

# Executive summary

People are living and working longer than ever before, with four to five generations working side by side. This reflects the positive sides of population ageing and brings big opportunities for business, workers and society. It is estimated that building multigenerational workforces and giving older employees greater opportunities to work could raise GDP per capita by 19% over the next three decades. And contrary to common perceptions, novel evidence across OECD countries shows that older workers can boost firm productivity not only through their own experience and know-how, but also by enhancing team performance via age and skill complementarities between younger and older workers. However, this requires the right policies and practices from employers, governments and through social dialogue to ensure that the benefits of a multigenerational workforce are fully realised.

Unfortunately, for many years, companies, managers and HR functions have been using generational or age labels to guide work practices and policies. This is despite the evidence that workers of all ages are much more alike in their attitudes to work, and broadly value the same things. Furthermore, there is compelling evidence that employers who respond positively to the changing individual needs of employees during their lifecycle and career stages improve their success in attracting, motivating and retaining workers. These workers are likely in turn to exert greater effort on behalf of their company and play a full part in making it efficient and productive.

Employers must act on three fronts in order to make the most of age-inclusive workforces and thrive in the new world of work.

## Attracting and retaining talent at all ages

A key starting point is to successfully mobilise a multigenerational workforce by eliminating age bias in recruitment practices and encouraging age-diverse cultures where all workers feel comfortable and appreciated regardless of age. However, age discrimination is still present in many modern workplaces – not only restricting employment choices for older and sometimes even younger workers, but also representing a considerable cost to business. Studies show that age discrimination against those ages 50-plus cost the United States economy USD 850 billion in 2018 alone. Despite considerable global efforts to change mindsets and stereotypes, there remains plenty of scope for taking more robust action. Adopting measures such as strategic workforce planning, for instance, can be a win-win solution. It can help employers move ahead of the market to avoid skill shortages before they appear by hiring based on skill priorities rather than age. Many companies are investing in diversity-training programmes to eradicate conscious and subconscious bias, but they could get better value for their money by targeting to specific individuals or teams e.g. line managers or appointing committees. Both have shown to be more effective in reducing prejudice due to their accountability factor. Moreover, using age-neutral imagery and language in job adverts and descriptions as well as use of software programmes to sort applications automatically can minimise the impact of age-stereotypes in the recruitment process.

Retaining talent is just as important as finding it in the first place. Along with greater returnship programmes and phased retirement, providing opportunities for career and financial planning throughout employees'

lifecycle can act as effective retention policies. The latter in particular not only benefits workers in their mid-careers and beyond as they make plans for their eventual retirement, but helps younger workers as well to successfully negotiate a number of “social milestones” in early adulthood (e.g. transition from education to work, managing student loans, parenthood, mortgages, marriage).

## Ensuring a good working environment and a healthy working life

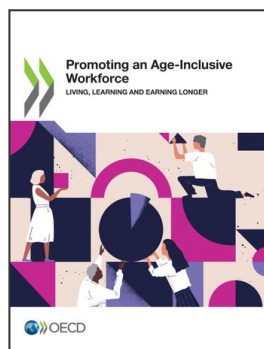
Second, as the productive capacity of all economies and businesses is dependent on having engaged, healthy and skilled workforces, it makes sense for employers to enhance *work attractiveness* to all workers no matter what stage of their lifecycle they have reached. There is robust evidence demonstrating that offering flexible working options supports workers across the life course to prevent burnout, manage family responsibilities and engage in learning. The COVID-19 pandemic has accelerated the shift by many companies towards offering more flexible work arrangements. Nevertheless, telework needs to be carefully designed to meet the needs of workers and employers and maximise worker well-being and productivity. In particular, workers at all ages need to have the digital tools and skills to work from home.

Investing in employee health and well-being at all ages is equally important. Workplace health promotion initiatives such as smoking cessation programmes, exercise classes, healthy eating options in staff canteens and other “lifestyle” support interventions have become increasingly common. Unfortunately, the evidence that these programmes are effective in improving health and productivity is not strong. Instead, certain innovative employers recognise the concept of “holistic” well-being, and are concerned for the physical, mental, and social lives of their workers. Well-being programmes, which offer a blend of financial, physical and social/emotional programmes, need to be woven alongside other lifestyle and fitness interventions.

## Developing and maintaining skills throughout careers

Last but not least, as people increasingly extend their working lives, it is crucial to promote the continual development of their skills throughout their careers. *Maintaining* skills over the lifecycle through lifelong learning and training improves organisational performance – delivering a skilled workforce, underpinning productivity and efficiency, building the platform for innovation, and increasing employee motivation. However, large differences in the incidence of training across the workforce remain entrenched. Those who are younger, more highly qualified, and on full-time contracts are more likely to receive training than those who are older, lower skilled and working part-time.

There are a range of practices that can effectively promote continuous development while at work. Mid-life career reviews are simple and cost-effective ways to identify upskilling and reskilling needs matched to the company’s changing skills requirements. In the United Kingdom, it is estimated that a mid-life career review costs between GBP 50-350 per client but generates a substantial return in terms of increased motivation and confidence levels and a greater take-up of training and learning opportunities. Today, mentoring and coaching to develop skills and competences are amongst the most widespread tools in talent management. At the organisational level, both programmes can increase productivity provided seniors managers are committed to it and provide an appreciative environment. For all training measures, the best practice is to undertake post-training evaluation to assess whether learning objectives have been met and the impact on work performance.



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