

An Aging Workforce – The Solution, Not the Problem

📅 MAY 2, 2024 | 📄 ARTICLES



Insights from Jūratė Kubilienė and Irma Simonkevičienė, Co-Founders of Simple Search and Managing Partners of IMSA Search Global Partners Lithuania

It's a fact, the global workforce is aging. In Lithuania in 2024, for the first time more people will retire than enter the job market. In Germany, Japan, and Italy, the 55+ cohort accounts for 25% or more of the workforce (HBR.com 3/2024), and according to a Bain & Company study, in just six years 150 million jobs worldwide will shift to workers in that age group. The US Bureau of Labor Statistics projects that by 2032 one in four US workers will be 55 or older, and nearly one in ten will be 65+.

At the same time, there is a worldwide talent gap. Plus, social pressures in favor of diversity and against ageism are shifting the picture – seniors are now being viewed positively as a great untapped labor pool that's growing.

Useful vs. Youthful – The Benefits of Hiring Older Workers

Older workers are skilled and experienced, a benefit in industries where skills take years to perfect. Losing senior workers to retirement means having to invest in younger workers, training to make up for lost proficiency and expertise. Senior employees have depth and breadth of knowledge of a company's products, services, and processes. They know where mistakes are likely to occur and can minimize their frequency, enhancing efficiency and productivity. Also, whether retaining existing long-term employees or hiring outside to fill talent needs, companies benefit from seniors' strong relationships with vendors and customers, and networks built over time.

Older employees can also be a company's best resource for training the next generation. Post-Covid most companies have returned to the office a few days a week. However, many younger workers have little experience working in an office environment. Having spent most of their careers in person, seniors can mentor younger workers in soft skills such as behavioral norms in office settings and face-to-face communication skills.

Diversity of Perspective Builds Stronger Teams, Deepens Engagement

A mixed-age workforce, by definition, brings diversity of perspective, experience, and skills. The interaction between age cohorts on teams can broaden dialogue, leading to the exchange of new ideas and sparking innovation. Age-diverse teams leverage differences to maximize productivity, engagement, and wellbeing.

Older workers whose typical tenure at any one company is much longer than today's norm, bring a strong sense of commitment and loyalty to their work. These traits, in decline in the younger generation where frequent job-hopping is the norm, are linked with employee engagement which, in turn, is linked to increased productivity. So culturally, seniors bring a lot to the table.

Combining Competencies is a Win-Win

Combining competencies of younger and older managers can have positive results for the nuanced decision-making required today. With less accumulated experience, younger managers tend to think conceptually, rely on models, and delve less into nuances. In organizations with clear processes, such a mindset allows for faster decision-making, creativity, and new opportunities. Older managers have experience, relying on proven practice, they know what works. During crises a seasoned manager appears more reliable than one who has yet to gain such experience.

Breaking Stereotypes, Busting Myths

The stereotype of older workers slowing down and longing for retirement no longer rings true. Work provides purpose, and research confirms the senior labor pool is eager to work, to share knowledge and skills, and to learn new ones. (HBR.com 3/2024) Covid and the move to remote work closed the generational tech gap, fast forwarding the older generation's adoption of new technologies, including tools for video conferencing (Zoom, Teams), cloud storage and file sharing (Google Drive, Dropbox), and project management (Workplace, Trello).

Older adults today have higher education levels than those of past generations. They are healthier and less likely to have a disability. With an established work ethic, they miss fewer days of work, are often the first to arrive, and remain focused on work throughout the day. Of a generation which placed the company's needs above their own, they are more likely to do work beyond their specific job requirements to better the company.

Reimagining Retirement

HBR reports the majority (68%) of workers 50+ prefer gradual retirement, and suggests ways for companies to oblige:

- Phased reduction of hours and responsibilities
- "Boomerang sabbatical" – return to work after multi-month break
- Pairing gradually retiring employees with younger "apprentices"
- Flextime, part time, hybrid work arrangements
- Life-stage specific benefits such as retirement planning/family caregiving/health insurance for aging adults/grandparent leave

In our Executive Search work, we constantly encounter situations where preconceptions and stereotypes may prevent clients from hiring older individuals with valuable experience that makes them the best professional for the job. Considering age is important. However, it is even more important to not automatically attribute the characteristics typical of a certain age group to a specific individual, to assume that an employee of a certain age will be "just like everyone else at that age." Both theory and practice show that the strongest organizations are those that can combine the unique competencies brought by younger and older alike.

About IMSA Search Global Partners: With 50+ offices in 25+ countries on 6 continents, our 300+ Executive Search experts span the globe to identify the right candidates to successfully lead teams and organizations locally, regionally, and globally. <https://www.imsa-search.com/>