



BRIDGING THE AGE GAP IN THE WORKPLACE

HOW CHROs CAN ENHANCE THE EXPERIENCE FOR
A MULTIGENERATIONAL TEAM

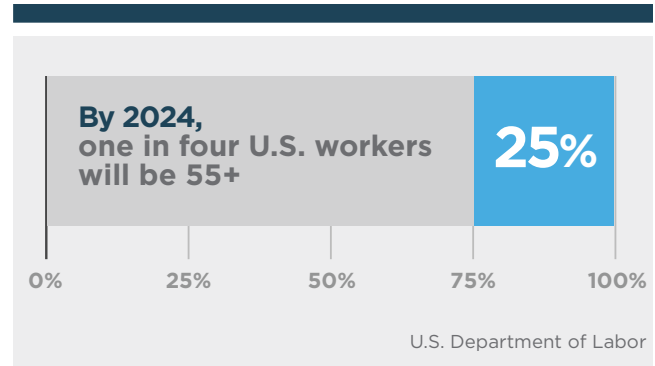
Millennials get a lot of attention when it comes to their role in the workforce and career expectations. But CHROs would be remiss in dismissing older workers — primarily Baby Boomers born between 1944 and 1964, as defined by [PEW Research](#) — as important contributors to their organizations. They bring deep institutional knowledge and industry expertise, making them valuable members of the team.

Plus, older workers bring a lot of life experience to the table as they have had to collaborate with co-workers and solve problems over the course of their lengthy careers.

Today's workers are looking at much longer careers — 60 or more years, according to [Deloitte's 2017 Global Human Capital Trends](#) study. Many older workers want to stay on the job as long as they are productive, find work satisfying, and are engaged.

A primary reason older workers stay longer: a higher level of job satisfaction than their younger colleagues. In the [American Working Conditions Survey](#) (AWCS) conducted by RAND, older workers report having more meaningful work and more workplace flexibility than their younger peers. The AWCS compared responses to questions about workplace conditions and satisfaction among older workers (50+) and their prime-age peers (35-49).

The AWCS survey found that more than two-thirds of older men and women reported satisfaction with work well done and felt they were doing useful work. Prime-age women reported about the same level of satisfaction,



but only a little more than half of prime-age men reported these same levels of satisfaction.

By 2024, one in four U.S. workers will be 55 or older, according to the [U.S. Department of Labor](#), more than double the rate in 1994, when 55+ workers accounted for just 12% of the workforce.

Why is 65 considered the default retirement age? When President Franklin D. Roosevelt signed the Social Security Act on Aug. 14, 1935, the reasoning was “somewhat arbitrary,” according to an [article in the *Journal of Accountancy*](#) citing Edward Berkowitz, a history professor at George Washington University who specializes in the history of Social Security. The changing nature of work — with less physical labor, more automation and more reliance on cognitive skills — is making it possible for many to stay on the job longer.

Many organizations are working to adapt to this new mix of workers. The Deloitte survey noted that 65% of companies have “open” or “flexible” career models that enable talent to move more freely than before — from role to role, within and outside the enterprise, and across organizational and geographic boundaries. But are CHROs doing all they can to recruit and support seasoned talent?



SENDING THE RIGHT MESSAGE

While some efforts to discourage older workers are illegal, other attempts are more subtle. A workplace centered around ping pong tables and anime-themed happy hours isn't directly saying "no older workers need apply," but the work culture can be viewed as unwelcoming to older employees.

"Biases can be explicit or implicit, real or imagined, but our impulse to create social categories is practically unavoidable, as people tend to favor job candidates who remind them of themselves," said Jacquelyn B. James, PhD, Director of the Sloan Research Network on Aging & Work and Research Professor at Lynch School of Education at Boston College. "It unlikely that we can eliminate biases entirely, no matter how

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—JACQUELYN B. JAMES, PHD, DIRECTOR OF THE SLOAN RESEARCH NETWORK ON AGING & WORK, RESEARCH PROFESSOR AT LYNCH SCHOOL OF EDUCATION AT BOSTON COLLEGE

well-intentioned we might be, so the best approach is to acknowledge them and avoid making decisions based on them."

