

SHRM FOUNDATION EXECUTIVE BRIEFING

CHANGING OUR PERCEPTIONS OF OLDER WORKERS

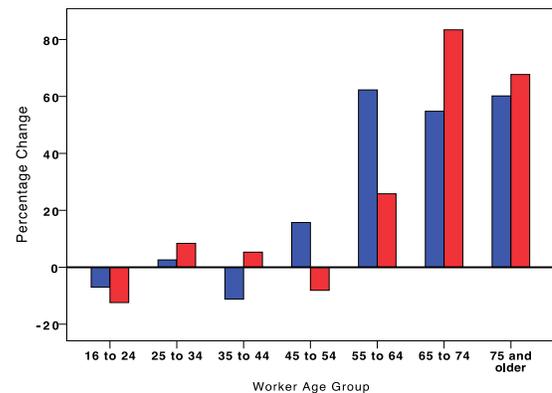
A significant percentage of today's workforce is made up of older, "mature" workers—those aged 65 and older—and that percentage will grow quickly in the next few years. To achieve your organization's long-term goals, you must be able to leverage the talents of this capable workforce. In many firms, however, a lack of understanding of Baby Boomers' needs and capabilities stands in the way of taking full advantage of their skills and experience.

This briefing explores the misunderstandings and challenges that often accompany a more mature workforce. The perspectives of the workers themselves and their employers are considered, as well as the issue of intergenerational dynamics. In each case, solutions are identified for common challenges, with the goals of maximizing productivity, increasing retention and improving the bottom line.

Why Prioritize Mature Workers?

The percentage of mature workers in the U.S. economy is already at a historic high and is predicted to increase in the coming decades. In fact, this is the only sector of the labor force for which the U.S. Bureau of Labor Statistics forecasts significant growth. By 2050, the 65-and-older group is expected to grow by 75 percent, while the 25-to-54 age group will grow by only 2 percent. Not only is the workforce aging, but the relative supply of younger workers is diminishing in comparison, in a trend that spans most industries.

Figure 1
An Aging Workforce



Barriers to Fully Utilizing Mature Workers

Maximizing mature worker productivity is becoming a necessity, but many firms have been slow to adapt. In some cases, organizations are still living in the past—not yet embracing 21st-century ideas about work and retirement that are becoming more common in the developed nations. In other cases, negative, inaccurate stereotypes about mature workers and their abilities persist.

Changing ideas about work and retirement

Recent AARP surveys indicate that as many as 80 percent of Baby Boomers plan to work past age 65. The majority of these workers expect to contribute in reduced, part-time capacities rather than in full-time positions. A growing number of firms offer flexible arrangements to fit part-time workers, but often the disparity between mature



workers' expectations and traditional workplace structures creates a barrier to fully using senior workers' talents.

Ageism and negative stereotypes of mature workers

Stereotypes and assumptions about employees' abilities or productivity based on numerical age—rather than on objective performance criteria—are a form of prejudice known as *ageism*. Ageism tends to be far more socially condoned than sexism or racism, and may even be overlooked or dismissed in some organizations. In developed nations, 60 percent of employees over age 50 believe that age discrimination is the biggest obstacle to their employment.

Common stereotypes of mature workers are that they lack the drive to innovate, resist change and are less productive than younger workers. Studies find little evidence to support these negative assumptions. One large-scale summary, incorporating 22 years of research, found no

significant relationship between age and performance. Another found no evidence that mature workers are less innovative. And a recent study of 30,000 German employees concluded that *younger* workers are the most resistant to change. Survey responses from actual employers indicate a preference for mature workers over younger ones in a variety of categories, including reliability, productivity and professional networks.

Age discrimination is clearly a violation of law and good business ethics. It cannot be supported in current research and ultimately hurts a company's bottom line. No organization can afford to underutilize such a large sector of the workforce.

Dismantling the Stereotypes: Three Frames of Reference

Misunderstandings about work and retirement expectations are linked to negative stereotypes of mature workers. Three frames of reference—the mature worker's, the employer's and an intergenerational one—shed light on some of the critical issues and potential solutions.

