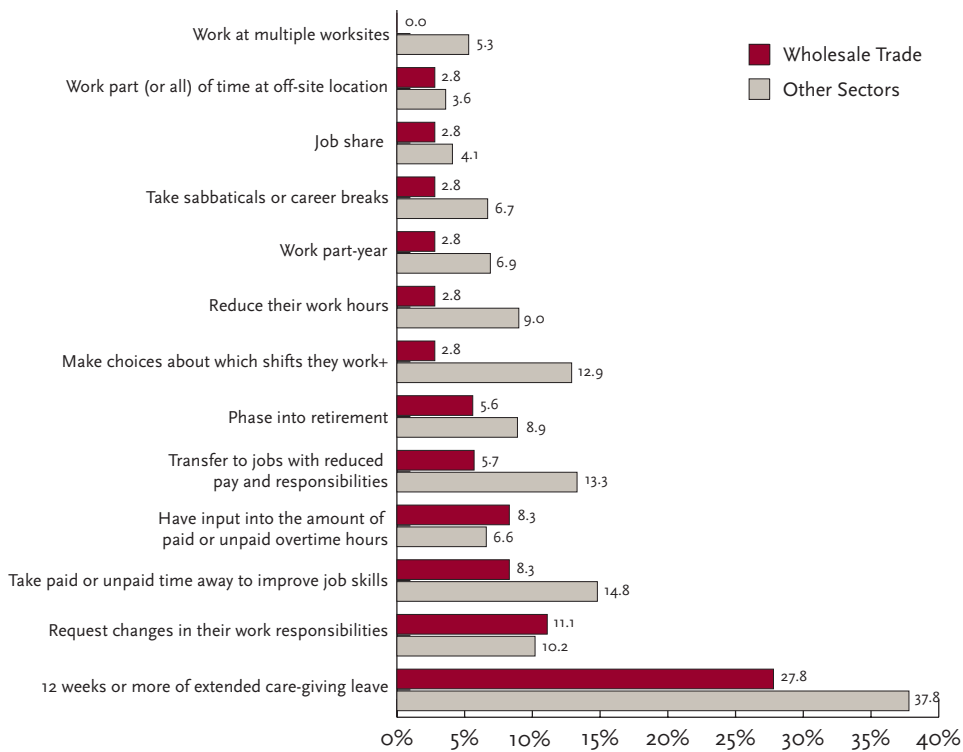
Note: Analyses from 2009 Talent Management Study, Wholesale Trade sector only; Individual Items are reported in Appendix 3.5; N=36

FLEXIBLE WORKPLACE PRACTICES

One means of attracting and retaining key talent is to introduce and expand workplace flexibility, offering workers options in terms of where, when, and how work is to be performed. The aging of the workforce offers employers an opportunity to re-vitalize their flexible work options, because older workers (like their younger colleagues) express a preference for access to flexible work options.

What types of flexible options are wholesalers offering? How do they compare to other sectors? Figure 3.5 shows that the most common type of flexibility offered is that of providing 12 weeks or more of paid or unpaid care-giving leave.³ Wholesalers offer similar flexible work options to employers in other sectors. Note, though, that apart from the option for extended care-giving leave, most organizations did not offer flexible work arrangements to all or most of their employees.

Figure 3.5 Flexible Arrangements Available to Most or Nearly All Employees in the Wholesale Trade Sector compared to Other Sectors: 2009 Talent Management Study

