Meeting the challenges of an aging workforce

In Spain, 62 percent of companies already have mature workforces. Here are examples of good practices in managing an aging workforce.

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The Intern is a film starring Robert De Niro as a 70-year-old intern at an online fashion site, hired despite the initial resistance of the site founder and chief executive. Bit by bit, the elderly intern reveals his talents and strengths, gaining the respect of his younger colleagues.

Putting aside questions of plot plausibility, the comedy explores society's inexorable aging and stereotypes that still prevail: older employees are accused of being unproductive, behind the curve on new technologies, low on initiative and set in their ways.

Despite higher life expectancy and better health, our society tends to be fixated on youth, rendering the elderly nearly invisible, which leads to age discrimination and missed opportunities at work.

A study by IESE's **International Research Center on Organizations (IRCO)**, in collaboration with Grupo Persona, looks at how to manage personnel in an aging society. Written by researcher Pilar García Lombardía, coordinated by Professor **José Ramón Pin**, Ángela María Gallifa, José Manuel Arribas and Jaime Puente, the report addresses challenges stemming from an aging workforce — a trend expected to intensify in the coming decades.

Meeting the enormous demographic challenge up ahead should involve new workforce management policies and proactive leadership. But is this happening? How does the aging of society impact companies' active workforces? What measures are underway?

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Solutions for the long haul

One of the more alarming conclusions of the study is that European companies tend to rely on short-term solutions to meet a new reality that requires a broader vision.

The study advocates that companies put into place, as soon as possible, age-management strategies for the medium and long term. But the report cautions that actions should not be limited to handling elderly employees: Policies should reach the entire staff, weeding out stereotypes by managing workplace diversity and adapting jobs to the needs of older employees.

For the corporate world, the challenge is to develop sensitivity, knowledge and the appropriate tools to manage the social change ahead. But this is not a matter of philanthropy, but of business, with a direct impact on the bottom line. Executives who manage to make employees feel younger — by assigning them more meaningful work and avoiding age-discriminatory practices — will reap the benefits in productivity and better firm performance.

Four areas of impact

The report tackles age-related challenges in four main areas at work, including recommendations and examples of good practices.

1. **Leadership**. In order to get the best from a talented workforce and offer rewarding careers, it is necessary to adjust the job requirements for older employees. With the right adjustments, a company benefits from their depths of experience and knowledge.
2. **Health**. Although policies and initiatives in recent decades have helped promote healthier work environments, the recent financial crisis wiped out some of the advancements. Post-crisis, companies ought to continue to protect workers' health, taking age into account.
3. **Legal framework**. The current legal framework is not ideal for managing an aging workforce in organizations. Problems with pensions are causing delayed retirements, preventing companies from refreshing their staffs with younger hires. In industries with more technology in play, this may be a problem if older employees are less prepared.
4. **Social responsibility**. Ideas of justice, integration and responsible people management ought to guide decisions regarding hiring, promoting and severing ties

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with people over 45 years old. Also, companies should not discriminate in their training programs and should foster intergenerational collaboration at work.

Unsettling statistics

The report also includes the results of a poll of Spanish companies, which indicates that 62 percent of them already have mature workforces. A mature workforce is defined as one with 20 percent or more of its workers aged 45 or above.

Adjusting to this new reality should be a high-priority item on any corporate agenda. It's not just a human resources issue, but a senior management issue, too. Yet it's not always treated as such.

More info

"**ICT Solutions for an Aging Population**"

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