AGE MANAGEMENT IN AN ORGANISATION. AN EMPLOYEE OVER 50 – AN OPPORTUNITY OR A LIMITATION FOR COMPANIES?

EWA MAZUR-WIERZBICKA

ABSTRACT

The evaluation of age management as an essential factor of an organisation’s development - and not a limitation thereof – has been adopted as the purpose of the paper. As part of achieving the paper’s goal, the author formulated the following research problems:

1. What is the relationship between age management and the management of generations?
2. How are older (mature) people perceived by employees? – arguments for and against
3. How to manage age in an organisation effectively?

Age management was addressed in terms of older employees. The paper is conceptual in nature and was mainly based on a critical literature analysis. The paper’s practical implications include the opportunity for organisations to use the stages of implementation of age management presented therein. The paper’s contents allow for broadening one’s knowledge in terms of age management (in essence, stereotypes related to older people as employees and the benefits of implementing age management in an organisation). Approaching age management in a rational and aware manner, organisations acquire mature, experienced and loyal employees.

KEY WORDS
Age management, stereotypes, growing old, employees over 50.

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Introduction

Along with the changes on the labour market (ageing labour force), the age structure of employees in organisations has changed too – it is assumed that the age factor is one that significantly diversifies the workplace. This age diversity is an undoubted challenge – mostly for employers. Employee age diversification requires a new approach. It is important that it is noticed by employers and considered significant for the functioning of the company and appropriately used, bringing benefits both for the organisation itself and for its individual employees.

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The smooth, efficient and effective functioning of an organisation currently requires the skilful management of employees who may be broadly diversified in terms of age. The introduction of age management which is part of the diversity management mainstream, which is a certain kind of "novum" in the area of human resources management in an organisation, is helpful here.

In view of the above, an evaluation of age management as an essential element of the organisation’s development, not a limitation thereof, was adopted as the purpose of this paper. Age management was addressed mainly in terms of older employees, which results from the definition adopted by the author. This is because, under diversity management, the author distinguishes between age management and the management of generations.

As part of achieving the paper’s goal, the author formulated the following research problems:

1. What is the relationship between age management and the management of generations?
2. How are older (mature) people perceived by employees? – arguments for and against.
3. How to manage age in an organisation effectively?

The implementation of the paper’s goal dictated its composition. At the outset, age management as an element of diversity management was presented, focusing also on the definitional approach to this term, followed by the presentation of issues of stereotypes related to older employees, including ageism. The last part presents the stages of implementation of age management in an organisation, also presenting the benefits as obtained by various entities. The paper has a conceptual nature and was mainly based on a critical literature analysis.

It has cognitive and practical value, and includes separate and complementary content in relation to other work addressing the subject matter in question. The opportunity for organisations to use the stages of implementation of age management presented in the author’s work constitutes a practical value of the paper.

1. Age management – introductory issues

Age management dates back to the 1990s (Loden and Rosener 1991; Thomas 1992; Griggs, 1995; Rosado 2008). The concept has become popular in the United States as well as other countries, especially European states.

The development of this concept was (and still is) influenced by unfavourable demographic trends resulting in the ageing of societies, as observed in Europe for over 20 years now (e.g. Eurostat data, GUS, 2014). The process of the ageing of societies is mostly determined by low birth rates and rising life expectancy. In the case of some countries, including Poland, migration processes are also significant, especially the exodus abroad of young people (Mazur-Wierzbicka, 2017).

For comparison, in 1950 only 8% of the global population was over 60, whereas in 2013 it was 12%. It is forecast that in 2050 members of this age group will amount to as much as 21% of the total population (World, 2013). It is also estimated that in 2050 over 33% of Europeans will be over 65 (www.ec.europa.eu). According to Eurostat data, life expectancy for men will grow by 7.9 years by 2060 (from 76.7 in 2010 to 84.6 in 2060). In turn, life expectancy at birth for women is to rise by 6.5 years, to 89.1, in 2060. The working age population in the EU in 2010 was close to 307 million people, while it is predicted that in 2060 the number will be approximately 265 million.
However, a positive trend is the noticeable increase in the rate of employment of older people (between the ages of 55 and 64) in the EU (the 2001 average for the EU-28 was close to 39%, whereas in 2016 it was almost 55%) (Eurostat data).

In view of the above, it seems natural that increasing attention is paid to the topic of the ageing society in the context of labour resources, as well as the quality thereof, especially given that it is one of the most important social and economic problems currently being faced in both the USA and Europe. It has become increasingly apparent that future economic growth, efficiency and competitiveness depend to a large extent on how effectively employers will be able to use the potential of the ageing human resources (Negele and Walker 2006).