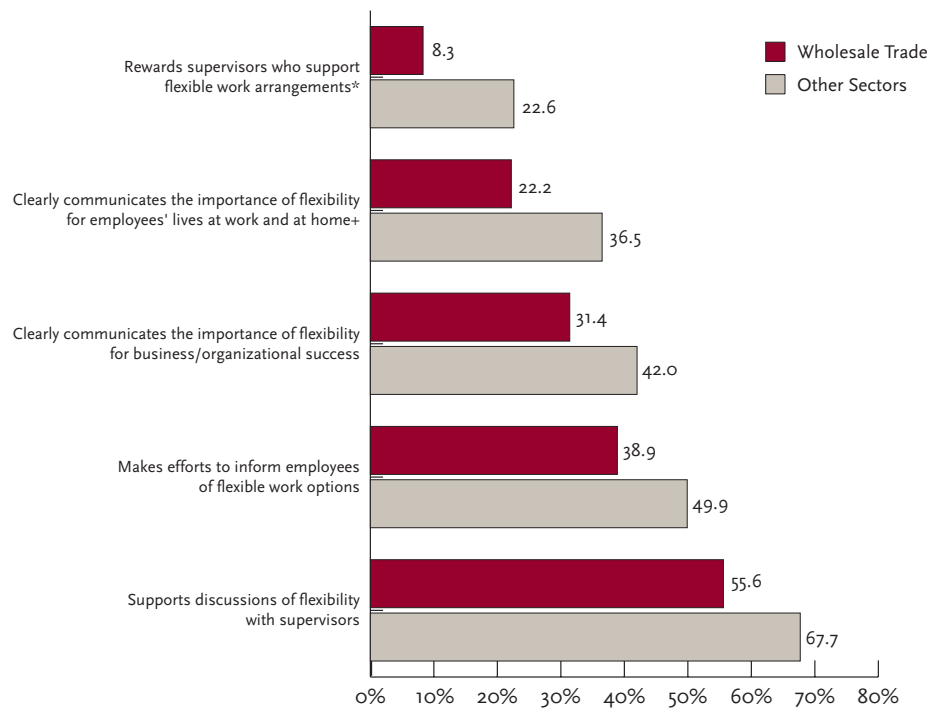


Note: Analyses from 2009 Talent Management Study. No significant differences are observed.

As Figure 3.6 shows that in general, wholesale trade organizations are less likely than employers in other sectors to embrace a culture that is supportive of workplace flexibility. Wholesalers reported having significantly fewer rewards for supervisors who support flexible work arrangements. Most employers supported discussions of flexibility with supervisors. Nearly half of all employers embraced the idea that flexibility is key to business success and viewed flexibility as an important means to enhance employees lives at work and at home.

The establishment of flexible work arrangements can be an essential strategy for business success and a promising response to the diverse and aging workforce. Efforts to restructure work in a flexible manner will likely help employers in the wholesale trade industry to position themselves for competitive advantage.

Figure 3.6 Presence of a Culture of Flexibility is Generally True or Very True in the Wholesale Trade Sector compared to Other Sectors: 2009 Talent Management Study



Note: Analyses from 2009 Talent Management Study; Individual Items are reported in Appendix 3.5; Chi-Square Tests Used to Assess Significant Differences, +p<.1 *p<.05 **p<.01; N=646

SUMMARY

When compared to organizations in other sectors, wholesale trade organizations are experiencing many of the same talent pressures and are adopting many of the same strategies to attract, develop and retain their workforces. Many of these employers are also operating “in the dark,” and have surprisingly limited understandings of the demographic makeup of their workforces, the skills shortages that may be on the horizon and the competency sets of their current employees. The exit of older workers from wholesale trade may exacerbate the impact of talent shortages, especially in age-pressured organizations that have too few policies and programs in place to attract and retain talent. However, the aging of the population may offer employers in the wholesale trade sector new opportunities to employ new workers in new ways. There is evidence to suggest that the job flexibilities available in the wholesale trade industry show promise as a means of attracting these older workers.

Conclusion:

Transferring Knowledge to Action in the Wholesale Trade Sector

Demographic transformations in the workforce are escalating the pressures exerted on employers to locate key talent. As increasing numbers of older wholesale trade workers are anticipated to exit the labor force, the risks of talent deficits are likely to rise.

Forward-thinking employers in the wholesale trade sector can begin their talent management planning by addressing questions, such as:

- What information do we have, and what information do we need, to understand current and future talent needs?
- What steps can we take to more fully engage the current multi-generational workforce?
- How can we facilitate the transfer of knowledge from late to early career employees?
- How will we find and attract new employees to fill our future needs?

The shifting age demographics of the wholesale trade sector might provide employers with incentives to further enhance already existing flexible work arrangements – not only in the types of flexibilities available, but also in expanding their availabilities to more workers. In addition, considering the strategies of managing workers and the transfer of knowledge in a multigenerational workplace can be a key ingredient for success.