One bias against older workers is that they are set in their ways, and that they may have a difficult time taking guidance from younger colleagues. **Dr. Peter Cappelli** of the Wharton School at the University of Pennsylvania contends that the problem may be that younger managers are uncomfortable supervising older employees, and organizations should offer more coaching and management training to help them overcome this bias.

Organizations may overlook older internal candidates for new or open position, as they are at the end of their careers. “People may look at someone in their 50s and assume that this is their last role, but it is a mistake to think that an older worker won’t be interested in a new role within the company

or a new challenge,” said Andrés Tapia, Global Diversity & Inclusion Strategist at Korn Ferry. “It is natural to want to create new opportunities for up-and-coming talent, but the older workers are still part of the team.”

James provided several examples — including website photos primarily of younger workers and job descriptions that skew toward younger candidates — of how some companies may be unintentionally freezing out older internal and external applications.

One way to avoid this is to have a cross-generational team develop strategies for preventing biases from entering into employment, hiring and recruitment practices, James noted.

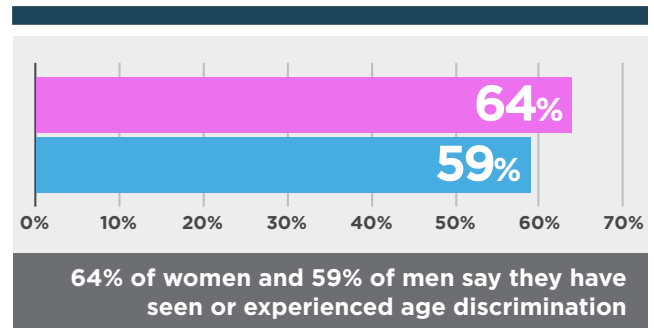
Tips include:

- Review recruitment strategies to ensure that they are targeting workers of all ages.
- Develop a website that includes images of employees of all age groups.
- Assemble an age-diverse interview panel for prospective employees.
- Understand the guidelines (the do’s and don’ts of interviewing strategies) to avoid lawsuits of all types including age bias.
- Provide a standard process for hiring managers or teams as to appropriate questions to ask as well as specific information they should or should not gather to avoid age bias.

THE ROI OF A MULTIGENERATIONAL WORKFORCE

Older workers bring a lot to the table in terms of job skills and life skills, Cappelli noted in an interview where he discussed the positive traits of older workers. He noted that older workers possess many attributes that are attractive to employers, including interpersonal skills and job experience that don't require training. Despite the perception that they are averse to using technology, Cappelli points out that older workers rely on many of today's common technologies, including email and virtual assistants, as their younger workers and are comfortable in a digital world.

Yet, older workers still face workplace bias. According to AARP's 2017 *The Value of Experience study*, 64% of women and 59% of men say they have seen or experienced age



AARP's The Value of Experience

discrimination. While AARP's 2013 survey similarly found more women (72%) than men (57%) responded that older workers face age discrimination, the 2017 responses show a decline in the perception of age discrimination for women, but an increase in that perception for men.



Older workers are also more likely to be engaged with their employers, an important attribute that adds value. According to Gallup's State of the American Workplace report, Baby Boomers are the most engaged (35%), compared to Millennials (31%) and Gen Xers (33%).

Organizations need to take a holistic view of worker value, Korn Ferry's Tapia noted.

So what can CHROs do to combat the perception that older workers are a drain on the company's resources?

While it is true that experienced workers typically command a higher salary, that can vary by industry and the amount of time the person has spent working in the field, among other factors. In addition, some older workers took lower-paying jobs during the Great Recession and some are still underemployed. In short, older workers may earn and ask for less than you may think.

The Great Recession of 2007-2009 led to historic unemployment for older workers, reduced lifetime earnings, limited savings, and caused declines in potential Social Security and pension income, according to the report *Social Security Claiming: Trends and Business Cycle Effects* by the Urban Institute. The inability of older workers to get rehired was historically high after the Great Recession and many simply withdrew from the labor force, fueling a surge in Social Security applications among this group, the report stated.

