

Human resources management of an ageing workforce business essay



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The ageing population is a huge concern when it comes to organizational development and Human resources. All organization from the small business to the big organization has or will deal with issues arising from the lift of the pension eligibility age. In my work, I have pointed out some keys areas where employers have to give their best attention such as intergenerational conflict, the ageing challenge, discrimination and also I have describes some strategies or recommendation which could be use by any employers. My work was mainly based on Internet articles and also books about human resources and organizational development.

Introduction

Today in Australia, according to the Australian treasury, the Australian population is getting older, for two main reasons which are a high decrease in birth rate since the late 1960's and also because the population is living longer, the life expectancy today is 78 and will be around 83 in 2043 according to the IGR (Intergenerational report, 2002). The government is now facing economic issues regarding their pension scheme. Because of the ageing population the cost of their pension scheme will be too high and so, under Rudd's government, the pension eligibility was lift from 65 to 67, which means that workers will work longer. In the context of Human resource this decision has some important organisational implications that employers and managers must know how to tackle the problem of ageing workers.

1 – The ageing challenge

According to Keese, (2006) there are 30 countries who are members of the OECD and none of them have successfully tackled the problem of the ageing population. Some of them have started to tackle the problem and have <https://assignbuster.com/human-resources-management-of-an-ageing-workforce-business-essay/>

implemented policies that encourage older workers to work. Peter Promnitz, region head of Mercer Asia/Pacific, (smh.com.au/opinion/politics/the-next-gfc-our-ageing-population, 2010) has another view of the ageing population. In his article “The next GFC: our ageing population”, Promnitz says that it is important that employers take action across their employee’s lifespan, not just towards the end. He also recommends that companies must take action during the recruitment, the retention and retirement.

Recruitment: Companies should promote for and attracting older employees.

As cited by Promnitz, ‘successful businesses will also retain the experience and knowledge of older workers by being creative and flexible in their work practices with a willingness to redefine the job where necessary and effectively manage retirement transitions’

Retention: Employers are concerned about the health-care consequence of recruiting older employees. Absenteeism and disability are indeed greater with the older group. The challenge for manager will be to create a work environment and a job design, which can put together health, issues, training, environment and the tasks required.

Retirement: Employers need to focus on preparing their employees retirement. It is an important part that if employees are going to work longer they also need the insurance of being looked after by their employers. Preparing transition plan with older employees will make the retirement process easier and more efficient.

Also, involving young employee into the superannuation plan will be very valuable. By doing so, the young employees will know what to and what to plan about their future. Even if it looks like a far step for them, it will help them to set up financial goals in the perspective of retirement.

The ageing population is a sensitive problem, increase the age of pension eligibility age, rising taxes to cover the health care cost of older people, are just steps from government to save money and decrease the cost but ageing population is more than just money and age. It is also a matter of generations, stereotypes, values and technology. Those matters are day-to-day problems for the organisation, because their employees will work longer managers have to be aware of any issues that could arise within the company and take responsible and specific actions and policies to make the work place more convenient for the older employees as well as other.

It needs to be considered that the different industries might act differently to this age pension lift. Will be easier to handle the problem for some industries and might be harder for other (E. g labour industry, when older employees can have Health issues as they get older and wouldn't be able to do the job as required). Though, companies must be able to replace them or find them another job, create one within the company where they will be useful and considered as a good asset.

2 – Intergenerational conflict

Due to the ageing population the difference between the young generation and the old one can be a cause of conflict within the organization. From a Human resource point of view, it is essential to understand the value and

attitudes of each generation. In her article, Donna Harrison, (2010) says that the boomers are known to be loyal to the employer, accepting the “chain of command” leadership and like a stable work environment. They are also more willing to see their salary as a reward from their experience, loyalty and knowledge. However, the generation X and Y are more flexible and individual. The generation X is more focused on having a good work/life balance and like personal achievement. The generation Y is more educated, high skilled when it comes to technology and more willing to travel and be part of the global village.

By acknowledging that, managers must understand that each generation has their own goals, vary from person to person. Also, conflict can arise between each generation. It's a risk for the organization that can affect the productivity and the outcomes. Intergenerational factors have to be managed by manager/Human resource department to ensure the efficiency of the workplace. The older employee can be seen as more rigid and more resistant to change by the young generation, however their knowledge and experience is valuable in the workplace. They can foresee problems before they arise and can deal with them in a mature manner. And that is where the organization has to be present. Using their knowledge and experience to support the younger generation who is still learning. On the other side, the younger generation is more creative and more suitable to the modern world, which means that they can also put their income into the workplace. Even if the older people have to work longer, the key to a successful work environment and avoid conflict between generations, is to create a workplace where each generation can teach something to the other and

make them work together instead of individual. Every generation is important, every individual is important and if the Human Resource manages it well, the productivity and the work environment will be improved.

Managing the intergenerational tension will create many positives outcomes within the organization.

Resolving tensions between the generations in the workplace is a huge task, but there is also another issue rising from an ageing population, which is discrimination.

3 – Discrimination

Discrimination is still common in the workplace and many people are still complaining about it. In this case of ageing population, the problem is between employers/employees or job seekers. According to the Australian right commission, (2009), they have identified the common discriminations that older people are facing in Australia when it comes to Human resource and organizational development. The first problem is that their have problems finding job, employers don't wan to hire them due to their age and the myth about old people is still present. For old employees, they are usually facing problems when it comes to promotion or accessing training where the younger people are preferred. So, how can this be resolved? How can we make an employer willing to hire an old person or to promote or give them access to training?