Many of today's organizational practices were designed for yesterday's workforce. The talents of today's workforce are not being fully engaged and it is inevitable that many of these workers will exit in the forthcoming years. Mobilizing organizations to understand future talent needs and developing strategies of accessing that talent may be critical to securing favorable prospects in a diverse and aging society.

Appendix 1.1

Age/Economic Pressure Map

IDENTIFY YOUR WORKFORCE PLANNING RESPONSES:

Organization:	Completion Date:			
Part 1. Current State Analysis—What Are Your Pressures?				
1. What impact will the aging of the workforce have on your organization over the next 3 years?				
1 <input type="radio"/> Very negative	2 <input type="radio"/> Negative	3 <input type="radio"/> Not negative or positive	4 <input type="radio"/> Positive	5 <input type="radio"/> Very positive
Why?				
2. What impact will the aging of the workforce have on the economic environment affecting your company/organization in the near future (that is, over the next 3 years)?				
1 <input type="radio"/> Very negative	2 <input type="radio"/> Negative	3 <input type="radio"/> Not negative or positive	4 <input type="radio"/> Positive	5 <input type="radio"/> Very positive
Why?				
3. Consider your answers to the two questions above and refer to the graph on the right: 1. Plot your answer to Question 1 on the horizontal “Age Pressure” axis. 2. Plot your answer to Question 2 on the vertical “Economic Pressure” axis. 3. Connect the two points to determine in which quadrant your organization lies and refer to the chart.				

SUGGESTIONS

It can be helpful to share this type of exercise with a colleague or two, and compare your responses. Questions you might consider:

- ⇒ Do they share your assessment of the pressures facing your organization?
- ⇒ Do the pressures vary between their department and yours?

Review the details under each quadrant.

- ⇒ Can you identify potential partners outside and within HR?
- ⇒ How do you think age and economic pressures are impacting the work of these partners?

4. What your quadrant means and what to do about it.

Quadrant A

Low Economic and Age Pressure

In the Center's Talent Management Study, 24.2% of respondents reported to be in this quadrant.

- Consider your organization's overarching strategic goals, growth, globalization, deeper market penetration.
- Explore how workforce planning can support these goals & identify your potential partners.
- Assess your organizational demographics including life and career stage.
- Proactively plan & identify skills and competencies your organization will need to support strategic goals.

Quadrant B

Lower Age, Higher Economic Pressure

In the Center's Talent Management Study, 36% of respondents reported to be in this quadrant.

- Identify other organizational strategies impacted by the economy.
- Consider whether your organization is planning a workforce reduction & look at demographic projections to support this strategy.
- Has knowledge management been included in discussions? Consider doing a complete criticality assessment.
- Consider which business areas and positions are most at risk for talent shortages.
- Identify and target specific risk points that can help you to better allocate resources.
- Downsizing may offer opportunity to consider traditional staffing and training models.
- Consider if there are opportunities for employees to re-career within your organization.

Quadrant C

Higher Age and Economic Pressure

In the Center's Talent Management Study, 27.9% of respondents reported to be in this quadrant.

- Identify potential partners outside of human resources.
- Instruct your marketing and R&D departments to assess the impact of changing age demographics on your business.
- Identify areas of common interest & consider doing a complete criticality assessment.
- Consider which business areas and positions are most at risk for talent shortages.
- Identify and target specific risk points that can help you to better allocate resources.
- Take a micro rather than a macro approach to workforce planning.
- Identify the areas of your business that are still growing & explore where talent shortage is still a burning issue.

Quadrant D

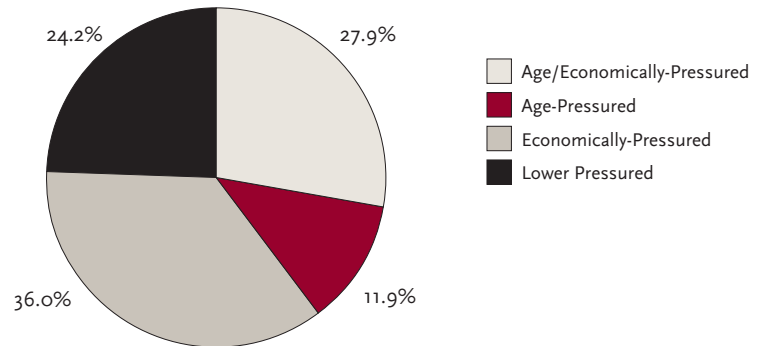
Higher Age, Lower Economic Pressure

In the Center's Talent Management Study, 11.9% of respondents reported to be in this quadrant.