The mature worker's perspective: Self-handicapping

Some mature workers engage in self-handicapping, internalizing negative stereotypes about their own abilities. This is often the case for those who view their aging as a hindrance. Employees who internalize negative assumptions may confirm stereotypes held by employers and society as a

Table 1
An Aging Workforce

Finding	Study Participants	Source
Younger rather than mature workers are the most resistant to change	30,061 employees from 93 different German firms	Kunze et al., 2013
No overall relationship between age and job performance	38,983 total workers (spanning 96 organizational studies over 22 years)	McAvoy & Cascio, 1989
No evidence that mature workers are less innovative than younger workers	9,779 total workers (spanning 98 field studies from the 1980s through 2012)	Ng & Feldman, 2013
Mature workers preferred to younger workers in terms of reliability, loyalty, professional network, skill level relative to job requirements, and productivity	578 nongovernmental organizations, each with 50 or more employees	Pitt-Catsouphes et al., 2007

Source: Pew Charitable Trusts, Economic Mobility Project

whole, decreasing motivation to invest in mature workers and perpetuating ageism.

■ **Solution: Adopt adaptive mindsets.** The way to prevent or minimize mature workers’ own negative age stereotypes is to replace them with positive or neutral perceptions. In one experiment, seniors who were told that a reading comprehension exercise was designed to share *thoughts and opinions* performed much better than those who were told that the same exercise measured *memory*. When mature workers approach tasks with adaptive, age-positive or age-irrelevant mindsets, they will be more productive. Employers can help by downplaying assumed deficits of mature workers, such as memory and adaptability, and avoiding the presentation of tasks in threatening ways.

The employer’s perspective: Lack of understanding

Most employers still lack a basic understanding of mature workers’ needs and abilities. For example, employers may assume that a candidate above a certain age lacks critical skills or is too set in his or her ways to fit into a new work culture. These employers ignore skills that come with years of experience, including emotional and other “soft” skills that are often essential. Other firms may overlook mature workers’ ergonomic needs, their desire for more flexible schedules or requests for new training opportunities,

seeing these as a waste of company resources. But research demonstrates that resources targeted to mature workers do pay off. Early adaptors to the aging workforce are already reaping benefits for the bottom line.

■ **Solution: Tailor work culture and practices to accommodate mature workers.** Resources, costs and other factors will govern the extent to which an individual firm can accommodate mature workers, but several practices should be at the top of the list:

1. Prioritize mature workers’ unique skills, including loyalty, experience and conscientiousness.
2. Offer flexible, part-time and phased retirement opportunities to retain mature workers and to prevent loss of institutional knowledge.
3. Improve training and retraining programs to accommodate mature workers. Doing so will facilitate successful transitions, reduce costs and accommodate mature workers’ need for flexibility.
4. Make available ergonomic workplace alterations to accommodate workers of all physical abilities.

Intergenerational dynamics: Tensions and misunderstandings

As more seniors postpone retirement, workplaces will include a greater mix of age groups, presenting new challenges. On one hand, mixed-age teams seem to be particularly effective at maximizing the tenure

Table 2

Mature Workers: Issues and Solutions

Frame of Reference	Issue	Solution
Mature workers	<ul style="list-style-type: none"> • Internalize negative expectations or age stereotypes 	<ul style="list-style-type: none"> • Work to change self-debilitating mindset to a self-enhancing one (“remember” vs. “know”)
Employers	<ul style="list-style-type: none"> • Have negative expectations for mature workers • Undervalue mature worker skill set (particularly “soft skills”) • Don’t accommodate mature workers’ needs in hiring or ergonomics 	<ul style="list-style-type: none"> • Target mature worker skills in hiring • Offer training opportunities catering toward mature workers • Offer flexible, part-time and half-retirement opportunities • Consider ergonomic changes to the workplace
Intergenerational Dynamics	<ul style="list-style-type: none"> • Generations don’t understand how to work or communicate with one another • Intergenerational tensions deriving from “Boomer-vs.-Millennial” narratives 	<ul style="list-style-type: none"> • Foster a culture valuing age and experience as a complement to the default emphasis on hard skills • Don’t buy into exaggerated intergenerational competition narratives

Source: Pew Charitable Trusts, Economic Mobility Project

and productivity of mature workers. On the other hand, multigenerational workplaces present a high risk of conflict. Creating a cooperative work atmosphere can be difficult, especially when common media narratives highlight friction, pitting Boomers against Millennials. Such stories emphasize generational differences in personality, work style and access to economic resources.