According to Judith D. Fischer, author of *Public Policy and the Tyranny of the Bottom Line in the Termination of Older Workers*, finding work is more difficult for those over 40, and displaced older workers are likely to remain unemployed

“WHILE OLDER WORKERS COULD SKEW TOWARD HIGHER SALARIES OR POTENTIALLY RAISE INSURANCE PREMIUMS, THEY OFTEN OFFSET THOSE COSTS BY ADDING VALUE. YOU HAVE TO LOOK AT THE WORKFORCE AS A VALUE LINE, NOT JUST EXPENSE LINE, ON THE BUDGET.”

—ANDRÉS TAPIA, GLOBAL DIVERSITY & INCLUSION STRATEGIST, KORN FERRY

longer than younger persons. Earnings reductions are also common for older workers after a job loss.

James reinforced the idea that age is not always an indication of salary expectations. “Some may have taken a job with lower wages when they could not find similar work for similar pay, while others may have switched careers after working in a different field for some time, and still others may have been out of the workforce for a period of time as they raised families or cared for a sick relative.”

Another added cost that companies may incur by hiring less experienced workers: more money and time spent on training. “Younger workers are less likely to stay and may need a greater investment in coaching and leadership development, so you may not be getting as good of a deal as you think you are when you hire a younger worker,” said Josh Bersin, President and Founder of consultancy Bersin & Associates, and a former Global Analyst for Deloitte. Bersin is the author of *The Blended Learning Book* and *The High-Impact Learning Organization and High Impact Talent Management*.

The bottom line: Don't assume that older workers are out of the salary range.

Salary is just one aspect of compensation. CHROs also need to follow trends in health care costs and evaluate how rising costs impact all workers — not just older workers — and seek opportunities to contain costs for everyone.

According to the [Medical Expenditure Panel Survey](#) (MEPS), for example, mean health expenditures per person were nearly four times greater for Americans between 60 and 64 compared with adults between 25 and 29. Mean spending in the older group was nearly 2.4 times the per capita spending on Americans between 40 and 44.1.

Although health care costs vary by company, insurance plans and individual workers, it is quite possible for a prime age employee with several children to run up a higher health care tab than a healthy and fit single older worker. In addition, workers over 65 are covered by Medicare and don't need the basic insurance coverage most employers now provide.

Although health care costs are certainly a factor to be considered for all members of the workforce, the relationship between the age of a workforce and cost to the company is complex. For example, a worker insuring a young family

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or someone with a medical issue also have the potential to increase health care costs. Age is just one component of health care expenses.

Companies are taking active measures to reduce healthcare costs across the board. Many employers are steering employees toward cost-effective service providers, such as telehealth options and high-value in-plan provider networks in an effort to contain expenses, according to the nonprofit National Business Group on Health (NBGH) survey [2019 Large Employers' Health Care Strategy and Plan Design](#). Nearly three-fourths of large employers cited high-cost claimants as one of the top drivers of rising health care costs and 39% expect to adopt a more focused strategy to address high-cost claims next year.

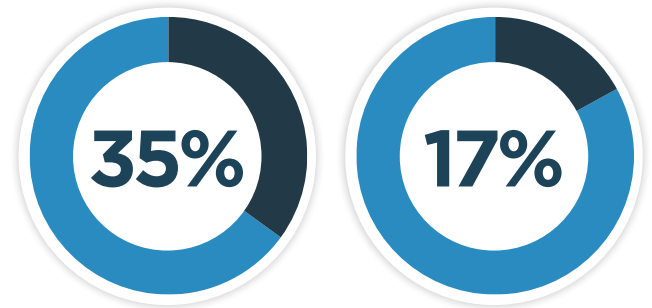


BUILDING AN INCLUSIVE MULTIGENERATIONAL WORKFORCE

Older workers bring a lot to the table, especially when it comes to leadership, problem-solving and writing skills, according to an [AARP report](#), making their strengths a key asset for employers.

One myth: Older workers can't manage technology. Contrary to this pervasive stereotype, a [Dropbox survey](#) of more than 4,000 IT workers found that people over age 55 are actually less likely than their younger colleagues to find using tech in the workplace stressful. On average, people 55 and up used 4.9 forms of technology per week, compared to the overall average of 4.7 per week, the survey found. Only 13% of respondents 55 and older reported having trouble working with multiple devices, compared to 37% of 18-to-34-year-olds.