- Identify potential partners within HR and organizational development.
- Consider who else is looking at age demographics.
- Discuss how information you have gathered can support mutual goals.
- Identify how your organization's age demographics align with your organizational goals.
- Consider if particular areas or occupations are at high risk; engage partners outside HR.
- Note what areas of the business are experiencing growth.
- Identify occupations that are becoming MORE critical & consider new staffing options, e.g. mid-career hires, etc.

Compare your responses.

The Center's 2009 Talent Management Study asked a nationally representative sample of employers these same questions. Figure below highlights their responses. How does your organization compare?



Quadrant Selected in #3

Understanding the pressures that affect a business' organizational situation (i.e., being age-pressured, economically-pressured, etc.) can help employers best tailor their workforce planning. For example, age-pressured employers will want to carefully assess the demographics of their workforce to determine the critical risk areas, and use this data to drive decision-making. On the other hand, economically-pressured employers may need to revisit earlier human resources priorities and redirect limited organizational resources to more immediately pressing issues.

Part 2. Workforce Planning:

Consider how changing AGE DEMOGRAPHICS are influencing your workforce planning and answer these questions:

Has your organization:	Not At All	Limited Extent	Moderate Extent	Great Extent
1. Analyzed the demographic make-up of your current employees?				
2. Analyzed projected retirement rates of your current employees?				
3. Identified areas and occupations in which retirement will be particularly consequential?				
4. Assessed how employee priorities and career intentions (of all age groups) align with your organization's goals?				
5. Assessed the skills your organization anticipates needing?				
6. Projected where internal talent gaps and shortages are most likely to emerge?				
7. Assessed competency sets of your current employees?				
8. Created succession plans that are informed by the need for knowledge retention?				
9. Developed age-related programs to assist in knowledge retention (mentoring programs, cross-generational teams, etc)?				
10. Explored how phased retirement and other programs for older workers can potentially ease labor force gaps?				
11. Been rethinking who to hire in response to changing age demographics?				
12. Developed new ways to retain and motivate an age diverse workforce?				

SUGGESTIONS

- ⇒ In all cases, understanding your organizations' labor force needs is critical. Identify whether you have pipeline issues, problems in particular business areas or unique challenges with specific occupations.
- ⇒ Look at where your organization is concentrating its R&D dollars; consider whether you will have the right talent in place when it's the right time to support these new opportunities.
- ⇒ For organizations that are economically-pressured, it is especially important to prioritize gaps. Size of the workforce gap is an important measure, however, it is also important to measure risk. Consider the potential costs to the business if this gap is not filled.

Part 3. Implications & Suggestions

IMPLICATIONS:

1. Based on your answers above, which area of workforce planning seems to be most critical for your organization to address?

2. What is the first thing you will recommend your organization do in regard to workforce planning?

3. What is the next thing you will recommend your organization do in regard to workforce planning?

4. Did anything surprise you regarding your organization's workforce planning efforts? If yes, what?

Part 4. Resources

Available on the Sloan Center Website: <http://www.bc.edu/research/agingandwork>

- This tool is derived from: Pitt-Catsouphes, M., Sweet, S., Lynch, K., & Whalley, E. (2009). *Talent management study: The pressures of talent management* (Issue Brief No. 23). Chestnut Hill, MA: Sloan Center on Aging and Work at Boston College. Retrieved from http://agingandwork.bc.edu/documents/IB23_TalentMangmntStudy_2009-10-23.pdf
- Changing Age Demographics: Business Imperative or HR Distraction?
 - Article 1: The Way We Were and Still Are
 - Article 2: Leading Edge Strategic Adaptation
 - Article 3: Staying "Age-Responsive" in a Climate of New Organizational Challenges
 - Article 4: What is the Age-Identity of your Organization?
- Age & Generations: Understanding Experiences at the Workplace
- The Difference a Downturn can Make: Assessing the Early Effects of the Economic Crisis on the Employment Experiences of Workers