■ **Solution: Emphasize the benefits of collaboration and minimize competition.** Productive intergenerational collaboration is essential in today’s workplace. Employers should openly value the skill sets and strengths of each generation, emphasizing the benefits of each group learning from the other. Clarify the unique benefits of “hard” and “soft” skills. For example, Millennials typically are more comfortable with the latest technology than are Boomers. But Boomers possess experience, dependability and emotional stability that smartphones and social media can’t teach—qualities that can help stabilize a firm’s climate and culture.

Mature and younger workers are not in direct competition with one another, according to most measures. Figure 2, based on 40 years of labor statistics, shows a complementary relationship between mature and younger workers’ outcomes. A single percentage point increase in mature workers’ employment always boosts the employment rate of younger workers. These data contradict the common assumption that younger workers will suffer when seniors delay retirement.

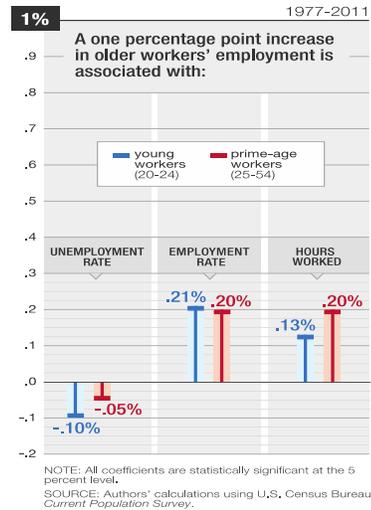
Conclusion

An aging workforce requires organizations to adapt, but adaptation is impossible without up-to-date, targeted knowledge about how mature workers contribute. Misunderstandings and conflicts can emerge due to changing notions of work itself and age-based prejudices that underestimate and undermine mature workers’ productivity.

To successfully overcome prejudices requires understanding mature workers’ challenges and carefully targeting efforts to maximize their productivity. In any

Figure 2
Intergenerational Allies

IMPACT OF OLDER WORKERS’ EMPLOYMENT RATE ON OTHER WORKERS’ LABOR MARKET ACTIVITY



Source: Pew Charitable Trusts, Economic Mobility Project

workplace, three frames of reference must be examined to understand these challenges and construct solutions: the mature worker’s perspective, the employer’s perspective and intergenerational dynamics.

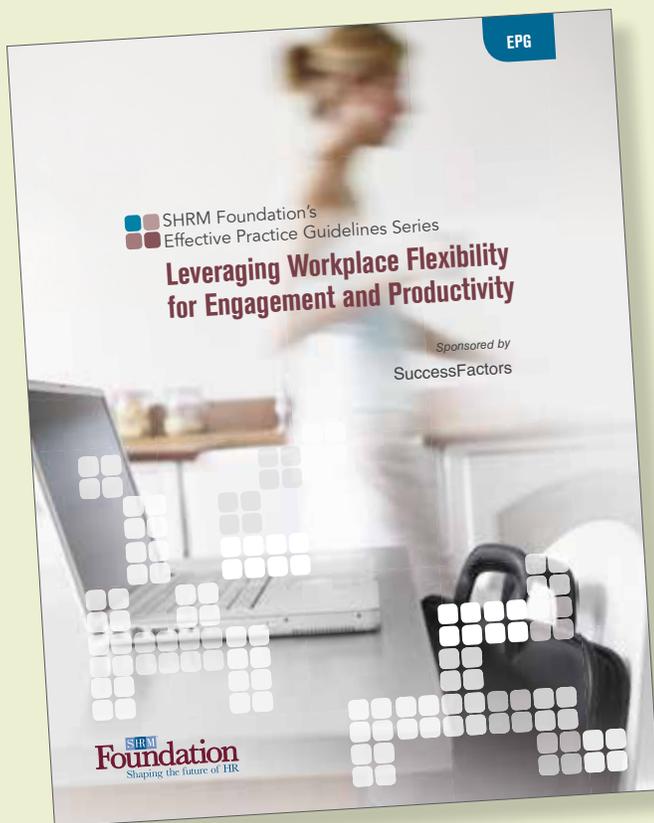
Given demographic trends, the most successful firms in the coming decades will be those that best harness the power of mature workers and intergenerational collaboration.

About the Author

Michael S. North, Ph.D., is a postdoctoral researcher at Columbia University. His research focuses on age-based prejudice (ageism) and related management and policy applications. Ongoing projects focus on cross-cultural attitudes toward the aged and subtle forms of exclusion that mature workers face. His work has been featured in the *New York Times*, *Time* magazine, *The Huffington Post*, *Scientific American* and NPR.

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Additional Resources

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