Younger workers have a great deal that they can learn from their older counterparts, and it is important not to squander their vast knowledge and experience. However, according to a [survey of human resource professionals](#) by the Society for Human Resource Management, just 35% of U.S. companies have analyzed the near-term impact of the departure of older workers and just 17% have considered longer-term implications over the next decade. The situation can be even more dire in some fields such as nursing and law enforcement. These jobs can be physically demanding, leading older workers to cut back or quit, leaving no one to mentor the next generation.



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Society for Human Resource Management

To avoid intergenerational workplace conflict, James suggests that acknowledging similarities and differences is an important step. Effective strategies include providing cross-generational networking opportunities, building intergenerational teams, and pairing older and younger workers in mentoring relationships.

In addition, James said CHROs should train managers and supervisors in understanding differences among generations and building on characteristics such as credibility and trustworthiness that benefit the entire organization.

Bringing together the similarities among different generations in a workforce, while acknowledging their differences, can have benefits for a multigenerational workforce.

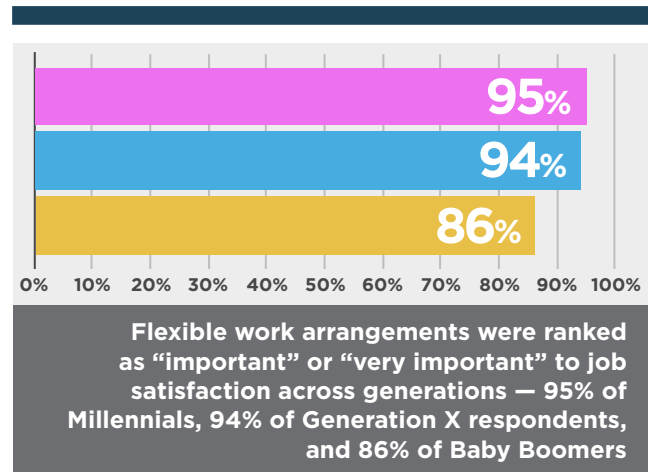
MAKING WORK ATTRACTIVE FOR OLDER WORKERS

Much has been written about how older and younger employees view work differently, but there is surprisingly a lot of common ground. Workers across the generational spectrum are looking for a flexible work environment, for example, as they want to work remotely in order to travel more and commute less. Their reasoning may vary, but they don't necessarily want to report to an office five days a week.

According to a report from SHRM, flexible work arrangements were ranked as "important" or "very important" to job satisfaction across generations — 95% of Millennials, 94% of Generation X respondents, and 86% of Baby Boomers.

The desire for a work/life balance also spans generations, if not necessarily for the same reasons. Younger workers may seek more time to spend with young children, while older workers want more freedom to travel and volunteer.

Many organizations assume that older workers are uninterested in training or new challenges, but workers at every level are looking for opportunities to learn. However, just 40% of men and 43% of women in the workforce who were over 50 were satisfied with the opportunities for career advancement or training, according to a survey by The Sloan Center on Aging & Work.



SHRM report

Older workers, like their younger counterparts, are also looking for security and predictability. However, few are finding those attributes in their workplace. Only 37% of men and a mere 26% of women were satisfied in this aspect of work, according to the Sloan Center survey.

What are the expectations of older workers and how can the CHRO work to ensure that the company provides the opportunities they are seeking?

Progressive organizations are recognizing that it is economically and culturally beneficial to accommodate the needs of a mature workforce. An older factory worker or nurse, for example, may no longer want to perform shift work, but they can become a valuable member of the team training the next generation.

CONCLUSION

A diverse workforce means vibrant experience and engaged employees at all levels. While workers of all generations have different expectations from their careers, companies that appeal to older workers can benefit from their wide range of experiences and industry knowledge.

Work itself is no longer strictly equated with physical labor. Repetitive, manual jobs are giving way to automation.

The future of work lies in cognitive skills and the ability to express empathy and collaborate with team members. This puts older workers in control of their work lives for as long as they have the desire to contribute.

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1. comScore, March 2018

2. Google Analytics, Unique Visitors, September 2018

3. SilkRoad Technology Source of Hire Report, 2018