Additional Resources:

- AARP Workforce Assessment Tool: <http://www.aarpworkforceassessment.org>

ACKNOWLEDGEMENTS

The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision-making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

The Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

Appendix 2.1

The General Social Survey: Sample, Analysis and Indicators

INTRODUCTION OF THE GENERAL SOCIAL SURVEY:

The General Social Survey (GSS) is one of the most widely used polls of behaviors, experiences and values held by American adults. For detailed information on the sample and methods, see <http://www.norc.org/GSS+Website/>.

In order to increase the sample to a size that enables analysis of variation between industries and age groups, we combined 6 survey years (1998, 2000, 2002, 2004, 2006 and 2008). Industry coding is in respect to the 2007 North American Industry Classification System and required reclassifying 1980 and 1990 Census Industry Codes contained within the GSS using a cross step procedure summarized at this source <http://www.census.gov/hhes/www/ioindex/indcswk2k.pdf>.

Listed below are the phrasings of the questions in the GSS analyzed in this report:

On the whole, how satisfied are you with the work you do--would you say you are very satisfied, moderately satisfied, a little dissatisfied, or very dissatisfied?

On the following list there are various aspects of jobs. Please circle one number to show how important you personally consider it is in a job:

- Job security.
- High income.
- Good opportunities for advancement.
- An interesting job.
- A job that allows someone to work independently.
- A job that allows someone to help other people.
- A job that is useful to society.
- A job with flexible working hours.

For each, please tell me if the statement is very true, somewhat true, not too true, or not at all true with respect to the work you do (main job):

- I am given a lot of freedom to decide how to do my own work.

How often are you allowed to change your starting and quitting times on a daily basis?

How often do the demands of your job interfere with your family life?

Appendix 2.2

Sample Size, Distributions and Sector/Age/Gender Comparisons of Items from the General Social Survey, 1998-2008 Combined Years

	Sector Comparisons				Comparisons Within the Wholesale Trade Sector								
					Age					Gender			
	N	Other Sectors	Wholesale Trade Sector	Sig	N	20-39	40-55	55+	Sig	N	Men	Women	Sig
Organizational Commitment													
% Reporting somewhat satisfied or very satisfied with their job in general (SATJOB1)	3,495	89.7	88.9	0.049	108	83.9	94.5	93.8	0.084	108	88.1	90.2	0.503
Stress and Work Family Conflicts													
% Reporting job interfere with family life often or sometimes (WKVSFAM)	3,491	40.9	34.9	0.105	109	39.3	33.3	23.5	0.168	109	36.8	31.7	0.332
Flexible Work Options													
% Reporting they are allowed to change their schedule often or sometimes (CHNGTME)	3,482	54.0	54.1	0.657	109	50.0	55.6	64.7	0.122	109	52.9	56.1	0.798
Inclusion in Decision-Making													
% Reporting they have complete or some freedom to decide how to do their job (WKFREEDM)	3,476	86.8	91.7	0.273	109	89.3	91.7	100.0	0.705	109	91.2	92.7	0.991

Appendix 3.1

The Talent Management Study: Sample, Analysis and Indicators

The 2009 Talent Management Study is a survey of a representative sample of employers in the United States as identified in the Dunn & Bradstreet database. Collected in April - August 2009, these data reveal the employment practices and priorities of 696 U.S. based employers. These organizations represent the 10 leading sectors of the U.S. economy that account for 83% of private sector employment and 85% of payrolls in the United States (construction; manufacturing; wholesale trade; retail trade; transportation and warehousing; finance and insurance; professional, scientific, and technical services; administrative support; waste management and remediation services; health care and social assistance; and accommodation and food services). A stratified sampling strategy was adopted so that a proportionate representation of three groups of employers-- smaller enterprises (employing 50-99 employees), medium sized enterprises (100-250+ employees), and large enterprises (250+ employees)-- was obtained. This study involved contacting a key human resources decision maker (most commonly presidents of smaller companies or human resource directors of larger companies), who then reported their company's characteristics, talent management practices, and competitive positioning via an online survey instrument.