Here, the government and employers have to work together. If older people have to work longer they must be able to find a job regardless of their age but more on their experience. It comes back to what Promnintz said about

creating job for older people. A good example will be a Marketing company who will need employees from the baby boomer generation to target consumer from the same generation. They will be more suitable to find a good product than the younger generation.

Another organizational implication will be to give support to the existing employees. Promote them, change their job activity or provide them with training to keep them up to date and able to follow the technology and resources used by the company. Many alternatives can be used to maintain the older people in the company. Employers must give more attention to their older employee.

With the global financial crisis and big decrease of the superfund older people are willing to work more and cannot afford to retire. They cannot be left on the side. Employers need to retain their older employees and even if possible create new job positions for old people.

4 – Retaining/Engaging Strategies

Organization must come up with strategies to maintain or retain their older employees. Companies start to realize the positive outcomes of employing a mature workforce (Elizabeth Allen, 2009). Motivation is the key to maintain older worker performance (Chay, Aryee & Chew 1995). Satisfaction and motivation are also keys factor for older people, they have to find satisfaction and motivation in what they are doing. They have to be able to develop them selves. Other way to maintain and keep old people is to give them specific assignment, training, technology courses and offering them to

teach or support the young generation. Many ways are available to make them valuable assets for the company.

Also, older generation is not always willing to change or to transform their stable environment. That is why, and it is also a part of the myth, that they have troubles finding job or have promotions. Baby boomers like stable environment and that is one thing that can stop managers from hiring them or supporting them. In a world of constant change and competitive market companies has to be up to date and always ready to change. So even if managers/employers are willing to change their policies or take new initiatives, the baby boomers must realize that they also have their responsibilities for the change and realize that they have to learn new skills in order to staying a valuable asset for the company.

For example, the use of the technology (Computers, Internet, Intranet, PDAs.) is vital for companies. The Y generation is known to have the best knowledge when it comes to technology simply because they grow at the time as technology takes place in our lives. In fact, the baby boomers are seen to be a step behind when it comes to computer and the Internet world. But is it really true that baby boomers are still reluctant to the technology or is it just a myth?

Researchers from Deloitte, an international management-consulting firm might have the answer. In their last paper, called " Gen-Y-ers, Baby Boomers & technology: Worlds Apart?" their findings show that the geography influences more than the age. Also, another study from Forrester Research shows that " more than 60 percent of those in this generational group

actively consume socially created content like blogs, videos, podcasts, and forums. What's more, the percentage of those participating is on the rise". So what does that mean for Employers? It means that spending a part of their budget into introducing the technology to their older employees is not a waste of money. Of course their level of understanding might not be as high or as fast learner as the younger generation but their participation will be as effective. Employers must understand that their older employees must not be left a side and that they must be taking care of as much as the young employees. Training all the generations will bring positive outcomes to the employers. Training support offered by the employers will be very important, even if they have to retrain some of the staff, at the end, the whole company will be the winner. It is a win/win situation where both sides must realize their responsibilities and take actions. Communication and working together will be the key to the success.

Pathos Leadership Group (pathosleadershipgroup.com) proposes 5 strategies to engage and retain baby boomers in the organization:

€^a " Time, Time, Time... See What's Become of Me!" Baby boomers valued their time, time is very important for them and that's something that the organization needs to understand (E. g., Time off)

€^a " Act Green Locally... Go Green Globally": Give them time for community services within the organization or outside the organization. They will come back recharged and motivated.

€²” Wrap It Up... I’ll Take It”: flexibility while working on projects to participate on specific modules that highlight their expertise, instead of the entire project.

€² “ Send in the Clowns”: Providing the opportunity to pick/chose their schedule, as well as where they work, their productivity will blossom

€² “ People Let Me Tell You About My Best Friend”: Install a mentorship (or coaching) program where the wisdom of Baby Boomers can be tapped before they depart from the organization. Simply put, get the information from them before they’re gone.

Implementing these strategies into the organization to maintain, retain and motivate the employees is highly recommended. Taking actions is important for organization to face the challenge of an ageing population in the workplace.

Conclusion

The main problem of lifting the age of the pension age from 65 to 67 is that the ageing population will have difficulties such as finding jobs, getting promoted or also offered training about new technology into the workplace. There are many stereotypes surrounding mature age workers – they are expensive, difficult to manage, won’t learn new skills, resist change and are not up to date with the new technology. And these stereotypes are making it difficult for the mature age workers who are not ready for retirement, to find jobs. Glennis Hanley from Monash University’s Department of Management believes that there is one thing that need to be understand by the employers

and Human Resource Department is that Baby boomers are vital to the <https://assignbuster.com/human-resources-management-of-an-ageing-workforce-business-essay/>

workforce today and should be encourage to keep working as long as they can. Even if sometimes they are not happy with changes or transformation of their environment. Employers and baby boomers have to take their responsibilities and as Hanley says ' Businesses need to employ the broad-based business experiences of baby boomers to foster and transfer cross-generational knowledge". Every single employee has a role to play in the organization and old employees as young employees have something to bring to the company and to their colleagues. The lift of the pension eligibility is a sensitive area for organizations; their success will depend on how they implement strategies into their workplace.