The literature features various approaches to the term “age management”. To generalise, two main ways of interpretation thereof may be distinguished, namely a broader and a narrower one. The definition classified by the author under the broader approach stresses the fact that age management relates to employees of all ages (various generations), takes into account their needs and developmental tasks and uses their professional potential (e.g. Liwiński and Sztanderska 2013; Schimanek et al., 2015). Definitions included in the other group, presenting a narrow approach to age management, take into account the needs of mainly older employees, and the use of their professional potential through the application of certain solutions (e.g. Urbaniak and Wieczorek 2007).

The paper found it reasonable to adopt the narrower approach, concluding that age management refers to various areas of human resources management where the activities undertaken directed mainly towards older employees (understood as 50+) will allow for the use of their skills and professional potential, thus bringing them, the organisation and other stakeholders the highest possible benefits. However, it needs to be noted that age management understood as such should not be treated as a policy of preferring older people, but as a policy of equal opportunities for people of various ages. This results from previously presented argumentation showing that the ageing process is the main problem, both on a macro and a micro scale. One also needs to point out that the situation of older people on the labour market is more difficult compared to that of younger people, hence concern for their professional situation (as pointed out in the literature, research as well as statistical data); the natural process of ageing results in declining ability, mainly physical ability, which at a certain age starts to limit opportunities to carry out work; and that the prerequisites by which the European Union was guided when introducing legislation to counteract age discrimination prove that older people, as opposed to younger ones, are in a worse position (Migdał 2016).

The definition adopted by the author is also consistent with the understanding of age management adopted by Walker (1997), according to whom age management concerns “the various dimensions by which human resources are managed within organisations with an explicit focus on ageing and, also, more generally, to the overall management of the workforce ageing via public policy or collective bargaining”.

The broader approach is identified by the author as the management of generations (intergenerational management, multi-generational management) (Woszczyk et al., 2017, cf. Lipka and Król 2017).

Should forecasts regarding the demographic development of the world prove true, in the coming years one of the most important factors in the competitiveness of companies will be the ability to maintain
employment of employees from the 50+ generation, due to the limited employment opportunities of younger employees with the appropriate competences. In wanting to maintain the current market position of the company, or strengthen it, the management staff will have to take effective measures to utilise the potential of employees at a mature age.

2. Stereotypes relating to older employees

Some employers are apprehensive about older employees, often being unreasonably prejudiced against them or possibly due to their subjective approach to older employees resulting from their knowledge, individual experience, acquired or learned attitudes towards older people or the culture of a given country (cf. Szaban 2013; Isopahkala-Bouret 2015).

Some are of the opinion that older people are less productive, unwilling to improve their skills, and at the same time costly due to the number of years of service and professional experience. Therefore, older employees are not offered training, which results in them not having a real opportunity to improve their skills, which in turn lowers their productivity, belief in themselves and motivation; they are also often passed over for promotion (Taylor 2008, cf.: Principi et al., 2015), which not only influences their situation, remuneration and opportunities for growth, but also their self-esteem. This leads to the so-called vicious circle or “a self-fulfilling prophecy” (cf.: Oliveira and Cardoso 2018). It is also believed that older employees work at a slower pace. However, as research shows, older employees often work slower because they want to avoid making mistakes, which slows their pace of work (McKoon, 2011, after Szaban, 2013).

Older employees are also attributed “by default” with poorer health, more absences, lower cognitive abilities, a slower pace of learning, etc. However, it needs to be noted that age is not the most important indicator of health status. Other determinants, such as lifestyle, exercise and diet, are also significant here (cf. McDermott et al. 2010). This also applies to cognitive abilities, which are influenced to a great extent by a given person’s activity and are the factor that flexibility, resources or the capacity of certain cognitive functions, e.g. creativity or memory, are dependent on (Vetulani and Mazurek, 2015). In addition, one needs to know that an ageing brain compensates for the reduction of cognitive abilities in one part by means of the activation of the other part, thanks to which the quality of functioning is not compromised (cf. Reuter-Lorenz, 2002). When taking on older people, employers also have concerns about applicable laws relating to the guarantee of employment of people at pre-retirement age (they bear in mind the difficulty in letting go of an employee covered by such protection) (cf. Szaban, 2013; Livanos and Nuñez 2017).