List of Questions:

Age composition of enterprises was measured by employers' reports of the proportions of their workforces that were (A) under age 25 years, (B) age 25-39 years, (C) age 40-54 years, (D) age 55-65 years, and (E) age 65+.

Expected change in age composition was measured by employers' reports of whether they anticipate changes in the age composition of their workforce over the next three years with regards to employees (A) under age 25 years, (B) age 25-39 years, (C) age 40-54 years, (D) age 55-65 years, and (E) age 65+.

Talent loss risks were measured by employers' reports of the average costs associated with replacing an employee at their organization.

Skills in short supply were measured by employers' reports of to what extent the following skills are in "short supply" at their organization: (A) management, (B) operation, (C) human resource, (D) finance, (E) administrative support, (F) legal, (G) technical computer, (H) sales/marketing, (I) basic literacy in writing and math, and (J) customer relations.

Talent management problems were measured by employers' reports of to what extent each of the following are problems for their business: (A) recruiting competent job applicants, (B) employees' performance, (C) absenteeism, (D) being able to offer competitive pay and benefits, (E) employees' loyalty to the company/organization, (F) morale, (G) providing effective supervision, (H) unwanted turnover, (I) knowledge transfer from more experienced employees to less experienced employees, (J) low skill levels of new employees, (K) shifts in the age demographics of the workforce, (L) conflict among employees from different generations, and (M) employee adjustment to new technologies.

Planning steps were measured by employers' reports of to what extent their company/organization has taken the following planning steps to ensure that it will have the people it needs, today and in the future: (A) analyzed demographic makeup of their company's/organization's workforce, (B) analyzed projected retirement rates, (C) assessed employees' career plans and work preferences (e.g., through a survey

or some other mechanism), (D) assessed the skills their organization anticipates needing, (E) assessed the competency sets of their current employees, (F) assessed supervisors' ability to anticipate and plan for staffing needs, (G) developed succession plans, and (H) developed processes to capture and transfer institutional memory/ knowledge from late-career employees to mid-career and early-career employees.

Age specific action steps regarding career programs for workers were measured by employers' reports of to what extent their organization has programs or policies for (A) recruitment, (B) training, (C) engagement, (D) career progression, and (E) retention for young, midlife, and older workers.

Flexibility initiatives were measured by employers' reports of to what extent their company/organization has (A) made a link between workplace flexibility and overall business/workplace effectiveness and (B) established different options that allow employees to work in a flexible manner.

Flexible work arrangements were measured by employers' reports of approximately what portion of their employees (thinking about both full-time and part-time employees) can do the following: (A) if working full-time, reduce their work hours and work on a part-time basis while remaining in the same position or at the same level, (B) structure their jobs as a job share with another person where both receive proportional compensation and benefits, (C) phase into retirement by working reduced hours over a period of time prior to full retirement, (D) work part - year; that is, work for a reduced amount of time on an annual basis (e.g., work full-time during the fall, winter, and spring and then take the summer off), (E) take sabbaticals or career breaks– that is, take leaves, paid or unpaid, of six months or more and return to a comparable job, (F) take paid or unpaid time away from work for education or training to improve job skills, (G) take at least 12 weeks of extended leave (either unpaid or paid) for care giving or other personal or family responsibilities (e.g., parental or elder care giving responsibilities), (H) work part (or all) of their regular workweek at home or some other off-site location, possibly linked by telephone and computer, (I) work for part of the year at one worksite, and then part of the year at another worksite, (J) transfer to jobs with reduced pay and responsibilities if they want to, (K) request changes in their work responsibilities so that the job is a better fit with their skills and interests, (L) make choices about which shifts they work, if they work a shift, and (M) have input into the decisions about the amount of paid or unpaid overtime hours they work.

Presence of a culture of flexibility was measured by employers' reports of how true the following statements are about their company/organization: (A) supports employees who want to discuss their needs for flexibility with their supervisors, (B) makes a real effort to inform employees of available flexible work options, (C) clearly communicates the importance that working and managing flexibly has for business/organizational success, (D) clearly communicates the importance that working and managing flexibly has for employees' lives at work and at home, and (E) rewards or acknowledges supervisors who support effective flexible work arrangements.

