Managing an ageing workforce:
Motivating, rewarding and retaining older workers

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Objectives

• Why is it important to consider the ageing workforce?
• What do employees want as they approach retirement?
• Financial rewards for older workers
• Non-financial rewards for older workers
• Career progression for older workers
• Ageism and age discrimination
• Concluding remarks
Why is it important?

- Human Rights Code protects people aged 19 and over from discrimination because of their age – in public places, tenancy and employment

- Removal of Mandatory Retirement (1st January 2008) – employee cannot be forced to retire

- Ageing population
  - Proportion of over 65s in Canada has grown from 20.2% in 1981 to 28.7% 2011 and is predicted to be 47.1% in 2041.

- Increased life expectancy
  - Increased by 30 years in 20th century (was 80.7 on average in Canada in 2007)

- Skills shortages
  - Especially in construction, food, mining and technology (Canadian Chamber of Commerce)
Business Case

- **Benefits to employers**
  - Skills shortages, even in the current recession; skills and experience
  - Understand and respond to needs of customer base

- **Benefits to society**
  - Contribute to economic productivity; dependency ratio

- **Benefits to individuals**
  - Financial and psychological; well-being
What do workers want as they approach retirement?

- Opportunity to use existing skills and experience
- A worthwhile job
- More flexible working
- Flexible leave arrangements
- Participative and friendly culture
- Social opportunities
Pay and financial benefits

- Pay structures
  - performance-related pay

- Bonus, incentive and recognition schemes
  - Do your existing schemes motivate older workers?
  - Sacrificing bonus payments into pension plans

- Service related benefits
  “Recognising and rewarding loyalty is not the same as rewarding people based on age” (ASDA)

- Well being and risk benefits
  - Medical and critical illness insurance
  - Health checks

- Flexible benefits
Pensions

- **Flexible retirement**
  - Age/date of retirement
  - Working patterns up to retirement

- **Flexible pensions**
  - Deferred pensions
  - Draw pension while working
  - Continue contributing after retirement

- **First Group**
  - Over 50 year olds can draw their pension early to offset the reductions if they move to P/T work
  - Employees can contribute till age 75
  - Deferral
Non-financial rewards

- **Flexible working arrangements and work-life balance**
  - Caring responsibilities, convenient travel
  - Long-term leave/sabbaticals
  - Home working

- **Working environment and culture**
  - Physical environment
  - Open culture

- **Social interaction**

- **Training and career development**
Flexible working in BT

- **Wind down**
  - P/T work in later career stages

- **Time out**
  - Extended leave/sabbaticals

- **Ease down**
  - Reduced commitments up to retirement

- **Helping hands**
  - Time out to work for a charity or Government body

- **Step down**
  - Reduced responsibility up to retirement
Training and career development

- Enable older workers to continue to make valuable contributions
- Training for new roles e.g. coaching and mentoring
- Technology training
- Sainsbury’s Apprenticeship Scheme
  - Open to workers outside of 16-25 age bracket
  - Address skills shortages; company ethos
  - Allow career changes at any time in life
Career Plateauing

- Workforce participation generally drops after age 50
  - Health, caring responsibilities, or feel they have no choice

- The time between transitions gets longer as people age
  - 40% people in their 60s compared to 85% people in their 20s
    (McNair et al, 2003)
  - Over 50 yr olds time since last transition: 37 months, compared to 12 months in under 30 yr olds

- Due to loss of work motivation or decline in opportunities
  - Some people not motivated to seek change so need encouragement not to stagnate
  - Our research shows that older workers want continued progression

- Career plateauing can result in loss of skills and reduced job satisfaction and well-being
Barriers

- Personal - health, family and caring responsibilities, skills and experience and personal attitudes
  - Family and caring responsibilities especially important for women and older workers
  - Health issues more important for older workers (26%)
  - Lack of relevant qualifications; experience of technology

- Organizational – age related discrimination; policies and practices
  - Availability of training
Organizational Support

• Proportion of people receiving support declines with age

• Support from line manager; peer support; supportive organizational culture
  – Difficulties when older workers placed with younger co-workers; overcome by open communication

• Investment in skills and development; identification of needs; tailored development
  – No evidence of difference by age
  – Training, coaching or personal support

• Career management systems and retirement planning;
Ageism and Age Discrimination

- **Ageism**: Beliefs about people based on age-related stereotypes and the resulting discrimination

- **Age discrimination**: Behaviour that excludes certain categories of people because of their age and disadvantages them (McMullin & Marshall, 2001)

- Attitudes and commitment are related. For older and younger workers:
  - Reduces emotional commitment to the organisation
  - For older workers less commitment to continue encourages early retirement for example (Snape and Redman 2003)
Perceptions of younger workers (Oct 2007)

- Inexperienced
- More likely to take sick leave
- Do not stay in job long
- Unreliable
- Enthusiastic
- Unskilled
- Open to new ideas

% organisations
Combating Ageism

• Training for line managers and employees
  – Awareness of legislation, policy and benefits
  – Understanding of issues experienced by workers of different ages

• Develop an open and supportive culture
  – Focus on skills, abilities and potential (not age!)

• Pair older and younger workers together
  – Mentoring

• Flexibility; treat people as individuals
Conclusions

- Workers may want different things out of their job as their approach retirement; many still want career progression.

- Health, caring responsibilities, skill levels and the attitudes of managers and peers can affect older workers' prospects at work.

- Non-financial benefits such as flexible working may be a good way of motivating and retaining older workers.

- The line manager, work environment and culture is important.

- Ageism is a barrier to commitment in older workers.
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