In case of the occurrence of stereotypical behaviours among management staff, most often there exists a possibility to bring them round to the idea of hiring older employees by demonstrating the benefits they may bring to the organisation. Things are much more complicated when the employer manifests ageism. According to Robert N. Butler (who was first to use this term in 1969), ageism is “a process of the systematic creation of stereotypes and discrimination of people on account of them being old” (Szukalski 2008). The manifestations of ageism are presented in Table 1.
In contrast to the existing negative opinions of older employees, arguments in favour of taking them on need to be presented. Therefore (Costanza et al., 2012):

- older workers are both able to carry out complex organisational tasks and to achieve long-term goals,
- older employees develop an action strategy in order to avoid additional, unnecessary action and to limit effort,
- the awareness of the importance of the quality of work, as well as the sense of responsibility and obligation, are at a higher level than is the case with younger employees,
- older people decide to change jobs less frequently; they are more loyal employees,
- life experience allows them to assess their capabilities and their limits more accurately, and they are also better able to assess a situation. Thanks to this, they make minor errors at work less frequently.
- social, soft competences are more developed, thanks to which older employees are better suited to play advisory roles towards their colleagues or superiors (Sobocka-Szczapa and Poliwczak 2011; Górniak 2013).
- older employees function very well in an environment known to them – thanks to their experience and practical, tacit or expert knowledge.

One may risk a statement that the approach to age management in an organisation is to a large extent conditioned by stereotypes borne by managers relating to older employees.

### Table 1. Main manifestations of ageism

<table>
<thead>
<tr>
<th>Manifestation</th>
<th>Description</th>
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<tbody>
<tr>
<td>Disregard</td>
<td>believing that the opinions, beliefs and needs of older people are less important or valuable than those of young people</td>
</tr>
<tr>
<td>Ridicule</td>
<td>conscious twisting and grotesque exaggeration of older people’s problems and their ways of solving them</td>
</tr>
<tr>
<td>Paternalism/over-protectiveness</td>
<td>tendency to take over the performance of various activities from older people, even when they are able to manage in this case and do not see the need to use the help of other people</td>
</tr>
<tr>
<td>Patronising</td>
<td>tendency to treat older people as entities unable to function without external support</td>
</tr>
<tr>
<td>Social isolation</td>
<td>insufficient (according to older people) level of integration of an individual with a group or other, younger people, in a wider circle</td>
</tr>
<tr>
<td>Rejection</td>
<td>not maintaining interpersonal contact other than that which is necessary, with emphasis on its official nature - as a consequence: feeling of isolation and, as a result, apathy of older people</td>
</tr>
<tr>
<td>Neglect</td>
<td>omission (knowingly or unknowingly) of essential psychosomatic, social and material needs of older people</td>
</tr>
<tr>
<td>Segregation</td>
<td>isolating older people from the rest of society/the community by locating them on a separate territory</td>
</tr>
<tr>
<td>Financial abuse</td>
<td>unfair, unjustified or illegal use of material resources, ownership titles and rights at the hands of older people</td>
</tr>
<tr>
<td>Legal abuse</td>
<td>taking steps aiming to limit the legal independence of older people or taking over ownership titles and rights at their disposal by using older people’s ignorance, weakened criticism or their actual insanity</td>
</tr>
<tr>
<td>Physical abuse</td>
<td>manifestations of physical aggression towards older people, taking various forms, from relatively mild (pushing) to brutal ones (serious beating)</td>
</tr>
<tr>
<td>Extermination</td>
<td>conscious striving to shorten an older person’s “worthless” life or a life filled with suffering</td>
</tr>
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Source: Own elaboration based on: Szukalski 2008.
3. Age management in an organisation – stages of implementation

Taking on employees who are over 50 is becoming increasingly vital. The quicker employers realise this, the quicker they will be able to use the potential of older employees. Therefore, it is sufficient to eliminate stereotypes relating to older employees and create such working conditions that will allow room for realising older workers’ potential.

The starting point for introducing age management in a company is therefore managing staff awareness of the influence of the changing employee age structure on the organisation’s functioning and looking at older workers in the organisation (cf.: Sattler 2015) in an objective way, eliminating prejudices and stereotypes. The next fundamental element is employees’ recognition of the existence of age diversity - which directly concerns them. At this stage it is important that employers gain knowledge on age diversity, understand it and have the opportunity to experience this diversity (as far as the organisation’s possibilities allow). The next stage involves noticing the potential that lies in age diversity, appreciating the benefits age diversity brings to employers and the organisation (e.g. an element of competitive advantage).