Appendix 3.2

Age Demographics: Wholesale Trade Sector (NAICS 42) Compared to Nine Other Leading Sectors: 2009 Talent Management Study

	All Sectors	
	Wholesale Trade N=36	Other Sectors N=660
Mean Age Composition of the Workplace		
Under 25 years - What is the approximate % of employees who are:	10.08%**	16.2%
25-39 years - What is the approximate % of employees who are:	39.03%+	34.0%
40-54 years - What is the approximate % of employees who are:	31.6%	32.4%
55-64 years - What is the approximate % of employees who are:	16.1%	14.2%
Older than 65 years - What is the approximate % of employees who are:	3.2%	3.1%
Age Composition Expected to Increase Some or A lot		
Under 25 years	25.0%	23.8%
25-39 years	30.6%	39.4%
40-54 years	30.6%	33.7%
55-65 years	27.8%	25.5%
Older than 65 years	20.0%	14.3%
Impact of Aging of the Workforce on Economic Climate		
Aging of the Workforce Expected to Have a Negative or Very Negative Impact	36.1%	40.0%

Source: Talent Management Study +p<.1 *p<.05 **p<.01

Appendix 3.3

Talent Loss Risks: Wholesale Trade Sector (NAICS 42) Compared to Nine Other Leading Sectors: 2009 Talent Management Study

	All Sectors	
	Wholesale Trade N=36	Other Sectors N=660
TALENT LOSS RISKS		
Mean costs associated with replacing an employee (\$)	4760.0	9439.6
Skills in Short Supply (% Moderate or Great Extent)		
Management skills	30.6%	37.9%
Operations skills	16.7%	23.1%
Human resource skills	13.9%	18.4%
Finance skills	5.7%+	16.6%
Administrative support skills	16.7%	14.4%
Legal skills	20.6%	30.0%
Technical computer skills	19.4%	22.8%
Sales/marketing skills	33.3%	28.0%
Basic literacy in writing and math	16.7%	17.1%
Customer relations skills	13.9%	19.2%
Talent Management Problems (% Moderate or Great Extent)		
Recruiting competent job applicants	33.3%	43.3%
Employees' performance	19.4%	29.5%
Absenteeism	19.4%	25.7%
Responding to employees' family needs	5.6%	13.6%
Being able to offer competitive pay and benefits	30.6%	29.1%
Employees' loyalty to the company/ organization	16.7%	18.5%
Morale	25.0%	24.1%
Providing effective supervision	25.0%	26.8%
Unwanted turnover	13.9%	22.4%
Knowledge transfer from experienced employees to less experienced employees	30.6%	23.7%
Low skill levels of new employees	25.0%	26.7%
Shifts in the age demographics of the workforce	25%**	10.6%
Conflict among employees from different generations	8.3%	6.6%
Employee adjustment to new technologies	19.4%	15.6%

Source: Talent Management Study +p<.1 *p<.05 **p<.01

Appendix 3.4

Risk Assessments of Talent Losses in the Wholesale Trade Sector (NAICS 42) Compared to Nine Other Leading Sectors: Talent Management Study

	All Sectors	
	Wholesale Trade N=36	Other Sectors N=660
Analyzed/Developed (% Moderate or Great Extent)		
Demographic makeup company's workforce	27.8%	31.9%
Projected Retirement Rates	16.7%	23.9%
Employees' career plans and work preferences	16.7%	23.2%
Skills Organization Anticipates Needing	33.3%	44.8%
Competency Sets of Current Employees	41.7%	50.8%
Supervisors' Ability to Anticipate and Plan for Staffing Needs	47.2%	51.0%
Developed succession plans	27.8%	36.7%
Processes to capture and transfer institutional memory/ knowledge	30.6%	28.1%

Source: Talent Management Study +p<.1 *p<.05 **p<.01

Appendix 3.5

Talent Management Action Steps in the Wholesale Trade Sector (NAICS 42) Compared to Nine Other Leading Sectors: 2009 Talent Management Study

