Adapting To An Aging Workforce

How Old Is Your Hotel Staff?

You may not know, and that's not surprising. According to the National Study of Business Strategy and Workforce Development, only about 1/3 of employers have adequately analyzed their workforce demographics. But the reality is that your workforce is aging. In every industry all across America, the workforce demographics are shifting to an older workforce population. Employment among people aged 55 and older has increased to an all-time high of 40.4% (Bureau of Labor Statistics) and the percentage of those 65 and over reached 18.2% this year -up 11.6 % from the beginning of the recession in December 2007. A number of factors, such as the elimination of mandatory retirement, longer life expectancy and better health play a role, but by and large people are holding onto their jobs longer simply due to economic frailties such as unemployment within their households, inadequate retirement savings and dwindling social security benefits.

The concern for the hospitality industry is that many of the jobs, such as those in housekeeping, are physically demanding jobs. The injury rate by house-keepers is already higher than occupations commonly recognized as dangerous, including coal mining and building construction, and an aging work force doesn't bode well to reduce those risks. In years past, the rigorous demands of housekeeping have always kept the turnover rate high for the hospitality industry –usually above 60% compared to 3% national average- with new entrants to the labor force quickly filling the vacated positions. But today, the turnover ratio for the hospitality industry is at an all time low (29.1%) and the average age among the 436,000+ U.S. housekeepers is 40 years old and climbing.

While lower turnover rates usually mean higher profits, hotel operators should be concerned about the aging workforce. During the recession, managers were able to effectively manage profitability and performance mainly through controlling labor cost. From 2009 to 2010, U.S. hotels spent 3 .4% less on labor costs per occupied room (a measure of work- load or level of service). While those measures may have created short term efficiencies, there are very real concerns that the added demands of less employees having to do more combined with an aging workforce may translates into escalating age-related injuries and insurance costs as well as have negative impacts on quality and productivity in the long term.

Although older workers typically have fewer injuries than their younger counterparts, when an injury does occur, the injury tends to be more severe and it usually takes significantly longer for the worker to recover. Studies suggest older workers take an average of 15 days off per injury compared to one day off for younger workers. There is also data that shows older workers are less likely to return to work after an injury – in some cases over 80% less likely, compared to 12% for a worker in his 20s. Likewise, as the workforce ages, the incidences of disability rise 20% for workers in the 45 to 54 year-old range, and approximately 42% for workers in the 65+ age range. Lost-time injuries have a far more negative impact on your insurance premiums than frequency. Meaning, an employer who has several small injuries with limited or no time away from work typically pays far less in insurance rates than an employee who has only had a couple of severe lost-time injuries.

Discrimination

You may think that firing or forcing out older workers may be the best solution, but it rarely is. Older workers generally have more experience, have better work habits, are more loyal and have a higher commitment to quality. If that's not convincing enough, consider this: Along with the increase in older workers, age discrimination claims have risen correspondingly. The number of age discrimination claims filed with the Equal Employment Opportunity Commission has risen 23.5% in the past two years, making it the fastest growing category of discriminat-ion cases. The ADEA (Age Discrimination in Employ-ment Act) prohibits an employer from refusing to hire or fire, or otherwise discriminate against a person age

40 or over, solely on the basis of age, and recent changes to the ADEA make age discrimination cases that much harder to defend for employers.

So What Can You Do?

In almost every personal trait desired by employers- from honesty and integrity to pride and motivation- seasoned employees score higher than their younger counterparts. The unique experience, skills and values they bring allow employers to maximize productivity and easily translates into an increased competitive advantage and bottom line savings. But as they grow older, management needs to realize a potential depreciation in their skills and ability- especially in physically demanding jobs- may be occurring. Consequently, hotel operators need continuously assess the nature of the work that needs to be done and the abilities of the staff they have performing those duties. Where possible, a modification in job duties may be necessary. Similarly, employers should look to invest in tools or training that encourages or allows the work to be performed with less physical strain or greater comfort. There are many new decvices on the market that assist housekeepers with lifting heavy mattresses during bed making duties, ease pushing heavy linen and amenity carts or simply reduce the routine performance of strenuous, awkward reaching, kneeling or exertions during daily room cleaning activities.

Although, “investing” in anything during an economic recovery may seem counter-intuitive, increasing employee’s safety and health, regardless of age, has repeatedly been shown to lower the risk of injuries, improve productivity and have a positive affect on a company’s employee satisfaction, customer service scores and financial performance. In fact, a recent report by Liberty Mutual’s Safety Index suggests “95% of businesses report workplace safety initiatives have a positive impact on a company’s financial performance” and a study by OSHA's Office of Regulatory Analysis indicates companies that implement effective ergonomic and safety and programs can expect returns of $4 to $6 for every $1 invested.

Preparing for the future is just common sense. Investing in tools and resources that allows your employees to perform their jobs better, safer and more efficiently isn’t only practical, it’s essential in today’s changing workforce landscape.