The above three components are indispensable in creating a vision of age management for the organisation and building a plan, taking into account the organisation’s personal strategy. Along with management taking a decision on implementing age management, a corresponding information campaign must be launched within the organisation. To this end, it is necessary to create an information (communication) strategy (using the organisation’s tools and internal communication channels, interesting communication steps and presenting the content tailored to groups of recipients diversified age-wise). They have the task of preparing employees for the steps and tasks resulting from implementation of the age-management programme in the company, as well as raising awareness of the consequences of employee ageing, reinforcing employee identification with the organisation’s goals and appreciating them. Informing employees of the measures undertaken should take place at every stage of implementation of the plan adopted. Subsequent stages involve the preparation of development programmes, the selection of age management tools and best practices according to the specific nature of the company. The implementation of the presented stages will allow effective and efficient age management in the organisation and will contribute to the best use of the potential of age-diversified employees and to the implementation of strategic goals. After the tool implementation stage, the entire process needs to be evaluated and, on this basis, steps toward improvement ought to be introduced which should undergo evaluation after being implemented, and so on. Owing to such an approach, we are dealing with a process of continuous improvement in the area of age management in an organisation. The stages of achieving effective age management in an organisation are presented in Figure 1.
Effective implementation of age management leads to a fuller use of human resources potential (especially of older people) and helps to ensure working conditions tailored to the age and capabilities of those employed and to facilitate cooperation between employees of various ages (cf.: Hennekam and Herrbach 2015).

A comprehensive approach to age management should include all essential aspects related to the implementation of the personal function in the organisation, from the process of planning employment, to the process of recruitment and selection, to staff retention and development (including development and career management, motivational systems), to organising the workplace, to the process of leaving the organisation. Therefore, it was necessary to separate areas of age management (e.g. Casey et al., 1993; Naegele and Walker 2006; Liwiński and Sztanderska 2013). Sample tools employed by companies in individual areas of age management are presented in Table 2.

### Table 2. Selected tools of individual areas of age management

<table>
<thead>
<tr>
<th>Area of age management</th>
<th>Sample tools</th>
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<tbody>
<tr>
<td>recruitment and selection</td>
<td>doing away with age limits in job offers, removal of personal data from application forms, placing job advertisements in media reaching people of different ages, age management policy training for employees responsible for the recruitment and selection of candidates, being guided in the recruitment and selection process not by the age category but by competences, and in the case of older people, also by their individual needs, conducting internal recruitment with particular emphasis on older employees, directing external recruitment towards employing the company’s former employees in the first place</td>
</tr>
<tr>
<td>Learning, training and life-long learning</td>
<td>constant monitoring of the educational status and resources of employees’ competences, no age restrictions in access to deepening knowledge and training, tailoring training to the age of employees, to their individual career development paths and adjusting working time allowing them to participate in training, constant monitoring of employees’ development needs, adaptation of methods, place and time of training to the needs of employees related to their age, organisation of work conducive to learning, regular comparative analysis of the company’s competency needs and employee competences as well as tailoring training subject matter to identified deficits, using the possibility of co-financing training for older employees from EU funds</td>
</tr>
<tr>
<td>Career advancement / career management</td>
<td>adapting career development paths to the specificity of particular professional groups, making the decision about an employee’s promotion dependent on their competence and performance, not on their age or years of work experience, basing the amount of remuneration on work performance, not on years of work experience, specifying professional ambitions of employees and, if possible, taking them into account when planning a career development path, informing all employees of promotion opportunities, training employees responsible for professional development in the field of age management policy</td>
</tr>
<tr>
<td>Flexible working hours</td>
<td>training employees responsible for the form of staff employment in the field of age management policy, undertaking employment in flexible forms dependent on an employee’s individual needs, not his age, exemption of older employees from overtime work and/or from performing additional work, adapting work schedules with consideration to psychophysical capabilities of employees and/or their preferences (including shift work e.g. night shift for older employees), granting paid leave to elderly people on special terms (e.g. longer holidays), employing people of retirement age for a definite period or for the duration of specific tasks</td>
</tr>
<tr>
<td>Protection and promotion of health</td>
<td>making decisions about the ability to work based on the employee’s state of health, not his age, preventive health care, educational programs, employee training in the field of occupational health and safety, creating a comprehensive strategy for the protection and promotion of health, ergonomic design of workstations, introduction of ergonomic indicators facilitating the improvement of work and working conditions, preventing overwork and fatigue</td>
</tr>
<tr>
<td>Shifting between posts</td>
<td>right choice of a new post tailored to the employee and careful preparation for taking it, preventive action – shifts as part of the health protection program or career development plan, making the shift between positions dependent on employee’s individual needs/predispositions, not his age</td>
</tr>
<tr>
<td>Leaving employment and retiring</td>
<td>informing employees of the applicable rules for being made redundant, considering changing the form of employment into a flexible one instead of making people redundant, taking decisions regarding making an employee redundant based on information about their competences and work performance (including: health condition, absenteeism) and completely independent of the employee’s age (including reaching retirement age), activities preparing the employee for retirement (e.g. special leave, part-time employment) or gradual reduction of working time for people approaching retirement age, company’s actions towards people of retirement age (fixed-term employment, making it possible for pensioners to keep in touch with their colleagues who are still working in the organisation, taking up work outside the organisation – for example, volunteering for the community), monitoring of and forecasting the age structure of employees, including the number of people who have reached the retirement age or will reach it in the coming years</td>
</tr>
<tr>
<td>Motivating</td>
<td>making remuneration dependent on the competences and productivity of work, not on the length of work experience, additional remuneration for transferring knowledge and supporting the development of other employees (training, mentoring, coaching), activities aimed at intergenerational integration of employees, e.g. meetings of the entire team (e.g. cinema/theatre vouchers, team-building trips), age management activities included in other areas that have a motivating effect (e.g. training, health promotion)</td>
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</table>