	All Sectors	
	Wholesale Trade N=36	Other Sectors N=660
Age Specific Action Steps		
Career Programs for Workers (Too Few)		
Recruitment Younger Employees	30.6%	26.1%
Recruitment Midlife Employees	27.8%	25.5%
Recruitment Older Employees	27.8%	30.2%
Training Younger Employees	38.9%	34.9%
Training Midlife Employees	36.1%	32.7%
Training Older Employees	38.9%	34.7%
Engagement Younger Employees	47.2%	37.2%
Engagement Midlife Employees	41.7%	34.5%
Engagement Older Employees	44.4%	35.1%
Career progression and promotion Younger Employees	58.3%	46.2%
Career progression and promotion Midlife Employees	52.8%	44.1%
Career progression and promotion Older Employees	50.0%	45.2%
Retention Younger Employees	54.3%	40.3%
Retention Midlife Employees	50%+	35.3%
Retention Older Employees	47.2%	34.4%
Flexibility Initiatives		
Workplace Flexibility somewhat/ significantly increases business effectiveness	42.9%	44.7%
Company Established Options that Allow Employees to Work in a Flexible Manner to Moderate or Great Extent	16.7%+	31.3%
Flexible Arrangements Available to Most or Nearly All Employees		
Reduce their Work Hours	2.8%	9.0%
Job share	2.8%	4.1%
Phase into retirement	5.6%	8.9%
Work part-year	2.8%	6.9%
Take sabbaticals or career breaks	2.8%	6.7%
Take paid or unpaid time away to improve job skills	8.3%	14.8%
12 weeks or More of Extended Caregiving Leave	27.8%	37.8%
Work part (or all) at off-site location	2.8%	3.6%

Work at Multiple Worksites	0.0%	5.3%
Transfer to jobs with reduced pay and responsibilities	5.7%	13.3%
Request changes in their work responsibilities	11.1%	10.2%
Make choices about which shifts they work	2.8%+	12.9%
Have input into the amount of paid or unpaid overtime hours	8.3%	6.6%
Presence of a Culture of Flexibility is Generally True or Very True		
Supports discussions of flexibility with supervisors	55.6%	67.7%
Makes efforts to inform employees of flexible work options	38.9%	49.9%
Clearly communicates the importance of flexibility for business/organizational success	31.4%	42.0%
Clearly communicates the importance of flexibility for employees' lives at work and at home	22.2%+	36.5%
Rewards supervisors who support flexible work arrangements	8.3%*	22.6%

Source: Talent Management Study +p<.1 *p<.05 **p<.01

Appendix 3.6

Entire Sample Broken Down by Sector: 2009 Talent Management Study

	Number of Organizations	Percent of the Sample
Construction	58	8.3%
Manufacturing	134	19.3%
Wholesale Trade	36	5.2%
Retail Trade	78	11.2%
Transportation and Warehousing	26	3.7%
Finance and Insurance	45	6.5%
Professional, Scientific, and Technical Services	49	7.0%
Administrative and Support and Waste Management and Remediation Services	32	4.6%
Health Care and Social Assistance	125	18.0%
Accommodation and Food Services	113	16.2%
Total	696	100.0%

End Notes

- 1 Compensation (National Compensation Survey) is a term used to encompass the entire range of wages and benefits, both current and deferred, that employees receive in return for their work. In the Employment Cost Index (ECI), compensation includes the employer's cost of wages and salaries, plus the employer's cost of providing employee benefits.
- 2 These surveys, generated from face-to-face interviews, offer a window on the perspectives and values of a representative sample of Americans laboring within and beyond the health care and social assistance sector. A description of methods of studying the 1998-2008 General Social Survey, samples and measures, as well as additional relationships, are presented in Appendix 2.1 and Appendix 2.2.
- 3 The Family Medical Leave Act requires that employees have access to 12 weeks unpaid leave to accommodate their own or other family members' needs – such as for the birth of a child or to address the care needs of a spouse or an aging parent. Eligibility varies, however, depending on factors such as the establishment size, full time work status, and tenure, and thus a sizable proportion of the labor force is not entitled to this leave.

Authors

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