Source: Compiled on the basis of: (Naegele and Walker 2006; Liwiński and Sztanderska 2013; Ball 2007; Soltys, 2013).

Effective implementation of age management in an organisation brings benefits to the organisation itself, its employees, as well as the country as a whole (Figure 2).
Unfortunately, there is not much interest in the implementation of age management among companies. It may be caused by too much focus on organisational difficulties and the costs of its implementation, and not on noticing benefits that utilising the potential of older employees may bring.

Conclusions

The reflections made in the paper, based on a critical analysis of the literature, allowed for the achievement of the paper’s goal as well as solutions to the set research problems.

It should be assumed that:

The current demographical situation in highly-developed countries, manifested by an ageing population caused by rising life expectancy and low birth rates, results in the fact that age management will become an increasingly important element of human resources management.

Generational diversity management is examined under diversity management. Part of the first forms of age management which, according to the Author, take into account the needs and the professional potential of mostly older employees through the application of certain solutions and tools.

Figure 2. Benefits of age management for the organisation and for the 50+ employee

Source: Author’s own compilation based on: Cichorzewska et al., 2015; Soltys 2013; Szczęśniak 2013.
There is a great need to put emphasis on increasing enterprises' knowledge of the need to manage the age of employees by undertaking educational activities aimed at raising the awareness of employers and highlighting the benefits of implementing age management solutions in organisations. Involvement in training institutions and conducting training sessions in which emphasis should be placed on overcoming the stereotypical employer perception of over-50 employees and on highlighting the potential of employees from this group will be very helpful here. This should be complemented by social campaigns promoting the employment of people aged 50+ and actions counteracting the stereotyping of mature employees. Employers should also receive systemic and holistic support, within which incentives to implement organisational solutions serving to delay retirement would be created.

Age management contributes to a fuller use of human capital in an organisation through acceptance of, respect for and appreciating age diversity in a workplace (especially with a focus on older employees). This allows for the shaping of an organisational culture which is conducive to strengthening age diversity, appreciating the potential of older employees, counteracting ageism, creating optimal working conditions, or harmonising employees' goals with the organisation’s goals. As a consequence, this leads to the organisation obtaining long-term benefits.

In order to manage age effectively in an organisation, the management staff need to be aware of the impact of the changing employee age structure on the functioning of the organisation, establish an age management plan, adopt an information strategy, draw up development programmes in terms of age management and select adequate tools and use good practices already developed by other entities. Because age management in an organisation is a process and not a one-off action, it requires continuous evaluation and improvement at every stage.

The author is aware that the paper addresses merely some of the age management-related matters which may be considered fundamental. The issues discussed require in-depth research and analysis. The relatively low level of implementation of age management strategies is generally a significant limitation, e.g. in the case of Polish companies. However, in the era of a significant decrease in unemployment and of the so-called employee market, it seems that the subject matter discussed in the paper will become more important and employers will consider older employees primarily in terms of benefits, additional opportunities, and will not treat them as a burden or a limitation for the organisation. Future research activity in terms of age management should focus on, among others, the subject matter of solutions conducive to active ageing, the effects of ageing societies – social or economic (at the level of the state or a company) or the issues related to life-long learning in the context of participation in the labour market of people aged 50+.

It seems that current demographical changes make it necessary to take a broad interest in the matters in question from a theoretical, empirical and research angle.

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